Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

ES River and Mercantile European Fund

Z Acc, ISIN: GB00BMX64S44
A sub-fund of the ES River and Mercantile Funds ICVC
Equity Trustees Fund Services Ltd is the Authorised Corporate Director of the Fund

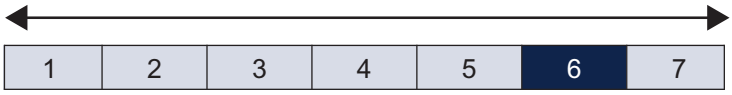
Objectives and investment policy

The investment objective of the Fund is to achieve a return (income and growth in the value of your investment (known as "capital growth)) over a rolling period of at least five years, by investing in a core concentrated portfolio of shares of European companies (typically numbering between 30 and 50). A rolling period of at least five years has been chosen because it is broadly similar to the length of an average business cycle. The Fund aims to achieve its objective over a business cycle, which is a multi-year period of time during which economic conditions are expected to move through distinct periods of being supportive and unsupportive of companies' trading activities. The Fund will provide a dividend stream for investors derived from companies that the Investment Manager considers to have strong ESG characteristics, (meaning they contribute in a positive way to their customers and society) and which the Investment Manager believes are sustainable (expected to continue to demonstrate strong ESG characteristics), and appropriate with reference to the business cycle. The Investment Manager will assess the strength of ESG characteristics in accordance with its ESG Policy, available at www.equitytrustees.com.The length of a business cycle varies and as such investors looking to measure the Fund's performance against its objective should do so over a rolling period of at least five years. The Fund seeks to achieve its investment objective by investing at least 80% of its value in shares of European companies which are domiciled, incorporated, or have significant operations in Europe (excluding the UK). Investment can be direct, or indirect, in shares (including common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes. Up to 20% of the Fund may be invested in shares of 'non-European' companies (including emerging markets and the UK), collective investment schemes and cash. The Fund's investment into UK companies may be up to 10% of the Fund's net assets, but typically will not exceed 5% of the Fund's net assets. "Investment can be direct or indirect as noted above. Investment in collective investment schemes (which includes exchange traded funds) can include those operated and/or managed by the ACD or the Investment Manager, and is limited to 10% of the overall fund value. The Fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as "efficient portfolio management"). As an example, the Fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way. The Fund is actively managed, meaning the Investment Manager will uses their expertise to pick investments to achieve the Fund's objectives. The Investment Manager will use the River and Mercantile PVT (Potential, Valuation and Timing) Investment Philosophy and a business cycle framework to select shares. The PVT Investment Philosophy has been in place since the PVT Team was launched in 2006 and looks for companies that are considered by the Investment Manager to have attractive "Potential" (the ability to grow shareholder value through increases in profits and cash), "Valuation" (the price of shares on the stock market is lower than the value the Investment Manager gives to the shares) and "Timing" (the extent to which analytical indicators are supportive of investing at the time of analysis). The business cycle framework entails an analysis of the likely prevailing environment for various types of businesses and tilting the portfolio accordingly, particularly at economic turning points. The Investment Manager considers the PVT Investment Philosophy and business cycle framework to be highly complementary approaches to stock picking and portfolio construction.

Risk and reward profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, Lower risk — **Typically higher rewards, Higher risk**



The Fund may not achieve its investment objective and/or you could lose money on your investment in the Fund.

The following risks are materially relevant to the fund but may not be adequately captured by the Risk and Reward Indicator, and may cause additional loss:

- Liquidity risk: securities in the fund may be sold below their valuation due to insufficient liquidity in the market.
- Foreign exchange risk: the fund invests in international securities which are denominated in foreign currencies whose fluctuations may increase the funds volatility and losses.
- Collective Investment Schemes risk: the Fund may invest in collective investment schemes and ETFs. It may be difficult for the Fund in extreme market conditions to redeem its shares from the collective investment schemes or ETFs at short notice without suffering a loss. Investing in a collective investment scheme or ETF may lead to payment by the Fund of additional fees and expenses in relation to those collective investment schemes or ETFs.
- Derivative risk: Derivatives give rise to an investment in assets which is greater than the Fund's actual investment in those assets. This may increase the opportunity for gains but may magnify the effect of losses. Losses may exceed the value of the Fund's investment in derivatives. Use of derivatives may cause the price of shares to vary more widely or in a more pronounced way. Derivatives may also be used to reduce risk to the Fund. However, this may not always be effective and the Fund may still suffer a loss. Use of derivatives in this way may reduce the potential for gains. The ACD will ensure that the use of derivatives does not materially alter the risk profile of the Fund.

The Fund will invest in a range of companies by industry sector and size. Although its investments are not restricted by reference to a benchmark the Fund will invest in a limited number of companies which means that the Fund will be concentrated. This absence of any benchmark constraints gives the Investment Manager wider scope to be dynamic in its investment decisions (for example by allowing the Investment Manager to change investments when they believe necessary in line with market circumstances to achieve the Fund's objective) than if they were required to invest within such controls.

Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry charge	5.25%*
Exit charge	0.00%

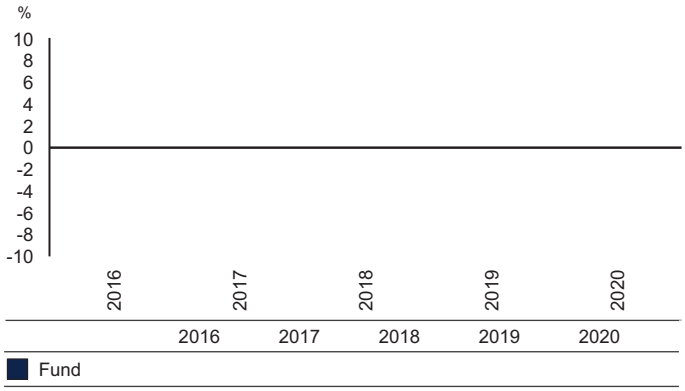
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment.
* The current entry charge is 0% and if we wish to increase this charge then 60 days' notice will be provided.

Charges taken from the fund over a year	
Ongoing charge	0.20%

Charges taken from the fund under certain specific conditions	
Performance fee	None

- The ongoing charges figure is estimated because the share/unit class is relatively new and has insufficient track record for us to calculate it exactly.
- The ongoing charges figure may vary from year to year and will exclude the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).
- For more information about charges please see pages 57 to 60 of the Fund's Principal Prospectus.

Past Performance



- There is insufficient data to provide a useful indication of past performance to investors.
- Fund launch date: 30/09/2020.
- Share/unit class launch date: 05/05/2021.
- The graph shows full calendar year performance in GBP. Performance shown takes into account ongoing charges, but not entry fees, and is calculated in pounds sterling on a Net Asset Value basis with net dividends reinvested.
- MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indexes or any securities or financial products. This document is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

Practical information

- Depositary: Bank of New York Mellon (International) Limited is the depositary for this Fund.
- Further Information: Detailed information on this Fund, including how to buy, sell and switch shares and other share classes available can be found within the Principal Prospectus and the annual and semi-annual reports which are available free of charge. These documents are only available in English and can be downloaded from our website (www.equitytrustees.com). Daily prices are also available from our website.
- Practical Information: This document contains information on the Z class Accumulation shares only. The Fund is a sub-fund of the ES River and Mercantile Funds ICVC and regulated and authorised by the Financial Conduct Authority in the UK FRN 457692. The assets of the ES River and Mercantile European Fund belong exclusively to it and are not available to meet the liabilities of any other sub-fund of ES River and Mercantile Funds ICVC.
- Tax Legislation: The tax laws of the UK, in addition to the tax laws of your country of residence, may impact how your investment in the Fund is taxed. You are advised to seek professional tax advice.
- Liability Statement: Equity Trustees Fund Services Ltd may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the fund.
- Fund information: The Fund is part of ES River and Mercantile Funds ICVC. You may switch between other funds of ES River and Mercantile Funds ICVC. An entry charge may apply. Details on switching are provided in the Principal Prospectus. The assets of the Fund belong exclusively to it and are not available to meet the liabilities of any other Fund of ES River and Mercantile Funds ICVC. Equity Trustees Fund Services Ltd (the "ACD" for ES River and Mercantile Funds ICVC) has put in place a remuneration policy in accordance with the requirements of SYSC 19E of the FCA Handbook. The remuneration policy ensures that the ACD's remuneration practices are consistent with and promote sound and effective risk management, and do not encourage risk taking which is inconsistent with the risk profile of the Fund. A description of how remuneration and benefits are calculated, the identity of the persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, is available from the ACD's website: www. equitytrustees.com or a paper copy is available upon request free of charge.
- Your investment will fall and rise in value and you could get back less than you invest.
- This Fund is authorised in the United Kingdom and regulated by the Financial Conduct Authority.
- This Key Investor Information is accurate as at 5 May 2021.