

Celsius Investment Funds SICAV – Shiller US Sector Index Fund

30 September 2022

- This statement provides you with key information about this product.
- This statement is a part of the product's Hong Kong offering document.
- You should not invest in this product based on this statement alone.

Quick Facts:

Management Company:	FundRock Management Company S.A.
Investment Manager:	Barclays Bank PLC (external delegation located in United Kingdom)
Depository:	Northern Trust Global Services SE
Base Currency:	USD
Dealing Frequency:	Daily
Dividend Policy:	No distribution. Income earned will be reinvested in the Fund.
Ongoing charges over a year [#] :	Classes A (USD), B (HKD) and C(SGD): 1.45% Class D (USD): 0.66%
Estimated annual tracking difference ^{##} :	Class A (USD): -1.62% Class B (HKD): -1.90% Class C (SGD): -1.80% Class D (USD): -0.83%
Underlying index:	Shiller Barclays CAPE US Core Mid-Month Sector Net TR Index GoC
Financial year end:	30 November
Minimum Investment:	Initial: USD 1,000 for Class A, HKD 10,000 for Class B, SGD 1,000 for Class C, and USD 100,000 for Class D Additional: Nil
Fund website:	investmentmanagers.barclays ⁺

[#] The ongoing charges figure is the sum of the ongoing charges over a 12-month period, expressed as a percentage of the average net asset value ("NAV") of the relevant class over the same period. This figure may vary from year to year. This is an annualised figure based on the expenses charged from the launch of the Fund to 31 August 2022. The ongoing charges include the Management Fee, the Fixed Fee and the "Taxe d'Abonnement" payable to Grand Duchy of Luxembourg.

^{##} This is an estimated annual tracking difference. The actual figure may vary upon the actual operation of the Fund and also depends on the actual size of the Fund.

What is this product?

Shiller US Sector Index Fund (the "**Fund**") is an open-ended fund incorporated in Luxembourg, a sub-fund of Celsius Investment Funds SICAV (the "**Company**"), an umbrella type investment company with variable capital governed by the laws of Luxembourg and authorized by the *Commission de Surveillance du Secteur Financier*. The Fund is a passively managed index fund falling within Chapter 8.6 of the Code on Unit Trusts and Mutual Funds.

Objectives and Investment Strategy

Objectives

The investment objective of the Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Shiller Barclays CAPE US Core Mid-Month Sector Net TR Index GoC (the "**Index**").

Strategy

The Fund will use a full replication strategy by investing all or substantially all of its assets in the securities constituting the Index, broadly in proportion to the respective weightings of the constituents.

To achieve the investment objective, the Fund will predominantly invest directly in the underlying components of the Index (the **"Equity Shares"**) based on the composition of the Index. The Fund may also seek exposure to Equity Shares indirectly, and up to 10% of its NAV via investment in (i) exchange traded funds (**"ETFs"**), (ii) equity-linked notes (i.e. unleveraged debt securities linked to the performance of equities) of companies listed or traded on a regulated market; and (iii) convertible securities, which are convertible into, or exchangeable for, ordinary shares.

The Fund may also invest in currencies and financial derivative instruments (**"FDI"**) for the purposes of currency hedging and may also hold, for up to 20% of its net assets, ancillary liquid assets (i.e., bank deposits at sight, such as cash held in current accounts with a bank accessible at any time).

Index

The Index aims to incorporate the principles of long term investing distilled by Dr. Robert Shiller and provides an alternative to market capitalisation weighted indices by gaining exposure to United States (**"US"**) economic sectors that are undervalued using a rules-based methodology based on the Relative CAPE® (**"Cyclically Adjusted Price Earnings"**) indicator, combining this with price momentum to reduce the Index's potential exposure to "value traps".

The Relative CAPE® indicator is a variant of the classic CAPE® ratio. The classic CAPE® ratio is a variation of the traditional price/earnings ratio that uses the 10-year average of inflation-adjusted earnings instead of single year earnings. Assets with a lower classic CAPE® ratio are generally considered to be "undervalued", while assets with a higher classic CAPE® ratio are generally considered to be "overvalued". The Relative CAPE® indicator is used instead of the classic CAPE® ratio in order to account for the fact that some sectors tend to consistently trade at lower classic CAPE® ratios while other sectors tend to consistently trade at higher classic CAPE® ratios over time. The Relative CAPE® indicator is a ratio of the current classic CAPE® ratio for a sector to its historical rolling 20-year average classic CAPE® ratio.

The Index universe comprises shares (e.g. ordinary shares, preference shares) of the 500 companies with the highest free- float market capitalisation, listed on the New York Stock Exchange and NASDAQ exchanges, each of which is from one of 10 US economic sectors further described below.

The Index components selection starts with the calculation of the classic CAPE® ratio on the following 10 US economic sectors: (i) utilities, (ii) consumer staples, (iii) financials and real estate, (iv) materials, (v) technology, (vi) healthcare, (vii) energy, (viii) consumer discretionary, (ix) industrial and (x) communication services.

Then, the Relative CAPE® indicator is calculated for each of the above 10 US economic sectors. Each month, the 5 most undervalued sectors based on the Relative CAPE® indicator are selected. Out of them, the sector with the lowest 12-month return is removed to avoid value traps (i.e. this sector may be cheap on a regular basis due to fundamental reasons and value might continue to decline). Finally, the Index takes an equal weighted position in the 4 undervalued US economic sectors with most positive 12-month returns.

The Index then rebalances over four days, on or around the middle of each month.

Aside from the equal weighting (namely, 25%) of the selected 4 undervalued US economic sectors, each constituent of the Index within a sector is allocated according to its relative weight within that sector based on market capitalisation and subject to a maximum weight per constituent of 20% at all times. There is no requirement as to the minimum number of Index constituents, however, by construction the Index is broadly diversified as each of the US economic sectors are themselves diversified across a large number of constituents.

The Index is a net total return index. A net total return index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Index was launched on 5 August 2019 and had a base level of 100 as at 18 September 2002. The Index is calculated and denominated in USD. As at 22 April 2022, the Index had 275 constituents and a total free-float market capitalisation of USD 21.9 trillion.

The Index is provided and sponsored by Barclays Bank PLC (the “**Index Sponsor**”), which is also the Investment Manager of the Fund. In order to mitigate the risk of perceived conflict of interest by the association between the Investment Manager and the Index Sponsor, certain measures have been undertaken by the Investment Manager and/or the Index Sponsor including the implementation of Chinese walls, separate reporting lines, regular staff training and internal control and policies. Moreover, the Index Sponsor and the Management Company are different legal entities. The board of directors of the Company also has a majority of directors who are independent of the Investment Manager and the Index Sponsor.

Bloomberg Index Services Limited is the official index calculation and maintenance agent.

Index information

Bloomberg Code: BXIIMSNT Index

You can obtain the list of the Index constituents and their weightings, as well as additional information of the Index (including the Index methodology, the last closing Index level, the Index performance and other important news relating to the Index) from the website of the Index Sponsor <https://indices.barclays/IM/12/en/indices/details.app;ticker=BXIIMSNT>⁺.

Use of derivatives / Investment in derivatives

The Fund’s net derivatives exposure may be up to 50% of the Fund’s NAV.

What are the key risks?

Investment involves risks. Please refer to the Prospectus for details including the risk factors.

General Investment Risk

The Fund’s investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Fund may suffer losses. There is no guarantee of the repayment of principal.

New Index Risk

The Index is new and has limited operating history by which investors can evaluate its previous performance. There can be no assurance as to the performance of the Index. The Fund may be riskier than other index funds tracking more established indices with longer operating history.

Fundamental multi-factor weighted index risk

The Index is a fundamental multi-factor weighted index whereby constituents are selected and weighted based on certain quantitative investment factors. There can be no assurance that the Index will outperform the market at any time. It is possible that the Index may underperform capitalisation weighted indices or other benchmarks in certain market environments, potentially for extended periods. The Fund by tracking the Index may also have relatively large holdings in companies with relatively smaller market capitalisation than it would have held if tracking a capitalisation weighted index.

Concentration Risk

The Fund’s investments are concentrated in specific geographical location (the US). The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the US market.

Connected Parties Risk

Shareholders in the Fund (“**Shareholders**”) should note that the Investment Manager and the Index Sponsor are different divisions within the same legal entity (i.e. Barclays Bank PLC). Whilst the Investment Manager and the Index Sponsor are

functionally and operationally independent, in the event of a financial catastrophe or the insolvency affecting Barclays Bank PLC or any of its divisions, there may be adverse implications for the business of the Investment Manager and/or the Index Sponsor. In such event the NAV may be adversely affected and its operation may be disrupted.

There may be a risk of perceived conflict of interest by the association between the Investment Manager and the Index Sponsor. This is mitigated by certain measures undertaken by the Investment Manager and/or the Index Sponsor, which is further described in the section entitled "Index" above.

Currency risk

Underlying investments of the Fund may be denominated in currencies other than the base currency of the Fund. Also, a class of shares of the Fund ("**Shares**") may be designated in a currency other than the base currency of the Fund. The NAV of the Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

Passive Investment Risk

The Fund is passively managed and the Investment Manager will not have the discretion to adapt to market changes due to the inherent investment nature of the Fund. Falls in the index are expected to result in corresponding falls in the value of the Fund.

Tracking Error Risk

The Fund may be subject to tracking error risk, which is the risk that its performance may not track that of the Index exactly. This tracking error may result from the investment strategy used, and fees and expenses. The Investment Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Index.

Equity market risk

The Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

Risks associated with FDIs

Risks associated with FDI include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Fund. Exposure to FDI may lead to a high risk of significant loss by the Fund.

Termination risk

The Fund may be terminated early under certain circumstances, for example, where the Index is no longer available for benchmarking or if the size of the Fund falls below a pre-determined NAV threshold as set out in the Prospectus. Investors may not be able to recover their investments and suffer a loss when the Fund is terminated.

How has the Fund performed?

There is insufficient data to provide a useful indication of past performance to investors as the Fund is newly launched for less than a full calendar year.

Is there any guarantee?

This Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges that may be payable by you

You may have to pay the following fees when dealing in the Shares of the Fund:

Fee	What you pay
Subscription Fee (Preliminary Charge) [#]	Classes A, B and C: Up to 4% of the subscription amount on the relevant dealing day Class D: Nil
Switching Fee (Exchange Charge) ^{#^}	Classes A, B and C: Up to 2% of the repurchase amount on the Shares being exchanged Class D: Nil
Redemption Fee (Repurchase Charge)	Nil

[#] Such fees are payable to the distributor or the sub-distributor of the Fund.

[^] Any exchange of Shares can only be made into a fund of the Company which is authorised for sale in Hong Kong (such as the Fund). Moreover, any exchange of Shares may only be made into a class of such fund that is offered to the public in Hong Kong.

Fees payable by the Fund

The following expenses[^] will be paid out of the Fund. They affect you because they reduce the return you get on your investments:

Fee	Annual Rate (as a % of the NAV of the Fund / Class)
Management Fee	Classes A, B and C: Up to 1.25% per annum Class D: Up to 0.50% per annum
Fixed Fee (covers Administrator fees, the Depositary fees and other expenses as set out in the Prospectus)	Up to 0.15% per annum
Performance Fee	Nil

Other Fees

You may have to pay other fees and charges when dealing in the Shares of the Fund. Please refer to the Prospectus for details.

Additional Information

- You generally buy and redeem Shares at the Fund's next-determined NAV after the Administrator receives your request in good order at or before 11 a.m. (Luxembourg time) (i.e., 5:00 pm Hong Kong time) on the business day immediately prior to the relevant dealing day, being the Fund's dealing deadline. This may be further extended to 6:00 pm Hong Kong time at the discretion of the board of directors of the Company to take into account Hong Kong cut-off times during European daylight savings time. Before placing your subscription order or repurchase application, please check with the Authorised Distributor(s) for the Authorised Distributor(s)' internal dealing cut-off time (which may be earlier than the Fund's dealing deadline)
- The NAV of the Fund is calculated on each dealing day at the close of business (New York time) on the relevant dealing day, and is available online on each dealing day at investmentmanagers.barclays⁺.
- Shareholders may obtain other information of the Fund from the website: investmentmanagers.barclays⁺.

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

⁺ The website has not been reviewed by the SFC