

Marlborough Defensive Fund

a sub-fund of

IFSL ICAV

Supplement to the Prospectus

This Supplement contains specific information in relation to the Marlborough Defensive fund (the Fund), a sub-fund of the IFSL ICAV (the ICAV), an open-ended umbrella Irish collective asset-management vehicle with segregated liability between sub-funds, which is registered in Ireland and authorised under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended).

This Supplement forms part of the Prospectus of the ICAV dated 21 February 2020 (the Prospectus) and should be read in the context of and together with the Prospectus.

An investment in the Fund should only be made by those persons who could sustain a loss on their investment. It should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors.

The Directors of the ICAV, whose names appear under the section entitled Directors of the ICAV in the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: 21 February 2020

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1. INVESTMENT OBJECTIVE AND POLICIES

Investment Objective

The investment objective of the Fund is to generate capital growth over the long term (5 years +) by gaining exposure to a low to medium risk defensive mix of assets.

Investment Policy

The Fund will be actively managed and will seek to invest at least 80% invested in a variety of collective investment schemes, exchange traded funds and investment trusts which are UCITS or alternative investment funds (**AIFs**) that satisfy the requirements of the Central Bank (collectively referred to as "Collective Investment Vehicles"). The Fund will aim to invest in Collective Investment Vehicles which invest in fixed or floating corporate & government bonds, UK and international equities, commodities, property, money market instruments and other transferable securities (including securities equivalent to shares in companies, bonds and debt securities), providing an overall defensive investment mix of assets.

The Investment Manager relies on its long term experience together with a research and data intensive process to identify appropriate Collective Investment Vehicle investments. The Investment Manager supplements its bottom-up selection process with a top-down macro analysis.

The Investment Manager seeks to identify managers of Collective Investment Vehicles which produce superior risk adjusted returns through identifying investments which offer an above average return for below average volatility (standard deviation). When assessing managers, returns are measured against the funds sector. The Investment Manager reviews and analyses the historic returns of the relevant manager in addition to their investment objective, strategy, philosophy and style. The Investment Manager seeks to populate the Fund with a core selection of managers who are well-resourced with staff and IT infrastructure and which demonstrate consistently strong performance. Managers of Collective Investment Schemes may be growth or value orientated, focus on large, medium or small cap stocks, or adopt top-down or bottom-up investment styles. The Investment Manager aims to achieve a competitive advantage by selecting different manager styles to take full advantage of prevailing market conditions.

The top-down macro overlay is implemented by using market profiles for major geographic regions. The Investment Manager will use its own macroeconomic research, the position in the macro economic cycle and valuation considerations to determine whether they tilt the portfolio in favour of large, mid or small cap stocks. The same research is used to decide on a value or growth bias for the portfolio.

Through the investment in Collective Investment Vehicles, the Fund will seek to maintain an equity exposure between 0% and 20% and limit its exposure to commodities and property to below 17.5% which is reflective of its defensive approach. The Fund will further seek to limit its exposure to property linked Collective Investment Vehicles to 2.5% per holding. The Fund will seek to invest in Collective Investment Vehicles which when combined exhibit above average returns with below average volatility. Therefore, while the underlying portfolio is not restricted geographically, it may have a bias towards developed markets, and in particular the United Kingdom. The Fund may invest more than 20% of its Net Asset Value in emerging markets.

The domicile of such Collective Investment Vehicles will be in the EEA (and the UK if no longer an EEA member) where such Collective Investment Vehicles meet the requirements of the Regulations. Investment in the above mentioned AIFs will not exceed 20% of the Net Asset Value of the Fund.

The maximum annual management fee charged to such Collective Investment Vehicles will be no more than 2% of its Net Asset Value. Such collective investment vehicles may also incur performance fees, depositary fees, administration fees and other operational fees.

The Fund may buy other Collective Investment Vehicles which are managed by the same Manager or Investment Manager.

The Fund may also invest in money market instruments (such as treasury bills, government bonds and commercial paper), cash and cash like investments including, but not limited to, bank deposits, money market funds and short dated bonds. Such instruments shall be listed or traded on Regulated Market, where listed or traded.

The Investment Manager will monitor the performance of the Collective Investment Vehicles in which the Fund invests on a daily basis. Such monitoring shall be carried out through ongoing monitoring of market performance and reviewing relevant reporting received from the managers and service providers of the underlying Collective Investment Vehicle investments.

The Fund is not managed in reference to a benchmark.

The Fund may use foreign exchange contracts in respect of the Hedged Currency Share Classes as further described below in the sections entitled **Financial Derivative Instruments & Efficient Portfolio Management** and **Hedged Currency Share Classes**.

2. INVESTMENT MANAGER

Investment Manager

Marlborough Investment Management Limited
PO Box 1852
Croxall
Lichfield
Staffordshire
WS13 8XU

The Investment Manager's principal business is the management of collective investment schemes including UCITS.

Investment Management Agreement

The Investment Management Agreement between the Manager and the Investment Manager dated 7 March 2019; this agreement provides that the appointment of the Investment Manager as investment manager will continue in force unless and until terminated by either party giving to the other 90 days' notice in writing although in certain circumstances the agreement may be terminated forthwith by notice in writing by either party to the other. Under this agreement, the Investment Manager shall not be liable to the Manager or any Shareholders or otherwise for any error of judgement or loss suffered by the Manager or any such Shareholder in connection with the Investment Management Agreement unless such loss arises from the negligence, fraud, bad faith, wilful default or wilful misfeasance in the performance or non-performance by the Investment Manager or persons designated by it of its obligations or duties under the agreement or breach of contract on the part of the Investment Manager or any of its agents or delegates or their agents.

3. FINANCIAL DERIVATIVE INSTRUMENTS & EFFICIENT PORTFOLIO MANAGEMENT

The Fund may use forward foreign exchange contracts in respect of the Hedged Currency Share Classes for hedging purposes in accordance with the sections entitled **Use of FDI and Efficient Portfolio Management** and **Share Class Hedging** in the Prospectus and as further described below.

A forward contract locks in the price an index or asset may be purchased or sold at on a future date. In currency forward contracts (forward foreign exchange contracts), the contract holders are obligated to buy or sell a specified amount of one currency at a specified price with another currency on a specified future date. Forward contracts may be cash settled between the parties. These contracts cannot be transferred but they can be "closed out" by entering into a reverse contract. Forwards can be used to alter the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency, and shifting exposure to currency fluctuations from one currency to another.

The Investment Manager employs a risk management process on behalf of the UCITS which enables it to accurately measure, monitor and manage the various risks associated with forward foreign exchange contracts. The Investment Manager will use the commitment approach to calculate the Fund's daily global exposure, being the incremental exposure and leverage generated through the use of FDI in accordance with its risk management process and the requirements of the Central Bank.

The use of forward foreign exchange contracts may result in the creation of leverage calculated using the commitment approach but such leverage will not be in excess of 3% and accordingly the Fund's global exposure would not exceed 103%.

4. BORROWING

In accordance with the general provisions set out in the Prospectus under the heading Borrowing and Lending Powers and Restrictions, the ICAV on behalf of the Fund may borrow up to 10% of the total Net Asset Value of the Fund on a temporary basis and not for speculative purposes. The Fund may charge its assets as security for such borrowings.

5. INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the section of the Prospectus entitled **Investment Restrictions** shall apply.

6. HEDGED CURRENCY SHARE CLASSES

The "Class X Acc EUR", "Class X Acc USD", "Class Y Acc EUR", "Class Y Acc USD", "Class Z Acc EUR" and "Class Z Acc USD" Share Classes are denominated in a different currency to the Base Currency (each a "**Currency Hedged Share Class**") and are subject to currency hedging.

The Fund will seek to hedge against exchange rate fluctuation risks between the denominated currency of the Currency Hedged Share Class and the Base Currency of the Fund.

The Investment Manager shall seek to ensure that over-hedged positions will not exceed 101% of the Net Asset Value of the relevant Currency Hedged Share Class and under-hedged positions will not fall short of 99% of the portion of the Net Asset Value of the relevant Currency Hedged Share Class and hedged positions will be kept under review to ensure that positions materially in excess of 100% of the Net Asset Value will not be carried forward from month to month.

Investors should note that the Currency Hedged Share Classes will not completely eliminate currency risk, or provide a precise hedge, and as such, investors may have exposures to currencies other than the currency of the Currency Hedged Share Class.

7. PROFILE OF A TYPICAL INVESTOR

The Fund is suitable for retail investors and professional investors whose investment requirements are aligned with the objectives, policies and risk profiles of the Fund. The Fund will be distributed primarily via fund platforms, wealth managers, discretionary managers and financial institutions. The Fund has no complex features or guarantees and investors do not necessarily need to have investment experience however a basic understanding of investment markets, the kind of underlying investments of the Fund and the risks involved in investment is important.

8. RISK FACTORS

The risk factors under the section entitled Risk Factors in the Prospectus apply to this Fund. In addition the following risk factors are also relevant.

As the Fund invests into other Collective Investment Vehicles, the Fund will also be subject to specific risks associated with its investment into such Collective Investment Vehicles as well as specific risks incurred at the level of the Collective Investment Vehicles and their investments. If the Collective Investment Vehicles invest in a particular asset category, investment strategy or financial or economic market, the Fund will then be exposed to fluctuations in value of such investments resulting from the performance of that particular asset category, investment strategy or financial or economic market.

9. DIVIDEND POLICY

No declarations or distributions shall be made in respect of the Accumulating Shares. The net income earned per Accumulating Share will be accumulated and reinvested on behalf of Shareholders of Accumulating Shares.

10. KEY INFORMATION FOR SUBSCRIPTIONS AND REDEMPTIONS

Base Currency

The Base Currency of the Fund is GBP.

Available Share Classes

The ICAV may issue Shares in each of the Share Classes set out in the table below.

Share Class	Denominated Currency	Minimum Shareholding	Minimum Initial Investment Amount	Annual Management Fee (as a % of the Net Asset Value of the Fund)	Subscription Charge
Class X Acc	GBP	£1,000	£1,000	1.50%	5%
Class X Acc	EUR (Hedged)	€1,000	€1,000	1.50%	5%
Class X Acc	USD (Hedged)	\$1,000	\$1,000	1.50%	5%
Class Y Acc	GBP	£1,000,000	£1,000,000	0.75%	5%
Class Y Acc	EUR (Hedged)	€1,000,000	€1,000,000	0.75%	5%
Class Y Acc	USD (Hedged)	\$1,000,000	\$1,000,000	0.75%	5%
Class Z Acc	GBP	£5,000,000	£5,000,000	0.75%	0%
Class Z Acc	EUR (Hedged)	€5,000,000	€5,000,000	0.75%	0%
Class Z Acc	USD (Hedged)	\$5,000,000	\$5,000,000	0.75%	0%

Share Classes marked Acc are Accumulating Shares.

The Directors reserve the right to differentiate between Shareholders and to waive or reduce the Minimum Shareholding, Minimum Initial Investment Amount, Minimum Redemption Amount and Minimum Additional Investment Amount for any such Shareholders (subject to the principle of equal treatment of shareholders in a Share Class) or to refuse an application for any such Shares in their absolute discretion.

Additional classes of Shares may be created in accordance with the requirements of the Central Bank.

Initial Offer Period & Issue Price

During the Initial Offer Period, Shares in the Class X Acc EUR (Hedged), Class X Acc USD (Hedged), Class Y Acc EUR (Hedged), Class Y Acc USD (Hedged), Class Z Acc EUR (Hedged) and Class Z Acc USD (Hedged) Share Classes will be issued at an Initial Issue Price of € 1.00 for EUR denominated Classes and \$ 1.00 for USD denominated Classes.

The Initial Offer Period for Shares in the above Share Classes will commence at 12.00 noon (Irish time) on 24 February 2020 and end at 12.00 noon (Irish time) on 27 March 2020 or such earlier or later time as the Directors may decide. Shares in the Class X Acc GBP, Class Y Acc GBP and Class Z Acc GBP Share Classes are continuously open for subscriptions at the Issue Price of the relevant Share Class on the relevant Dealing Day.

Subscription Charge

Shareholders may be subject to a maximum Subscription Charge as outlined in the table above. The Subscription Charge shall be calculated as a percentage of the investment. The Subscription Charge is payable to the Manager or, if appointed, the Distributor. The Manager or Distributor may, in their sole discretion, waive, reduce or rebate, in whole or in part, the Subscription Charge.

Exchange Charge

Subject to compliance with the relevant exchange provisions contained in the Prospectus, an Exchange Charge of up to the equivalent Subscription Charge for the relevant Share Class may be imposed at the discretion of the Directors on all applications to exchange Shares from one Share Class to another Share Class within the Fund or, where applicable, to a Share Class within another Fund of the ICAV.

Redemption Charge

The Fund does not impose a Redemption Charge.

Business Day

A day on which banks are open for business in Ireland and the UK or such other day as the Directors may, with the approval of the Depositary, determine and notify to shareholders in advance.

Dealing Day

The Dealing Days for the Fund are each Business Day.

Dealing Deadline

The Dealing Deadline by which applications for subscription, redemption or exchange of Shares must be received by the Administrator is 5.00 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day. The Manager may, at its discretion and on an exceptional basis, accept applications received after the Dealing Deadline provided they are received prior to the Valuation Point for the relevant Dealing Day.

Valuation Point

The Valuation Point is 12.00 noon (Irish time) on the Dealing Day.

Settlement Date

The Settlement Date for the receipt of monies for subscription for Shares shall be the 3rd Business Day following the relevant Dealing Day. The Settlement Date for the dispatch of monies for the redemption of Shares will be the 3rd Business Day following the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator.

11. HOW TO SUBSCRIBE FOR SHARES

Requests for the subscription for Shares should be made in accordance with the provisions set out in the section entitled **Subscription for Shares** in the Prospectus.

12. HOW TO REDEEM SHARES

Requests for the redemption of Shares should be made in accordance with the provisions set out in the section entitled **Redemption of Shares** in the Prospectus.

13. FEES AND EXPENSES

The following section on fees and expenses should be read in conjunction with the section entitled **Fees and Expenses** in the Prospectus.

Management Fee

The Manager shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and payable monthly in arrears, at the annual rate as set out in the table above (plus VAT, if any) calculated by reference to the Net Asset Value of the relevant Share Class. The Manager shall pay the fees of the Depositary, Administrator and Investment Manager out of the Management Fee. The Manager, Administrator, Depositary and Investment Manager are also entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket costs and expenses incurred in the performance of their duties (plus VAT thereon, if any).

Administration Fee

The Administrator shall be paid out of the Management fee.

Depositary Fee

The Depositary shall be paid out of the Management fee.

Formation Costs

The preliminary expenses incurred in connection with the establishment of, and initial issue of Shares in, the Fund will be covered by the Manager.

14. MISCELLANEOUS

At the date of this Supplement, there are three other Funds of the ICAV in existence, a full list is set out below.

Marlborough Adventurous Fund

Marlborough Balanced Fund

Marlborough Cautious Fund

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the ICAV.