

**AMERICAN CENTURY ICAV**

**Supplement**

**dated 16 August 2024**

**for**

**Avantis Global Small Cap Value UCITS ETF**

This Supplement contains information relating specifically to **Avantis Global Small Cap Value UCITS ETF** (the "**Fund**"), a sub-fund of American Century ICAV (the "**ICAV**"), an open-ended umbrella type Irish collective asset-management vehicle with limited liability and segregated liability between sub-funds authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations.

**This Supplement forms part of, and should be read in the context of and together with, the Prospectus dated 16 August 2024, as may be amended or updated from time to time (the "Prospectus") in relation to the ICAV and contains information relating to the Fund which is a separate portfolio of the ICAV.** To the extent that there is any inconsistency between the Prospectus and this Supplement, the Supplement shall prevail. Words and terms defined in the Prospectus have the same meaning in this Supplement unless otherwise stated herein.

## IMPORTANT INFORMATION

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**Shares purchased on the Secondary Market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a Secondary Market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

The Directors of the ICAV whose names appear under the heading “**Directory**” in the Prospectus jointly accept responsibility for the information contained in 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) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**Investors should note the difference between the nature of a deposit and the nature of an investment in the Fund, in particular the risk that the principal invested in the Fund is capable of fluctuation and thus Shareholders may not have all of their principal returned to them on redemption. In addition, investment into the Fund will not benefit from any deposit protection scheme such as might be applicable to an investment in a deposit.**

Investors should read and consider the section entitled “**Risk Factors**” before investing in the Fund.

## INVESTMENT OBJECTIVE AND POLICY

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### Investment Objective

The investment objective of the Fund is to seek long-term capital appreciation through investment in an actively managed portfolio of equity and equity-related securities issued by small capitalisation companies in developed countries.

**There is no guarantee that the Fund will achieve its investment objective.**

### Investment Policy

The Fund will seek to achieve its investment objective by investing in a global portfolio of equities and equity-related securities (including, Depositary Receipts (ADR, GDRs and non-voting Depositary Receipts which will be listed or traded on global Regulated Markets), common shares, convertible stock, preferred shares, rights issues, equity warrants which will not embed derivatives (held as a result of a corporate action only) and stock options. The Fund intends to invest up to 70% of its Net Asset Value in equities and equity-related securities of issuers located in the US and at least 30% of its Net Asset Value in equities and equity-related securities of issuers located in other developed countries.

The Fund may invest up to 10% of its Net Asset Value in the units/shares of Eligible Collective Investment Schemes where such investments satisfy the requirements of the Central Bank.

In the event of exceptional market or economic conditions, the Fund may, as a temporary defensive measure, invest all or a substantial portion (up to 100%) of its Net Asset Value in cash, cash equivalents and/or ancillary liquid assets denominated in the Base Currency or in currencies other than the Base Currency. Such cash, cash equivalents and/or ancillary liquid assets may comprise of deposits, Investment Grade short-term debt securities, variable rate notes, money market instruments (including treasury bills and commercial paper) and convertible bonds (which may have fixed or floating rates of interest) issued by sovereign, governmental agencies, supranational entities and/or corporate issuers and listed on any Regulated Market worldwide.

Convertible bonds are debt securities that can be converted into a predetermined amount of an underlying company's equity at certain times during the bond's life, usually at the discretion of the bondholder. Convertible bonds will only be held by the Fund as a result of a corporate action and will be divested of as soon as practicable while seeking to maximise the return to Shareholders. The Fund will not invest in contingent convertible bonds.

## **Investment Strategy**

The Fund follows the "Avantis" systematic investment strategy, as further set out below. For the avoidance of doubt, "Avantis" is the brand name for the systematic methodology approach to portfolio management implemented by the portfolio management team within the Investment Manager.

The Fund seeks to invest in securities of companies that the Investment Manager expects to have higher returns by systematically placing an enhanced emphasis on securities of companies with smaller market capitalisations and securities of companies with higher profitability and value characteristics. The Fund seeks to systematically underweight or exclude securities the Investment Manager expects to have lower returns, such as securities of larger companies with lower levels of profitability and less attractive value characteristics. To identify small capitalisation companies with higher profitability and value characteristics, the Investment Manager will use reported and/or estimated company financials and market data including, but not limited to, shares outstanding, book value and its components, cash flows from operations, and accruals. The Investment Manager defines "value characteristics" mainly as adjusted book/price ratio (though other price to fundamental ratios may be considered). The Investment Manager defines "profitability" mainly as adjusted cash from operations to book value ratio (though other ratios may be considered). The Investment Manager may also consider other factors when selecting a security, including industry classification, the past performance of the security relative to other securities, its liquidity, its float, and tax, governance or cost considerations, among others. When the Investment Manager identifies securities with the desired capitalisation, profitability, value, and past performance characteristics, it seeks to include these securities in the broadly diversified portfolio. The weighting of a security within the Fund is linked to the market capitalisation of the security relative to that of other eligible securities i.e., securities with the desired capitalisation, profitability, value, and past performance characteristics. The Investment Manager may deemphasise or dispose of a security if it no longer has the desired market capitalisation, profitability, or value characteristics. When determining whether to deemphasise or dispose of a security, the Investment Manager will also consider, among other things, relative past performance, costs, and taxes. The Investment Manager reviews the criteria for inclusion in the Fund on a regular basis to maintain a focus on the desired broad set of companies.

When selecting investments for the Fund, the Investment Manager considers the distribution of market capitalisation of all companies in each country in which the Fund invests, meaning that a company of a given size may be considered small in one country, but not in another. Under normal market conditions, the Fund will invest at least 80% of its Net Asset Value in securities of small capitalisation companies. For the purposes of the Fund's 80% test, small cap companies include companies with market capitalisations not greater than that of the largest company within the Benchmark (as defined below in the section entitled "**Benchmark**") at the time of investment. Though capitalisations will change from time to time, as of December 31, 2023, the total market capitalisation of the largest company within the Benchmark was USD \$13.6 billion.

The Investment Manager continuously analyses market and financial data to make buy, sell, and hold decisions. When buying or selling a security, the Investment Manager may consider the trade-off between expected returns of the security and implementation or tax costs of the trade in an attempt to gain trading efficiencies, avoid unnecessary risk, and enhance fund performance.

## **Derivative Trading, Efficient Portfolio Management and Hedging**

The Investment Manager may employ some or all of the following investment techniques and FDIs (which may be exchange-traded) for efficient portfolio management and/or hedging purposes: foreign exchange contracts

(including spot and forward contracts) and futures and/or options on equity indices. To the extent that the Fund uses FDI, there may be a risk that the volatility of the Fund may increase. However, the Fund is not expected to have an above average risk profile as a result of its use of or investment in FDI. FDI will be used within the limits stipulated by the Central Bank and as described in the section entitled "**Investment Techniques and Instruments**" in the Prospectus.

The Fund may engage in securities lending subject to the requirements of the Securities Financing Transactions Regulation, the UCITS Regulations and the Central Bank UCITS Regulations. This is more particularly described in the Prospectus under the heading "**Securities Financing Transaction Regulations Disclosure**". Up to 100% of the Fund's Net Asset Value may be subject to securities lending arrangements at any time, however the amount subject to securities lending arrangements is not generally expected to exceed 20% of the Fund's Net Asset Value. The Fund will not enter into total return swaps or instruments with similar characteristics neither engage in borrowing of securities or repurchase/reverse agreements within the meaning of the Securities Financing Transactions Regulation.

Please refer to Schedule III of the Prospectus entitled "**Investment Techniques and Instruments**" for further information.

### **Geographic, Industry and Market Focus**

Investment will be predominantly concentrated in developed market countries.

In making its Investments, the Fund does not intend to concentrate on any particular industries or sector.

### **Long / Short Positions**

The Fund will primarily seek to obtain long exposures to the securities described above in order to seek to achieve capital appreciation. It is expected that the total net long positions will not exceed 100% of the Net Asset Value of the Fund. The Fund will not adopt any short positions.

### **Benchmark**

The Fund is an actively managed exchange traded fund (ETF). The Fund does not seek to replicate the performance of a specified index but does reference the MSCI World Small Cap Value USD Index (the "**Benchmark**") for comparative purposes only. Certain of the Fund's investments may be components of and may have similar weightings to the Benchmark however, the Benchmark is not used to define the portfolio composition of the Fund or as a performance target. The Investment Manager has full discretion over the composition of the Fund and can take exposure to companies, countries or sectors not included in the Benchmark. There are no restrictions on the extent to which the Fund's portfolio and performance may deviate from those of the Benchmark.

The Benchmark captures small cap securities exhibiting overall value style characteristics across developed market countries, as defined by the index provider of the Benchmark.

The information set out above is a summary of the principal features of the Benchmark and does not purport to be an exhaustive description. The Benchmark is provided by MSCI. At the date of the Supplement, MSCI, as administrator of the Benchmark, is listed on the ESMA register of benchmark administrators which may be found at: <https://registers.esma.europa.eu/publication>.

Further information on the Benchmark can be found at: [www.msci.com](http://www.msci.com).

## **Sustainable Finance Disclosures**

The Fund is not a product to which Article 8(1) or Article 9(1), (2) or (3) of the SFDR applies. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable activities within the meaning of the Taxonomy Regulation.

### *Integration of Sustainability Risks into investment decisions*

The Fund does not integrate Sustainability Risks into its investment decisions. This is on the basis that the Fund's investment positions are taken exclusively with reference to the "Avantis" systematic investment strategy (as described in the section entitled "Investment Strategy" above) which does not itself integrate Sustainability Risks.

### *Impact of Sustainability Risks on the returns of the Fund*

The likely impacts of Sustainability Risks on the returns of the Fund are not considered to be material.

### *Adverse impacts of investment decisions on Sustainability Factors*

The Manager does not consider the adverse impacts of investment decisions on Sustainability Factors at entity level as it has a number of delegate investment managers with a vast range of investment strategies and approaches and accordingly, the Manager has determined that it lacks the levels of complete, consistent and comparable data, to consider the adverse impacts of investment decisions on Sustainability Factors at entity level in a manner that serves the interests of stakeholders in a meaningful way.

Neither the Manager nor the Investment Manager currently consider the adverse impacts of investment decisions on Sustainability Factors in respect of the Fund. As the Fund does not seek to promote environmental or social characteristics and does not seek to make Sustainable Investments, it has been determined that considering the adverse impacts of investment decisions on Sustainability Factors is not presently proportionate to, or aligned with, the specific objective and investment outcomes targeted by the Fund.

For further details on the Manager's approach to the SFDR and the Taxonomy Regulation, please refer to Schedule V of the Prospectus entitled "**Sustainable Finance**".

## **Investment Restrictions**

The general investment restrictions set out under the heading "**Investment Restrictions**" in the Prospectus are deemed to apply at the time of purchase of the Investments. If such limits are exceeded for reasons beyond the control of the ICAV, or as a result of the exercise of subscription rights, the ICAV must adopt, as a priority objective, the remedying of the situation, taking due account of the interests of Shareholders.

Irrespective of the Fund's specific asset class exposures (as detailed above under the heading **Investment Policy**), its individual investment objective and its individual restrictions which fully continue to apply, the Investment Manager excludes from its Investments companies involved with controversial weapons including anti-personnel mines, cluster munitions, chemical weapons and biological weapons.

## **PROFILE OF A TYPICAL INVESTOR**

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A typical investor would be one who is a retail, intermediary or institutional investor and is seeking long-term capital appreciation. Such an Investor is also one that is able to assess the merits and risks of an investment in the Shares of the relevant Class of the Fund.

## SHARE CLASSES

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Details of the Classes available in the Fund are set out below. Additional Classes may be created in accordance with the requirements of the Central Bank.

Share Classes	Class Currency	Hedged / Unhedged	Initial Offer Period Status	Initial Offer Price per Share	Distribution Policy	TER
USD Acc ETF	USD	Unhedged	Open	USD 20	Accumulating	Up to 0.39%

The Classes may comprise: (i) unhedged Classes in the Base Currency; and (ii) hedged Classes which hedge the foreign exchange exposure of the currency or currencies in which the underlying assets of the Fund are denominated to the currency of the relevant Class. Further information is set out in the Prospectus in the section entitled "Currency Hedging Policy – Hedging at a Class Level".

The Directors reserve the right to differentiate between persons who are subscribing for or redeeming Shares and to waive or reduce the Minimum Dealing Amount for any such person or to refuse an application for the subscription of Shares in their absolute discretion.

## DIVIDENDS

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Where the ICAV intends to declare dividends with respect to one or more Classes of the Fund, the proposed frequency of such dividend declarations shall be as set out in the table in the section entitled "**Share Classes**".

It is not the intention of the Directors to declare dividends in respect of the Classes identified as "accumulating" classes in this Supplement. The income and earnings and gains of the Funds will be accumulated and reinvested. Any change to this dividend policy shall be set out in an updated version of the Supplement and notified to the Shareholders in advance.

It is intended to declare dividends in respect of the Classes identified as "distributing" classes in this Supplement. Distributions in respect of these Classes will be declared on each Distribution Date in each year provided that if such dates are not Business Days, the declaration date will be the Business Day immediately following such date respectively. The distribution may comprise net income (if any) of the Fund. Dividends will generally be declared as at the end of each quarterly period. Any dividend payments will be confirmed in writing to the relevant Shareholders.

Please refer to the "**Distribution Policy**" section in the Prospectus for further information.

## GENERAL INFORMATION IN RELATION TO THE FUND

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Only the ETF Shares issued in respect of this Fund will be listed and/or traded on the Relevant Stock Exchanges. It is envisaged that ETF Shares will be bought and sold by private and institutional investors in the Secondary Market in the same way as ordinary shares of a listed company.

Only Authorised Participants may subscribe for and redeem ETF Shares in the Fund directly with the ICAV in accordance with the section of the Prospectus entitled "**Procedures for Subscriptions and Redemptions**" having regard to the information set out below.

<b>Base Currency</b>	USD
<b>Business Day</b>	means a day on which banks, markets and exchanges are open for business in London and New York excluding Saturdays and Sundays or such other days as may be determined by the Directors, in consultation with the Manager, and notified to Shareholders in advance.
<b>Dealing Day</b>	means, unless otherwise determined by the Directors and notified in advance to Shareholders, each Business Day, except that any day on which market(s) on which the Investments in the portfolio of the Fund are traded is/are closed and, as a result of which 25% or more of the portfolio of the Fund may not be traded, shall not be a Dealing Day. The Fund shall have at least one Dealing Day per fortnight. The Dealing Days for the Fund are contained in a dealing calendar specifying the Fund's Dealing Days which is available from the Manager.
<b>Initial Offer Period</b>	means the period from 9:00 a.m. (Irish time) on 19 August 2024 and ending at 5:00 p.m. (Irish time) on 18 February 2025 or such shorter or longer period as any one Director may decide in accordance with the requirements of the Central Bank.
<b>Minimum Dealing Amount</b>	means 100,000 Shares
<b>Settlement Time</b>	means, in respect of subscriptions, the first Business Day after the relevant Dealing Day and in respect of redemptions, the second Business Day after the relevant Dealing Day, or such other times as may be determined by the Directors provided that in the case of redemptions, the Settlement Time shall not be later than the tenth Business Day after the relevant Dealing Deadline.
<b>Dealing Deadline</b>	means 4:30 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day or such other time as the Directors, in consultation with the Manager, may determine and notify to Shareholders in advance provided always that the Dealing Deadline is no later than the Valuation Point.
<b>Valuation Point</b>	means 11:00 p.m. (Irish time) on the relevant Dealing Day or such time as the Directors, in consultation with the Manager, may determine and notify to Shareholders in advance provided always that the Dealing Deadline is no later than the Valuation Point.

As set out in the Prospectus under the heading “**Conversion of Shares**”, Shareholders may apply to convert their Shares in the Fund for another Class of Shares in the Fund with the prior consent of the Directors. The Minimum Dealing Amount set out above does not apply to conversions of Shares. As of the date of the Supplement, Shareholders are not permitted to seek conversion of their Shares in the Fund with Shares of another Fund.

## **FEES AND EXPENSES**

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A TER will be paid out of the assets of each Class to the Manager. The TER for each for each Class is set out under the “TER” column in the “**Share Classes**” section herein.

This section should be read in conjunction with the section headed "**Fees, Costs and Expenses**" in the Prospectus.

## **RISK FACTORS**

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Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the "**Risk Factors**" section of the Prospectus.

## **BORROWING AND LEVERAGE**

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The Fund may temporarily borrow monies from time to time for temporary liquidity purposes, with borrowings permissible up to a maximum of 10% of Net Asset Value of the Fund. Any temporary borrowings must be in accordance with the general provisions set out in the Prospectus under the heading "**Borrowings**".

The ICAV will use the commitment approach for the purposes of calculating global exposure for the Fund. The Fund's total exposure will be limited to 100% of Net Asset Value using the commitment approach.

While it is not the Manager's intention to leverage the Fund, any leverage resulting from the use of FDIs will be done in accordance with the UCITS Regulations.

Further detail on the calculation of global exposure is set out in the financial derivative instrument risk management process of the Fund ("**RMP**"). The RMP employed enables the Manager to accurately measure, monitor and manage the various risks associated with FDI, including leverage.

## **TAXATION**

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### **German Investment Tax Act**

The ICAV seeks to maintain "equity fund" status for the Fund pursuant to Section 2 para. 6 and 7 of the German Investment Tax Act 2018.

Investors should consult their own professional advisers as to the implications of the Fund maintaining "equity fund" status pursuant to the German Investment Tax Act 2018.

As at the date of this Fund Supplement, at least 51% of the Fund's assets will be continuously invested in equity assets as defined in Section 2. para. 8 of the German Investment Tax Act 2018.

## **LISTINGS**

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Application has been made in respect of the ETF Shares to Deutsche Börse Xetra for admission to trading.

Neither the admission of the ETF Shares to trading on the regulated market of Deutsche Börse Xetra nor the approval of the listing particulars pursuant to the listing requirements of the Deutsche Börse Xetra shall constitute a warranty or representation by Deutsche Börse Xetra as to the competence of service providers to or any other party connected with the ICAV, the adequacy of information contained in the listing particulars or the suitability of the ICAV or the Fund for investment purposes.

It is intended that the Shares will be listed and admitted for trading on a number of other stock exchanges but the ICAV does not warrant or guarantee that such listings will take place or continue to exist.