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**If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the Company or the suitability for you of investment in the Company, you should consult your stock broker, bank manager, solicitor, accountant or other independent financial adviser.**

**Prices for shares in the Company may fall as well as rise.**

The Directors of the Company whose names appear under the heading “Management and Administration” in this Prospectus accept responsibility for the information contained in this Prospectus. 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 Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

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## **CHIKARA FUNDS PLC**

(An open-ended umbrella investment company with variable capital incorporated with limited liability in Ireland and segregated liability between Funds under the Companies Act 2014 with registration number 426582 and established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended.

## **CONSOLIDATED PROSPECTUS FOR SWITZERLAND**

**Dated 10 July 2024**

This document constitutes a consolidated version of the Prospectus together with the Fund supplements and the Swiss Supplement. It is solely intended for the offer in Switzerland. It does not constitute a prospectus under Irish law.

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## **P R O S P E C T U S**

**The date of this Prospectus is 1 July 2024.**

## **IMPORTANT INFORMATION**

This Prospectus should be read in conjunction with the Section entitled “Definitions”.

### **The Prospectus**

This Prospectus describes Chikara Funds plc (the “Company”), an open-ended investment company with variable capital incorporated in Ireland and authorised by the Central Bank of Ireland (the “Central Bank”) as a UCITS pursuant to the UCITS Regulations. The Company is structured as an umbrella fund and may comprise several portfolios of assets. The share capital of the Company (“Shares”) may be divided into different classes of shares (“Funds”) each representing a separate portfolio of assets and further sub-divided, to denote differing characteristics attributable to particular Shares, into “Classes”.

This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Fund. Details relating to Classes may be dealt with in the relevant Fund Supplement or in separate Supplements for each Class. Each Supplement shall form part of, and should be read in conjunction with, this Prospectus. To the extent that there is any inconsistency between this Prospectus and any Supplement, the relevant Supplement shall prevail.

The latest published annual and half yearly reports of the Company will be supplied to subscribers free of charge on request and will be available to the public as further described in the section of the Prospectus headed “Report and Accounts”.

### **The Promoter**

The Promoter of the Company is Chikara Investments LLP. The Promoter is a limited liability partnership incorporated under the laws of England and Wales on 3 December 2004 and is regulated by the UK Financial Conduct Authority in the conduct of financial services and investment management activities.

### **Authorisation by the Central Bank**

The Company is both authorised and supervised by the Central Bank.

**Authorisation of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank and the Central Bank is not responsible for the contents of this Prospectus.**

## **Restrictions on Distribution and Sale of Shares**

The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised or the person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence, ordinary residence or domicile.

The Directors may restrict the ownership of Shares by any person, firm or corporation where such ownership would be in breach of any regulatory or legal requirement or may affect the tax status of the Company. Any restrictions applicable to a particular Fund or Class shall be specified in the relevant Supplement for such Fund or Class. Any person who is holding Shares in contravention of the restrictions set out above or, by virtue of his holding, is in breach of the laws and regulations of any competent jurisdiction or whose holding could, in the opinion of the Directors, cause the Company or any Shareholder or any Fund to incur any liability to taxation or to suffer any pecuniary disadvantage which any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the Company, the Distributor, the Investment Manager, the Depositary, the Administrator and Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the Company.

The Directors, in consultation with the Manager, have the power under the Constitution to compulsorily redeem and/or cancel any Shares held or beneficially owned in contravention of the restrictions imposed by them as described herein.

### **United Kingdom**

The Company has notified the Financial Conduct Authority in the United Kingdom pursuant to section 264 of the Financial Services and Markets Act 2000 ("FSMA") and is a recognised scheme under section 264 of the FSMA. Accordingly, the promotion of the Company in the United Kingdom by persons authorised to conduct investment business in the United Kingdom under the FSMA ("authorised persons") is not subject to restrictions contained in section 238 of the FSMA. The Company will provide the facilities required by the Collective Investment Schemes Sourcebook published by the Financial Conduct Authority regulations governing such schemes at the offices of the Distributor in the United Kingdom as specified in the 'Directory' section of this Prospectus. The Company does not have a permanent place of business in the United Kingdom.

As against the Company, and any overseas agent thereof who is not a person authorised to carry on investment business in the United Kingdom, a United Kingdom investor will not benefit from certain protections afforded by the United Kingdom regulatory system, and in particular will not benefit from rights under the Financial Services Compensation Scheme or access to the Financial Ombudsman Service

which are designed to protect investors as described in the FSMA and the rules of the FCA.

### **United States of America**

None of the Shares have been, nor will be, registered under the United States Securities Act of 1933 (the “1933 Act”) and, except in a transaction which does not violate the 1933 Act or any other applicable United States securities laws (including without limitation any applicable law of any of the States of the United States), none of the Shares may be directly or indirectly offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a US Person. Neither the Company nor any Fund will be registered under the United States Investment Company Act of 1940.

### **Germany**

Shareholders in Germany should note that a UCITS may acquire no more than 10% of the capital of any single issuing body, in order to comply with German legislative requirements, (except that this provision does not apply where the issuing body is a real estate company, a public-private-partnership (PPP project company) or a company, the purpose of the business of which is the production of renewable energies). This restriction applies only to shares of Funds of the Company which are registered for sale in Germany. This limit may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

### **Reliance on this Prospectus**

Statements made in this Prospectus and any Supplement are based on the law and practice in force in the Republic of Ireland at the date of the Prospectus or Supplement as the case may be, which may be subject to change. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares in the Company shall under any circumstances constitute a representation that the affairs of the Company have not changed since the date hereof. This Prospectus will be updated by the Company to take into account any material changes from time to time and any such amendments will be notified in advance to the Central Bank. Any information or representation not contained herein or given or made by any broker, salesperson or other person should be regarded as unauthorised and should accordingly not be relied upon.

Investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or other matters. You should consult your stockbroker, accountant, solicitor, independent financial adviser or other professional adviser.

## **Risk Factors**

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

## **Translations**

This Prospectus and any Supplements may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus and Supplements. To the extent that there is any inconsistency between the English language Prospectus/Supplements and the Prospectus/Supplements in another language, the English language Prospectus/Supplements will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a prospectus in a language other than English, the language of the Prospectus/Supplement on which such action is based shall prevail.

**DIRECTORY**  
**Chikara Funds plc**

<p><b>Directors</b> Denise Kinsella David Hammond Karen Nolan James Tollemache</p>	<p><b>Registered Office</b> Riverside One Sir John Rogerson's Quay Dublin 2 Ireland</p>
<p><b>Manager</b> Waystone Management Company (IE) Limited 35 Shelbourne Road Ballsbridge Dublin D04 A4EO Ireland</p>	<p><b>Investment Manager</b> Chikara Investments LLP 31/32 St James's Street London SW1A 1HD United Kingdom</p>
<p><b>Administrator</b> Northern Trust International Fund Administration Services (Ireland) Limited George's Court, 54-62 Townsend Street Dublin 2 Ireland</p>	<p><b>Distributor</b> Chikara Investments LLP 31/32 St James's Street London SW1A 1HD United Kingdom</p>
<p><b>Depository</b> Northern Trust Fiduciary Services (Ireland) Limited George's Court, 54-62 Townsend Street Dublin 2 Ireland</p>	<p><b>Auditors</b> Grant Thornton Chartered Accountants 24-26 City Quay Dublin 2 Ireland</p>
<p><b>Promoter</b> Chikara Investments LLP 31/32 St James's Street London SW1A 1HD United Kingdom</p>	<p><b>Secretary</b> HMP Secretarial Limited Riverside One Sir John Rogerson's Quay Dublin 2 Ireland</p>
<p><b>Legal Advisers</b></p>	
<p><b>Ireland</b> McCann FitzGerald LLP Riverside One Sir John Rogerson's Quay Dublin 2 Ireland</p>	<p><b>United Kingdom</b> Schulte Roth &amp; Zabel International LLP One Eagle Place London SW1Y 6AF United Kingdom</p>

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## DEFINITIONS

In this Prospectus the following words and phrases have the meanings set forth below:

All references to a specific time of day are to Irish time.

“Account Opening Form”	means any account opening documentation to be completed by first-time investors in Shares as prescribed by the Company from time to time.
“Accounting Date”	means 30 November in each year or such other date as the Directors may from time to time decide.
“Accounting Period”	means a period ending on the Accounting Date and commencing, in the case of the first such period on the date of incorporation of the Company and, in subsequent such periods, on the day following expiry of the last Accounting Period.
“Act”	means the Companies Acts 2014 and any amendment or re-enactment of the same.
“Administrator”	means Northern Trust International Fund Administration Services (Ireland) Limited.
“Administration Agreement”	means the Administration Agreement made between the Company, the Manager and the Administrator dated 30 September 2021 as amended from time to time.
“Auditors”	means Grant Thornton.
“Base Currency”	means the currency of account of a Fund as specified in the relevant Supplement relating to that Fund.
“Benchmarks Regulation”	means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.
“Bridge”	means Bridge Fund Services Limited.

“Business Day”	means in relation to a Fund such day or days as shall be so specified in the relevant Supplement for that Fund.
“Central Bank”	means the Central Bank of Ireland or any successor body thereto.
“Central Bank UCITS Regulations”	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, and any notices, memoranda, guidance, guidelines and letters issued by the Central Bank.
“Class”	means a particular division of Shares in a Fund.
“Company”	means Chikara Funds plc.
“Constitution”	means the constitution of the Company comprising the means the memorandum and articles of association of the Company.
“Country Supplement”	means a supplement to this Prospectus specifying certain information pertaining to the offer of Shares of the Company or a Fund or Class in a particular jurisdiction or jurisdictions.
“Dealing Day”	means in relation to a Fund such day or days as shall be specified in the relevant Supplement for that Fund provided that there shall be at least one Dealing Day every fortnight.
“Dealing Deadline”	means in relation to a Fund, such time on any Dealing Day as shall be specified in the relevant Supplement for the Fund.
“Depositary”	means Northern Trust Fiduciary Services (Ireland) Limited.
“Depositary Agreement”	means the Depositary Agreement made between the Company and the Depositary dated 13 September 2016, as amended from time to time.

“Directors”	means the directors of the Company or any duly authorised committee thereof.
“Distribution Agreement”	means the Distribution Agreement made between the Company, the Manager and the Distributor dated 30 September 2021 in relation to the appointment and duties of the Distributor.
“Distributor”	means Chikara Investments LLP or any other entity appointed to act as distributor from time to time.
“EEA”	means the countries for the time being comprising the European Economic Area (being at the date of this Prospectus, European Union Member States, Norway, Iceland, Liechtenstein).
“Eligible Assets”	means those investments which are eligible for investment by a UCITS as detailed in the UCITS Regulations.
“EMIR”	means Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories.
“Euro” or “€”	means the lawful currency of the participating member states of the European Union which have adopted the single currency in accordance with the EC Treaty of Rome dated 25 March 1957, as amended.
“Exempt Irish Investor”	means “Exempt Irish Investor” as defined in the Section entitled “Irish Taxation”.
“FCA”	means the Financial Conduct Authority of the United Kingdom.
“FSMA”	means the United Kingdom Financial Services and Markets Act 2000 and every amendment or re-enactment of the same.
“Fund”	means a sub-fund of the Company representing the designation by the Directors of a particular class or classes of Shares as a sub-fund the proceeds of issue of which are pooled separately and invested in accordance with the investment objective

	and policies applicable to such sub-fund and which is established by the Directors from time to time with the prior approval of the Central Bank.
“GBP”, “Sterling” or “£”	means the lawful currency for the time being of the United Kingdom.
“Initial Price”	means the initial price payable for a Share as specified in the relevant Supplement for each Fund.
“Intermediary”	means “Intermediary” as defined in the Section entitled “Irish Taxation”.
“Investment Manager”	means Chikara Investments LLP.
“Investment Management Agreement”	means the Investment Management Agreement dated 30 September 2021 made between the Company, the Manager and the Investment Manager, as amended from time to time.
“Ireland”	means the Republic of Ireland.
“Irish Resident”	means “Irish Resident” as defined in the Section entitled “Irish Taxation”.
“Key Event”	means where any nominated individual portfolio manager at the Investment Manager no longer devotes substantially all of his professional time and energy to the management of the relevant Fund or terminates his affiliation with the Investment Manager.
“Manager”	means Waystone Management Company (IE) Limited or any successor or replacement Manager appointed by the Company in accordance with the requirements of the Central Bank.
“Management Agreement”	means the agreement dated 30 September 2021 between the Manager and the Company, as may be amended from time to time.
“Member”	means a Shareholder or a person who is registered as the holder of one or more non-participating shares in the Company.

“Member State”	means a member state of the European Union.
“Minimum Holding”	means the minimum number or value of Shares which must be held by Shareholders as specified in the relevant Supplement.
“Minimum Subscription”	means the minimum subscription for Shares as specified in the relevant Supplement.
“MLRO”	means Money Laundering Reporting Officer.
“MLRO Agreement”	means the Money Laundering Reporting Officer Agreement between the Company and Bridge dated 1 December 2015.
“Money Market Instruments”	means instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time and which comply with the requirements of the Central Bank.
“Net Asset Value”	means the Net Asset Value of a Fund or attributable to a Class (as appropriate) calculated as referred to herein.
“Net Asset Value per Share”	means the Net Asset Value of a Fund divided by the number of Shares in issue in that Fund or the Net Asset Value attributable to a Class divided by the number of Shares issued in that Class rounded to 3 decimal places.
“OECD”	means the Organisation for Economic Co-operation and Development.
“OECD Member Country”	means a member of the OECD.
“Ordinarily Resident in Ireland”	means “Ordinarily Resident in Ireland” as defined in the Section entitled “Irish Taxation”.
“Paying Agent”	means one or more paying agents appointed by the Company in certain jurisdictions.
“Prospectus”	means the prospectus of the Company and any Supplements and addenda thereto issued in accordance with the requirements of the UCITS Regulations.

Research Charge	means a charge to pay for third-party investment research services used by the Investment Manager (and, where appropriate, its authorised delegates) in the provision of its services to the Company.
Research Payment Account	means an account established in the name of, and controlled by, the Investment Manager and funded by the Research Charge.
“Recognised Clearing System”	means “Recognised Clearing System” as defined in the Section entitled “Irish Taxation”.
“Recognised Exchange”	means the stock exchanges or markets set out in Appendix II.
“Relevant Declaration”	means “Relevant Declaration” as defined in the Section entitled “Irish Taxation”.
“Relevant Period”	means “Relevant Period” as defined in the Section entitled “Irish Taxation”.
“Securities Financing Transactions” or “SFTs”	means a repurchase transaction, securities lending and securities borrowing, a buy-sell back transaction or sell-buy back transaction or a margin lending transaction. For the avoidance of doubt, this definition of ‘Securities Financing Transactions’ does not include ‘derivative contracts’, such as total return swaps or contracts for difference, as defined in the European Market Infrastructures Regulation (EMIR) 648/2012.
“Share”	means a participating share or, save as otherwise provided in this Prospectus, a fraction of a participating share in the capital of the Company.
“Shareholder”	means a person who is registered as the holder of Shares in the register of Shareholders for the time being kept by or on behalf of the Company.
“Specified US Person”	means (i) a US citizen or resident individual, (ii) a partnership or corporation organized in the United States or under the laws of the United States or any State thereof (iii) a trust if (a) a court within the United States would



have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (b) one or more US persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States or (iv) an estate of a decedent that is a citizen or resident of the US; **excluding** (1) a corporation the stock of which is regularly traded on one or more established securities markets; (2) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i); (3) the United States or any wholly owned agency or instrumentality thereof; (4) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (5) any organisation exempt from taxation under section 501(a) or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code; (6) any bank as defined in section 581 of the U.S. Internal Revenue Code; (7) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code; (8) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the Securities Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (9) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code; (10) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code; (11) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; or (12) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code. This definition

	shall be interpreted in accordance with the US Internal Revenue Code.
“Subscription Form”	means any subscription application form to be completed by subscribers for Shares as prescribed by the Company from time to time.
“Supplement”	means a supplement to this Prospectus specifying certain information in respect of a Fund and/or one or more Classes.
“Taxes Act”	means “Taxes Act” as defined in the Section entitled “Irish Taxation”.
“UCITS”	means an Undertaking for Collective Investment in Transferable Securities established pursuant to EC Council Directive 85/611/EEC of 20 December 1985 as amended, consolidated or substituted from time to time.
“UCITS Regulations”	means the European Communities Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 (and as may be further amended consolidated or substituted from time to time) and any regulations or notices issued by the Central Bank pursuant thereto for the time being in force.
“UK”	means the United Kingdom of Great Britain and Northern Ireland.
“United States”	means the United States of America (including the States and the District of Colombia) its territories, possessions and all other areas subject to its jurisdiction.
“USD” or “\$”	means United States Dollars, the lawful currency for the time being of the United States of America.
“US Person”	means a US Person as defined in Regulation S under the 1933 Act and CFTC Rule 4.7.

"Valuation Point"	means such time as shall be specified in the relevant Supplement for each Fund.
"Yen" or "¥"	means Yen, the lawful currency for the time being of Japan.

## 1. THE COMPANY

### General

The Company is an open-ended investment company with variable capital, incorporated in Ireland on 18 September 2006 under the Act with registration number 426582. The Company has been authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations.

The Company is structured as an umbrella fund consisting of different Funds each comprising one or more Classes. The Shares issued in each Fund will rank pari passu with each other in all respects provided that they may differ as to certain matters including currency of denomination, hedging strategies if any applied to the currency of a particular Class, dividend policy, voting rights, return of capital, the level of fees and expenses to be charged or the Minimum Subscription and Minimum Holding applicable. The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund. A separate portfolio of assets is not maintained for each Class. The investment objective and policies and other details in relation to each Fund are set out in the relevant Supplement which forms part of and should be read in conjunction with this Prospectus.

The Base Currency of each Fund is specified in the relevant Supplement where further information regarding the Classes, their currency of denomination and the use of any hedging strategies against such denominated currency may also be found. At the date of this Prospectus the Company has established five Funds, Chikara Japan Alpha Fund, Chikara Asian Evolution Fund, Chikara Japan Income and Growth Fund, Chikara Indian Subcontinent Fund and Chikara Global Emerging Markets Opportunities Fund. Additional Funds in respect of which a Supplement or Supplements will be issued may be established by the Directors, in consultation with the Manager and with the prior approval of the Central Bank. Additional Classes in respect of which a Supplement or Supplements will be issued may be established by the Directors, in consultation with the Manager, and notified to and cleared in advance with the Central Bank or otherwise must be created in accordance with the requirements of the Central Bank.

### Investment Objective and Policies

The specific investment objective and policies of each Fund will be set out in the relevant Supplement to this Prospectus and will be formulated by the Directors, in consultation with the Manager, at the time of creation of the relevant Fund.

Investors should be aware that the performance of certain Funds may be measured against a specified index or benchmark and in this regard, Shareholders are directed towards the relevant Supplement which will refer to any relevant performance measurement criteria. The Company may at any time change that reference index where, for reasons outside its control, that index has been replaced, or another index or benchmark may reasonably be considered by the Company to have become the appropriate standard for the relevant exposure. Shareholders will be advised of any

change in a reference index or benchmark (i) if made by the Directors, in advance of such a change and (ii) if made by the index concerned, in the annual or half-yearly report of the Fund issued subsequent to such change.

All reference indices utilised by the Funds are in compliance with the requirements of the Benchmarks Regulation. In the event that any reference index utilised by a Fund fails to comply with the Benchmarks Regulation, an alternative index will be identified for use by the relevant Fund. Shareholders will be advised of such a change in a reference index, as set out above.

Pursuant to the Benchmarks Regulation, the Company is required to produce and maintain robust written plans setting out the actions that it would take in the event that a benchmark materially changes or ceases to be provided. The Company shall comply with its obligations under the Benchmarks Regulation.

The investment objective of a Fund may not be altered and material changes in the investment policy of a Fund, which shall include a material change in reference index or benchmark, may not be made without the prior written approval of all of the Shareholders of the Fund or without approval on the basis of a majority of votes cast at a meeting of the Shareholders of the Fund duly convened and held. In the event of a change of the investment objective and/or policy of a Fund, on the basis of a majority of votes cast at a general meeting, Shareholders in the relevant Fund will be given reasonable notice of such change to enable them redeem their Shares prior to implementation of such a change. The Manager will also be consulted prior to any change in the investment objective or investment policy of any Sub-Fund.

The list of Recognised Exchanges on which a Fund's investments in securities and financial derivative instruments, other than permitted investments in unlisted securities and over the counter derivative instruments, will be listed or traded is set out in Appendix II.

Pending investment of the proceeds of a placing or offer of Shares or where market or other factors so warrant, a Fund's assets may be invested in money market instruments, including but not limited to certificates of deposit, floating rate notes and fixed or variable rate commercial paper listed or traded on Recognised Exchanges and in cash deposits denominated in such currency or currencies as the Directors may determine having consulted with the Manager.

### **Investment Restrictions**

Investment of the assets of each Fund must comply with the UCITS Regulations. The Directors, in consultation with the Manager, may impose further restrictions in respect of any Fund. The investment and borrowing restrictions applying to the Company and each Fund are set out in Appendix I. Each Fund may also hold ancillary liquid assets. Notwithstanding the restrictions set out in Appendix I, a Fund may not invest more than 10%, in aggregate, of its net assets in other CIS.

## **Borrowing Powers**

The Company may only borrow on a temporary basis and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of each Fund. Subject to this limit the Directors, in consultation with the Manager may exercise all borrowing powers on behalf of the Company. In accordance with the provisions of the UCITS Regulations the Company may charge its assets as security for such borrowings.

## **Adherence to Investment and Borrowing Restrictions**

The Company will, with respect to each Fund, adhere to any investment or borrowing restrictions herein and any criteria necessary to obtain and/or maintain any credit rating in respect of any Shares or Fund or Class in the Company, subject to the UCITS Regulations.

## **Integration of Sustainability Risks into the Investment Process**

The Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019) (“SFDR”) requires financial market participants to disclose the manner in which sustainability risks are integrated into their investment decisions and the results of the assessment of the likely impacts of sustainability risks on the returns of the financial products they make available.

As part of its investment decision making process, the Investment Manager takes into account all relevant risks including sustainability risk i.e. environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investment. These risks are also evaluated on an ongoing basis. This evaluation may lead to the Investment Manager making a decision not to invest in a particular company.

Where the Investment Manager has made an investment and has specific concerns with the investee company’s strategy, performance (financial and non-financial) or risk profile, or where it deems it necessary to protect the Company’s interests, it will consider escalating this to the senior management of the investee company or, if considered suitably serious, disposing of its position. Further information on the manner in which sustainability risks are incorporated into the investment decision-making process can be found in the Investment Manager’s Responsible Investing (ESG) Policy and its Engagement and Shareholder Rights Statement, copies of which can be found on [www.chikarainvestments.com](http://www.chikarainvestments.com)

Notwithstanding the consideration of sustainability risks in the investment process, the Manager, in conjunction with the Investment Manager, does not currently consider and will not disclose its assessment of the likely effects of its investment decisions on ESG conditions in the market or in society (described in the SFDR as “principal adverse impacts”) at this time. The Manager and the Investment Manager have opted against doing so, primarily as such information necessary to enable the Manager and the Investment Manager to make this assessment is not available for all markets or companies in which the Fund may invest. Furthermore, the regulatory technical

standards supplementing the SFDR, which will set out the content, methodology and information required in the principal adverse sustainability impact statement, remain in draft form. The Manager, in conjunction with the Investment Manager, intends to further consider its approach to the disclosure of principal adverse impacts of the investment decisions made on its behalf on sustainability factors once the regulatory technical standards are in final form.

Unless otherwise stated in a relevant Supplement, the investments underlying each Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

### **Changes to Investment and Borrowing Restrictions**

It is intended that the Company shall have the power (subject to prior approval by the Central Bank of the duly updated Prospectus) to avail itself of any change in the investment and borrowing restrictions specified in the UCITS Regulations which would permit investment by the Company in securities, derivative instruments or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited under the UCITS Regulations.

### **Efficient Portfolio Management**

The Company may, on behalf of each Fund, engage in techniques and instruments (such as in financial derivative instruments, repurchase/reverse repurchase and stocklending agreements and when issued/delayed delivery securities) for the purposes of efficient portfolio management including reduction of risk or cost or the generation of additional capital or income for the Fund with an appropriate level of risk, taking into account the risk profile of the Fund and the general provisions of the UCITS Directive. Such transactions may include foreign exchange transactions which alter the currency characteristics of transferable securities held by the Fund. Such techniques and instruments are set out in Appendix III to this Prospectus.

The Company may also employ (subject to the conditions and within the limits laid down by the Central Bank) techniques and instruments intended to provide protection against exchange and/or interest rate risks in the context of the management of its assets and liabilities. The techniques and instruments which the Company may use on behalf of any Fund include, but are not limited to, those set out in Appendix III and, if applicable to a particular Fund, the relevant Supplement.

For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, the Company may transfer, mortgage, charge or encumber any assets or cash of the relevant Fund.

### **Securities Financing Transactions**

Each Fund may utilise or engage in total return swaps and SFTs such as repurchase transactions. The counterparties to such SFTs will be corporate entities (which may or

may not be related to the Company, Depository or their delegates) typically located in OECD jurisdictions. Accordingly, the Investment Manager, on behalf of the Company, will check that the counterparties will be subject to ongoing supervision by a public authority, be financially sound and have the necessary organisational structure and resources for the relevant type of transaction. In addition, a credit assessment will be undertaken by the Company with respect to each counterparty to ensure that each counterparty has a minimum credit rating of above investment grade. All the revenues generated by SFTs are returned to the relevant Fund and all fees and operating expenses are also paid for by the Fund.

SFTs shall be held either in the physical custody of the Depository, or for the account of the Depository by an agent or sub-custodian of the Depository, or a central bank, depository or clearing corporation acting as a depository.

The Company will ensure that every asset that is received by a Fund as a result of engaging in efficient portfolio management techniques and instruments is treated as collateral. For collateral management, cash as collateral is favoured by each Fund. Where non-cash collateral is used, a Fund will only accept government securities of varying maturities as non-cash collateral that do not exhibit high price volatility. Any non-cash collateral will be marked-to-market on a daily basis and subject to daily variation margin movements.

Each Fund will accept collateral which complies with ESMA 2012-832 requirements, namely:

- *Liquidity* – collateral received, other than cash, should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral that is received should also comply with the provisions of Regulation 74 of the UCITS Regulations.
- *Valuation* – collateral that is received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- *Issuer credit quality* – collateral received should be of high quality. The Company shall ensure that: (i) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company in the credit assessment process; and (ii) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in (i) this shall result in a new credit assessment being conducted of the issuer by the Company without delay.
- *Correlation* – collateral received should be issued by an entity that is independent from the counterparty. There are reasonable grounds for the Company to expect that it would not display a high correlation with the performance of the counterparty.
- *Diversification (asset concentration)* – collateral should be sufficiently diversified in terms of country, markets and issuers in accordance with Schedule 3 of the Central Bank UCITS Regulations. When a Fund is exposed to different counterparties, the



different baskets of collateral should be aggregated to calculate the relevant exposure limit to a single issuer. A Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, local authority, third country or public international body drawn from the list of issuers. A Fund may receive securities from at least 6 different issues, but securities from any single issue will not account for more than 30% of a Fund's Net Asset Value and a Fund can accept more than 20% of its Net Asset Value as collateral from those entities listed at part 2 of Appendix I of the Prospectus. In accordance with the Central Bank UCITS Regulations, invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the counterparty or a related entity.

- Immediately Available - collateral received should be capable of being fully enforced by a Fund at any time without reference to or approval from the counterparty.
- Collateral received on a title transfer basis will be held by the Depositary (or sub-custodian thereof). Where a Fund receives collateral on any basis other than a title transfer basis, the collateral can be held by a third party depositary which is subject to prudential supervision and is unrelated and unconnected to the provider of the collateral.
- *Risks linked to the management of collateral* – in the event that collateral is received by a Fund, the risks linked to the management of collateral, such as operational and legal risks, will be identified, managed and mitigated by an updated version of the risk management process. The management and monitoring of collateral received, including monitoring its liquidity is dependent upon systems and technology operated by a Fund's service providers. Cyber-attacks, disruptions, or failures that affect a Fund's service providers or counterparties may adversely affect a Fund, including by causing losses for a Fund or impairing a Fund's operations.

Legal and regulatory changes could adversely affect a Fund in its management of collateral. The effect of any future legal or regulatory change on a Fund is impossible to predict, but could be substantial and have adverse consequences on the rights and returns of Shareholders.

Where a Fund receives collateral on any basis other than a title transfer basis, local custody services may be underdeveloped in many emerging market countries and there is custody risk involved in dealing in such markets. In certain circumstances a Fund may not be able to recover some of its collateral. Such circumstances may include any acts or omissions or the liquidation, bankruptcy or insolvency of a sub-custodian, retroactive application of legislation and fraud.

Liquidity risk can exist when certain non-cash collateral instruments are difficult to purchase or sell. A Fund's investments in non-cash collateral instruments may reduce the returns of a Fund because it may be unable to sell the non-cash collateral instruments at an advantageous time or price.

- Non-cash collateral cannot be sold, pledged or re-invested.

- A Fund may disregard the counterparty risk on condition that the value of the collateral, valued at market price and taking into account appropriate discounts exceeds the value of the amount exposed to risk at any given time.
- Any reinvestment of cash collateral by the Company may not be invested other than in the following:
  - deposits with relevant institutions;
  - high-quality government bonds;
  - reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and a Fund is able to recall at any time the full amount of cash on an accrued basis; and
  - short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).
- The risks associated with SFTs are more fully described in the section below entitled “General Risk Factors” – “Derivatives and Techniques and Instruments Risk” and “Securities Lending Risk”.

### **Investment in Financial Indices through the use of Financial Derivative Instruments**

A Fund may gain exposure to financial indices through the use of financial derivative instruments where considered appropriate to the investment objective and investment policies of the relevant Fund.

Unless otherwise disclosed in the relevant Supplement, a Fund will only gain exposure to a financial index comprised of Eligible Assets, which on a “look through” basis enable the Fund to comply with the risk spreading rules set down in the UCITS Regulations taking into account both direct and indirect exposure of the Fund to the constituents of the relevant index.

Where exposure is generated to (i) a financial index which does not comprise of Eligible Assets or (ii) in circumstances where a financial index comprises of Eligible Assets but the relevant Fund cannot on a “look through” basis comply with the risk spreading rules set down in the UCITS Regulations taking into account both direct and indirect exposure of the Fund to the constituents of the relevant index, the Investment Manager shall only gain exposure to such a financial index which complies with the requirements of the Central Bank as set out in the UCITS Regulations and the following provisions will apply to any such financial index:

- (a) any such financial index will be rebalanced /adjusted on a periodic basis in accordance with the requirements of the Central Bank e.g. on a weekly, monthly, quarterly, semi-annual or annual basis;
- (b) the costs associated with gaining exposure to such a financial index will be impacted by the frequency with which the relevant financial index is rebalanced;
- (c) a list of such financial indices to which a Fund is exposed will be included in the annual financial statements of the Company;

- (d) details of any such financial index used by a Fund will be provided to Shareholders of that Fund by the Investment Manager on request;
- (e) where the weighting of a particular constituent in any such financial index exceeds the investment restrictions set down in the UCITS Regulations, the Investment Manager will as a priority objective look to remedy the situation taking into account the interests of the Shareholders of the relevant Fund.

### **Total Return Swaps**

Where it is proposed that the Company on behalf of a Fund enter into a total return swap, information on the underlying strategy and composition of the investment portfolio or index will be detailed in the relevant Supplement.

The counterparty to any total return swap entered into by the Company on behalf of a Fund shall be an entity which satisfies the OTC counterparty criteria set down by the Central Bank in the UCITS Regulations and shall be an entity which specialise in such transactions.

The failure of a counterparty to a swap transaction may have a negative impact on the return for Shareholders. Where it is proposed that the Company on behalf of a Fund enter into a total return swap, the Investment Manager intends to minimise counterparty performance risk by only selecting counterparties with a good credit rating and by monitoring any changes in those counterparties' ratings. Additionally, any such transactions will only be concluded on the basis of standardised framework agreements (ISDA with Credit Support Annex). Further information relating to the risks associated with investment in total return swaps is disclosed in the section of this Prospectus titled "Risk Factors" – "Credit Risk" and "Derivatives and Techniques and Instruments Risk - Counterparty Risk".

The counterparty to any total return swap entered into by the Company on behalf of a Fund shall not assume any discretion over the composition or management of the investment portfolio of that Fund or of the underlying of the total return swap and the counterparty's approval will not be required in relation to any investment portfolio transaction relating to that Fund. Any deviation from this principle shall be detailed further in the relevant Supplement.

### **Hedged Classes**

The Investment Manager may (but is not obliged to) enter into certain currency related transactions in order to hedge the currency exposure of the assets of a Fund attributable to a particular Class into the currency of denomination of the relevant Class for the purposes of efficient portfolio management. In addition, a Class designated in a currency other than the Base Currency may be hedged against exchange rate fluctuation risks between the designated currency of the Class and the Base Currency. Where the Investment Manager seeks to hedge against currency fluctuations, while not intended, over-hedged or under-hedged positions may arise as a result of hedging at Class level due to factors outside the control of the Investment Manager. However hedged positions will be kept under review to ensure that over-hedged positions will not exceed 105% of the Net Asset Value of the Class, that under-

hedged positions do not fall short of 95% of the Net Asset Value of the Class, and that hedged positions materially in excess of 100% of the Net Asset Value of the Class will not be carried forward from month to month. Any financial instruments used to implement such strategies with respect to one or more Classes shall be assets/liabilities of a Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. To the extent that hedging is successful for a particular Class, the performance of the Class is likely to move in line with the performance of the underlying assets with the result that investors in that Class will not gain if the Class currency falls against the Base Currency and/or the currency in which the assets of the particular Fund are denominated.

Where a Class is to be unhedged, the value of the Share expressed in the Class currency will be subject to exchange rate risk in relation to the Base Currency.

### **Financial Derivative Instruments**

The Company may use financial derivative instruments including equivalent cash settled instruments dealt in on a Recognised Exchange and/or in over the counter derivative instruments in each case under and in accordance with conditions or requirements imposed by the Central Bank. The financial derivative instruments which a Fund may use and the expected effect of investment in such financial derivative instruments on the risk profile of the Fund are disclosed in the relevant Supplement.

The Company is required to employ a risk management process which will enable it to measure, monitor and manage the risks attached to financial derivative positions. Details of the process adopted by the Company have been provided to the Central Bank. The Company will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been submitted to the Central Bank. The Company will provide on request to Shareholders supplementary information relating to the risk management methods employed by the Company including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

For the purpose of providing margin or collateral in respect of transactions in financial derivative instruments, the Company may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Fund.

### **Dividend Policy**

The dividend policy and information on the declaration and payment of dividends for each Fund, where applicable, will be specified in the relevant Supplement. The Constitution empowers the Directors to declare dividends in respect of any Shares in the Company out of the net income of the relevant Fund (whether in the form of dividends, interest or otherwise) and net realised and unrealised gains (i.e. realised

and unrealised capital gains net of all realised and unrealised losses) less accrued expenses of the Fund, subject to certain adjustments.

### **Publication of Net Asset Value per Share**

The Net Asset Value per Share in respect of each Dealing Day shall be published on Bloomberg ([www.bloomberg.com](http://www.bloomberg.com)) and such other publications as the Investment Manager may determine in the jurisdictions in which the Shares are offered for sale. The Net Asset Value per Share may also be obtained from the Administrator during normal business hours.

### **Stock Connect**

Stock Connect is a cross-boundary investment channel that connects the Shanghai and Shenzhen Stock Exchange with the Hong Kong Stock Exchange. The aim of Stock Connect is for foreign investors to achieve stock market access to the PRC via Hong Kong.

The Shanghai-Hong Kong Stock Connect comprises a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shanghai Trading Link, Hong Kong and overseas investors (including the Fund), through their Hong Kong brokers, sub-custodians and a securities trading service company established by the Stock Exchange of Hong Kong (“SEHK”), may be able to trade eligible China A-Shares listed on the Shanghai Stock Exchange (“SSE Securities”) by routing orders to the Shanghai Stock Exchange. Under the Southbound Hong Kong Trading Link under Shanghai-Hong Kong Stock Connect, investors in the PRC will be able to trade certain stocks listed on the SEHK.

The Shenzhen-Hong Kong Stock Connect comprises a Northbound Shenzhen Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shenzhen Trading Link, Hong Kong and overseas investors (including the Fund), through their Hong Kong brokers, sub-custodians and a securities trading service company established by SEHK, may be able to trade eligible China A-Shares listed on the Shenzhen Stock Exchange (“SZSE Securities”) by routing orders to the Shenzhen Stock Exchange. Under the Southbound Hong Kong Trading Link under Shenzhen-Hong Kong Stock Connect, investors in PRC will be able to trade certain stocks listed on the SEHK.

## **Risk Factors**

### **General**

The risks described herein should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Potential investors should be aware that an investment in a Fund may be exposed to other risks of an exceptional nature from time to time. Investment in the Company carries with it a degree of risk. Different risks may apply to different Funds and/or Classes. Details of specific risks attaching to a particular Fund or Class which are additional to those described in this section will be disclosed in the relevant Supplement. Prospective investors should review this Prospectus and the relevant Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares. Prospective investors are advised that the value of Shares and the income from them may go down as well as up and, accordingly, an investor may not get back the full amount invested and an investment should only be made by persons who can sustain a loss on their investment. Past performance of the Company or any Fund should not be relied upon as an indicator of future performance. The difference at any one time between the sale price and the redemption price of Shares means an investment should be viewed as medium to long term. The attention of potential investors is drawn to the taxation risks associated with investing in the Company. Please refer to the Section of the Prospectus entitled "Taxation". The securities and instruments in which the Company invests are subject to normal market fluctuations and other risks inherent in investing in such investments and there can be no assurance that any appreciation in value will occur.

There can be no guarantee that the investment objective of a Fund will actually be achieved.

### **Market Capitalisation Risk**

The securities of small-to-medium-sized (by market capitalisation) companies, or financial instruments related to such securities, may have a more limited market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports.

### **Market Risk**

Some of the Recognised Exchanges in which a Fund may invest may be less well-regulated than those in developed markets and may prove to be illiquid, insufficiently liquid or highly volatile from time to time. This may affect the price at which a Fund may liquidate positions to meet redemption requests or other funding requirements.

## **Market Events Risk**

The value of a Fund's assets may be affected, sometimes sharply and unpredictably, due to change in general market conditions, overall economic trends or events, government actions or interventions, market disruptions caused by trade disputes or other factors, local and international political developments, including risks of war and the effects of terrorist attacks, investor sentiment, changes in government policies, changes in taxation rules and regulations, restrictions on foreign investment and currency repatriation, currency fluctuations, the local and international effects of a pandemic, and other developments in the laws and regulations of countries in which investments may be made. Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, public health events, terrorism, natural disasters and other circumstances in one country or region could have profound impacts on global economies or markets. For example, and as was seen during the COVID-19 pandemic, protective measures taken by governments and the private sector in order to mitigate the spread of illness, including travel restrictions, mandatory business closures, quarantines, and work from home arrangements, which contribute to widespread economic damage. These measures can result in severe disruptions in the markets in which a Fund trade and, potentially, adversely affecting a Fund's profit potential. Similarly, military conflict can have a significant adverse impact on global markets and result in losses to the Fund. By way of example, the ongoing war in Ukraine has caused disruption to global financial, trade and transport systems and led to an abrupt increase in the price of electricity and fuel globally. Although military conflict is likely to continue to impact global economic and commercial activity and conditions, the location, duration and severity of those effects are impossible to predict.

As a result, whether or not a Fund invests in securities of issuers located in or with significant exposure to the countries directly affected by a particular market event, the value and liquidity of a Fund's investments may be negatively affected. The likelihood of these types of adverse changes and the extent to which they may affect the business of a Fund cannot be accurately predicted.

## **Exchange Control and Repatriation Risk**

It may not be possible for Funds to repatriate capital, dividends, interest and other income from certain countries, or it may require government consents to do so. Funds could be adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

## Emerging Markets Risk

Investment in emerging markets involves risk factors and special considerations which may not be typically associated with investing in more developed markets. Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of emerging countries. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of emerging countries in which investment may be made, including expropriation, nationalisation or other confiscation could result in loss to the Company.

By comparison with more developed securities markets, most emerging countries' securities markets are comparatively small, less liquid and more volatile. This may result in greater volatility in the Net Asset Value per Share of each Fund (and consequently subscription and redemption prices for Shares in each Fund) than would be the case in relation to funds invested in more developed markets. In addition, if a large number of securities have to be realised at short notice to meet substantial redemption requests in a Fund such sales may have to be effected at unfavourable prices which may in turn have an adverse effect on the Net Asset Value per Share of that Fund.

Investments in emerging markets may carry risks with failed or delayed settlement and with registration and custody of securities. The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets which may result in problems in realising investments. Lack of liquidity and efficiency in certain stock markets or foreign exchange markets in certain emerging markets may mean that from time to time there may be difficulties in purchasing or selling securities there.

Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of investor information or protection as would generally apply in more developed markets. Investments in certain emerging markets may require consents or be subject to restrictions which may limit the availability of attractive investment opportunities to each Fund. Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally and so transactions may need to be made on a neighbouring exchange.

Emerging markets securities may incur brokerage or stock transfer taxes levied by foreign governments which would have the effect of increasing the cost of investment and which may reduce the realised gain or increase the loss on such securities at the time of same. The issues of emerging markets securities, such as banks and other financial institutions, may be subject to less stringent regulation than would be the case for issuers in developed countries, and therefore potentially carry greater risk. In addition custodial expenses for emerging market securities are generally higher than for developed market securities. Dividend and interest payments from, and capital gains in respect of, emerging markets securities may be subject to foreign taxes that may or may not be reclaimable.



Laws governing foreign investment and securities transactions in emerging markets may be less sophisticated than in developed countries. Accordingly, the Funds may be subject to additional risks, including inadequate investor protection, unclear or contradictory legislation or regulations and lack of enforcement thereof, ignorance or breach of legislation or regulations on the part of other market participants, lack of legal redress and breaches of confidentiality. It may be difficult to obtain and enforce a judgement in certain emerging markets in which assets of the Funds are invested.

### **Liquidity Risk**

Not all securities or instruments invested in by the Funds may be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Funds may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity.

### **Redemption Risk**

Large redemptions of Shares in a Fund might result in a Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets.

### **Segregated Liability**

The Company is an umbrella company with segregated liability between Funds. As a result, as a matter of Irish law, any liability attributable to a particular Fund may only be discharged out of the assets of that Fund and the assets of other Funds may not be used to satisfy the liability of that Fund. The Directors are not aware of any such existing or contingent liability. In addition, any contract entered into by the Company will by operation of law include an implied term to the effect that the counterparty to the contract may not have any recourse to assets of any of the Funds other than the Fund in respect of which the contract was entered into. These provisions are binding both on creditors and in any insolvency but do not prevent the application of any enactment or rule of law which would require the application of the assets of one Fund to discharge some, or all liabilities of another Fund on the grounds of fraud or misrepresentation. In addition, whilst these provisions, are binding in an Irish court which would be the primary venue for an action to enforce a debt against the Company, these provisions have not been tested in other jurisdictions, and there remains a possibility that a creditor might seek to attach or seize assets of one Fund in satisfaction of an obligation owed in relation to another Fund in a jurisdiction which would not recognise the principle of segregation of liability between Funds.

## **Credit Risk**

There can be no assurance that issuers of the securities or other instruments in which a Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. Funds will also be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in financial derivative instruments and may bear the risk of counterparty default.

## **Currency Risk**

Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the Base Currency. It may not be possible or practical to hedge against such exchange rate risk. The Fund's Investment Manager may, but is not obliged to, mitigate this risk by using financial instruments.

Funds may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Funds will not enter into forward contracts for speculative purposes. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the prices of a Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. Performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the securities positions held.

A Fund may enter into currency exchange transactions and/or use techniques and instruments to seek to protect against fluctuation in the relative value of its portfolio positions as a result of changes in currency exchange rates or interest rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. The successful execution of a hedging strategy which matches exactly the profile of the investments of any Fund cannot be assured. It may not be possible to hedge against generally anticipated exchange or interest rate fluctuations at a price sufficient to protect the assets from the anticipated decline in value of the portfolio positions as a result of such fluctuations.

## **Share Currency Designation Risk**

A Class of Shares of a Fund may be designated in a currency other than the Base Currency of the Fund. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency. The Fund's Investment Manager may try but is not obliged to mitigate this risk by using financial instruments such as those described under the heading "Currency Risk". Where the Investment Manager seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Investment Manager. However hedged positions will be kept under review to ensure that over-hedged positions will not exceed 105% of the Net Asset Value of the Class, that under-hedged positions do not fall short of 95% of the Net Asset Value of the Class, and that hedged positions materially in excess of 100% of the Net Asset Value of the Class will not be carried forward from month to month. Investors should be aware that this strategy may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/or the currency/currencies in which the assets of the Fund are denominated. In such circumstances Shareholders of the relevant Class of Shares of the Fund may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the costs of the relevant financial instruments. Financial instruments used to implement such strategies shall be assets/liabilities of the Fund as a whole. However, the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class of Shares of the Fund.

## **Investing in Fixed Income Securities**

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time.

The volume of transactions effected in certain international bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, a Fund's investment in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

## **Changes in Interest Rates**

The value of Shares may be affected by substantial adverse movements in interest rates.

## **Amortised Cost Method**

Some or all of the investments of certain Funds may be valued at amortised cost. Investors' attention is drawn to the Section of the Prospectus entitled "Calculation of Net Asset Value" for further information.

In periods of declining short-term interest rates, the inflow of net new money to such Funds from the continuous issue of Shares will likely be invested in portfolio instruments producing lower yields than the balance of such Fund's portfolio, thereby reducing the current yield of the Fund. In periods of rising interest rates, the opposite can be true.

## **Valuation Risk**

A Fund may invest some of its assets in illiquid and/or unquoted securities or instruments. Such investments or instruments will be valued by the Manager or their delegate in good faith in consultation with the Investment Manager as to their probable realisation value. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or "close-out" prices of such securities.

## **Accounting, Auditing and Financial Reporting Standards**

The accounting, auditing and financial reporting standards of many of the countries in which a Fund may invest may be less extensive than those applicable to US and European Union companies.

## **Reliance on key persons**

The performance of the Funds is largely dependent on the talents and efforts of a highly skilled team of portfolio managers employed by the Investment Manager and the loss of one or more principal portfolio managers could have an adverse effect on the net asset value of the Funds.

## **Derivatives and Techniques and Instruments Risk**

### *General*

The prices of derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies.

In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of techniques and instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select the Fund's securities, (4) the possible absence of a liquid market for any particular instrument at any particular time, and (5) possible impediments to effective portfolio management or the ability to meet redemption.

#### *Liquidity of Futures Contracts*

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Fund from liquidating unfavourable positions.

#### *Forward Trading*

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Fund.

#### *Foreign Exchange Transactions*

Where a Fund utilises derivatives which alter the currency exposure characteristics of transferable securities held by the Fund the performance of the Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

#### *Over-the-Counter Markets Risk*

Where any Fund acquires securities on over-the-counter markets, there is no guarantee that the Fund will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

In general, there is less government regulation and supervision of transactions in the OTC markets (in which currencies, spot and option contracts, certain options on currencies, contracts for difference and swaps are generally traded) than of transactions entered into on Recognised Exchanges. In addition, many of the protections afforded to participants on some Recognised Exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions. OTC options are not regulated.

### *Counterparty Risk*

Each Fund will have credit exposure to counterparties by virtue of positions in contracts for difference, swaps, repurchase transactions, forward exchange rate and other contracts held by the Fund. OTC options are non-exchange traded option agreements, which are specifically tailored to the needs of an individual investor. These options enable the user to structure precisely the date, market level and amount of a given position. The counterparty for these agreements will be the specific firm involved in the transaction rather than a Recognised Exchange and accordingly the bankruptcy or default of a counterparty with which the Fund trades OTC options could result in substantial losses to the Fund. In addition, a counterparty may not settle a transaction in accordance with its terms and conditions because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Counterparty exposure will be in accordance with the Fund's investment restrictions. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result.

### **Securities Lending Risk**

As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon.

The value of the collateral will be maintained to equal or exceed the value of the securities transferred. However there is a risk that the value of the collateral may fall below the value of the securities transferred. In addition, as a Fund may invest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, a Fund investing collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

## **Risks Associated with the Use of Stock Connect**

There are number of restrictions that apply to Stock Connect trading that could affect a Fund's investment and returns:

### *Suspension Risk*

Both the Stock Exchange of Hong Kong ("SEHK") and Shanghai Stock Exchange ("SSE") reserve the right to suspend trading if necessary for ensuring an orderly and fair market and managing risks prudently which could adversely affect the Funds ability to access the People's Republic of China ("PRC") market.

### *Differences in Trading Day*

Investors should be aware that the Stock Connect will only operate on days when both PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. A Fund may, therefore, be subject to a risk of price fluctuations in China A-Shares in respect of the period during which Stock Connect is not trading.

### *Clearing and Settlement Risk*

The Hong Kong Securities Clearing Company Limited ("HKSCC") and China Securities Depository and Clearing Corporation Limited ("ChinaClear") have established clearing links and each is a participant of each other to facilitate clearing and settlement of cross-boundary trades. ChinaClear has established a risk management framework and measures that are approved and supervised by the China Securities Regulatory Commission. The chances of ChinaClear default are considered to be remote. Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

### *Regulatory Risk*

The current regulations relating to Stock Connect are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connect will not be abolished. A Fund may be adversely affected as a result of these changes.

### *Legal/Beneficial Ownership*

Where shares are purchased through Stock Connect, a Fund would only have a contractual claim against HKSCC for the rights and interests in such shares. The Fund does not have any proprietary rights. Technically, as the PRC legal system does not recognise the concept of beneficial ownership, the PRC authorities recognise HKSCC as the legal owner of such shares and not the Fund. Because Stock Connect is in its early stages, additional developments are likely. It is unclear whether or how such developments may affect a Fund's investments or returns. Additionally, the application and interpretation of the laws and regulations of Hong Kong and the PRC are uncertain, as are the rules, policies and guidelines published or applied by relevant regulators and exchanges in respect of the Stock Connect program. These may have a negative impact on a Fund's investments and returns.

### *Operational Risk*

The Stock Connect provides a new channel for investors from Hong Kong and overseas to access the PRC's stock market directly. Market participants are able to participate in this programme subject to meeting certain information technology capacity, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. Market participants may need to address issues arising from these differences (as well as the fact that the securities regime and legal systems of the PRC and Hong Kong differ significantly) on an ongoing basis.

### *Front-end Monitoring Risk*

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

### *Taxation Risk*

PRC tax authorities announced temporary tax exemptions on capital gains realised by non-PRC investors on trading of China A Shares under Stock Connect. However, there is no guarantee that such temporary tax exemptions will be granted or will continue to apply, will not be repealed or re-imposed retrospectively, or that no new tax regulations and practice relating to Stock Connect will be promulgated in future. A Fund may be subject to uncertainties in its PRC tax liabilities where it invests through Stock Connect.

### **Investment Manager Valuation Risk**

The Administrator may consult the Investment Manager with respect to the valuation of certain investments.



Whilst there is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of each Fund's investments, as the Investment Manager's fees will increase as the value of assets increases, and the Investment Manager's other duties and responsibilities in relation to the Funds, the Investment Manager has in place a pricing committee charged with reviewing all pricing procedures which follows industry standard procedures for valuing unlisted investments.

### **Foreign Account Tax Compliance Act**

The foreign account tax compliance provisions ("**FATCA**") of the Hiring Incentives to Restore Employment Act 2010 which apply to certain payments are essentially designed to require reporting of Specified US Person's direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service, with any failure to provide the required information resulting in a 30% US withholding tax on direct US investments (and possibly indirect US investments). In order to avoid being subject to US withholding tax, the Fund is required to provide information regarding its investors. In this regard the Irish and US Governments signed an intergovernmental agreement with respect to the implementation of FATCA and the supporting regulations (see section entitled "FATCA Implementation in Ireland" for further detail) on 21 December 2012. Where Shareholders provide inaccurate or incomplete information, the Company could become liable to withholding taxes and other penalties for non-compliance. The Company has the ability to compulsorily redeem recalcitrant investors and make withholdings from distribution/redemption proceeds to pass on any FATCA related withholding tax or financial penalties and costs suffered by the Company solely to any recalcitrant investors that have caused the liabilities rather than allowing such liabilities to be borne by investors as a whole.

Prospective investors should consult their own tax adviser with regard to US federal, state, local and non-US tax reporting and certification requirements associated with an investment in the Company.

### **Breaches in Information Technology Security**

The Investment Manager, Administrator and Depositary (and their respective groups) each maintain information technology systems. However, like any other system, these systems could be subject to cyber security attacks or similar threats resulting in data security breaches, theft, a disruption to the Investment Manager's, Administrator's and/or Depositary's service or ability to close out positions and the disclosure or corruption of sensitive and confidential information. Shareholders' systems could be subject to similar breaches or attacks. Such security breaches may potentially also result in loss of assets and could create significant financial and/ or legal exposure for the Company.

## **Brexit**

As a result of the outcome of the 'Brexit' referendum on continued membership of the European Union held in the United Kingdom on 23 June 2016, the United Kingdom ceased to be a member state of the European Union on 31 January 2020.

In December 2020 the European Union and the United Kingdom reached agreement on an EU-UK Trade and Cooperation Agreement (the "FTA") to govern the trading relationship between the parties from and after 1 January 2021, from which date the United Kingdom has regulated its own separate and distinct market.

Brexit has led to political, legal, tax and economic uncertainty and such uncertainty may impact on the Company and/or the markets within which it operates, not just in the United Kingdom but throughout the European Union. The longer term impact of the decision to leave the European Union on the United Kingdom regulatory framework will depend, in part, on the relationship that the United Kingdom will seek to establish with the European Union in the future. Accordingly, it is possible that UK investors in the Company may be subject to fewer regulatory protections than would otherwise be the case and any changes to UK legislation or regulation may introduce potentially significant new uncertainties and instabilities in the financial markets.

### **United Kingdom Offence: Failure to Prevent the Facilitation of Tax Evasion**

The UK Criminal Finances Act 2017 introduced a new criminal offence which is committed where a relevant body fails to prevent the commission by any person associated with it, acting in their capacity as such, of an offence of facilitating another person in tax evasion (whether UK tax evasion or non-UK tax evasion). The relevant body has a defence to this "failure to prevent" offence if it can prove that it had in place reasonable prevention procedures designed to prevent any such person associated with it from committing a tax evasion facilitation offence. The definition of a person associated with a relevant body is widely drawn and includes an employee, an agent or any other person who performs services for or on behalf of the relevant body (in each case acting in their capacity as such). Each of the Company and the Investment Manager will be a relevant body for these purposes and could therefore be held to have committed the UK "failure to prevent" offence if any person associated with it (acting in their capacity as such) were to commit a tax evasion facilitation offence and it did not have in place reasonable prevention procedures. Whilst each of the Company and the Investment Manager has put in place procedures to prevent persons associated with it from committing facilitation of tax evasion offences, it cannot be guaranteed that these procedures will be sufficient in every case to establish the defence of having reasonable prevention procedures in place.

### **Special Purpose Acquisition Companies**

A special purpose acquisition company (a "SPAC") is a publicly traded company formed for the purpose of raising capital through an initial public offering to fund the acquisition, through a merger, capital stock exchange, asset acquisition, or other similar business combination, of one or more undervalued operating businesses.

Following the acquisition of a target company, a SPAC typically would exercise control over the management of such target company in an effort to increase the value of such target company. A SPAC may also be used by a target company as an alternative method of attaining a listing for the target company rather than undertaking its own initial public offering. Capital raised through the initial public offering of securities of a SPAC is typically placed into a trust until the target company is acquired or a pre-determined period of time elapses. Investors in a SPAC would typically receive a return on their investment in the event that a target company is acquired and such target company's value increased. In the event that a SPAC is unable to identify and/or acquire a target company by the deadline (and the deadline is not otherwise extended), the SPAC will be required to liquidate its assets, which may result in losses due to the expenses and liabilities of the SPAC. Investors in a SPAC are subject to the risk that, among other things, (i) such SPAC may not be able to successfully complete an initial business combination ("IBC") or merger with the target company by the deadline or any extension thereof and may be required to liquidate and return any remaining proceeds in the trust account to its investors, (ii) assets in the trust may be subject to third-party claims against such SPAC, which may reduce the per share liquidation price received by the investors in the SPAC, (iii) such SPAC may be solely dependent upon a single target company and the value of any target company may decrease following its acquisition by such SPAC for any number of reasons, (iv) the value of the proceeds held in the trust account may decline, (v) warrants or other rights with respect to the SPAC held by a Fund may expire worthless or may be repurchased or retired by the SPAC at an unfavourable price, (vi) an investment in a SPAC may be diluted in connection with the business combination or by additional financings, (vii) only a thinly traded market for shares of or interests in a SPAC may develop, leaving the relevant Fund in a position where it may have to sell its interest at a price below what is believed to be the SPAC's interest intrinsic value, (viii) such SPAC's due diligence may not uncover all material risks and uncertainties associated with a particular target business and (ix) a SPAC investment may be subject to an extended lock-up period and other restrictions on resale and redemption, including those in connection with a private placement voting and support agreement.

Any SPAC in which a Fund directly or indirectly invests may be a newly formed company with no operating results that may not commence formal operations until obtaining funding through an initial public offering. However, in such cases it is the intention of the Investment Manager that a Fund will only invest in a SPAC that is being used by an identified target company as a means of achieving its own listing. As a result, the Investment Manager will be able to conduct due diligence and evaluate the operating history of the target company. Some SPACs may pursue acquisitions only within certain industries or regions, and may encounter substantial competition for attractive targets, particularly given the substantial increase in SPACs in recent years. In addition, the SPAC industry has recently received heightened regulatory attention and scrutiny, in particular from the SEC, and it is possible that SPACs may become subject to different or heightened rules or requirements that could have a material adverse effect on the SPAC's ability to complete a successful business combination and the results of its operations. In addition, plaintiffs' have been increasingly targeting SPACs, which increases the likelihood of shareholder litigation, particularly in connection with any proposed IBC.

## **Risk Factors Not Exhaustive**

The investment risks set out in this Prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the Company or any Fund may be exposed to risks of an exceptional nature from time to time.

## 2. MANAGEMENT AND ADMINISTRATION

The Directors control the affairs of the Company and are responsible for the formulation of investment policy. The Directors have appointed the Manager to act as its UCITS management company and the Manager has delegated certain functions to the Investment Manager and the Administrator.

### Directors

The Company shall be managed and its affairs supervised by the Directors all of whom are non-executive directors of the Company and whose details are set out below:

#### Denise Kinsella (Irish)

Denise Kinsella is an experienced independent non-executive director and chairperson of a number of asset management companies and funds. She has over 30 years' experience in international financial services. She is a former partner of Dillon Eustace Solicitors prior to which she held senior executive roles at Bank of Ireland including Head of Client Services and Head of Legal Affairs at Bank of Ireland Securities Services (since acquired by Northern Trust) and, in Bank of Ireland Asset Management, as a Senior Manager. Denise is a past Chairperson of Irish Funds, the Irish funds industry association and its legal and regulatory sub-committee and represented the industry on a number of key funds industry working groups including An Taoiseach's International Financial Services Committee and FEFSI (now EFAMA). She served on the Committee on Collective Investment Governance formed by the Central Bank of Ireland to develop recommendations for good governance practice for funds. She was consulting editor to "Collective Investment Schemes in Luxembourg, Law and Practice" published by Oxford University Press and has lectured on financial services law at the Law Society of Ireland. She graduated in law from Trinity College Dublin, was admitted as a solicitor by the Law Society of Ireland, holds a diploma in company direction from the Institute of Directors (UK) and has completed the Cambridge University Institute of Sustainable Finance course. She is a founding member and past Director of the Irish funds' industry charity, basis.point.

#### David Hammond (Irish)

Mr. Hammond has over 30 years' experience in the fund management industry, including 26 years as a non-executive director of investment funds, management companies and other financial services businesses. During this time, he has also been employed in a number of other roles, including as general counsel of Montlake Funds, now part of the Waystone group, as founder and managing director of Bridge Fund Services Limited, as Chief Operating Officer of Sanlam Asset Management (Ireland) Limited, part of the Sanlam group of South Africa, and as Director of Legal and Business Development with International Fund Managers (Ireland) Limited, the Irish fund administration subsidiary of Baring Asset Management which is now part of Northern Trust.

He is also a solicitor and practised for a number of years in the area of banking and financial services with A&L Goodbody in Ireland. Mr. Hammond is a CFA

Charterholder and holds a law degree from Trinity College, Dublin and a MBA from Smurfit Graduate School of Business, University College, Dublin.

*Karen Nolan (Irish)*

Karen Nolan is an Irish resident with over 25 years' experience in the funds industry. Karen has previously worked as Head of Designated Persons Services with Bridge Consulting, Head of Compliance with Credit Suisse Fund Services (Ireland) Limited, worked with International Fund Managers (Ireland) Limited (the former Irish fund administration business of Baring Asset Management, now part of Northern Trust) and Bank of Ireland Securities Services Limited (now part of Northern Trust), and has also worked as an independent compliance consultant for a number of other financial services companies in Dublin. Karen holds a Degree in Accounting & Finance from Dublin City University, is a Fellow of the Association of Chartered Certified Accountants and holds both the Certificate and Diploma in Company Direction from the Institute of Directors.

*James Tollemache (British)*

Mr. James Tollemache has worked in the asset management industry for 18 years, 15 of which were at Redwheel Capital (formerly known as RWC Partners), following three years with JP Morgan Asset Management. He held European and UK distribution roles before being appointed Head of Business Development at RWC Partners in 2013 and joined the Management Committee. As part of the management committee, James was involved in many aspects of the business outside of business development. This included day to day management of the organisation and ensuring it remained a responsible steward of clients assets with a strong culture of respect and autonomy combined with best in class fiduciary infrastructure. Five years later he moved to Miami to head up RWC Partner's US wholesale and Latin American business development whilst also focusing on increasing its reach in the Middle East and Africa. He is now CEO and a Partner of Chikara Investments LLP.

**Manager**

The Company has appointed Waystone Management Company (IE) Limited as Manager of the Company pursuant to the Management Agreement.

The Manager will be responsible for the management and general administration of the Company with power to delegate such functions subject to the overall supervision and control of the Manager. In accordance with the requirements of the Central Bank, the Manager delegates certain of its fund administration duties to the Administrator and some of its portfolio management functions to the Investment Manager. The liability of the Manager to the Company will not be affected by the fact that it has delegated certain of its functions.

The Manager was incorporated in Ireland as a private limited company on 7 August 2012. It is a 100% subsidiary of Clifton Directors Limited, a limited liability company incorporated in Ireland. The company secretary of the Manager is Waystone Centralised Services Limited.

The Manager and Clifton Directors Limited are part of the Waystone group of companies (the “**Waystone Group**”). The Waystone Group is a worldwide leader in fund governance, based in Dublin, Waystone also has offices in Cashel, Cayman, Luxembourg, London, Hong Kong, Singapore and New York led by principals experienced in their specialist markets.

### Remuneration Policies and Practices

The Manager is subject to remuneration policies, procedures and practices (together, the “**Remuneration Policy**”). The Remuneration Policy is consistent with and promotes sound and effective risk management. It is designed not to encourage risk-taking which is inconsistent with the risk profile of the Funds. The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Company and the Funds, and includes measures to avoid conflicts of interest. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the Funds and ensures that no individual will be involved in determining or approving their own remuneration. The Remuneration Policy will be reviewed annually.

Details of the up-to-date Remuneration Policy, including a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee (if any), are available via <https://www.waystone.com/waystone-policies/>

The Remuneration Policy summary will be made available for inspection and a paper copy may be obtained, free of charge, on request from the Manager.

The directors of the Manager are:

#### *Tim Madigan (Irish Resident) (Independent)*

Mr Madigan is Independent Non-Executive Chairperson for the Manager. He is also Independent Non-Executive Chairperson for Waystone Management (UK) Limited. He serves as an independent non-executive director for a number of investment funds, both Irish-domiciled (UCITS and AIFs) and Luxembourg-domiciled (AIFs), as well as for an Irish cross-border life insurance company (where he also acts as chair of the Audit Committee). He was previously an independent non-executive director of a UK life insurance company (where he also acted as chair of the Risk and Compliance Committee). From 2010 to 2011 Mr. Madigan was finance director of Aviva Investment Management Europe, where he led the set-up of the finance function for Aviva Europe's Dublin based centre of excellence, established to manage treasury assets and investment management mandates. Prior to this, Mr. Madigan was managing director of cross-border life insurance company Aviva Life International from 2006 to 2010. Previously he was finance director for that company. In this role he chaired the Investment Committee as well as leading a strategic review of business in 2009 following the onset of the global financial crisis. He holds a bachelor's degree in Business Studies (Finance) from the University of Limerick, is a Fellow of the Association of Chartered Certified Accountants and is a Certified Investment Fund

Director. He served as an elected Council member of the Irish Fund Directors Association from 2016 to 2020.

*Andrew Bates (Irish Resident) (Independent)*

Mr Bates is an Independent Non-Executive Director for the Manager as well as Chair of its Risk Committee. He currently serves as chair and non-executive director for a number of Central Bank regulated operating companies and fund product vehicles. Mr. Bates was the Head of the Financial Services practice at Dillon Eustace LLP spending almost 30 years as a legal advisor, working with a wide variety of financial services companies and fund promoters on establishment and authorisation matters, product design contract negotiations, outsourcing, cross border passporting and on various interactions with regulators. Recognised as a leading lawyer in his practice areas by Chambers, by the IFLR 1000 and by the Legal 500, Mr. Bates has also previously served as a Council Member of Irish Funds for three years. Mr. Bates holds a Diploma in Company Direction from the Institute of Directors, as well as a Bachelor of Civil Law from University College Dublin.

*Rachel Wheeler (UK Resident)*

Ms Wheeler is CEO of Global Management Company Solutions at Waystone and Non-Executive Director for the Manager. A leading asset management general counsel, Ms Wheeler brings to Waystone over twenty years of experience in managing legal and regulatory risk and working with the corresponding regulatory bodies. At Waystone, Ms Wheeler oversees its management companies and MiFID services globally, ensuring that a uniform, best-in-class operational process is applied to all entities within her remit. Ms Wheeler plays a pivotal role in all operational and strategic matters and works closely with Waystone's leadership team on its growth strategy, including future acquisitions.

Ms Wheeler joined Waystone from GAM Investments where she served as Group General Counsel and as a member of the Senior Leadership Team. Prior to this, Ms. Wheeler served as General Counsel at Aviva Investors where she was a member of the Executive Team. Ms Wheeler has held senior positions in the legal teams of USS Investment Management, Bank of New York Mellon, Gartmore Investment Management and Merrill Lynch Investment Management. Ms Wheeler began her career as a solicitor in corporate and financial services law at Simmons & Simmons. Ms Wheeler has a postgraduate diploma in Law and Legal Practice Course from the College of Law, Guildford and a BA (Hons) in History from the University of Wales.

*James Allis (Irish Resident)*

Mr Allis serves as the Manager's European Fund Services Chief Operating Officer and is currently Executive Director for the Manager. Mr Allis has been active in the financial services industry since 2004. He joined Waystone in 2016 and has served for a time as the Manager's CEO, Chief Operations Officer and prior to that, as the Designated Person responsible for Operational Risk Management. Mr Allis has overseen a range of international investment management clients covering both AIFM and UCITS. His remits have covered product development, risk, valuation, due diligence, and audit.



Mr Allis has also been a board member of Waystone's Irish MiFID firm and has acted as chairperson for the risk committee of the company. Prior to joining Waystone, Mr Allis worked for Citco Fund Services, Dublin as Senior Account Manager, leading a team to work on a wide array of structures. Mr Allis holds a Bachelor of Business Studies in Finance and a Masters in International Relations, both from Dublin City University. Mr Allis was also a member of the Irish Funds Organisational Risk Working Group for over two years and is certified by PRMIA.

Andrew Kehoe (Irish Resident)

Mr Kehoe is the CEO and Executive Director for the Manager. At Waystone, he oversees the Irish management company business and works closely with the CEO of Waystone's Global Management Company Solutions and senior management in Waystone's management companies in other jurisdictions to help ensure that a uniform, best in class operational process is applied across all entities and that group strategy is implemented at an Irish level. He is also responsible for Waystone's fund consulting services in Ireland.

Mr Kehoe has been a lawyer since 2002 and has a broad range of experience at law firms in the U.S. and Ireland. Mr Kehoe was previously the CEO of KB Associates and, before that, was responsible for both the legal and business development teams at KB Associates. He also previously acted as the CEO of the KB Associates' MiFID distribution firm in Malta. Prior to joining KB Associates, Mr Kehoe was a managing partner at a New York City law firm and worked as an investment funds solicitor in Dublin. Mr Kehoe holds a Bachelor of Science in Business from Fairfield University, a Juris Doctor law degree from New York Law School and a Diploma in International Investment Funds from the Law Society of Ireland. He is admitted to the Roll of Solicitors in Ireland, England and Wales, and is a member of the New York, New Jersey and Connecticut Bars.

Keith Hazley (Irish Resident)

Mr Hazley serves as an Executive Director for the Manager and is the representative member on both the Investment Committee and Valuation Committee of the Manager. He was the Designated Person responsible for Investment Management until October 2022. He brings to the role extensive leadership experience in trading, investment and technology development in the hedge fund industry. Mr Hazley was previously the Head of Risk at Waystone's Irish MiFID Firm, as well as a Non-Executive Director of Luna Technologies Limited, a fund administration software company, and Altitude Fund Solutions Limited, a fund portal software company, and a Director of Lambay Fund Services Limited. He has served as an independent director on several boards of hedge funds. Mr Hazley holds a Bachelor of Business Studies degree from Trinity College, Dublin, a Master of Business Administration degree from City of London University and a Diploma in Company Direction, Institute of Directors, London. He is an Approved Principal by the Commodity Futures Trading Commission and a Member of the Institute of Directors in Ireland.

## **Investment Manager**

The Manager has appointed Chikara Investments LLP, as investment manager with discretionary powers pursuant to the Investment Management Agreement. Under the terms of the Investment Management Agreement the Investment Manager is responsible, subject to the overall supervision and control of the Directors, for managing the assets and investments of the Company in accordance with the investment objective and policies of each Fund.

The Investment Manager is a limited liability partnership incorporated under the laws of England and Wales on 3 December 2004 and is regulated by the UK Financial Conduct Authority in the conduct of financial services and investment management activities under registration number 426641. Its registered office is at the address specified in the Directory.

The Investment Manager is ultimately a wholly owned subsidiary of Coupland Cardiff Management (Cayman) Limited. As at 31 March 2023, the Investment Manager had funds under management of €2.05 billion.

The Investment Manager may delegate the discretionary investment management of certain Funds to sub-investment managers, details of which will be set out in the relevant Supplement. The fees of each sub-investment manager so appointed shall be paid by the Investment Manager out of its own fee. Details of such appointment will be provided to Shareholders on request and shall be further disclosed in each annual and semi-annual report of the Fund. The Investment Manager shall not be held liable for any actions, costs, charges, losses, damages or expenses arising as a result of the acts or omissions of sub-investment managers appointed by it or for its own acts or omissions in bona fide following the advice or recommendations of sub-investment managers.

## **Investment Advisers**

The Investment Manager may appoint one or more investment advisers to recommend and give such general advice to the Investment Manager as the Investment Manager may from time to time reasonably request in connection with the investment and re-investment of the assets of a Fund.

The Investment Manager shall not be held liable for any actions, costs, charges, losses, damages or expenses arising as a result of the acts or omissions of investment advisers appointed by it or for its own acts or omissions in bona fide following the advice or recommendations of investment advisers. The Investment Manager shall exercise care and diligence in choosing and appointing a third party as an investment adviser so as to ensure that the third party has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned. The Investment Manager shall maintain an appropriate level of supervision over an investment adviser appointed by it and make appropriate enquiries from time to time to confirm that the obligations of the investment adviser continue to be competently discharged.

Where an investment adviser is not paid directly out of the assets of the relevant Fund and no reference is made to such investment adviser in the Supplement relating to a Fund, disclosure of any such entity appointed will be provided to the Shareholders on request and details thereof will be disclosed in the Company's periodic reports.

## **Administrator**

The Manager has appointed Northern Trust International Fund Administration Services (Ireland) Limited as administrator, registrar and transfer agent pursuant to the Administration Agreement.

The duties and functions of the Administrator include, inter alia, the calculation of the Net Asset Value and the Net Asset Value per Share, the keeping of all relevant records in relation to the Company as may be required with respect to the obligations assumed by it pursuant to the Administration Agreement, the preparation and maintenance of the Company's books and accounts, liaising with the Auditors in relation to the audit of the financial statements of the Company and the provision of certain Shareholder registration and transfer agency services in respect of Shares in the Company.

The Administrator is a private limited liability company incorporated in Ireland on 15 June 1990 and is an indirect wholly owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 30 June 2019, the Northern Trust Group's assets under custody totalled in excess of US\$11.3 trillion. The principal business activity of the Administrator is the administration of collective investment schemes.

The Administrator is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Company and is not responsible for the preparation of this document other than the preparation of the above description and accepts no responsibility or liability for any information contained in this Prospectus except disclosures relating to it.

## **Depositary**

The Company has appointed Northern Trust Fiduciary Services (Ireland) Limited as depositary pursuant to the Depositary Agreement. Its main activity is the provision of custodial services to collective investment schemes.

The Depositary may delegate its safekeeping obligations provided that (i) the services are not delegated with the intention of avoiding the requirements of the UCITS Regulations, (ii) the Depositary can demonstrate that there is an objective reason for the delegation and (iii) Northern Trust has exercised all due, skill, care and diligence in the selection and appointment of any third party to whom it wants to delegate part of its safekeeping obligations, and continues to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated part of its safekeeping obligations and of the arrangements of the third party in respect of the matters delegated to it. The liability of the Depositary will not be

affected by virtue of any such delegation or by any further delegation by any third party to any sub-delegates.

The Depositary has delegated responsibility for the safekeeping of the Company's assets to its global sub-custodian, the Northern Trust Company, London Branch. The global sub-custodian proposes to further delegate these responsibilities to sub-delegates, the identities of which are set forth in Appendix IV.

The Depositary is a private limited liability company incorporated in Ireland on 5 July 1990. The Depositary is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 30 June 2019, the Northern Trust Group's assets under custody totalled in excess of US\$11.3 trillion.

The Depositary shall be liable (i) in respect of a loss of a financial instrument held in its custody (or that of its duly appointed delegate) unless it can prove that the loss has arisen as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable measures to the contrary, and (ii) in respect of all other losses as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Regulations.

Up-to-date information on the identity of the Depositary, a description of the Depositary's duties; a description of any conflicts of interest that may arise; and a description of any safekeeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such delegation will be made available to Shareholders upon request.

### **Distributor**

The Manager has appointed Chikara Investments LLP as distributor of Shares in the Company pursuant to the Distribution Agreement and may appoint additional distributor(s) from time to time.

### **Paying Agents/Representatives/Sub-Distributors**

Local laws/regulations in EEA member states and certain other jurisdictions may require the appointment of paying agents/representatives/sub-distributors/correspondent banks ("Paying Agents") and maintenance of accounts by such Paying Agents through which subscription and redemption monies or dividends may be paid. Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to the Depositary (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Depositary for the account of the Company or the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder. Fees and expenses of Paying Agents appointed by the Company or a Fund which will be at normal commercial rates will be

borne by the Company or the Fund in respect of which a Paying Agent has been appointed.

Country Supplements dealing with matters pertaining to Shareholders in jurisdictions in which Paying Agents are appointed may be prepared for circulation to such Shareholders and, if so, a summary of the material provisions of the agreements appointing the Paying Agents will be included in the relevant Country Supplements.

All Shareholders of the Company or the Fund on whose behalf a Paying Agent is appointed may avail of the services provided by Paying Agents appointed by or on behalf of the Company.

### **Conflicts of Interest**

The Directors, the Manager, the Investment Manager, the Administrator, the Distributor and the Depositary and their respective affiliates, officers, directors and shareholders, employees and agents (collectively the “Parties”) are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the Company and/or their respective roles with respect to the Company. These activities may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Company may invest. In particular, the Manager and the Investment Manager may be involved in advising or managing other investment funds which have similar or overlapping investment objectives to or with the Company or Funds.

Each of the Parties will use its reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly. In particular, when allocating investment opportunities the Manager and the Investment Manager will ensure that all such investments will be allocated between the Company and other clients in a fair and equitable manner.

There is no prohibition on transactions with the Company by the Manager, the Investment Manager, the Administrator, the Depositary, the Distributor or entities related to each of the Manager, the Investment Manager, the Administrator, the Distributor or the Depositary including, without limitation, holding, disposing or otherwise dealing with Shares issued by or property of the Company and none of them shall have any obligation to account to the Company for any profits or benefits made by or derived from or in connection with any such transaction provided that such transactions are in the best interests of Shareholders and dealings are carried out as if effected on normal commercial terms negotiated on an arm’s length basis and

- (a) a person approved by the Depositary as independent and competent certifies the price at which the relevant transaction is effected is fair; or

- (b) the relevant transaction is executed on best terms reasonably obtainable on an organised investment exchange or other regulated market in accordance with the rules of such exchange or market; or
- (c) where the conditions set out in (a) and (b) above are not practical, the relevant transaction is executed on terms which the Depositary is (or in the case of a transaction involving the Depositary, the Directors are) satisfied conform to the principles that the transaction is in the best interests of Shareholders and is carried out on normal commercial terms negotiated at arm's length.

The Depositary (or in the case of a transaction involving the Depositary, by the Directors) shall document how it complies with paragraphs (a), (b) and (c) above. Where transactions are conducted in accordance with paragraph (c) above, the Depositary (or in the case of a transaction involving the Depositary, by the Directors) shall document its rationale for being satisfied that the transaction conforms with the requirements set out at paragraph (c) above.

The Investment Manager or an associated company of the Investment Manager may invest in Shares so that a Fund or Class may have a viable minimum size or is able to operate more efficiently. In such circumstances the Investment Manager or its associated company may hold a high proportion of the Shares of a Fund or Class in issue.

Details of interests of the Directors are set out in the Section of the Prospectus entitled "Statutory and General Information".

### **Payments for Research**

The Investment Manager and/or the Investment Adviser may utilise investment research services offered by brokers and independent service providers in executing the investment program of the Company. These research services may include published research notes or reports, other material or services suggesting or recommending an investment strategy or trade ideas (including in the form of software tools, programmes or other technology), macroeconomic analysis, and access to research analysts or industry experts (including expert networks). The Investment Manager considers that access to research services and materials is integral to its ability to execute the investment program and that such services and materials will inform, and add value to, the Investment Manager's investment decisions made on behalf of the Company.

The Investment Manager may open and maintain one or more Research Payment Accounts to facilitate the payment for research services used by the Investment Manager and the Investment Adviser. The Research Payment Account will be funded by a direct charge to the Company based on a research budget set out by the Investment Manager. The Investment Manager has adopted internal arrangements ("Research Policy"), including a methodology for valuing research, such as criteria used to assess its quality and usefulness in the investment process. The Investment Manager's policy is to calculate research budgets for each investment strategy employed by the Investment Manager on behalf of one or more of its clients, including

the Company. The budgets are formulated based on factors such as the anticipated level of research usage, range and complexity of research products and services required in the investment process, asset classes, and emphasis on particular sectors or geographies. The costs of research are allocated between the Company and other funds or accounts managed or advised by the Investment Manager based on the fair allocation methodology specified in the Research Policy. The Company shall incur costs of research only in circumstances relating to services received by the Company.

### **Key Event**

Shareholders will be notified within 5 Business Days on the occurrence of a Key Event.

### **3. FEES AND EXPENSES**

#### **Operating Expenses and Fees**

The Company will pay all its operating expenses and the fees hereinafter described as being payable by the Company. Expenses paid by the Company throughout the duration of the Company, in addition to fees and expenses payable to the Manager, the Investment Manager, the Administrator, the Depositary, the Sub-Custodian and the Paying Agent appointed by or on behalf of the Company include but are not limited to brokerage and banking commissions and charges, legal and other professional advisory fees, research fees, company secretarial fees, Companies Registration Office filings and statutory fees, regulatory fees, auditing fees, translation and accounting expenses, interest on borrowings, taxes and governmental expenses applicable to the Company, costs of preparation, translation, printing and distribution of reports and notices, all marketing material and advertisements and periodic update of the Prospectus, all expenses in connection with registration and distribution of the Company and Shares issued or to be issued, all expenses in connection with obtaining and maintaining a credit rating for any Funds or Classes or Shares, expenses of Shareholders meetings, Directors' insurance premia, expenses of the publication and distribution of the Net Asset Value, clerical costs of issue or redemption of Shares, postage, telephone, facsimile and telex expenses and any other expenses in each case together with any applicable value added tax. Any such expenses may be deferred and amortised by the Company, in accordance with standard accounting practice, at the discretion of the Directors. An estimated accrual for operating expenses of the Company will be provided for in the calculation of the Net Asset Value of each Fund. Operating expenses and the fees and expenses of service providers which are payable by the Company shall be borne by all Funds in proportion to the Net Asset Value of the relevant Fund or attributable to the relevant Class provided that fees and expenses directly or indirectly attributable to a particular Fund or Class shall be borne solely by the relevant Fund or Class.

#### **Research Fees**

The Investment Manager may establish and operate one or more "Research Payment Account(s)" to facilitate compliance with applicable regulatory requirements. Each such Research Payment Account will be used to pay for research (including access to investment analysts and experts) provided by brokers or other research providers selected by the Investment Manager. The Research Payment Account will be funded by a direct research charge payable by the Company which will not be linked to the value or volume of transactions executed on behalf of the Company. The Research Charge will be collected on a periodic basis separately from (or, in some circumstances, alongside) any brokerage commission or other transaction costs and will be based on an annual budget for research payments which will be set, and regularly reviewed, by the Investment Manager in consultation with the Company. Information on the budgeted amount for research (including any changes to the budget) and estimated research charge will be made available to the Shareholders on an annual basis, or more frequently if required under applicable law. Further information on research payments will be available from the Investment Manager on



request. For further information see “Management and Administration Payments for Research”.

### **Manager’s Fees**

The Company shall pay to the Manager out of the assets of the Company an annual fee as set out in the relevant Supplement, accrued and payable at such times as set out in the relevant Supplement.

The Manager shall also be entitled to reimbursement out of the assets of the relevant Fund of all reasonable properly-vouched out-of-pocket expenses incurred for the benefit of that Fund.

### **Administrator’s Fees**

The Company shall pay to the Administrator out of the assets of the Company an annual fee as set out in the relevant Supplement, accrued and payable at such times as set out in the relevant Supplement.

The Administrator shall also be entitled to be repaid out of the assets of the Company all of its reasonable out-of-pocket expenses incurred on behalf of each Fund which shall include legal fees, couriers’ fees and telecommunication costs and expenses together with VAT, if any, thereon.

### **Depositary’s Fees**

The Depositary shall be entitled to receive out of the assets of the Company an annual fee as set out in the relevant Supplement, accrued and payable at such times as set out in the relevant Supplement.

The Depositary shall also be entitled to be repaid all of its disbursements out of the assets of the relevant Fund, including legal fees, couriers’ fees and telecommunication costs and expenses and (unless otherwise provided in the relevant Supplement) the fees, transaction charges and expenses of any sub-custodian appointed by it which shall be at normal commercial rates together with VAT, if any, thereon.

### **Investment Manager’s Fees**

The Investment Manager shall be entitled to receive out of the assets of the Company such fees (including performance fee) as set out in the relevant Supplement, accrued and payable at such times as set out in the relevant Supplement.

The Investment Manager shall be entitled to be reimbursed by the Company for reasonable out of pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

### **Investment Advisory Fees**

The fees and out-of-pocket expenses of any investment adviser will be discharged by

the Investment Manager.

### **Paying Agents' Fees**

Fees and expenses of Paying Agents appointed by the Company, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the Company or the Fund in respect of which a Paying Agent has been appointed.

All Shareholders of the Company or the Fund on whose behalf a Paying Agent is appointed may avail of the services provided by Paying Agents appointed by or on behalf of the Company.

### **Anti-Dilution Levy/Duties and Charges**

The Investment Manager reserves the right to impose "an anti-dilution levy" representing a provision for market spreads (the difference between the prices at which assets are valued and/or bought or sold), duties and charges and other dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of a Fund, in the event of receipt for processing of net subscription or redemption requests exceeding 5% of the Net Asset Value of a Fund including subscriptions and/or redemptions which would be effected as a result of requests for conversion from one Fund into another Fund. Any such provision will be added to the price at which Shares will be issued in the case of net subscription requests exceeding 5% of the Net Asset Value of the Fund and deducted from the price at which Shares will be redeemed in the case of net redemption requests exceeding 5% of the Net Asset Value of the Fund including the price of Shares issued or redeemed as a result of requests for conversion. The Investment Manager may also apply a provision for market spreads and duties and charges in any other case where it considers such a provision to be in the best interests of a Fund. Any such sum will be paid into the account of the relevant Fund.

### **Directors' Fees**

The Constitution authorises the Directors to charge a fee for their services at a rate determined by the Directors and disclosed in the Prospectus from time to time. In this regard, the Directors have resolved that each Irish resident Director shall receive an annual fee of no more than €30,000 per annum in respect of the Company. The Directors shall also be reimbursed all reasonable travel, hotel and other expenses properly incurred in connection with the business of the Company or the discharge of their duties. In addition, Denise Kinsella is entitled to receive an additional annual fee of €5,000 in respect of her role as Chairperson of the Company.

### **Allocation of Fees and Expenses**

All fees, expenses, duties and charges will be charged to the relevant Fund and within such Fund to the Classes in respect of which they were incurred. Where an expense is not considered by the Directors to be attributable to any one Fund, the expense will normally be allocated to all Funds in proportion to the Net Asset Value of the Funds or otherwise on such basis as the Directors deem fair and equitable. In the case of any

fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees or expenses on an estimated figure for yearly or other periods in advance and accrue them in equal proportions over any period.

## 4. THE SHARES

### General

Shares may be issued on any Dealing Day. Shares issued in a Fund or Class will be in registered form and denominated in the Base Currency specified in the relevant Supplement for the relevant Fund or a currency attributable to the particular Class. Shares will have no par value and will first be issued on the first Dealing Day after expiry of the Initial Offer Period specified in the relevant Supplement at the Initial Price as specified in the relevant Supplement. Thereafter Shares shall be issued at the Net Asset Value per Share. Title to Shares will be evidenced by the entering of the investor's name on the Company's register of Shareholders and no certificates will be issued. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

The Directors may decline to accept any application for Shares without giving any reason and may restrict the ownership of Shares by any person, firm or corporation in certain circumstances including where such ownership would be in breach of any regulatory or legal requirement or might affect the tax status of the Company or might result in the Company suffering certain disadvantages which it might not otherwise suffer. Any restrictions applicable to a particular Fund or Class shall be specified in the relevant Supplement for such Fund or Class. Any person who holds Shares in contravention of restrictions imposed by the Directors or, by virtue of his holding, is in breach of the laws and regulations of any applicable jurisdiction or whose holding could, in the opinion of the Directors, cause the Company to incur any liability to taxation or to suffer any pecuniary disadvantage which it or the Shareholders or any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the Company, the Manager, the Investment Manager, the Depositary, the Administrator, the Distributor and Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the Company.

The Directors have power under the Constitution to compulsorily redeem and/or cancel any Shares held or beneficially owned in contravention of any restrictions imposed by them or in breach of any law or regulation.

None of the Company, the Manager, the Investment Manager, the Administrator, the Distributor or the Depositary or any of their respective directors, officers, employees or agents will be responsible or liable for the authenticity of instructions from Shareholders reasonably believed to be genuine and shall not be liable for any losses, costs or expenses arising out of or in conjunction with any unauthorised or fraudulent instructions. The Administrator shall, however, employ reasonable procedures to confirm that instructions are genuine.

## **Umbrella Fund Cash Accounts**

In connection with the processing of subscriptions, redemptions, distributions or other relevant payments to or from investors or Shareholders, the Company may establish or operate one or more umbrella fund cash accounts, opened in its name. No investment or trading will be effected on behalf of the Company or any of its Funds in respect of the cash balances on such accounts. Any balances on such accounts shall belong to the Company or the relevant Fund and are not held on trust on behalf of any investors or Shareholders or any other persons. Furthermore, any such balances shall not be treated as part of the Net Asset Value calculation of the relevant Fund.

Cash subscriptions received in advance of the relevant Dealing Day will be held as an asset of the relevant Fund in cash in an umbrella fund cash account until the relevant Dealing Day, at which time the Shares will be issued and the investor will become a Shareholder in the relevant Fund. In respect of such subscription proceeds received in advance of the relevant Dealing Day and until such time as the Shares have been issued to the investor, in the event of the Company or the relevant Fund becoming insolvent, the investor will rank as a general unsecured creditor of the Company or relevant Fund in respect of such subscription proceeds.

Should the Company be unable to issue Shares to an investor who has paid the requisite subscription amount to the Company but has yet to provide the Company or the Administrator with all requisite information or documentation in order to verify the investor's identity or whose Account Opening Form had not yet been processed, the Depositary shall ensure that in the event that such subscription proceeds cannot be applied, it will return such subscription proceeds to the relevant investor within five working days.

The Company may temporarily borrow an amount equal to a subscription, subject to a Fund's borrowing limits, and invest the amount borrowed in accordance with the investment objective and policies of the Fund. Once the required subscription monies have been received, the Company will use this to repay the borrowings. In the event of any delay in the settlement of the investor's subscription monies, the Company reserves the right to charge that Shareholder for any interest or other costs incurred by the Company as a result of this borrowing.

In respect of a dividend declared and owing to a Shareholder that is unable to be paid for any reason whatsoever, such as, for example, if the relevant Shareholder has not provided the requisite information or documentation to the Company or the Administrator, such dividend amount will be held as an asset of the relevant Fund in cash in an umbrella fund cash account until such time as the reason for the Company or the Administrator being unable to pay the dividend amount to the relevant Shareholder has been addressed, at which point the Company or the Administrator shall pay the dividend amount to the Shareholder. In this regard, the relevant Shareholder should seek to promptly address the reason for the Company or the Administrator being unable to pay the dividend amount to the relevant Shareholder. In respect of such dividend amounts that are unable to be paid and until such time as such dividend amount has been paid to the Shareholder, in the event of the Company or the relevant Fund becoming insolvent, the Shareholder will rank as a general

unsecured creditor of the Company or relevant Fund in respect of such a dividend amount.

In respect of a redemption request, the Company or the Administrator may refuse to remit the redemption proceeds until such time as the Shareholder has provided the requisite information or documentation to the Company or the Administrator, as requested by the Company or the Administrator from time to time. In such circumstances, the Administrator will process the redemption request received by the Shareholder, at which point in time the Shareholder will no longer be considered a Shareholder of the relevant Fund and the proceeds of that redemption shall be held as an asset of the relevant Fund in cash in an umbrella fund cash account until such time as the Company or the Administrator has received all requisite information or documentation and has verified the Shareholder's identity to its satisfaction, following which the redemption proceeds will be released. In this regard, the relevant Shareholder should seek to promptly address the reason for the Company or the Administrator being unable to pay the redemption proceeds to the relevant Shareholder. In respect of such redemption proceeds that are unable to be paid and until such time as the redemption proceeds have been released to the investor, in the event of the Company or the relevant Fund becoming insolvent, the investor will rank as a general unsecured creditor of the Company or relevant Fund in respect of such redemption proceeds.

### **Abusive Trading Practices/Market Timing**

The Directors generally encourage investors to invest in the Funds as part of a long-term investment strategy and discourages excessive or short term or abusive trading practices. Such activities, sometimes referred to as "market timing", may have a detrimental effect on the Funds and Shareholders. For example, depending upon various factors such as the size of the Fund and the amount of its assets maintained in cash, short-term or excessive trading by Shareholders may interfere with the efficient management of the Fund's portfolio, increased transaction costs and taxes and may harm the performance of the Fund.

The Directors seek to deter and prevent abusive trading practices and to reduce these risks, through several methods, including the following:

- (i) to the extent that there is a delay between a change in the value of a Fund's portfolio holdings and the time when that change is reflected in the Net Asset Value per Share, a Fund is exposed to the risk that investors may seek to exploit this delay by purchasing or redeeming Shares at a Net Asset Value which does not reflect appropriate fair value prices. The Directors seek to deter and prevent this activity, sometimes referred to as "stale price arbitrage", by the appropriate use of its power to adjust the value of any investment having regard to relevant considerations in order to reflect the fair value of such investment.
- (ii) the Directors may monitor Shareholder account activities in order to detect and prevent excessive and disruptive trading practices and reserves the right to exercise its discretion to reject any subscription or conversion transaction without assigning any reason therefor and without payment of compensation if,

in its judgement, the transaction may adversely affect the interest of a Fund or its Shareholders. The Directors may also monitor Shareholder account activities for any patterns of frequent purchases and sales that appear to be made in response to short-term fluctuations in the Net Asset Value per Share and may take such action as it deems appropriate to restrict such activities.

There can be no assurances that abusive trading practices can be mitigated or eliminated. For example, nominee accounts in which purchases and sales of Shares by multiple investors may be aggregated for dealing with the Fund on a net basis, conceal the identity of underlying investors in a Fund which makes it more difficult for the Directors and their delegates to identify abusive trading practices.

### **Application for Shares**

Applicants who have not previously subscribed for Shares in the Company will be required to complete an Account Opening Form which must be submitted together with all requisite information or documentation in order to verify the applicant's identity to the Administrator on behalf of the Company. Only after the Account Opening Form has been processed and all the supporting documentation is to the satisfaction of the Administrator will applications for Shares be processed.

The terms and conditions applicable to an application for the issue of Shares in a Fund or Class and the Initial Price thereof together with subscription and settlement details and procedures and the time for receipt of applications will be specified in the Supplement for the relevant Fund or Class. Account Opening Forms and Subscription Forms may be obtained from the Distributor or Administrator. The Minimum Subscription and Minimum Holding for Shares are set out in the Supplement for each Fund.

Any of the Distributor and the Administrator on behalf of the Company may reject an Account Opening Form or a Subscription Form without giving any reason for such rejection in which event the subscription monies or any balance thereof will be returned without interest, expenses or compensation to the applicant by transfer to the applicant's designated account or by post at the applicant's risk.

### **Anti-Money Laundering and Countering Terrorist Financing Measures**

Measures aimed towards the prevention of money laundering and terrorist financing may require a detailed verification of the applicant's identity and where applicable the beneficial owner on a risk sensitive basis and the ongoing monitoring of the business relationship. Politically exposed persons ("PEPs"), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, and immediate family member, or persons known to close associates of such persons, must also be identified. Depending on the circumstances of each application, a detailed verification might not be required where the application is made through a recognised intermediary. This exception may only apply if the relevant financial institution or intermediary referred to above is in a country recognised by Ireland as having equivalent anti-money laundering regulations and counter terrorist financing regulations or satisfies other applicable conditions and the investor produces a letter

of undertaking from the recognised intermediary. Intermediaries cannot rely on third parties to meet the obligation to monitor the ongoing business relationship with an investor which remains their ultimate responsibility.

By way of example an individual may be required to produce an original certified copy of a passport or identification card together with evidence of his/her address such as two original copies of evidence of his/her address, i.e. utility bills or bank statements, date of birth and tax residence. In the case of corporate applicants this may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business addresses of all directors and beneficial owners.

The Company, the Manager and their delegates reserve the right to request such information as is necessary to verify the identity of an applicant or a Shareholder both on initial application for Shares and periodically. In the event of delay or failure by the applicant or Shareholder to produce any information required for verification purposes, the Company or the Administrator may refuse to accept the initial or subsequent applications for Shares and the subscription monies relating thereto and/or may refuse to process a redemption request until the information requested has been provided.

Where Shareholders have not provided the requested information to the Company, or the Administrator, any dividends owed to such Shareholders may be held in cash and may not be paid to the Shareholder, nor reinvested. Such dividends shall remain an asset of the Company and such Shareholder will rank as a general creditor of the Company until such time as the Company or the Administrator has verified the Shareholder's identity to its satisfaction. Once so verified, the dividend will be paid or reinvested, as elected by the Shareholder.

In respect of redemption requests, the Company or the Administrator will refuse to remit the redemption proceeds where information requested to verify the identity of a Shareholder has not been furnished to the satisfaction of the Administrator. In such circumstances, the Administrator will process any redemption request received by a Shareholder, however the proceeds of that redemption shall remain an asset of the Company and the Shareholder will rank as a general creditor of the Company until such time as the Company or the Administrator has verified the Shareholder's identity to its satisfaction, following which redemption proceeds will be released.

Investors should note specifically that where redemption proceeds are requested to be remitted to an account which is not in the name of the investor, the Company, the Manager and their delegates reserve the right to request such information as may be necessary to verify the identity of the investor and the owner of the account to which the redemption proceeds will be paid. Redemption proceeds will not be paid to a third party account if the investor and/or owner of the account fail to provide such information.

Each applicant for Shares acknowledges that the Company, the Manager and their delegates shall be held harmless against any loss arising as a result of a failure to process or a delay in processing his application for Shares or redemption request if



such information and documentation as has been requested by the Company, the Manager or their delegates has not been provided by the applicant.

The Company, the Manager and their delegates reserve the right to reject an Account Opening Form or Subscription Form without assigning any reason therefor, in whole or in part, in which event the application monies or any balance thereof will be returned to the applicant without interest by transfer to the applicant's designated account or by post at the applicant's risk.

### **Data Protection Information**

Prospective investors should note that by completing an Account Opening Form or Subscription Form they are providing personal information to the Company, which may constitute personal data within the meaning of data protection legislation in Ireland. This data will be used for the purposes of client identification, administration, statistical analysis, market research, to comply with any applicable legal or regulatory requirements and, if an applicant's consent is given, for direct marketing purposes. Data may be disclosed to third parties including regulatory bodies, tax authorities in accordance with the Common Reporting Standard and any other tax reporting obligations under legislation or regulation, delegates, advisers and service providers of the Company and their or the Company's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including outside the EEA) for the purposes specified. By signing an Account Opening Form or Subscription Form, investors consent to the obtaining, holding, use, disclosure and processing of data for any one or more of the purposes set out in the Account Opening Form or Subscription Form. Investors have a right to obtain a copy of their personal data kept by the Company on payment of a fee and the right to rectify any inaccuracies in personal data held by the Company.

### **Redemption of Shares**

Shareholders may redeem their Shares on and with effect from any Dealing Day at the Net Asset Value per Share calculated on or with respect to the relevant Dealing Day in accordance with the procedures specified in the relevant Supplement (save during any period when the calculation of Net Asset Value is suspended). The minimum value of Shares which may be redeemed in any one redemption transaction is specified in the relevant Supplement for each Fund or Class. If the redemption of part only of a Shareholder's shareholding would leave the Shareholder holding less than the Minimum Holding for the relevant Fund, the Company may, at the discretion of the Investment Manager, redeem the whole of that Shareholder's holding.

Shares will not receive or be credited with any dividend declared on or after the Dealing Day on which they were redeemed.

The Directors, in consultation with the Manager, may limit the number of Shares that can be redeemed on any one Redemption Date to 10% of the Net Asset Value of the applicable Fund. In this event, the limitation will apply pro rata so that all Shareholders wishing to have their Shares redeemed on that Redemption Date redeem the same proportion of such Shares, and Shares not redeemed will be carried forward for

redemption on the next Redemption Date and all following Redemption Dates (in relation to which the Company will carry out the same procedure as described herein) until the original request has been satisfied in full. If requests for redemption are so carried forward, the Administrator will inform the Shareholders affected. Any request not redeemed in full on the first applicable Dealing Day following its receipt by the Administrator will be carried forward for redemption to each succeeding Dealing Day and will be treated pro rata with any requests received thereafter (i.e. the Company shall treat such requests as if they were received on each subsequent Dealing Day until all of the Shares to which the original request related have been redeemed).

The Company may, at the discretion of the Directors in consultation with the Manager, satisfy any request for redemption of Shares by the transfer in specie to a Shareholder requesting redemption of assets of the relevant Fund having a value equal to the redemption price for the Shares redeemed as if the redemption proceeds were paid in cash less any redemption charge and other expenses of the transfer as the Directors may determine provided that either (a) the Shareholder requesting redemption consents to such transfer in specie or (b) at the request of the Shareholder the Company shall sell any asset or assets proposed to be distributed in specie and distribute to such Shareholder the cash proceeds of such sale less the costs of such sale which shall be borne by the relevant Shareholder. The nature and type of assets to be transferred in specie to each Shareholder shall be determined by the Directors, subject to the approval of the Depositary to the allocation of assets, on such basis as the Directors in their discretion shall deem equitable and not prejudicial to the interests of the remaining Shareholders in the relevant Fund or Class.

A determination to provide redemption in specie may be at the discretion of the Directors in consultation with the Manager where the redeeming Shareholder requests redemption of a number of Shares that represent 5% or more of the Net Asset Value of the Company. In this event the Directors will, if requested, sell the assets on behalf of the Shareholder. The cost of such sale shall be borne by the relevant Shareholder.

### **Compulsory Redemption of Shares/Deduction of Tax**

Shareholders are required to notify the Administrator/Distributor through whom Shares have been purchased immediately if they become US Persons or persons who are otherwise subject to restrictions on ownership imposed by the Directors and such Shareholders may be required to redeem or transfer their Shares. The Company, in consultation with the Manager, may redeem any Shares which are or become owned, directly or indirectly, by or for the benefit of any person in breach of any restrictions on ownership from time to time specified by the Directors or if the holding of Shares by any person is unlawful or is likely to result or results in any tax, fiscal, legal, regulatory, pecuniary liability or disadvantage or material administrative disadvantage to any of the Company, Shareholders or any Fund or by any person who holds less than the Minimum Holding or does not supply any information or declaration required by the Investment Manager within seven days of a request to do so. Any such redemption will be effected at the Net Asset Value per Share calculated on or with respect to the relevant Dealing Day on which the Shares are to be redeemed. The Company may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by

a Shareholder including any interest or penalties payable thereon. The attention of investors in relation to the section of the Prospectus entitled "Taxation" and in particular the section therein headed "Irish Taxation" which details circumstances in which the Company shall be entitled to deduct from payments to Shareholders who are resident or ordinarily resident in Ireland amounts in respect of liability to Irish taxation including any penalties and interest thereon and/or compulsorily redeem Shares to discharge such liability. Relevant Shareholders will indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of an event giving rise to a charge to taxation.

### **Total Redemption of Shares**

All of the Shares of any Class or any Fund may be redeemed:

- (a) on the giving by the Company of not less than four nor more than twelve weeks' notice expiring on a Dealing Day to Shareholders of its intention to redeem such Shares; or
- (b) if the holders of 75% in value of the relevant Class or Fund resolve at a meeting of the Shareholders duly convened and held that such Shares should be redeemed.

The Directors may resolve in their absolute discretion to retain sufficient monies prior to effecting a total redemption of Shares to cover the costs associated with the subsequent termination of a Fund or Class or the liquidation of the Company.

### **Conversion of Shares**

Subject to the Minimum Subscription and Minimum Holding requirements of the relevant Fund or Classes, Shareholders may request conversion of some or all of their Shares in one Fund or Class ("the Original Fund") to Shares in another Fund or Class or another Class in the same Fund ("the New Fund") in accordance with the formula and procedures specified below. Requests for conversion of Shares should be made to the Administrator by facsimile or written communication or such other means as may be permitted by the Directors and should include such information as may be specified from time to time by the Directors or their delegate. Requests for conversion should be received prior to the earlier of the Dealing Deadline for redemptions in the Original Fund and the Dealing Deadline for subscriptions in the New Fund. Any applications received after such time will be dealt with on the next Dealing Day which is a dealing day for the relevant Funds, unless the Company in its absolute discretion otherwise determines. Conversion requests will only be accepted where cleared funds and completed documents are in place from original subscriptions.

Where a conversion request would result in a Shareholder holding a number of Shares of either the Original Fund or the New Fund which would be less than the Minimum Holding for the New Fund, the Directors may, if they think fit, convert the whole of the holding in the Original Fund to Shares in the New Fund or refuse to effect any conversion from the Original Fund.

Fractions of Shares which shall not be less than 0.001 of a Share may be issued by the Company on conversion where the value of Shares converted from the Original Fund are not sufficient to purchase an integral number of Shares in the New Fund and any balance representing less than 0.001 of a Share will be retained by the Company in order to defray administration costs.

The number of Shares of the New Fund to be issued will be calculated in accordance with the following formula:

$$S = \frac{(R \times NAV \times ER)}{SP}$$

where

S is the number of Shares of the New Fund to be allotted.

R is the number of Shares in the Original Fund to be redeemed.

NAV is the Net Asset Value per Share of the Original Fund at the Valuation Point on the relevant Dealing Day.

ER is the currency conversion factor (if any) as determined by the Administrator.

SP is the Net Asset Value per Share of the New Fund at the Valuation Point on the relevant Dealing Day.

### **Withdrawal of Conversion Requests**

Conversion requests may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of a suspension of calculation of the Net Asset Value of the Funds in respect of which the conversion request was made.

### **Net Asset Value and Valuation of Assets**

The Net Asset Value of each Fund or, if there are different Classes within a Fund, each Class will be calculated by the Administrator as at the Valuation Point on or with respect to each Dealing Day in accordance with the Constitution. The Net Asset Value of a Fund shall be determined as at the Valuation Point for the relevant Dealing Day by valuing the assets of the relevant Fund (including income accrued but not collected) and deducting the liabilities of the relevant Fund (including a provision for duties and charges, accrued expenses and fees, including those to be incurred in the event of a subsequent termination of a Fund or liquidation of the Company and all other liabilities). The Net Asset Value attributable to a Class shall be determined as at the Valuation Point for the relevant Dealing Day by calculating that portion of the Net Asset Value of the relevant Fund attributable to the relevant Class as at the Valuation Point subject to adjustment to take account of assets and/or liabilities attributable to the Class. The Net Asset Value of a Fund will be expressed in the Base Currency of the

Fund, or in such other currency as the Directors may determine either generally or in relation to a particular Class or in a specific case.

The Net Asset Value per Share shall be calculated as at the Valuation Point on or with respect to each Dealing Day by dividing the Net Asset Value of the relevant Fund or attributable to a Class by the total number of Shares in issue or deemed to be in issue in the Fund or Class subsequent to the Valuation Point for the relevant Dealing Day and rounding the resulting total to 3 decimal places.

In determining the Net Asset Value of the Company and each Fund:

- (a) Securities which are quoted, listed or traded on a Recognised Exchange save as hereinafter provided at (d), (e), (f), (g), (h) and (i) will be valued at the last traded price. Where a security is listed or dealt in on more than one Recognised Exchange the relevant exchange or market shall be the principal stock exchange or market on which the security is listed or dealt on or the exchange or market which the Directors or Manager determine provides the fairest criteria in determining a value for the relevant investment. Investments listed or traded on a Recognised Exchange, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount at the Valuation Point provided that the Depositary shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.
- (b) The value of any security which is not quoted, listed or dealt in on a Recognised Exchange or which is so quoted, listed or dealt but for which no such quotation or value is available or the available quotation or value is not representative of the fair market value shall be the probable realisation value as estimated with care and good faith by (i) the Directors or the Manager or (ii) a competent person, firm or corporation (including the Investment Manager) selected by the Directors or the Manager and approved for the purpose by the Depositary or (iii) any other means provided that the value is approved by the Depositary.
- (c) Cash in hand or on deposit will be valued at its nominal value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.
- (d) Derivative contracts traded on a regulated market shall be valued at the settlement price as determined by the market. If the settlement price is not available, the value shall be the probable realisation value estimated with care and in good faith by (i) the Directors or the Manager or (ii) a competent person firm or corporation (including the Investment Manager) selected by the Directors or the Manager and approved for the purpose by the Depositary or (iii) any other means provided that the value is approved by the Depositary. Derivative contracts which are not traded on a regulated market including without limitation swap contracts will be valued on the basis of a quotation provided daily by the relevant counterparty and such valuation shall be verified at least weekly by a

party which is independent of the counterparty, including the Investment Manager, and which is approved for such purpose by the Depositary.

- (e) Forward foreign exchange contracts shall be valued in the same manner as derivatives contracts which are not traded in a regulated market or, if no settlement price is available, by reference to the price at the Valuation Point at which a new forward contract of the same size and maturity could be undertaken.
- (f) Notwithstanding paragraph (a) above units in collective investment schemes shall be valued at the latest available net asset value per unit as published by the relevant collective investment scheme or, if listed or traded on a Recognised Exchange, in accordance with (a) above.
- (g) In the case of a Fund which is a money market fund the Directors or the Manager may value any security with a known residual maturity of fifteen months or less using the amortised cost method of valuation whereby the security is valued at its acquisition cost adjusted for amortisation of premium or accretion of discount on the securities. The Directors or the Manager or their delegates shall review or cause a review to take place of deviations between the amortised method of valuation and the market value of investments in accordance with the Central Bank's guidelines.
- (h) The Directors or the Manager may value floating rate instruments using the amortised cost method of valuation where such floating rate instruments:
  - (i) have an annual or shorter reset date; and
  - (ii) are determined by the Directors or the Manager to have a market value that approximates the amortised cost valuation; and
  - (iii) have a residual value of two years or less or, in the case of high credit quality instruments, up to five years provided that procedures are adopted for instruments having a residual maturity of between two and five years to ensure that the valuation produced does not vary significantly from its true market value.
- (i) The Directors or the Manager may value securities having a residual maturity not exceeding six months using the amortised cost method of valuation.
- (j) The Directors or the Manager may, with the approval of the Depositary, adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof.
- (k) Any value expressed otherwise than in the Base Currency of the relevant Fund shall be converted into the Base Currency of the relevant Fund at the exchange rate (whether official or otherwise) available to the Administrator.

- (l) Where the value of any investment is not ascertainable as described above, the value shall be the probable realisation value estimated by the Directors or the Manager with care and in good faith or by a competent person approved for the purpose by the Depositary.
- (m) If the Directors or the Manager deem it necessary a specific investment may be valued under an alternative method of valuation approved by the Depositary.

In calculating the value of assets of the Company and each Fund the following principles will apply:

- (a) the Directors or the Manager may value the Investments of a Fund (i) at lowest market dealing bid prices where on any Dealing Day the value of all redemption requests received exceeds the value of all applications for Shares received for that Dealing Day or at highest market dealing offer prices where on any Dealing Day the value of all applications for Shares received for that Dealing Day exceeds the value of all redemption requests received for that Dealing Day, in each case in order to preserve the value of the Shares held by existing Shareholders; or (ii) at mid prices; provided in each case that the valuation policy selected by the Directors or the Manager shall be applied consistently with respect to: (a) the Company and, as appropriate, individual Funds; and (b) the various categories of assets of each Fund, for so long as the Company or Funds, as the case may be, are operated on a going concern basis;
- (b) Every Share agreed to be issued by the Directors with respect to each Dealing Day shall be deemed to be in issue subsequent to the Valuation Point for the relevant Dealing Day and the assets of the relevant Fund as of that Valuation Point shall be deemed not to include the amount of any cash or other property to be received in respect of Shares agreed to be issued with respect to that Dealing Day;
- (c) where investments have been agreed to be purchased or sold but such purchase or sale has not been completed, such investments shall be included or excluded and the gross purchase or net sale consideration excluded or included as the case may require as if such purchase or sale had been duly completed unless the Directors or the Manager have reason to believe such purchase or sale will not be completed;
- (d) there shall be added to the assets of the relevant Fund any actual or estimated amount of any taxation of a capital nature which may be recoverable by the Company which is attributable to that Fund;
- (e) there shall be added to the assets of each relevant Fund a sum representing any unamortised expenses and a sum representing any interest, dividends or other income accrued but not received unless the Directors or the Manager are of the opinion that such interest, dividends or other income are unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors or the Manager or their delegates (with

the approval of the Depositary) may consider appropriate in such case to reflect the true value thereof;

- (f) there shall be added to the assets of each relevant Fund the total amount (whether actual or estimated by the Directors or the Manager or their delegates) of any claims for repayment of any taxation levied on income or capital gains including claims in respect of double taxation relief;
- (g) where notice of the redemption of Shares has been received by the Company with respect to a Dealing Day and the cancellation of such Shares has not been completed, the Shares to be redeemed shall be deemed not to be in issue subsequent to the Valuation Point for the relevant Dealing Day and the value of the assets of the relevant Fund as of that Valuation Point shall be deemed to include the amount of any cash or other property to be paid out in respect of Shares to be redeemed with respect to that Dealing Day;
- (h) there shall be deducted from the assets of the relevant Fund:
  - (i) the total amount of any actual or estimated liabilities properly payable out of the assets of the relevant Fund including any and all outstanding borrowings of the Company in respect of the relevant Fund, interest, fees and expenses payable on such borrowings and any estimated liability for tax and such amount in respect of contingent or projected expenses as the Directors or the Manager consider fair and reasonable as of the relevant Valuation Point;
  - (ii) such sum in respect of tax (if any) on income or capital gains realised on the investments of the relevant Fund as in the estimate of the Directors or the Manager will become payable;
  - (iii) the amount (if any) of any distribution declared but not distributed in respect thereof;
  - (iv) the remuneration of the Investment Manager, the Administrator, the Depositary, the Distributor and any other providers of services to the Company accrued but remaining unpaid together with a sum equal to the value added tax chargeable thereon (if any);
  - (v) the total amount (whether actual or estimated by the Directors or the Manager) of any other liabilities properly payable out of the assets of the relevant Fund (including all establishment, operational and ongoing administrative fees, costs and expenses) as of the relevant Valuation Point;
  - (vi) an amount as of the relevant Valuation Point representing the projected liability of the relevant Fund in respect of costs and expenses to be incurred by the relevant Fund in the event of a subsequent liquidation;



- (vii) an amount as of the relevant Valuation Point representing the projected liability of the relevant calls on Shares in respect of any warrants issued and/or options written by the relevant Fund or Class of Shares; and
- (viii) any other liability which may properly be deducted.

In the absence of negligence, fraud or wilful default, every decision taken by the Directors or any committee of the Directors or by the Investment Manager or any duly authorised person on behalf of the Company in determining the value of any investment or calculating the Net Asset Value of a Fund or Class or the Net Asset Value per Share shall be final and binding on the Company and on present, past or future Shareholders.

### **Publication of Net Asset Value per Share**

When calculated, the Net Asset Value will be published as specified in the Section of the Prospectus entitled "The Company".

### **Suspension of Valuation of Assets**

The Directors may, in consultation with the Manager, at any time temporarily suspend the determination of the Net Asset Value of any Fund and the issue, conversion and redemption of Shares in any Fund:

- a) during the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the Recognised Exchanges on which the relevant Fund's investments are quoted, listed, traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted; or
- b) during the whole or part of any period when circumstances outside the control of the Directors exist as a result of which any disposal or valuation of investments of the Fund is not reasonably practicable or would be detrimental to the interests of Shareholders or it is not possible to transfer monies involved in the acquisition or disposition of investments to or from the relevant account of the Company; or
- c) during the whole or any part of any period when any breakdown occurs in the means of communication normally employed in determining the value of any of the relevant Fund's investments; or
- d) during the whole or any part of any period when for any reason the value of any of the Fund's investments cannot be reasonably, promptly or accurately ascertained; or
- e) during the whole or any part of any period when subscription proceeds cannot be transmitted to or from the account of any Fund or the Company is unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the Directors, be carried out at normal rates of exchange; or

- f) upon mutual agreement between the Company and the Depositary for the purpose of winding up the Company or terminating any Fund; or
- g) if any other reason makes it impossible or impracticable to determine the value of a substantial portion of the Investments or the Company or any Fund.

Any suspension of valuation shall be notified to the Central Bank and the Depositary without delay and, in any event, within the same Dealing Day and shall be published in the Financial Times. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

The Central Bank may also require that the Company temporarily suspends the determination of the Net Asset Value and the issue and redemption of Shares in a Fund if it decides that it is in the best interests of the general public and the Shareholders to do so.

### **Dividends and Distributions**

The Directors are empowered to declare and pay dividends on Shares issued in any Class or Fund in the Company. The dividend policy for each Fund or Class will be set out in the relevant Supplement.

### **Taxation on the occurrence of certain events**

The attention of investors is drawn to the section of the Prospectus headed "Irish Taxation" and in particular the taxation liability arising on the occurrence of certain events such as the encashment, redemption or transfer of Shares by or payment of dividends to Shareholders who are resident or ordinarily resident in Ireland. If the Company becomes liable to account for tax including any interest or penalties thereon if an event giving rise to a tax liability occurs, the Company shall be entitled to deduct such amount from the payment arising on such event or to compulsorily redeem or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as have a value sufficient after the deduction of any redemption charges to discharge any such liability. The relevant Shareholder shall indemnify and keep the Company indemnified against any loss arising to the Company by reason of the Company becoming liable to account for tax and any interest or penalties thereon on the happening of an event giving rise to a tax liability including if no such deduction, appropriation or cancellation has been made.

## 5. TAXATION

### General

***The Sections below on Irish and United Kingdom taxation are brief summaries of the tax advice received by the Directors which may be subject to change and interpretation.***

***The information given below does not constitute legal or tax advice and prospective investors should consult their professional advisers on the possible tax consequences of buying, selling, converting, holding or redeeming Shares under the laws of the jurisdictions in which they may be subject to tax. Investors are also advised to inform themselves as to any exchange control regulations applicable in their country of residence.***

***Generally the tax consequences of acquiring, holding, converting, redeeming or disposing of Shares in the Company will depend on the relevant laws of the jurisdiction to which the Shareholder is subject. These consequences will vary with the law and practice of the Shareholder's country of residence, domicile or incorporation and with his personal circumstances.***

Dividends, interest and capital gains (if any) which the Company or any Fund receives with respect to their investments (other than securities of Irish issuers, subject to certain conditions) may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the Company the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

### Irish Taxation

The Directors have been advised that on the basis that the Company is resident in Ireland for taxation purposes and that the Company is an "investment undertaking" within the meaning of section 739B of the Taxes Act, the taxation position of the Company and the Shareholders is as set out below.

### Definitions

For the purposes of this section, the following definitions shall apply.

**"Exempt Irish Investor"** includes

- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of Section 706 of the Taxes Act;

- an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;
- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a qualifying fund manager within the meaning of Section 784A(1)(a) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a qualifying management company within the meaning of Section 734 (1) of the Taxes Act;
- an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- a personal retirement savings account (“PRSA”) administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management Agency;
- the National Asset Management Agency (as established under the National Asset Management Agency Act 2009);
- a qualifying savings manager (within the meaning of section 848B of the Taxes Act) acting on behalf of a person exempt from income tax and capital gains tax by virtue of section 848E of the Taxes Act where the Shares held are assets of a special savings incentive account;
- a specified company within the meaning of section 734 (1) of the Taxes Act;
- a company in respect of its investment in a money market fund within the meaning of Regulation (EC) No 2423/2001 of the European Central Bank of 22/11/2001, where such company is within the charge to corporation tax and has made a declaration to that effect to the Company and has supplied details of its corporation tax reference number to the Company;
- a “qualifying company” within the meaning of Section 110 of the Taxes Act, which has made a declaration to that effect to the Company and has provided its corporation tax number to the Company;
- the Motor Insurers’ Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurers Insolvency Compensation Fund under the Insurance Act 1964 (amended by the Insurance (Amendment Act 2018), and the Motor Insurers’ Bureau of Ireland has made a declaration that effect to the Company;
- an Intermediary acting on behalf of persons who are neither Resident in Ireland nor Ordinarily Resident in Ireland for tax purposes or an Intermediary acting on behalf of the Irish Resident persons listed above; or
- any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice

or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company giving rise to a charge to tax in the Company;

provided that, where required, they have correctly completed the Relevant Declaration.

### **“Exempt Non-Resident Investor”**

means any Shareholder that is neither Irish Resident nor Ordinarily Resident in Ireland and either, (a) the Shareholder has made a Relevant Declaration to the Company on or about the time when the Shares are applied for or acquired by the Shareholder, and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct; or (b) in the absence of such a Relevant Declaration, the Company has availed of and satisfied all necessary equivalent measures (see paragraph headed “*Equivalent Measures*” below).

### **“Intermediary”**

means a person who:

- carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or
- holds shares in an investment undertaking on behalf of other persons.

### **“Ireland”**

means the Republic of Ireland.

“IREF” means an IREF within the meaning of Section 739K of the Taxes Act.

### **“Irish Resident”**

- in the case of an individual, means an individual who is resident in Ireland for tax purposes.
- in the case of a trust, means a trust that is resident in Ireland for tax purposes.
- in the case of a company, means a company that is resident in Ireland for tax purposes.

### ***Individual***

An individual will be regarded as being resident in Ireland for a tax year if he/she is present in Ireland: (1) for a period of at least 183 days in that tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is present in Ireland for at least 31 days in each period. In determining days present in Ireland, an individual is deemed to be present if he/she is in Ireland at any time during the day.

## ***Trust***

A trust will generally be resident in Ireland where the trustee is resident in Ireland or a majority of the trustees (if more than one) are resident in Ireland.

## ***Company***

A company will be resident in Ireland for tax purposes if its central management and control is exercised in Ireland irrespective of where it is incorporated. For Ireland to be treated as the location for central management and control this typically means that Ireland is the location where all fundamental policy decisions of the company are made.

A company incorporated in Ireland will be regarded for all purposes of Irish tax legislation as being resident in Ireland unless it is regarded for the purposes of a double tax treaty in effect with Ireland as being resident in that other tax treaty territory and not in Ireland.

It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and potential investors are referred to the specific legislative provisions that are contained in Section 23A of the Taxes Act.

### **“Ordinarily Resident in Ireland”**

- in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes.
- in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.

An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years.

The concept of a trust's ordinary residence is somewhat obscure and linked to its tax residence.

### **“Recognised Clearing System”**

means

- BNY Mellon Central Securities Depository;
- Central Moneymarkets Office;
- Clearstream Banking SA;
- Clearstream Banking AG;
- CREST;

- Depository Trust Company of New York;
- Deutsche Bank AG, Depository and Clearing System;
- Euroclear;
- Hong Kong Securities Clearing Company Limited;
- Japan Securities Depository Centre (JASDEC);
- Monte Titoli SPA;
- Netherlands Centraal Instituut voor Giraal Effectenverkeer BV;
- National Securities Clearing System;
- Sicovam SA;
- SIS Sega Intersettle AG;
- The Canadian Depository for Securities Ltd;
- VPC AB; and
- any other system for clearing shares which is designated for the purposes of Chapter 1A in Part 27 of the Taxes Act, by the Revenue Commissioners as a recognised clearing system.

#### **“Relevant Declaration”**

means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act.

#### **“Relevant Period”**

means a period of 8 years beginning with the acquisition of a Share by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding relevant period.

#### **“Revenue Commissioners”**

means the Revenue Commissioners of Ireland;

#### **“Taxes Act”**

means the Taxes Consolidation Act 1997 (of Ireland) as amended.

#### **The Company**

The Company will be regarded as resident in Ireland for tax purposes if the central management and control of its business is exercised in Ireland and the Company is not regarded as resident elsewhere. It is the intention of the Directors that the business of the Company will be conducted in such a manner as to ensure that it is Irish Resident for tax purposes.

The Directors have been advised that the Company qualifies as an investment undertaking as defined in Section 739B (1) of the Taxes Act. Under current Irish law and practice and on the basis that the Company is an investment undertaking within the meaning of section 739B of the Taxes Act, which is not an IREF, it will not be subject to Irish tax on its income or gains other than gains arising on chargeable events

as outlined below.

Tax can arise on the happening of a “chargeable event” in the Company. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, repurchase, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a Relevant Period) of Shares or the appropriation or cancellation of Shares of a Shareholder by the Company for the purposes of meeting the amount of tax payable on a gain arising on a transfer.

No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who is an Exempt Non-Resident Investor. In the absence of either a Relevant Declaration or the Company satisfying and availing of the equivalent measures (see paragraph headed “Equivalent Measures” below) there is a presumption that the investor is Irish Resident or Ordinarily Resident in Ireland. A chargeable event does not include:

- An exchange by a Shareholder, effected by way of an arm’s length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company;
- Any transactions (which might otherwise be a chargeable event) in relation to shares held in a Recognised Clearing System as designated by order of the Revenue Commissioners;
- A transfer by a Shareholder of the entitlement to Shares where the transfer is between spouses or civil partners and former spouses or civil partners, subject to certain conditions; or
- A cancellation of Shares arising on a “scheme of reconstruction or amalgamation” (within the meaning of section 739H(1)) of the Taxes Act or a “scheme of amalgamation” (within the meaning of 739HA(1) of the Taxes Act) of the Company or other investment undertaking(s), subject to certain conditions being fulfilled; or
- Any transaction in relation to, or in respect of, Shares held by the Courts Service (where money under the control or subject to the order of any Court is applied to acquire Shares, the Court Service assumes, in respect of Shares acquired, the responsibilities of the Company to, inter alia, account for tax in respect of chargeable events and file returns).

Dividends received by the Company from investment in Irish equities may be subject to Irish dividend withholding tax at a rate of 25%. However, the Company can make a declaration pursuant to paragraph 6, Schedule 2A of the Taxes Act to the payer that it is a collective investment undertaking beneficially entitled to the dividends which will entitle the Company to receive such dividends without deduction of Irish dividend withholding tax.

## **Stamp Duty**

No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. Where any subscription for or redemption of Shares is satisfied by the in specie transfer of securities, property or other types of assets, Irish stamp duty may arise on the transfer of such assets.



No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B (1) of the Taxes Act or a “qualifying company” within the meaning of Section 110 of the Taxes Act) which is registered in Ireland.

## **Shareholders Tax**

### *Shares which are held in a Recognised Clearing System*

Any payments to a Shareholder or any encashment, redemption, cancellation or transfer of Shares held in a Recognised Clearing System will not give rise to a chargeable event in the Company. Thus the Company will not have to deduct any Irish taxes on such payments regardless of whether they are held by Shareholders who are Irish Residents or Ordinarily Resident in Ireland, or whether a non-resident Shareholder has made a Relevant Declaration. However, Shareholders who are Irish Resident or Ordinarily Resident in Ireland or who are not Irish Resident or Ordinarily Resident in Ireland but whose Shares are attributable to a branch or agency in Ireland may still have a liability to account for Irish tax on a distribution or encashment, redemption or transfer of their Shares.

To the extent any Shares are not held in a Recognised Clearing System at the time of a chargeable event, the following tax consequences will typically arise on a chargeable event.

### *Shareholders who are neither Irish Residents nor Ordinarily Resident in Ireland*

The Company will not have to deduct tax on the occasion of a chargeable event in respect of Exempt Non-Resident Investors. However, in the absence of either a Relevant Declaration (provided in a timely manner) or the Company satisfying and availing of the equivalent measures (see paragraph headed “*Equivalent Measures*” below) tax will arise on the happening of a chargeable event in the Company regardless of the fact that a Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland. The appropriate tax that will be deducted is as described below.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Ordinarily Resident in Ireland no tax will have to be deducted by the Company on the occasion of a chargeable event provided that either (i) the Company satisfied and availed of the equivalent measures or (ii) the Intermediary has made a Relevant Declaration that he/she is acting on behalf of such persons and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Shareholders who are Exempt Non-Resident Investors will not be liable to Irish tax in

respect of income from their Shares and gains made on the disposal of their Shares. However, any corporate Shareholder which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from their Shares or gains made on disposals of the Shares.

Where tax is withheld by the Company on the basis that no Relevant Declaration has been filed with the Company by the Shareholder, Irish legislation provides for a refund of tax only to companies within the charge to Irish corporation tax, to certain incapacitated persons and in certain other limited circumstances.

#### *Shareholders who are Irish Residents or Ordinarily Resident in Ireland*

Unless a Shareholder is an Exempt Irish Investor and makes a Relevant Declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or unless the Shares are purchased by the Courts Service, tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place) will be required to be deducted by the Company from a distribution to a Shareholder who is Irish Resident or Ordinarily Resident in Ireland.

Similarly, tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place) will have to be deducted by the Company on any other distribution or gain arising to the Shareholder (other than an Exempt Irish Investor who has made a Relevant Declaration) on an encashment, redemption, cancellation, transfer or deemed disposal (see below) of Shares by a Shareholder who is Irish Resident or Ordinarily Resident in Ireland. However, where the payment is in respect of the cancellation, redemption, repurchase or transfer of Shares, such payment will be reduced by the amount of the consideration in money or money's worth given by the Shareholder for the acquisition of the Shares. Also, where the Shares are not denominated in Euro, such Shareholders may also be liable to capital gains tax on foreign currency gains upon such cancellation, redemption, repurchase or transfer.

In relation to an automatic exit tax for Shareholders who are Irish Resident or Ordinarily Resident in Ireland in respect of Shares held by them in the Company at the ending of a Relevant Period, such Shareholders (both companies and individuals) will be deemed to have disposed of their Shares ("deemed disposal") at the expiration of that Relevant Period and will be charged to tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place) on any deemed gain accruing to them based on the increased value (if any) of the Shares since purchase or since the previous exit tax applied, whichever is later.

For the purposes of calculating if any further tax arises on a subsequent chargeable event, the preceding deemed disposal is initially ignored and the appropriate tax calculated as normal. Upon calculation of this tax, credit is immediately given against this tax for any tax paid as a result of the preceding deemed disposal. Where the tax arising on the subsequent chargeable event is greater than that which arose on the preceding deemed disposal, the Company will have to deduct the difference. Where the tax arising on the subsequent chargeable event is less than that which arose on

the preceding deemed disposal, the Company will refund the Shareholder for the excess (subject to the paragraph headed “15% threshold” below).

#### 10% Threshold

The Company will not have to deduct tax (“exit tax”) in respect of this deemed disposal where the value of the chargeable shares (i.e. those Shares held by Shareholders to whom the declaration procedures do not apply) in the Company (or in the sub-fund within an umbrella scheme) is less than 10% of the value of the total Shares in the Company (or in the sub-fund) and the Company has made an election to report certain details in respect of each affected Shareholder to Revenue (the “Affected Shareholder”) in each year that the de minimus limit applies. In such a situation the obligation to account for the tax on any gain arising on a deemed disposal will be the responsibility of the Shareholder on a self-assessment basis (“self-assessors”) as opposed to the Company or sub-fund (or their service providers). The Company is deemed to have made the election to report once it has advised the Affected Shareholders in writing that it will make the required report.

#### 15 % Threshold

As previously stated where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal (e.g. due to a subsequent loss on an actual disposal), the Company will refund the Shareholder the excess. Where however immediately before the subsequent chargeable event, the value of chargeable shares in the Company (or in the sub-fund within an umbrella scheme) does not exceed 15% of the value of the total Shares, the Company (or sub-fund) may elect to have any excess tax arising repaid directly by Revenue to the Shareholder. The Company is deemed to have made this election once it notifies the Shareholder in writing that any repayment due will be made directly by Revenue on receipt of a claim by the Shareholder.

#### *Other*

To avoid multiple deemed disposal events for multiple units an irrevocable election under Section 739D(5B) can be made by the Company to value the Shares held at 30 June or 31 December of each year prior to the deemed disposal occurring. This permits a fund to group shares in six month batches and thereby makes it easier to calculate the exit tax by avoiding having to carry out valuations at various dates during the year resulting in a large administrative burden.

The Revenue Commissioners have provided detailed investment undertaking guidance notes which deal with the practical aspects of how the above calculations/objectives will be accomplished.

Shareholders (depending on their own personal tax position) who are Irish Resident or Ordinarily Resident in Ireland may still be required to pay tax or further tax on a distribution or gain arising on an encashment, redemption, cancellation, transfer or deemed disposal of their Shares. Alternatively they may be entitled to a refund of all or part of any tax deducted by the Company on a chargeable event.

If the Company becomes liable to account for tax if a chargeable event occurs, the

Company shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as are required to meet the amount of tax.

The relevant Shareholder shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

### *Equivalent Measures*

The Finance Act 2010 (“Act”) introduced new measures commonly referred to as equivalent measures to amend the rules with regard to Relevant Declarations. The position prior to the Act was that no tax would arise on an investment undertaking with regard to chargeable events in respect of a shareholder who was neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event, provided that a Relevant Declaration was in place and the investment undertaking was not in possession of any information which would reasonably suggest that the information contained therein was no longer materially correct. In the absence of a Relevant Declaration there was a presumption that the investor was Irish Resident or Ordinarily Resident in Ireland. The Act however contained provisions that permit the above exemption in respect of shareholders who are not Irish Resident nor Ordinarily Resident in Ireland to apply where appropriate equivalent measures are put in place by the investment undertaking to ensure that such shareholders are not Irish Resident nor Ordinarily Resident in Ireland and the investment undertaking has received approval from the Revenue Commissioners in this regard.

### **Capital Acquisitions Tax**

The disposal of Shares may be subject to Irish gift or inheritance tax (Capital Acquisitions Tax). However, provided that the Company falls within the definition of investment undertaking (within the meaning of Section 739B (1) of the Taxes Act), the disposal of Shares by a Shareholder is not liable to Capital Acquisitions Tax provided that (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor Ordinarily Resident in Ireland; (b) at the date of the disposition, the Shareholder disposing (“disponer”) of the Shares is neither domiciled nor Ordinarily Resident in Ireland; and (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

With regard to Irish tax residency for Capital Acquisitions Tax purposes, special rules apply for non-Irish domiciled persons. A non-Irish domiciled donee or disponer will not be deemed to be resident or ordinarily resident in Ireland at the relevant date unless;

- i) that person has been resident in Ireland for the 5 consecutive years of assessment immediately preceding the year of assessment in which that date falls; and
- ii) that person is either resident or ordinarily resident in Ireland on that date.

## Shareholder Reporting

The Company is required to provide certain information in relation to Shareholders to the Revenue Commissioners in accordance with Section 891C of the Taxes Act and the Return of Values (Investment Undertakings) Regulations 2013 in relation to Shareholders other than “excepted unitholders” within the meaning of the relevant Regulations (“Excepted Shareholders”).

The information to be provided to the Revenue Commissioners is in relation only to Shareholders other than Excepted Shareholders and includes:

- (a) the name, registered address, contact details and tax reference number of the Company;
- (b) the name, address and date of birth (if applicable) of Shareholders other than Excepted Shareholders;
- (c) a tax reference number for all Shareholders other than Excepted Shareholders; and
- (d) the investment number and the value of the investment held by Shareholders other than Excepted Shareholders.

Exempt Irish Investors and Exempt Non-Resident Investors would be Excepted Shareholders for this purpose.

## FATCA Implementation in Ireland

The foreign account tax compliance provisions (“FATCA”) of the Hiring Incentives to Restore Employment Act 2010 represent an expansive information reporting regime enacted by the United States (“US”) aimed at ensuring that Specified US Persons with financial assets outside the US are paying the correct amount of US tax. FATCA generally imposes reporting obligations and a withholding tax of up to 30% with respect to certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends paid to a foreign financial institution (“FFI”) unless the FFI enters directly into a contract (“FFI agreement”) with the US Internal Revenue Service (“IRS”) or alternatively the FFI is located in an IGA country (please see below). An FFI agreement will impose obligations on the FFI including disclosure of certain information about US investors directly to the IRS and the imposition of withholding tax in the case of non-compliant investors. For these purposes the Company would fall within the definition of a FFI for the purpose of FATCA.

In recognition of both the fact that the stated policy objective of FATCA is to achieve reporting (as opposed to being solely the collecting of withholding tax) and the difficulties which may arise in certain jurisdictions with respect to compliance with FATCA by FFIs, the US has developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and US Governments signed an intergovernmental agreement (“Irish IGA”) on 21 December 2012 and supporting Irish legislation, the Financial Accounts Reporting (United States of America) Regulations 2014 (as amended), (the “Regulations”) have also been implemented.

The Irish IGA and the Regulations are intended to reduce the burden for Irish FFIs of complying with FATCA by simplifying the compliance process and minimising the risk of withholding tax. Under the Irish IGA and the Regulations, information about relevant US investors will be provided on an annual basis by each Irish FFI (unless the FFI is exempted from the FATCA requirements) directly to the Revenue Commissioners. The Revenue Commissioners will then provide such information to the IRS (by 30 September of the following year) without the need for the FFI to enter into a FFI agreement with the IRS. Nevertheless, the FFI will generally be required to register with the IRS to obtain a Global Intermediary Identification Number commonly referred to as a GIIN.

Under the Irish IGA and the Regulations, FFIs should generally not be required to apply 30% withholding tax. To the extent the Company does suffer US withholding tax on its investments as a result of FATCA, the Directors may take any action in relation to an investor's investment in the Company to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or to become a participating FFI gave rise to the withholding.

Each prospective investor should consult their own tax adviser regarding the requirements under FATCA with respect to their own situation.

### **Automatic Exchange of Information for Tax Purposes**

Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU) ("DAC2") provides for the implementation among EU member states (and certain third countries that have entered into information exchange agreements) of the automatic exchange of information in respect of various categories of income and capital and broadly encompasses the regime known as the Common Reporting Standard ("CRS") proposed by the OECD as a new global standard for the automatic exchange of information between tax authorities in participating jurisdictions.

Under the CRS, governments of participating jurisdictions (currently more than 100 jurisdictions) are required to collect detailed information to be shared with other jurisdictions annually.

CRS is implemented in Ireland pursuant to the Returns of Certain Information by Reporting Financial Institutions Regulations 2015, S.I. 583 of 2015, made under Section 891F of the Taxes Act.

DAC2 is implemented in Ireland pursuant to the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations of 2015, S.I. No. 609 of 2015 made under Section 891G of the Taxes Act.

Pursuant to these Regulations, the Issuer is required to obtain and report to the Revenue Commissioners annually certain financial account and other information for all non-Irish and non-US Shareholders in respect of their Shares. The information includes amongst other things, details of the name, address, taxpayer identification

number (“TIN”), place of residence and, in the case of Noteholders who are individuals, the date and place of birth, together with details relating to payments made to Noteholders and their holdings. This information may be shared with tax authorities in other EU member states and jurisdictions which implement the CRS.

All Shareholders will be required to provide this information and documentation, if applicable, to the Company and each Shareholder will agree or will be deemed to agree by its subscription for Shares or, by its holding of Shares, to provide the requisite information and documentation, if applicable, to the Company, upon request by it or its service providers so that the Company can comply with its obligations under CRS.

## **United Kingdom Taxation**

### **The Company**

As a UCITS authorised in a country outside of the United Kingdom, the Company will not be treated as resident in the United Kingdom for tax purposes. Accordingly, the Company will (i) not be subject to United Kingdom taxation on its capital gains (other than capital gains realised on certain disposals of interests in UK land or interests in certain entities (whether established in or outside the United Kingdom) which hold substantial direct or indirect interests in UK land, and are thus treated as "UK property rich" entities); and (ii) will not be subject to United Kingdom taxation on its income (other than potential United Kingdom withholding taxes on any interest and certain other income received by the Company which has a United Kingdom source), provided that it is treated for United Kingdom taxation purposes as not carrying on a trade in the United Kingdom through a "permanent establishment" situated therein and as carrying out any transactions which it carries out in the United Kingdom in the course of a trade through an agent in the United Kingdom that is regarded as an agent of independent status acting in the ordinary course of its business.

It is not expected that the Company will generally realise capital gains from the disposal of interests in UK land or interests in "UK property rich" entities. Further, the Investment Manager intends to enter into transactions on behalf of the Company and as agent of the Company in accordance with the conditions of the statutory "investment manager exemption" laid out in Sections 1146 to 1150 of the Corporation Tax Act 2010 ("CTA 2010") for corporation tax purposes, and Sections 815 to 824 of the Income Tax Act 2007 ("ITA 2007") for income tax purposes. Provided that these conditions are satisfied, even if any transactions carried out by the Investment Manager on behalf of and as agent for the Company are regarded as carried out in the course of the Company's trade, no liability to United Kingdom taxation should arise on the income derived by the Company from those transactions because the Investment Manager will not be regarded as a "permanent establishment" of the Company and will be regarded as an agent of independent status acting in the ordinary course of its business. However, it cannot be guaranteed that the conditions of the "investment manager exemption" will at all times be satisfied.

### **United Kingdom Shareholders**

Shareholders resident for tax purposes in the United Kingdom (whether individual or corporate) should note that a revised "offshore funds" taxation regime was introduced with effect from 1 December 2009. In accordance with this regime, each class of interests in a fund is treated as a separate "offshore fund" for United Kingdom tax purposes under Part 8 of the Taxation (International and Other Provisions) Act 2010 ("TIOPA 2010").



United Kingdom resident shareholders should also be aware of the provisions of The Offshore Funds (Tax) Regulations 2009 (as amended) ("Regulations 2009"), which were introduced with effect from 1 December 2009. From that date, the previous "distributing fund" regime was replaced by a "reporting fund" regime. Certification as a distributing fund was granted retrospectively for each accounting period of the offshore fund, whereas the reporting fund regime requires an offshore fund to seek a one-time approval from HM Revenue & Customs ("HMRC") to be treated as a reporting fund. Once an offshore fund has been granted reporting fund status, it maintains that status for so long as it continues to satisfy the conditions to be a reporting fund, without an application for further certification by HMRC.

Part 2 of the Regulations 2009 provide that where a person who is resident in the United Kingdom for taxation purposes holds an interest in an offshore fund that is not a reporting fund (or, as is relevant to any United Kingdom resident shareholders invested prior to 1 December 2011, a distributing fund) throughout the period during which that person holds that interest, any gain accruing to such a person upon the sale, redemption or other disposal of that interest (which may include a switch of interests where the switch involves a disposal of an interest in an offshore fund that has, at some point during the person's period of holding, not been a distributing or reporting fund and the acquisition of an interest in an offshore fund that is a reporting fund) will be taxed at the time of such sale, redemption or disposal as income ("offshore income gain") and not as a capital gain. In certain cases where an offshore fund that has previously not been a reporting fund becomes a reporting fund, a person holding an interest in that offshore fund may be able to make an election under section 48 of the Regulations 2009 for a deemed disposal at the date of conversion of the relevant interest from a non-reporting fund to a reporting fund.

Where capital gains are taxed as offshore income gain in this way, the person realising such offshore income gain will not be able to utilise capital gains tax exemptions or other capital gains tax reliefs in respect of the offshore income gain.

However, where an offshore fund has been either certified as a distributing fund or has been a reporting fund for each accounting period during any part of which a person has held his interest in the offshore fund, any gain accruing upon the sale or other disposal of an interest in the offshore fund will be calculated and taxed as a capital gain, rather than as an offshore income gain, with relief for any accumulated or reinvested profits which have already been charged to United Kingdom income tax or United Kingdom corporation tax on income (including where such profits are exempt from United Kingdom corporation tax). Nevertheless, Shareholders should be aware that if there is a switch between classes of interest in the same fund, even where both the original class and the new class are reporting funds, this could crystallise a capital gain and may attract a liability to tax. United Kingdom resident shareholders are advised to seek their own advice in this regard.

All Classes of the Company have been certified as distributing funds for all periods up to and including the period ended 30 November 2011. The Directors of the Company have also received approval from HMRC for all Classes of the Company to be treated as reporting funds for the purposes of the Regulations 2009 for the period ended 30 November 2012 and subsequent periods.

Although the Directors will endeavour to ensure that the appropriate conditions for reporting fund status continue to be met, there can be no guarantee that they will be met for future accounting periods.

It is a requirement of the reporting fund regime that a reporting fund should, for each of its periods of account, calculate its "reportable income" and make available to any relevant person holding an interest in the reporting fund a report of the reportable income of the reporting fund for the period of account which is attributable to that person's interest in the reporting fund. Any excess of such person's share of the reporting fund's reportable income over amounts actually distributed by the reporting fund to such person is treated as an additional distribution made by the reporting fund to that person. Reportable income is calculated after specified adjustments have been made to the net revenue/expense after taxation disclosed in the accounts for the Company and reported income may be more or less than the net revenue/expense so disclosed. The Directors will make available details of reported income for the Company via a suitable method to be determined.

Subject to their personal circumstances, Shareholders resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax or corporation in respect of dividends or other distributions (including deemed distributions of any excess reportable income over the sums actually distributed by the Company), whether or not such distributions are reinvested in further Shares of the Company.

#### *United Kingdom Corporate Shareholders*

With effect from 1 July 2009, under the Finance Act 2009 ("FA 2009"), where a dividend or other distribution is received by a company which is resident in the United Kingdom and is a small company, that dividend will normally be exempt from corporation tax provided the payer is a resident of a qualifying territory. For the purposes of this legislation the Company is a resident of a qualifying territory. Where a dividend or other distribution is received by a company which is resident in the United Kingdom and is not a small company, that dividend will be exempt from corporation tax if the distribution falls into an exempt class. For the purposes of this legislation the exempt classes include distributions from controlled companies, distributions in respect of non-redeemable ordinary shares and distributions in respect of portfolio holdings where the recipient holds less than 10 per cent. of the issued share capital of the payer.

The attention of United Kingdom resident corporate investors is also drawn to the provisions of Part 9A of TIOPA 2010 which may subject United Kingdom resident companies to corporation tax on the "chargeable profits" of certain non-United Kingdom resident companies controlled by persons resident in the United Kingdom in which they have an interest. These provisions affect United Kingdom resident companies who have an interest of at least 25 percent in a non-resident company which is controlled by residents of the United Kingdom, does not distribute substantially all its income and is also resident in a low tax jurisdiction. Where a non-resident company would not otherwise be treated as controlled by United Kingdom resident persons, it is so treated if it is controlled by two persons taken together, one of whom is resident in the United Kingdom for tax purposes and each of whom has at least 40% of the interests, rights and powers by which those persons control the company. In the case where one of those persons is not resident in the United Kingdom, such person must have at least 40% and not more than 55% of such interests, rights and powers. Chargeable profits for these purposes do not include capital gains but these provisions could render such companies liable to United Kingdom corporation tax in respect of the undistributed income of the Company.

Chapter 3 of Part 6 of the Corporation Tax Act 2009 ("CTA 2009") provides that if more than 60 per cent. by value of the assets of an offshore fund are "qualifying investments", then the interest in the offshore fund of any person within the charge to United Kingdom corporation tax will normally be treated as a creditor relationship under the loan relationship rules. Qualifying investments are broadly defined as those which yield a return directly or indirectly in the form of interest. They include money placed at interest, securities or debt instruments or certain derivative contracts, as well as investments in unit trusts, open-ended investment companies or offshore funds. In the event that the offshore fund constituted by any Class fails to satisfy the qualifying investments test, then Shareholders within the charge to United Kingdom corporation tax would in these circumstances be required to account for their interest in the Fund as a creditor relationship under the loan relationships regime. In these circumstances, all returns on the Shares of that Class in respect of each such Shareholder's accounting period where the test is, at any time during that accounting period, not met (including gains, profits and deficits and exchange gains and losses) will be taxed or relieved as an income receipt or expense on a fair value basis of accounting. Accordingly, such a Shareholder may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares).

#### *United Kingdom Individual Shareholders*

Individuals resident in the United Kingdom for tax purposes will generally be subject to United Kingdom income tax on dividends or other income distributions from the Company (including deemed distributions of reportable income, as described above) at the rates of income tax applicable to dividends. However, where an offshore fund fails to meet the qualifying investments test (as described above) for its accounting period in respect of which a distribution is made, the distribution is treated as interest under Chapter 2 of Part 4 of the Income Tax (Trading and Other Income) Act 2005.

Shareholders who are individuals resident but not domiciled, or deemed domiciled, in the United Kingdom may elect to be liable to tax on non-United Kingdom source income and on capital gains realised on disposals of non-United Kingdom situs assets on a remittance basis in certain circumstances. Such individuals should be aware that they may be required to pay to HMRC a remittance basis charge in order to retain the benefit of the remittance basis of taxation. If no claim for the remittance basis to apply is made by the individual Shareholder, this will result in such individuals becoming subject to United Kingdom tax on their worldwide income and gains on an arising basis.

The attention of persons resident in the United Kingdom for taxation purposes (and who, if individuals, are also domiciled or deemed domiciled in the United Kingdom for those purposes) is drawn to the provisions of section 3 of the Taxation of Chargeable Gains Act 1992 (“Section 3”). If the Company is not resident in the United Kingdom, but would be a “close” company if it were so resident the provisions of Section 3 may apply. When any gain which constitutes a chargeable gain for those purposes, accrues to a company to which section 3 applies, the “participators” in that company may be subject to United Kingdom capital gains tax (or in the case of participators within the charge to United Kingdom corporation tax, corporation tax on chargeable gains) on an apportioned part of the capital gain accruing to the Company. The term “participator” would include a Shareholder.

That part of any gain apportioned to any such person will be equal to the proportion of the gain that corresponds on a just and reasonable basis to that person’s proportionate interest in the company as a “participator”. Where the proportion attributed under Section 3 to that person, and to any person connected to that person for United Kingdom taxation purposes, does not exceed one quarter of the gain then no liability should arise under Section 3. In addition, exemptions may also apply where none of the acquisition, holding or disposal of the assets had a tax avoidance main purpose or where the relevant gains arose on the disposal of the assets used only for the purposes of genuine, economically significant business activities carried on outside of the United Kingdom.

The attention of Shareholders who are individuals resident in the United Kingdom for tax purposes is also drawn to Chapter II of Part XIII of ITA 2007. These provisions are aimed at preventing the avoidance of United Kingdom income tax by individuals through a transaction resulting in the transfer of assets or income to persons (including companies) resident or domiciled outside the United Kingdom. These provisions may render an individual liable to income tax in respect of undistributed income of the Company attributable to his or her interest on an annual basis, to the extent that such individual has not already been taxed on such income. Since each Fund intends to distribute substantially all of its income it is not anticipated that this legislation will have any material effect on United Kingdom resident individual Shareholders. This legislation is not directed towards the taxation of capital gains.

However the provisions will not apply to Shareholders if they can demonstrate that it would not be reasonable to conclude that avoiding liability to United Kingdom taxation was the purpose or one of the main purposes of their investment in the Company. The anti-avoidance provisions will also not apply if it can be demonstrated that all relevant transactions were genuinely commercial, carried out for the purposes of a trade or business and on arm's length terms and it would not be reasonable to conclude that any of the relevant transactions was more than incidental to the purpose of avoiding liability to taxation.

#### *Stamp Duty and Stamp Duty Reserve Tax*

Transfers of Shares which are executed in the United Kingdom or where there is any connection with the United Kingdom, such as the purchaser being a United Kingdom resident, are technically liable to United Kingdom stamp duty on transfer at the rate of 0.5 per cent of the consideration paid. However, this liability may effectively be deferred by ensuring that any transfer document is executed and retained outside the United Kingdom. No United Kingdom stamp duty should have to be paid if this is done. No Stamp Duty Reserve Tax ("SDRT") is payable on any agreement to transfer the shares because they are not "chargeable securities" for United Kingdom SDRT purposes.

#### *Inheritance Tax*

The Shares are assets situated outside the United Kingdom for the purposes of United Kingdom Inheritance Tax. A liability to United Kingdom Inheritance Tax may arise in respect of gifts by, or on the death of, individuals domiciled, or deemed domiciled, in the United Kingdom. Shareholders are advised to take their own advice in this regard.

#### **Non United Kingdom Resident Shareholders**

Shareholders who are not resident in the United Kingdom and do not carry on a trade, profession or vocation through a branch or agency in the United Kingdom in or for the purposes of which the Shares are used or held will not normally be liable to United Kingdom taxation on capital gains arising on the sale or other disposal of their Shares.

## **6. GENERAL INFORMATION**

### **1. Incorporation, Registered Office and Share Capital**

- (a) The Company was incorporated in Ireland on 18 September 2006 as an investment company with variable capital with limited liability and with segregated liability between funds under registration number 426582. The Company has no subsidiaries.
- (b) The registered office of the Company is as stated in the Directory at the front of the Prospectus.
- (c) Clause 3 of the Constitution of the Company provides that the Company's sole object is the collective investment in either or both transferable securities and other liquid financial assets referred to in Regulation 45 of the UCITS Regulations of capital raised from the public and the Company operates on the principle of risk spreading.
- (d) The authorised share capital of the Company is 500,000,000,000 Shares of no par value and Euro 300,000 divided into 300,000 redeemable non-participating shares of Euro 1 each. Non-participating Shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the amount paid up thereon but do not otherwise entitle them to participate in the assets of the Company. The Directors have the power to allot shares in the capital of the Company on such terms and in such manner as they may think fit. With effect from 11 August 2016, 299,998 redeemable non-participating shares held by and on behalf of the Investment Manager were redeemed by the Company in accordance with its Constitution for no consideration. The redemption price payable by the Company to the Investment Manager in connection with the redemption was paid by the Company in full on 10 May 2007. Following redemption, 299,998 redeemable non-participating shares were cancelled, leaving 2 redeemable non-participating shares in issue, both held by or on behalf of the Investment Manager.
- (e) No share capital of the Company has been put under option nor has any share capital been agreed (conditionally or unconditionally) to be put under option.

### **2. Variation of Share Rights and Pre-Emption Rights**

- (a) The rights attaching to the Shares issued in any Class or Fund may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the Shareholders of three-quarters of the issued Shares of that Class or Fund, or with the sanction of an ordinary resolution passed at a general meeting of the Shareholders of that Class or Fund.
- (b) A resolution in writing signed by all the Shareholders and holders of non-

participating shares for the time being entitled to attend and vote on such resolution at a general meeting of the Company shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the Company duly convened and held and if described as a special resolution shall be deemed to be a special resolution.

- (c) The rights attaching to the Shares shall not be deemed to be varied by the creation, allotment or issue of any further Shares ranking pari passu with Shares already in issue.
- (d) There are no rights of pre-emption upon the issue of Shares in the Company.

### **3. Voting Rights**

The following rules relating to voting rights apply:

- (a) Fractions of Shares do not carry voting rights.
- (b) Every Shareholder or holder of non-participating shares present in person or by proxy who votes on a show of hands shall be entitled to one vote.
- (c) The chairman of a general meeting of a Fund or Class or any Shareholder of a Fund or Class present in person or by proxy at a meeting of a Fund or Class may demand a poll. The chairman of a general meeting of the Company or at least two members present in person or by proxy or any Shareholder or Shareholders present in person or by proxy representing at least one tenth of the Shares in issue having the right to vote at such meeting may demand a poll.
- (d) On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him and every holder of non-participating shares shall be entitled to one vote in respect of all non-participating shares held by him. A Shareholder entitled to more than one vote need not cast all his votes or cast all the votes he uses in the same way.
- (e) In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
- (f) Any person (whether a Shareholder or not) may be appointed to act as a proxy; a Shareholder may appoint more than one proxy to attend on the same occasion.
- (g) Any instrument appointing a proxy must be deposited at the registered office, not less than 48 hours before the meeting or at such other place or by such other means and by such time as is specified in the notice

convening the meeting. The Directors may at the expense of the Company send by post or otherwise to the Shareholders instruments of proxy (with or without prepaid postage for their return) and may either leave blank the appointment of the proxy or nominate one or more of the Directors or any other person to act as proxy.

- (h) To be passed, ordinary resolutions of the Company or of the Shareholders of a particular Fund or Class will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed. Special resolutions of the Company or of the Shareholders of a particular Fund or Class will require a majority of not less than 75% of the Shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Constitution.

#### **4. Meetings**

- (a) The Directors may convene extraordinary general meetings of the Company at any time. The Directors shall convene an annual general meeting within nine months of the end of each Accounting Period.
- (b) Not less than twenty one days' notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to Shareholders and fourteen days' notice must be given in the case of any other general meeting.
- (c) Two Members present either in person or by proxy shall be a quorum for a general meeting provided that the quorum for a general meeting convened to consider any alteration to the Class rights of Shares shall be two Shareholders holding or representing by proxy at least one third of the issued Shares of the relevant Fund or Class. If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of or by Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same time, day and place in the next week or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be a quorum and in the case of a meeting of a Fund or Class convened to consider the variation of rights of Shareholders in such Fund or Class the quorum shall be one Shareholder holding Shares of the Fund or Class in question or his proxy. All general meetings will be held in Ireland.
- (d) The foregoing provisions with respect to the convening and conduct of meetings shall save as otherwise specified with respect to meetings of Funds or Classes and, subject to the Act, have effect with respect to separate meetings of each Fund or Class at which a resolution varying the rights of Shareholders in such Fund or Class is tabled.



## 5. Reports and Accounts

The Company will prepare an annual report and audited accounts as of 30 November in each year and a half-yearly report and unaudited accounts as of 31 May in each year. The audited annual report and accounts will be published within four months of the Company's financial year end and its semi-annual report will be published within two months of the end of the half year period and in each case will be offered to subscribers before conclusion of a contract and supplied to Shareholders free of charge on request and will be available to the public at the registered office of the Administrator.

## 6. Communications and Notices to Shareholders

Communications and Notices to Shareholders or the first named of joint Shareholders shall be deemed to have been duly given as follows:

MEANS OF DISPATCH	DEEMED RECEIVED
Delivery by Hand	: The day of delivery or next following working day if delivered outside usual business hours.
Post	: 48 hours after posting.
Fax	: The day on which a positive transmission receipt is received.
Electronically	: The day on which the electronic transmission has been sent to the electronic information system designated by a Shareholder.
Publication of Notice	: The day of publication in a daily newspaper.
Advertisement of Notice	: Circulating in the country or countries where shares are marketed.

## 7. Transfer of Shares

- (a) Transfers of Shares may be effected in writing in any usual or common form, signed by or on behalf of the transferor and every transfer shall state the full name and address of the transferor and transferee.
- (b) The Directors may decline to register any transfer of Shares if:
  - (i) in consequence of such transfer the transferor or the transferee would hold a number of Shares less than the Minimum Holding or

the transferee would hold less than the Minimum Subscription;

- (ii) all applicable taxes and/or stamp duties have not been paid in respect of the instrument of transfer;
  - (iii) the instrument of transfer is not deposited at the registered office of the Company or such other place as the Directors may reasonably require, accompanied by the certificate for the Shares to which it relates, such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, such relevant information and declarations as the Directors may reasonably require from the transferee including, without limitation, information and declarations of the type which may be requested from an applicant for Shares in the Company and such fee as may from time to time be specified by the Directors for the registration of any instrument of transfer; or
  - (iv) they are aware or reasonably believe the transfer would result in the beneficial ownership of such Shares by a person in contravention of any restrictions on ownership as set out herein or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the Company or the relevant Fund or Shareholders as a whole.
- (c) The registration of transfers may be suspended for such periods as the Directors may determine provided always that each registration may not be suspended for more than 30 days.

## **8. Directors**

The following is a summary of the principal provisions in the Constitution relating to the Directors:

- (a) Unless otherwise determined by an ordinary resolution of the Company in general meeting, the number of Directors shall not be less than two nor more than nine.
- (b) A Director need not be a Member but may be appointed only in accordance with the UCITS Regulations.
- (c) The Constitution contains no provisions requiring Directors to retire on attaining a particular age or to retire on rotation.
- (d) A Director may vote and be counted in the quorum at a meeting to consider the appointment or the fixing or variation of the terms of appointment of any Director to any office or employment with the Company or any company in which the Company is interested, but a Director may not vote or be counted in the quorum on a resolution concerning his own appointment.

- (e) The Directors of the Company for the time being are entitled to such remuneration as may be determined by the Directors and disclosed in the Prospectus and may be reimbursed all reasonable travel, hotel and other expenses properly incurred in connection with the business of the Company or the discharge of their duties and may be entitled to additional remuneration if called upon to perform any special or extra services to or at the request of the Company.
- (f) A Director may hold any other office or place of profit under the Company, other than the office of Auditor, in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine.
- (g) No Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise, nor shall any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director who is so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, but the nature of his interest must be declared by him at the meeting of the Directors at which the proposal to enter into the contract or agreement is first considered or, if the Director in question was not at the date of that meeting interested in the proposed contract or arrangement, at the next Directors' meeting held after he becomes so interested. A general notice in writing given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or arrangement which may thereafter be made with that company or firm is deemed to be a sufficient declaration of interest in relation to any contract or arrangement so made.
- (h) A Director may not vote in respect of any resolution or any contract or arrangement or any proposal whatsoever in which he has any material interest or a duty which conflicts with the interests of the Company and shall not be counted in the quorum at a meeting in relation to any resolution upon which he is debarred from voting unless the Directors resolve otherwise. However, a Director may vote and be counted in quorum in respect of any proposal concerning any other company in which he is interested directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of 5 per cent or more of the issued shares of any class of such company or of the voting rights available to members of such company. A Director may also vote and be counted in the quorum in respect of any proposal concerning an offer of Shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Company or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of

the Company for which the Director has assumed responsibility in whole or in respect of the purchase of directors' and officers' liability insurance.

- (i) The office of a Director shall be vacated in any of the following events namely:
  - (a) if he resigns his office by notice in writing signed by him and left at the registered office of the Company;
  - (b) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (c) if he becomes of unsound mind;
  - (d) if he is absent from meetings of the Directors for six successive months without leave expressed by a resolution of the Directors and the Directors resolve that his office be vacated;
  - (e) if he ceases to be a Director by virtue of, or becomes prohibited or restricted from being a Director by reason of, an order made under the provisions of any law or enactment;
  - (f) if he is requested by a majority of the other Directors (not being less than two in number) to vacate office; or
  - (g) if he is removed from office by ordinary resolution of the Company.

## **9. Winding Up**

- (a) The Company may be wound up if:
  - (i) At any time after the first anniversary of the incorporation of the Company, the Net Asset Value of the Company falls below \$30 million on each Dealing Day for a period of six consecutive weeks and the Shareholders resolve by ordinary resolution to wind up the Company;
  - (ii) If within a period of three months from the date on which (a) the Depositary notifies the Company of its desire to retire in accordance with the terms of the Depositary Agreement and has not withdrawn notice of its intention to so retire, (b) the appointment of the Depositary is terminated by the Company in accordance with the terms of the Depositary Agreement, or (c) the Depositary ceases to be approved by the Central Bank to act as a depositary; no new Depositary has been appointed, the Directors shall instruct the Secretary to forthwith convene an extraordinary general meeting of the Company at which there shall be proposed an Ordinary Resolution to wind up the Company. Notwithstanding anything set out above, the Depositary's appointment shall only terminate if: (a)

- the Company's authorisation is revoked by the Central Bank; or (b) the Depositary ceases to be qualified to act as depositary or its appointment has been terminated and a new depositary has been appointed;
- (iii) The Shareholders resolve by ordinary resolution that the Company by reason of its liabilities cannot continue its business and that it be wound up;
  - (iv) The Shareholders resolve by special resolution to wind up the Company.
- (b) In the event of a winding up, the liquidator shall apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims.
- (c) The liquidator shall apply the assets of each Fund in satisfaction of liabilities incurred on behalf of or attributable to such Fund and shall not apply the assets of any Fund in satisfaction of any liability incurred on behalf of or attributable to any other Fund.
- (d) The assets available for distribution among the Shareholders shall be applied in the following priority:
- (i) firstly, in the payment to the Shareholders of each Class or Fund of a sum in the Base Currency (or in any other currency selected and at such rate of exchange as determined by the liquidator) as nearly as possible equal to the Net Asset Value of the Shares of the relevant Class or Fund held by such Shareholders respectively as at the date of commencement of winding up;
  - (ii) secondly, in the payment to the holders of non-participating shares of One Euro each per share out of the assets of the Company not comprised within any Fund provided that if there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds;
  - (iii) thirdly, in the payment to the Shareholders of each Class or Fund of any balance then remaining in the relevant Fund, in proportion to the number of Shares held in the relevant Class or Fund; and
  - (iv) fourthly, any balance then remaining and not attributable to any Fund or Class shall be apportioned between the Funds and Classes pro-rata to the Net Asset Value of each Fund or attributable to each Class immediately prior to any distribution to Shareholders and the amounts so apportioned shall be paid to Shareholders pro-rata to the number of Shares in that Fund or Class held by them.

- (e) The liquidator may, with the authority of an ordinary resolution of the Company, divide among the Shareholders (pro rata to the value of their respective shareholdings in the Company) in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind provided that any Shareholder shall be entitled to request the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such sale. The costs of any such sale shall be borne by the relevant Shareholder. The liquidator may, with like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator shall think fit and the liquidation of the Company may be closed and the Company dissolved, provided that no Shareholder shall be compelled to accept any asset in respect of which there is any liability. Further the liquidator may with like authority transfer the whole or part of the assets of the Company to a company or collective investment scheme (the "Transferee Company") on terms that Shareholders in the Company shall receive from the Transferee Company shares or units in the Transferee Company of equivalent value to their shareholdings in the Company.
- (f) Notwithstanding any other provision contained in the Constitution, should the Directors at any time and in their absolute discretion resolve that it would be in the best interests of the Shareholders to wind up the Company, the Secretary shall forthwith at the Directors' request convene an extraordinary general meeting of the Company at which there shall be presented a proposal to appoint a liquidator to wind up the Company and if so appointed, the liquidator shall distribute the assets of the Company in accordance with the Constitution.

## **10. Indemnities and Insurance**

The Directors (including alternates), Secretary and other officers of the Company and its former directors and officers shall be indemnified by the Company against losses and expenses to which any such person may become liable by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (other than in the case of fraud, negligence or wilful default). The Company acting through the Directors is empowered under the Constitution to purchase and maintain for the benefit of persons who are or were at any time Directors or officers of the Company insurance against any liability incurred by such persons in respect of any act or omission in the execution of their duties or exercise of their powers.

## **11. General**

- (a) The Company does not have, nor has it had since incorporation, any employees.
- (b) The rights conferred on Shareholders by virtue of their shareholdings are governed by the Constitution, the general law of Ireland and the Act.

- (c) The Company has no subsidiaries.
- (d) Dividends which remain unclaimed for six years from the date on which they become payable will be forfeited. On forfeiture such dividends will become part of the assets of the Fund to which they relate. No dividend or other amount payable to any Shareholder shall bear interest against the Company.
- (e) No person has any preferential right to subscribe for any authorised but unissued capital of the Company.

## 12. Material Contracts

The following contracts which are or may be material have been entered into otherwise than in the ordinary course of business:

- (a) *Management Agreement:* Pursuant to the Management Agreement, the Manager was appointed as the UCITS management company of the Company. The appointment of the Manager shall continue and remain in force unless and until terminated by either party giving to the other not less than 90 days' prior written notice. The Manager has the power to delegate its duties in accordance with the Central Bank's requirements. The Manager shall be liable for all Losses (as defined in the Management Agreement) which may be made or brought against or suffered or incurred by the Company, its directors, officers and employees to the extent that such Losses arise from the negligence, bad faith, recklessness, wilful default or fraud of the Manager or its delegates in the performance or non-performance of its duties under the Management Agreement. The Company shall be liable and shall indemnify and keep indemnified and hold harmless the Manager and each of its directors, officers, employees, delegates and agents (each a "Manager Indemnitee") from and against any and all actions, proceedings, claims, demands, direct losses, damages, costs and expenses (including legal and professional fees and expenses arising therefrom or incidental thereto) which may be made or brought against or suffered or incurred by the Manager or any such Manager Indemnitee arising out of or in connection with the performance of its obligations and duties hereunder in the absence of any negligence, bad faith, recklessness, fraud or wilful default of or by the Manager in the performance of its duties hereunder or as otherwise may be required by law. The Manager is entitled to payment of fees for its services and reimbursement of expenses, as more fully described herein.
- (b) *Investment Management Agreement:* Pursuant to the Investment Management Agreement, the Investment Manager was appointed as investment manager of the Company's assets subject to the overall control, policies, direction and supervision of the Manager. The Investment Management Agreement may be terminated by any party thereto by giving not less than six months' written notice (or such shorter

period of notice as agreed by the parties to the Investment Management Agreement) or forthwith by notice in writing in certain circumstances such as the insolvency of any party thereto or unremedied breach after notice. The Investment Manager has the power to delegate its duties in accordance with the Central Bank's requirements. The Investment Management Agreement provides that the Company shall hold harmless and indemnify the Investment Manager and each of its directors, officers, employees, delegates and agents (each an "IM Indemnified Person") against any and all actions, proceedings, claims, demands, direct losses, damages, costs and expenses (including legal and professional fees and expenses arising therefrom or incidental thereto) which may be made or brought against or suffered or incurred by the Investment Manager or an IM Indemnified Person arising out of or in connection with the performance or non-performance of the Investment Manager's obligations and duties under the Investment Management Agreement (other than due to the negligence, bad faith, fraud or wilful default of or by the Investment Manager) or where the Investment Manager or Indemnified Person has acted in accordance with or as required by law. The Investment Manager shall not be liable to the Company or the Manager for any loss suffered in connection with the subject matter of the Investment Management Agreement or in the course of the discharge of the Investment Manager's functions thereunder howsoever any such loss may have occurred unless such loss arises from the negligence, bad faith, wilful default or fraud in the performance or non-performance by the Investment Manager or persons designated by it of its obligations or functions hereunder provided that any such agents or delegates are associates of the Investment Manager. In no circumstances shall the Investment Manager be liable for indirect, special or consequential damages.

- (b) *Distribution Agreement*: Pursuant to the Distribution Agreement, the Manager has appointed the Distributor as its agent with power to promote the distribution and marketing of the Shares was appointed as distributor of the Company's Shares subject to the overall policies, directions and control of the Manager. The Distribution Agreement may be terminated by any party thereto on one month's written notice or forthwith by notice in writing in certain circumstances such as the insolvency of any party thereto or unremedied breach after notice. The Distributor has the power to delegate its duties. The Distribution Agreement provides that the Company shall indemnify the Distributor from and against any and all liabilities, losses, damages, penalties, actions, judgements, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the negligence, bad faith, wilful default or fraud on the part of the Distributor or of any affiliate, delegate, servant or agent) which may be imposed on, incurred by or asserted against the Distributor in performing its obligations and duties thereunder. Under the terms of the Distribution Agreement the Distributor agrees to use its best efforts, judgement and due care in exercising its duties and the authority granted to it under the Distribution Agreement provide that it shall not, in the absence of negligence, bad faith, wilful default or fraud on its part or on



the part of any affiliate, delegate, servant or agent be liable for any loss or damage of any nature whatsoever sustained or suffered by the Company or the Manager as a result, or in the course of, the discharge by the Distributor of its duties under the Distribution Agreement.

- (c) *Administration Agreement:* Pursuant to the Administration Agreement, the Administrator has been appointed to manage and administer the affairs of the Company, subject to the terms and conditions of the Administration Agreement and subject to the overall supervision of the Directors and the Manager. The Administration Agreement may be terminated by any party thereto on 90 days' written notice or forthwith by notice in writing in certain circumstances such as the insolvency of any party thereto or unremedied breach after notice. The Administrator has the power to delegate its duties with the prior approval of the Central Bank and the Company provided that the minimum activities required by the Central Bank to be carried out in Ireland are performed in Ireland. The Administration Agreement provides that the Company shall indemnify the Administrator, its officers, employees, agents and representatives (the "Indemnitees") against, and hold them harmless from, any liabilities, losses, claims, costs, damages, penalties, fines, obligations, or expenses of any kind whatsoever (including reasonable fees and legal expenses) ("Liabilities") that may be imposed on, incurred by or asserted against any of the Indemnitees (otherwise than by reason of the negligence, wilful default or fraud of the Indemnitees) in connection with or arising out of:
- (i) the Administrator's performance of its obligations and duties in accordance with the terms of the Agreement;
  - (ii) the Administrator's reliance on information provided to the Administrator by or on behalf of the Company or any asset pricing, valuer or market data providers selected by the Company or the Manager that the Administrator is directed to use by the Company or the Manager;
  - (iii) any action or omission taken by the Administrator in accordance with any Proper Instruction;
  - (iv) the actions or omissions of any broker, dealer, bank, depository or other person engaged by the Company; and
  - (v) any claim arising out of the investment activities of the Company, including an action, suit, claim or demand brought or threatened against or suffered or sustained by the Administrator by a Shareholder or a person who holds a charge or other security interest over any property comprised in the Company including but not limited to a claim under an external complaints resolution procedure.

Furthermore, the Company indemnifies the Administrator on demand against all claims, proceedings, liabilities, losses and expenses (including legal costs) resulting from the Administrator corresponding and accepting Proper Instructions by e-mail and its reliance on or acting upon any email Proper Instructions, otherwise than by reason of the negligence, wilful default or fraud of the Administrator.

The Administrator shall only be liable in damages to the Manager or the Company, as applicable, for Losses (as defined in the Administration Agreement) suffered or incurred by the Manager or the Company in connection with the Administration Agreement to the extent that such Losses (as defined in the Administration Agreement) result directly from the fraud, wilful default or negligence of the Administrator or its agents, sub-contractors and representatives in its/their performance of the services outlined within the Administration Agreement.

The Administration Agreement also states that, to the fullest extent permitted by applicable law and despite any other provision of the Administration Agreement, the Administrator excludes all liability arising out of or in connection with the Administration Agreement for:

- (i) indirect, special, or consequential damage;
- (i) loss of profits;
- (ii) loss of revenue;
- (iii) loss of savings (actual or anticipated); and
- (iv) loss of goodwill;

(whether or not foreseeable and regardless of the type of action in which such a claim may be brought).

- (d) *Depositary Agreement:* Pursuant to the Depositary Agreement, the Depositary has been appointed as depositary of the Company's assets subject to the overall supervision of the Directors. The Depositary Agreement may be terminated by any party thereto on not less than 90 days written notice although in certain circumstances the Depositary Agreement may be terminated immediately by any party thereto provided that the appointment of the Depositary shall continue in force until a replacement depositary approved by the Central Bank has been appointed and provided further that if within a period of 90 days from the date on which the Depositary notifies the Company of its desire to retire or from the date on which the Company notifies the Depositary of its intention to remove the Depositary, no replacement Depositary shall have been appointed, the Company shall apply to the High Court for an order to wind up the Company or convene in an extraordinary general meeting of the Shareholders of the Company at which there shall be proposed an ordinary resolution to wind up the Company. The Depositary Agreement provides that

- (i) the Company shall indemnify and keep indemnified and hold harmless the Depositary (and each of its directors, officers and employees) out of the assets of the relevant Fund from and

against any and all third party actions, proceedings, claims, costs, demands and expenses which may be brought against suffered or incurred by the Depositary other than in circumstances where the Depositary is liable pursuant to Clause 17.2 and Clause 17.3 of the Depositary Agreement, including any such actions, proceedings, costs, demands and expenses that arise by virtue of the Depositary, its nominees or third parties, being the registered owner of financial instruments;

- (ii) any indemnity expressly given to the Depositary by the Company in the Depositary Agreement shall be in addition to, and without prejudice to, any indemnity to which the Depositary may be entitled at law. The Depositary may extend the benefit of the indemnity provided for in Clause 17 of the Depositary Agreement to any third party, nominee, agent or Securities System appointed or used by it; and
  - (iii) the Company shall indemnify Northern Trust and its nominee out of the assets of the relevant Fund for any loss, damage, claims, costs and expenses that may accrue to the Depositary as a consequence of its execution of any such investor documentation on the Company's behalf other than in circumstances where the Depositary is or would be liable pursuant to Clause 17.2 or 17.3 of the Depositary Agreement. Any indemnity provided by the Depositary or its nominees on behalf of the Company in any investor documentation of a collective investment scheme or limited partnership in which the Company proposes to invest shall be met out of the assets of the relevant Fund of the Company and not by Northern Trust's or the nominee's own personal assets or any other assets that it holds in custody for other clients.
- (e) *MLRO Agreement* between the Company and Bridge dated 1 December 2015 under which Bridge was appointed as MLRO for the Company. The MLRO Agreement may be terminated by either party on 90 days' notice.

### **13. Documents Available for Inspection**

Copies of the following documents, which are available for information only and do not form part of this document, will be made available to Shareholders at the registered office of the Administrator during normal business hours on any Business Day:

- (a) the Constitution (copies of which may be obtained free of charge from the Administrator);
- (b) the Act, the UCITS Regulations and the Central Bank UCITS Regulations;
- (c) the material contracts detailed above; and

- (d) the latest annual and half yearly reports of the Company (copies of which may be obtained from the Administrator free of charge).

Copies of the Prospectus and Key Investor Information Document(s)/Key Information Document(s) may also be obtained by Shareholders from the Administrator or the Distributor.

## Appendix I

### Permitted Investments and Investment Restrictions

<b>1</b>	<b>Permitted Investments</b>
	Investments of a UCITS are confined to:
<b>1.1</b>	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of non-UCITS.
<b>1.6</b>	Deposits with credit institutions.
<b>1.7</b>	Financial derivative instruments.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
<b>2.2</b>	<p><b>Recently Issued Transferable Securities</b></p> <p>Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply.</p> <p>Paragraph (1) does not apply to an investment by a responsible person in US Securities known as “ Rule 144A securities” provided that;</p> <p>(a) the relevant securities have been issued with an undertaking to register the securities with the SEC within one year of issue; and</p> <p>(b) the securities are not illiquid securities i.e. they may be realised by the UCITS within seven days at the price, or approximately at the price, which they are valued by the UCITS.</p>
<b>2.3</b>	A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
<b>2.4</b>	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the

total value of these investments may not exceed 80% of the net asset value of the UCITS.

**2.5** The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.

**2.6** The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

**2.7** Cash booked in accounts and held as ancillary liquidity with the same body shall not exceed 20% of the net assets of the UCITS.

**2.8** The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.

This limit is raised to 10% in the case of a credit institution authorised in the EEA or a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

**2.9** Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:

- investments in transferable securities or money market instruments;
- deposits, and/or
- counterparty risk exposures arising from OTC derivatives transactions.

**2.10** The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.

**2.11** Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.

**2.12** A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.

**The individual issuers must be listed in the prospectus and may be drawn from the following list:**

OECD Governments (provided the relevant issues are investment grade),

	<p>Government of the People’s Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC, Export-Import Bank.</p> <p>The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
<b>3</b>	<b>Investment in Collective Investment Schemes (“CIS”)</b>
<b>3.1</b>	A UCITS may not invest more than 20% of net assets in any one CIS.
<b>3.2</b>	Investment in AIFs may not, in aggregate, exceed 30% of net assets.
<b>3.3</b>	The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
<b>3.4</b>	When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.
<b>3.5</b>	Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.
<b>4</b>	<b>Index Tracking UCITS</b>
<b>4.1</b>	A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank.

4.2	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
<b>5</b>	<b>General Provisions</b>
5.1	An investment company, ICAV or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
5.2	<p>A UCITS may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
5.3	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> <li>(iv) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed;</li> <li>(v) shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</li> </ul>
5.4	UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
5.5	The Central Bank may allow recently authorised UCITS to derogate from the



	provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
<b>5.6</b>	If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
<b>5.7</b>	Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of: <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- money market instruments*;</li> <li>- units of investment funds; or</li> <li>- financial derivative instruments.</li> </ul>
<b>5.8</b>	A UCITS may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments ('FDIs')</b>
<b>6.1</b>	The UCITS global exposure relating to FDI must not exceed its total net asset value.
<b>6.2</b>	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations/Guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Central Bank UCITS Regulations.)
<b>6.3</b>	UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that <ul style="list-style-type: none"> <li>- The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.</li> </ul>
<b>6.4</b>	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

The Company will, with respect to each Fund, adhere to any investment or borrowing restrictions herein and any criteria necessary to obtain and/or maintain any credit rating in respect of any Shares or Class in the Company, subject to the UCITS Regulations.

It is intended that the Company shall have the power (subject to prior approval by the Central Bank of the duly updated Prospectus) to avail itself of any change in the

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\* Any short selling of money market instruments by UCITS is prohibited

investment and borrowing restrictions laid down in the UCITS Regulations which would permit investment by the Company in securities, derivative instruments or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited under the UCITS Regulations.

## Appendix II - Recognised Exchanges

The following is a list of regulated stock exchanges and markets on which a Fund's investments in securities and financial derivative instruments other than permitted investment in unlisted securities and over the counter derivative instruments, will be listed or traded and is set out in accordance with the regulatory criteria in the Central Bank UCITS Regulations. With the exception of permitted investments in unlisted securities and over the counter derivative instruments investment in securities and derivative instruments will be restricted to the stock exchanges and markets listed below. The Central Bank does not issue a list of approved stock exchanges or markets.

(i) any stock exchange which is:

- located in any member state of the OECD; or
- located in any member state of the European Economic Area (European Union, Norway and Liechtenstein); or
- located in any of the following countries:

Australia;  
Canada;  
Hong Kong;  
Japan;  
New Zealand  
Switzerland;  
United Kingdom;  
United States of America.

(ii) any of the following stock exchanges or markets:

- |   |   |                                   |
|---|---|-----------------------------------|
| Argentina                                 | - | Bolsa de Comercio de Buenos Aires |
| Argentina                                 | - | Bolsa de Comercio de Córdoba      |
| Argentina                                 | - | Bolsa de Comercio de Rosario      |
| Bahrain                                   | - | Bahrain Bourse                    |
| Bangladesh                                | - | Dhaka Stock Exchange              |
| Bangladesh                                | - | Chittagong Stock Exchange         |
| Bermuda                                   | - | Bermuda Stock Exchange            |
| Botswana                                  | - | Botswana Stock Exchange           |
| Brazil                                    | - | B3 – Brasil Bolsa Balcão S.A.     |
| Chile                                     | - | Bolsa de Comercio de Santiago     |
| Chile                                     | - | Bolsa Electrónica de Chile        |
| China<br>(Peoples' Rep. of –<br>Shanghai) | - | Shanghai Stock Exchange           |
| China<br>(Peoples' Rep. of –<br>Shenzhen) | - | Shenzhen Stock Exchange           |

Colombia	-	Bolsa de Valores de Colombia
Costa Rica	-	Bolsa Nacional de Valores
Croatia	-	Zagreb Stock Exchange
Ecuador	-	Bolsa de Valores de Guayaquil
Ecuador	-	Bolsa de Valores de Quito
Egypt	-	Egyptian Exchange
Ghana	-	Ghana Stock Exchange
India	-	Bombay Stock Exchange
India	-	National Stock Exchange of India
Indonesia	-	Indonesia Stock Exchange
Israel	-	Tel-Aviv Stock Exchange
Jamaica	-	Jamaica Stock Exchange
Jordan	-	Amman Stock Exchange
Kazakhstan (Rep. Of)	-	Central Asian Stock Exchange
Kazakhstan (Rep. Of)	-	Kazakhstan Stock Exchange
Kenya	-	Nairobi Securities Exchange
Lebanon	-	Beirut Stock Exchange
Malaysia	-	Bursa Malaysia Berhad
Mauritius	-	Stock Exchange of Mauritius
Mexico	-	Bolsa Mexicana de Valores
Morocco	-	Bourse de Casablanca
Namibia	-	Namibian Stock Exchange
Nigeria	-	Nigerian Stock Exchange
Pakistan	-	Pakistan Stock Exchange
Peru	-	Bolsa de Valores de Lima
Philippines	-	Philippine Stock Exchange
Singapore	-	Singapore Exchange
South Africa	-	Johannesburg Stock Exchange
South Korea	-	Korea Exchange
	-	KOSDAQ Market
Sri Lanka	-	Colombo Stock Exchange
Taiwan (Republic of China)	-	Taiwan Stock Exchange Corporation
	-	Taipei Exchange
Thailand	-	Stock Exchange of Thailand
Tunisia	-	Bourse des Valeurs Mobilières de Tunis
Turkey	-	Borsa Istanbul
Uruguay	-	Bolsa de Valores de Montevideo
Vietnam	-	Ho Chi Minh Stock Exchange
Zambia	-	Lusaka Securities Exchange.

(iii) any of the following markets:

the market organised by the International Capital Market Association;

the market conducted by the “listed money market institutions”, as described in the FCA publication “The Investment Business Interim Prudential Sourcebook

(which replaces the “Grey Paper”) as amended from time to time;

AIM - the Alternative Investment Market in the UK, regulated and operated by the London Stock Exchange;

the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;

Shanghai-Hong Kong Stock Connect (Northbound);

NASDAQ in the United States;

the market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;

the over-the-counter market in the United States regulated by the National Association of Securities Dealers Inc. (also described as the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

the French market for Titres de Créances Négociables (over-the-counter market in negotiable debt instruments);

NASDAQ Europe (is a recently formed market and the general level of liquidity may not compare favourably to that found on more established exchanges);

the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;

SGX Catalist (the second tier of the Singapore Stock Exchange).

(iv) All derivatives exchanges on which permitted financial derivative instruments may be listed or traded:

- in a Member State;
- in a member state in the European Economic Area (European Union, Norway, Iceland and Liechtenstein);
- in the United Kingdom;

in the United States of America, on the

- CME Group;
- Intercontinental Exchange (ICE);

in Australia, on the Australian Securities Exchange;

in India, on the National Commodity and Derivatives Exchange;

in China, on the Shanghai Futures Exchange;

in Hong Kong, on the Hong Kong Exchanges and Clearing Limited;

in Indonesia, on the Indonesia Commodity and Derivatives Exchange;

in Japan, on the

- Japan Exchange Group;
- Tokyo Financial Exchange;
- Tokyo Commodity Exchange;

in South Korea, on the Futures Market Division of the Korea Stock Exchange;

in Malaysia, on the Bursa Malaysia Derivatives Berhad;

in New Zealand, on the New Zealand Futures and Options Exchange;

in Singapore, on the

- Singapore Exchange;
- Singapore Commodity Exchange;

in Taiwan, on the Taiwan Futures Exchange.

For the purposes only of determining the value of the assets of a Fund, the term “Recognised Exchange” shall be deemed to include, in relation to any derivatives contract utilised by a Fund, any organised exchange or market on which such contract is regularly traded.

## **Appendix III - Techniques and Instruments for Efficient Portfolio Management**

Techniques and instruments, such as financial derivative instruments, repurchase/reverse repurchase and stocklending agreements and when issued/delayed delivery securities, may be used for the purposes of efficient portfolio management where the objectives of the techniques and instruments are:

- (i) the reduction of risk;
- (ii) the reduction of cost; or
- (iii) the generation of additional capital or income for the Fund with an appropriate level of risk, taking into account the risk profile of the Fund as described in the Prospectus, the general provisions of the UCITS Directive and the diversification requirements in accordance with the Central Bank's "Eligible Assets and Investment Restrictions", as disclosed in Appendix I to the Prospectus;

provided such techniques and instruments do not cause the Fund to diverge from its investment objectives.

### **1. Financial Derivative Instruments**

A Fund may use financial derivative instruments for investment purposes and/or use financial derivative instruments traded on a Recognised Exchange and/or on over-the-counter markets to attempt to hedge or reduce the overall risk of its investments, enhance performance and/or to manage interest rate and exchange rate risk. A Fund's ability to invest in and use these instruments and strategies may be limited by market conditions, regulatory limits and tax considerations and these strategies may be used only in accordance with the investment objectives of the Fund.

The Fund's use of over-the-counter derivatives is subject to the requirements of the Central Bank UCITS Regulations which as at the date of this Prospectus provide for the following:

- (i) the counterparty is a (i) credit institution listed in Regulation 7 of the UCITS Regulations, or (ii) is an investment firm authorised in accordance with the Markets in Financial Instruments Directive (Directive 2004/39/EC) or (iii) is a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidation supervision by that Federal Reserve.
- (ii) in the case of an OTC FDI counterparty which is not a credit institution (a) is subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company in the credit assessment process or (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in (a) above this shall result in a new credit assessment being conducted of the counterparty by the Company without delay.
- (iii) in the case of the subsequent novation of the OTC FDI contract, the counterparty is one of: the entities set out in paragraph (i) or a central counterparty (CCP) authorised, or recognised by ESMA, under EMIR or, pending recognition by ESMA under Article 25 of EMIR, an entity classified as

- a derivatives clearing organisation by the Commodity Futures Trading Commission or a clearing agency by the SEC (both CCP); and
- (iv) risk exposure to the OTC FDI counterparty does not exceed the limits set out in Regulation 70(1)(c) of the UCITS Regulations.

The Company on behalf of a Fund may net derivative positions with the same counterparty, provided that the Company is able to legally enforce netting arrangements with the counterparty. For this purpose netting is permissible only in respect of OTC derivatives with the same counterparty and not in relation to any other exposures the Company has with the same counterparty.

However, unless otherwise disclosed in the relevant Supplement, the Company will not request the receipt of collateral from OTC FDI counterparties.

The financial derivative instruments in which a Fund may use and the expected effect of investment in such financial derivative instruments on the risk profile of the Fund are disclosed in the relevant Supplement.

Please refer to sections 6.1 to 6.4 in Appendix I to this Prospectus in relation to the Central Bank's requirements where financial derivative instruments are used.

## **2. When Issued/Delayed Delivery Securities**

A Fund may purchase or sell securities on a when-issued or delayed-delivery basis for the purposes of efficient portfolio management. In this instance payment for and delivery of securities takes place in the future at a stated price in order to secure what is considered to be an advantageous price and yield to the Fund at the time of entering into the transaction. Securities are considered "delayed delivery" securities when traded in the secondary market, or "when-issued" securities if they are an initial issuance of securities. Delayed delivery securities (which will not begin to accrue interest until the settlement date) and when-issued securities will be recorded as assets of the Fund and will be subject to risks of market value fluctuations. The purchase price of delayed delivery and when-issued securities will be recorded as a liability of the Fund until settlement date and when issued or delivered as the case may be such securities will be taken into account when calculating the limits set out in Appendix I under the heading Investment Restrictions.

## **3. Costs Associated with Use of Derivative Contracts**

Investors should be aware that where the Company on behalf of a Fund enters into derivative contracts, operational costs and/or fees shall, if applicable, be deducted from the revenue delivered to the relevant Fund. Such fees and costs may include brokerage, banking or financing fees, but neither the Investment Manager nor the Company will agree to any fee payments in connection with derivatives contracts that are not disclosed in the contractual terms associated with the derivative. These costs and/or fees shall not include hidden revenue.

One of the considerations which may be taken into account by the Investment Manager when selecting brokers and counterparties to derivative transactions on



behalf of a Fund is whether such costs and/or fees which shall be deducted from the Fund will be at normal commercial rates.

Such direct or indirect costs and fees will be paid to the relevant broker or counterparty to the transaction, which may include the Depositary or entities related to the Company or the Depositary. Further information relating to related party transactions is provided in the section titled "Conflicts of Interest" in the Prospectus.

The identities of the entities to which such direct and indirect costs and fees are paid shall be disclosed in the annual financial statements of the Company.

All revenues generated from the use of derivatives by a Fund for efficient portfolio management purposes, net of direct and indirect operational costs, will be returned to the relevant Fund.

## **Appendix IV: List of Sub-Custodial Agents Appointed by the Northern Trust Company.**

The Depositary's global sub-custodian has appointed the following entities as sub-delegates in each of the markets set forth below. This list may be updated from time to time and is available upon request in writing from the Administrator or the Depositary. The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to The Northern Trust Company or any of the sub-delegates listed below. The Depositary will notify the board of the Company of any such conflict should it so arise.

<b>Depositary – Sub-custodian Delegate Information</b>		
<b>1. Jurisdiction</b>	<b>2. Sub-custodian</b>	<b>3. Sub-custodian Delegate</b>
<b>Argentina</b>	Citibank N.A., Buenos Aires Branch	
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
<b>Austria</b>	UniCredit Bank Austria AG	
<b>Bahrain</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Bangladesh</b>	Standard Chartered Bank	
<b>Belgium</b>	The Northern Trust Company	
<b>Bosnia and Herzegovina (Federation of Bosnia-Herzegovina)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Bosnia and Herzegovina (Republic of Srpska)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Botswana</b>	Standard Chartered Bank Botswana Limited	

<b>Brazil</b>	Citibank N.A., Brazilian Branch	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	
<b>CD's - USD</b>	Deutsche Bank AG, London Branch	
<b>CD's - USD</b>	The Northern Trust Company, Canada	
<b>Canada</b>	Royal Bank of Canada	
<b>Chile</b>	Citibank N.A.	Banco de Chile
<b>China A Share</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
<b>China B Share</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
<b>Colombia</b>	Cititrust Columbia S.A. Sociedad Fiduciaria	
<b>Costa Rica</b>	Banco Nacional de Costa Rica	
<b>Croatia</b>	UniCredit Bank Austria AG	Zagrebacka Banka d.d.
<b>Cyprus</b>	Citibank Europe PLC	
<b>Czech Republic</b>	UniCredit Bank Czech Republic and Slovenia, a.s.	
<b>Denmark</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>Egypt</b>	Citibank N.A., Cairo Branch	

<b>Estonia</b>	Swedbank AS	
<b>Finland</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>France</b>	The Northern Trust Company	
<b>Germany</b>	The Northern Trust Company	
<b>Ghana</b>	Standard Chartered Bank Ghana Limited	
<b>Greece</b>	Citibank Europe PLC	
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hong Kong (Stock and Bond Connect)</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hungary</b>	Citibank Europe plc.	
<b>Iceland</b>	Landsbankinn hf.	
<b>India</b>	Citibank N.A.	
<b>Indonesia</b>	Standard Chartered Bank	
<b>Ireland</b>	The Northern Trust Company, London	
<b>Israel</b>	Citibank, N.A., Israel Branch	
<b>Italy</b>	Citibank Europe plc	

<b>Japan</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Jordan</b>	Bank of Jordan Plc	
<b>Kazakhstan</b>	Citibank Kazakhstan JSC	
<b>Kenya</b>	Standard Chartered Bank Kenya Limited	
<b>Kuwait</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Latvia</b>	Swedbank AS	
<b>Lithuania</b>	AB SEB bankas	
<b>Luxembourg</b>	Euroclear Bank S.A./N.V.	
<b>Malaysia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Malaysia Berhad
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Mexico</b>	Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex	
<b>Morocco</b>	Société Générale Marocaine de Banques	
<b>Namibia</b>	Standard Bank Namibia Ltd	
<b>Netherlands</b>	The Northern Trust Company	
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited	

<b>Nigeria</b>	Stanbic IBTC Bank Plc	
<b>Norway</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>Oman</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Oman S.A.O.G
<b>Pakistan</b>	Citibank N.A., Karachi Branch	
<b>Panama</b>	Citibank N.A., Panama Branch	
<b>Peru</b>	Citibank del Peru S.A.	
<b>Philippines</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Poland</b>	Bank Handlowy w Warszawie S.A	
<b>Portugal</b>	BNP Paribas SA	
<b>Qatar</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Romania</b>	Citibank Europe PLC	
<b>Russia</b>	AO Citibank	
<b>Saudi Arabia</b>	The Northern Trust Company of Saudi Arabia	
<b>Serbia</b>	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
<b>Singapore</b>	The Hongkong and Shanghai Banking Corporation Limited	

<b>Slovakia</b>		Citibank Europe PLC	
<b>Slovenia</b>		UniCredit Banka Slovenija d.d.	
<b>South Africa</b>		The Standard Bank of South Africa Limited	
<b>South Korea</b>		The Hongkong and Shanghai Banking Corporation Limited	
<b>Spain</b>		Citibank Europe plc	
<b>Sri Lanka</b>		Standard Chartered Bank	
<b>Sweden</b>		Skandinaviska Enskilda Banken AB (publ)	
<b>Switzerland</b>		Credit Suisse (Switzerland) Ltd	
<b>Taiwan</b>		The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Taiwan) Limited
<b>Tanzania</b>		Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
<b>Thailand</b>		Citibank N.A., Bangkok Branch	
<b>Tunisia</b>		Union Internationale de Banques	
<b>Turkey</b>		Citibank A.S.	
<b>United Arab Emirates (ADX)</b>		The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (DFM)</b>		The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch

<b>United Arab Emirates (NASDAQ)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>Uganda</b>	Standard Chartered Bank Uganda Limited	
<b>Ukraine (Market suspended)</b>	JSC “Citibank”	
<b>United Kingdom</b>	Euroclear UK & International Limited (Northern Trust self-custody)	
<b>United States</b>	The Northern Trust Company	
<b>Uruguay</b>	Banco Itau Uruguay S.A.	
<b>Vietnam</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
<b>West Africa (UEMOA)</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
<b>Zambia</b>	Standard Chartered Bank Zambia PLC	
<b>Zimbabwe</b>	The Standard bank of South Africa Limited	Stanbic Bank Zimbabwe Limited



**SUPPLEMENT 1**  
**DATED 1 July 2024 TO THE PROSPECTUS ISSUED FOR CHIKARA FUNDS PLC**  
**CHIKARA INDIAN SUBCONTINENT FUND**

This Supplement contains information relating specifically to the Chikara Indian Subcontinent Fund (the “Fund”), a sub-fund of Chikara Funds plc (the “Company”), an open-ended umbrella type investment company with variable capital and segregated liability between Funds authorised by the Central Bank on 1 March 2007 as a UCITS pursuant to the UCITS Regulations. Shares are also available in four other sub-funds of the Company, the Chikara Japan Alpha Fund, the Chikara Asian Evolution Fund, the Chikara Japan Income and Growth Fund and the Chikara Global Emerging Markets Opportunities Fund.

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**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 1 July 2024 (the “Prospectus”).**

The Directors of the Company whose names appear in the Prospectus under the heading “Management and Administration” accept responsibility for the information contained in this Supplement and the Prospectus. 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 Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.** Investors should read and consider the section entitled “Risk Factors” before investing in the Fund.

**Profile of a Typical Investor**

The Fund is suitable for high net worth individuals, institutional and retail investors seeking capital growth over the long term with a moderate to high level of volatility.

**1. Interpretation**

The expressions below shall have the following meanings:

**“Business Day”** means any day (except Saturday or Sunday) on which banks in Dublin, London and New York, and the Bombay Stock Exchange and the National Stock Exchange of India, are generally open for business or such other day or days as may be determined by the Directors and notified to Shareholders in advance.

<b>“Dealing Day”</b>	means each day which is a Business Day, or such other day or days as may be determined by the Directors, in consultation with the Manager, and notified to Shareholders in advance provided that there shall be at least one Dealing Day every fortnight.
<b>“Dealing Deadline”</b>	means 12.00 noon Irish time on the Business Day before each Dealing Day or such other time as the Directors may determine and notify to Shareholders or otherwise provided always that the Dealing Deadline is no later than the Valuation Point.
<b>“Designated Depository Participant”</b>	means a custodian of securities registered with SEBI which is empowered to register and certify foreign portfolio investors on behalf of SEBI.
<b>“Initial Offer Period”</b>	means the period during which a Class of Shares is first offered for subscription at the Initial Price, as specified in the section entitled “Initial Offer Period and Initial Price” below.
<b>“Initial Price”</b>	means, in relation to the Q (USD) Class, \$10 per Share.
<b>“SEBI”</b>	means the Securities and Exchange Board of India, the Indian capital market regulator.
<b>“South Asia”</b>	means India, Bangladesh, Pakistan, Sri Lanka, Nepal, Bhutan, Afghanistan, Maldives and Myanmar.
<b>“Valuation Point”</b>	means 12.00 noon Irish time on each Dealing Day.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## **2. Base Currency**

The Base Currency shall be United States Dollars. The Net Asset Value per Share will be published and subscriptions and redemptions will be effected in the designated currency of each Class.

## **3. Investment Objective**

The investment objective of the Chikara Indian Subcontinent Fund is to provide investors with long term capital appreciation.

#### **4. Investment Policy**

The investment objective will be achieved by investing primarily on a long-only basis in a concentrated portfolio of equities of companies (typically less than 50) listed or traded on Recognised Exchanges and which have their registered office or conduct a predominant part of their economic activity in South Asia (as including countries of the Indian subcontinent (such as India, Pakistan, Sri Lanka, Bangladesh Nepal and Bhutan) and Myanmar). Issuers of equity securities may be located in any country of South Asia.

The Fund intends to invest in India through the Foreign Portfolio Investment (“FPI”) regime. Further details on the FPI regime are set out in Section 5 below. The Fund is registered as a Category I FPI.

The focus of the Fund is to generate capital returns by investing in companies that the Investment Manager determines are undervalued and which have strong balance sheets with return on capital and earnings growth above the average rate relative to the market. The Investment Manager gathers, analyses, and assesses information about target companies which it uses to reach a conclusion about a stock. This involves an analysis of the company’s financial statements and other financial and market information, supported, where possible, by direct contact with the company’s management.

Market information for these purposes includes information relating to competitors, customers, suppliers, distribution intermediaries, and personnel of the target companies. It includes any information about a company and anything that affects its business that is available to the market, information that a company produces including earnings forecasts, financial statements and market announcements, information written about the company by a research provider including information about that particular sector or industry, its competitors, relevant government regulation that affects the sector and macro information about the country and the economy in which the company operates.

In the pursuit of its investment objective, the Fund may also invest up to 10% of its Net Asset Value in exchange traded funds (“ETFs”) which have exposure to the Recognised Exchanges referred to above. Such ETFs shall be UCITS and/or alternative investment funds and may be open ended or closed ended. Any investment in closed ended ETFs will only be made on the basis that such investment constitutes an investment in transferable securities.

The Fund will be managed with the goal of generating maximum Alpha. “Alpha” is the term used to describe the risk-adjusted out performance of an investment to the market. A large Alpha indicates a good performance relative to the market.

On occasion, the Fund may invest up to 5% of its Net Asset Value in special purpose acquisition companies (“SPAC”). For the avoidance of doubt, after the SPAC has merged with the target company and has its own business, it will cease to be categorised as a SPAC and will no longer contribute towards the up to 5% allocation to SPACs.

## 5. Regime for Foreign Investors Investing into India

The Foreign Portfolio Investment (“FPI”) regime is a regime for foreign investment into India which was introduced pursuant to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations 2014 (the “**FPI Regulations**”). It was implemented on 1 June 2014 (and amended by the FPI Regulations 2019). The key features of the FPI regime are as follows:

- there is a unified route for foreign portfolio investments in India;
- Under the FPI Regulations, SEBI authorises Designated Depository Participants to authorise and certify the FPIs;
- FPIs are classified into two main categories based on the type of entities and their risk profiles. The two categories are as follows:
  - (i) **Category I –**
    - a. Government and Government related investors such as central banks, sovereign wealth funds and international organisations or agencies;
    - b. University funds and pension funds;
    - c. Appropriately regulated entities such as banks, insurance or reinsurance entities, asset management companies, investment managers/advisors, portfolio managers, broker dealers and swap dealers;
    - d. Entities from FATF member countries which are as follows:
      - i. Appropriately regulated funds;
      - ii. Unregulated funds whose investment manager is appropriately regulated and registered as a Category I FPI;
      - iii. University related endowments funds of universities in existence for more than 5 years
    - e. Other entities which include:
      - i. Entities whose investment manager is from the FATF member country and such investment is registered as Category I FPI
      - ii. Any entity of FATF member country of which at least 75% owned, directly or indirectly by another entity, which are eligible to be registered as Category I FPI.
  - (ii) **Category II -** all other entities which are not eligible under Category I are eligible as a Category II FPI such as;

- i. Appropriately regulated funds not eligible as a Category I FPI;
- ii. Endowments and foundations
- iii. Charitable organisations
- iv. Corporate bodies
- v. Family offices
- vi. Individuals
- vii. Unregulated funds in the form of limited partnerships and trusts
- viii. Appropriately regulated entities investing on behalf of their clients.

All investments made by FPIs are subject to the provision of the FPI Regulations.

FPIs may only invest in those securities listed in the FPI Regulations at Regulation 21. Total holding by each FPI must be below 10% of the total issued equity share capital of the relevant Indian company.

For the avoidance of doubt, the Fund will always make investments in accordance with its investment policy, as detailed in the “Investment Policy” section above.

## **6. Securities Financing Transactions**

All types of assets held by the Fund may be subject to total return swaps. Such total return swaps shall only be utilised for efficient portfolio management purposes. The assets underlying the total return swaps will be equities under such transactions. It is expected that the proportion of the Fund’s assets under management that will be subject to total return swaps will typically be in the range of 0% to 20% of the Net Asset Value of the Fund, but will not in any case exceed 100% of the Net Asset Value of the Fund, and will not exceed the investment restrictions prescribed in Appendix I of the Prospectus.

The Investment Manager will report to the Shareholders the amount of assets engaged in total return swaps, as well as other relevant information on an annual basis, or more frequently, if required by law.

The risks of such transactions are summarised in the section of this Prospectus titled “Risk Factors”.

For further information on SFTs please see section entitled “Securities Financing Transactions (SFTs)” contained in the Prospectus.

## **7. Derivatives**

While the Fund will typically invest directly in equity securities as outlined above, in order to gain exposure to a market in which the Fund cannot directly invest the Fund may from time to time purchase the following exchange listed and/or OTC financial derivative instruments which will allow the Fund to gain exposure to an underlying security: (a) swap contracts; (b) contracts for difference; (c) futures; (d) options; and (e) structured notes. Any such underlying security or instrument must be a transferable security. The securities or instruments underlying

structured notes shall be limited to equities listed or traded on a Recognised Exchange.

The Investment Manager is of the opinion that the use of derivatives in the manner contemplated above is not likely to result in the Net Asset Value of the Fund being highly volatile and will not have a significantly negative impact on the performance of the Fund in relation to its investment objective and investment policy.

The use of derivatives in the manner outlined above will give rise to a long only leveraged exposure to the relevant asset class(es). Leverage arising from the use of derivatives by the Fund, for investment and efficient portfolio management purposes, will typically range between 0% and 100% of the Net Asset Value of the Fund. The Fund's exposure to financial derivative instruments will be calculated using the 'commitment approach' as permitted under the Central Bank UCITS Regulations. In the context of the Fund using the commitment approach to calculate its global exposure, the Fund may not, therefore, be leveraged in excess of 100% of Net Asset Value.

The use of derivative instruments for the purposes outlined above may expose the Fund to the risks disclosed under the headings "Derivatives and Techniques and Instruments Risk" in the Risk Factors Section of the Prospectus.

The Fund may use the following derivatives for the following purposes:

#### Structured Notes

Exchange listed and/or OTC structured notes (as described above) may be purchased or sold by the Investment Manager, on behalf of the Fund, for the purpose of hedging the risk of fluctuation in the value of the Fund's portfolio of securities. The primary exposure will be to the issuer of the structured note but there will also be an economic exposure to the underlying bond or equity. The issuers of these notes will be large institutions, such as investment banks or credit institutions, each of whom will meet the requirements contained in the UCITS Regulations in respect of OTC counterparty criteria.

#### Futures

Futures may be purchased or sold by the Investment Manager, on behalf of the Fund, for the purpose of hedging the risk of fluctuation in the value of the Fund's portfolio of securities. Stock index futures may be sold provided there exists a sufficient correlation between the composition of the index used and the corresponding portfolio of the Fund and that any such index shall be an index of a regulated market.

#### Options

Exchange listed and/or OTC options may be purchased or sold by the Investment

Manager, on behalf of the Fund, for the purposes of hedging:

- (a) the risk of fluctuation in the value of the Fund's portfolio of securities. Call options on stock indices may be sold and put options on stock indices may be purchased provided there exists a sufficient correlation between the composition of the index used and the corresponding portfolio of the Fund;
- (b) the risk that changes in the exchange rate between the Base Currency and the currency of denomination of the assets of the Fund may lead to a depreciation of the value of the Fund's assets as expressed in the Base Currency.

### Swaps

The Fund may also enter into swap contracts (as described above) for the purposes of hedging the risk of fluctuation in the value of the Fund's portfolio of securities.

### Contracts for Difference

A contract for difference (also known as a synthetic swap) is a contract between two parties to exchange the difference between the value of an asset now and over a period of time giving the parties to the contract exposure to price movements of the asset without owning it. They provide exposure in a cost-effective manner. The Fund may enter into contracts for difference for the purposes of hedging the risk of fluctuation in the value of the Fund's portfolio of securities, in order to secure a profit or avoid a loss by reference to fluctuations in the value or price of equities or financial instruments or in an index of such equities or financial instruments. An equity contract for difference is a derivative instrument designed to replicate the economic performance and the cash flows of a conventional share investment.

### Forward FX contracts

The Investment Manager may, on behalf of the Fund, engage in the following currency hedging techniques:

- (i) hedging by proxy, i.e. a technique whereby the Fund effects a hedge of the Base Currency of the Fund (or benchmark or currency exposure of the assets of the Fund) against exposure in one currency by selling (or purchasing) another currency closely related to it, provided that these currencies are indeed likely to fluctuate in the same manner;
- (ii) cross hedging, i.e. a technique whereby the Fund sells a currency it is exposed to and purchases more of another currency to which the Fund may also be exposed, the level of the Base Currency being left unchanged, provided however that all such currencies are currencies of

the countries which are at that time within the Fund's investment policy and the technique is used as an efficient method to gain the desired currency and asset exposures; and

- (iii) anticipatory hedging, i.e. a technique whereby the Fund effects a hedge of a particular currency in anticipation of the acquisition of securities denominated in that currency for the purposes of hedging the resulting currency exposure into the currency of denomination of the relevant Class, provided however that the currency which is bought in anticipation of a later purchase of underlying portfolio securities is a currency associated with those countries which are within the Fund's investment policy.

The Fund may also purchase or sell securities on a when-issued or delayed-delivery basis.

## 8. Share Classes

At the date of this Supplement the Fund has established the following Classes of Shares with the respective currencies listed below:

<b>Class</b>	<b>Currency</b>	<b>Hedged Against Base Currency</b>
I (GBP)	GBP	Yes
I (GBP Unhedged)	GBP	No
I (USD)	USD	N/A
S (GBP)	GBP	Yes
S (GBP Unhedged)	GBP	No
S (USD)	USD	N/A
S (EUR)	EUR	Yes
D (USD)	USD	N/A
D (GBP)	GBP	Yes
D (GBP Unhedged)	GBP	No
T (USD)	USD	N/A
T (GBP Unhedged)	GBP	No
Q (GBP Unhedged)	GBP	No
Q (USD)	USD	No

Class D (GBP), Class D (GBP Unhedged) and Class D (USD) Shares shall only be available for subscription by the categories of investor listed below, or any nominee thereof:

- (i) the Investment Manager;
- (ii) employees of the Investment Manager;
- (iii) the spouse, partner, children (provided they are over the age of 18) or siblings of employees of the Investment Manager;



- (iv) clients of the Investment Manager who have given a discretionary asset manager mandate to the Investment Manager; and
- (v) any pension scheme or trust that is established for the benefit of one or more of the persons set out in (ii) and (iii) above.

### **Initial Offer Period and Initial Price**

The Initial Offer Period in respect of all Share Classes has now closed and such Shares are now issued at the Net Asset Value per Share.

## **9. Minimum Subscription and Minimum Holding**

Investors shall be required to adhere to the following Minimum Subscription and Minimum Holding requirements in respect of each Share Class:

<b>Class</b>	<b>Minimum Subscription</b>	<b>Minimum Holding</b>
I (GBP)	\$1,000	N/A
I (GBP Unhedged)	\$1,000	N/A
I (USD)	\$1,000	N/A
S (GBP)	£100,000	N/A
S (GBP Unhedged)	£100,000	N/A
S (USD)	\$100,000	N/A
S (EUR)	€100,000	N/A
D (USD)	\$1000	N/A
D (GBP)	£1000	N/A
D (GBP Unhedged)	£1000	N/A
T (USD)	\$2,500,000	N/A
T (GBP Unhedged)	£2,500,000	N/A
Q (GBP Unhedged)	£15,000,000	N/A
Q (USD)	\$15,000,000	N/A

The Directors have discretion, under the Articles of Association, to waive or reduce the Minimum Subscription or Minimum Holding with respect to any Shareholder or applicant for Shares. The Directors have delegated this right to the Investment Manager. The Investment Manager may group amounts of less than the Minimum Subscription being managed for individual investors in order to make up to the total Minimum Subscription amount.

Once aggregate subscriptions in the Class Q (GBP Unhedged) Shares and the Class Q (USD) Shares have reached £50,000,000 both Share Classes will be closed to further subscriptions.

## **10. Application for Shares**

Completed Subscription Forms may be submitted to the Administrator on behalf

of the Company. Completed Subscription Forms received by the Administrator prior to the Dealing Deadline for any Dealing Day will be processed on the Business Day following that Dealing Day. Applications in respect of Shares during the Initial Offer Period must be received by the Administrator by the Dealing Deadline on the last Business Day of the Initial Offer Period.

Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day unless, in exceptional circumstances, the Directors in their absolute discretion otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day.

In the case of applicants who have not previously subscribed for Shares in the Company, a completed Subscription Form will only be accepted after the Account Opening Form has been processed and all supporting documentation is to the satisfaction of the Administrator.

Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Shares prior to subscribing to the relevant Fund. Applicants will be required to represent (which representation will form part of the Subscription Form) that they have received and read a copy of the relevant Key Investor Information Document in paper or electronic form. They Key Investor Information Document(s)/Key Information Document(s) will be available at [www.fundinfo.com](http://www.fundinfo.com).

Account Opening Forms and Subscription Forms may be obtained from the Distributor or Administrator but may, if the Company or its delegate so determines, be made by telefax or other electronic means subject to prompt transmission to the Administrator of the signed Account Opening Form and such other papers as may be required by the Company or its delegate. No Shares will be issued to an investor until the Administrator is in receipt of the signed Account Opening Form and such other documents as may be required from that investor. Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator by telefax or other electronic means or such other means as may be permitted by the Directors without a requirement to submit original documentation and such applications should contain such information as may be specified from time to time by the Directors or their delegate. All applications for Shares carried out by telefax or other electronic means should be verified by the applicant by telephone to the Administrator to confirm receipt of their fax or other electronic means instruction. In accordance with the requirements of the Central Bank and in consultation with the Administrator, subsequent applications may also be accepted by telephone. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

## **Fractions**

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than 0.001 of a Share.

Subscription monies, representing less than 0.001 of a Share will not be returned to the investor but will be retained by the Company in order to defray administration costs.

## **Method of Payment**

Subscription payments net of all bank charges should be paid by CHAPS, SWIFT or telegraphic or electronic transfer to the bank account specified in the Account Opening Form enclosed with this Prospectus. Other methods of payment are subject to the prior approval of the Investment Manager. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

## **Currency of Payment**

Subscription monies are payable in the designated currency of the relevant Class and will not be accepted in any currency other than the designated currency of the relevant Class.

## **Timing of Payment**

Payment in respect of subscriptions must be received in cleared funds by the Administrator no later than two Business Days after the relevant Dealing Day. If payment in cleared funds in respect of a subscription has not been received by the settlement deadline, the Investment Manager or its delegate may cancel the allotment and/or charge the investor for any losses, costs or expenses incurred by the Fund or the Company, where applicable, as a result of the failure or default of the investor to transmit subscription monies in immediately available funds for the account of the Fund by the settlement deadline. Any losses, costs or expenses incurred by the Fund and charged to the investor will be paid into the Fund.

The Investment Manager may waive either of such charges in whole or in part. In addition, the Investment Manager has the right to sell all or part of the investor's holding of Shares in the Fund or any other Fund of the Company in order to meet such charges.

## **Confirmation of Ownership**

Confirmation of each purchase of Shares will usually be sent to Shareholders within 1 Business Day of calculation of the Net Asset Value per Share and, in any event, no later than 6 Business Days after the purchase of Shares. Title to Shares will be evidenced by the entering of the investor's name on the Company's register of Shareholders and no certificates will be issued.

## **11. Redemption of Shares**

Requests for the redemption of Shares should be made to the Administrator whose details are set out in the Account Opening Form on behalf of the Company by facsimile or written communication or telephone or by other electronic means or such other means as may be permitted by the Directors and should include such information as may be specified from time to time by the Directors or their delegate. Requests for redemption received prior to the Dealing Deadline for any Dealing Day will be processed effective as of that Dealing Day provided that Shares will be redeemed at the Net Asset Value per Share at the Valuation Point relevant to that Dealing Day. Any requests for redemption received after the Dealing Deadline for a Dealing Day will be processed on the next Dealing Day unless, in exceptional circumstances, the Directors, in consultation with the Manager, determine otherwise. No redemption payment will be made from an investor holding until cleared funds and the Account Opening Form are in place from the original subscription and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed.

In the event of a Shareholder requesting a redemption which would, if carried out, leave the Shareholder holding Shares having a Net Asset Value less than the Minimum Holding, the Company may, at the discretion of the Investment Manager, redeem the whole of the Shareholder's holding.

The redemption price per Share shall be the Net Asset Value per Share.

### **Method of Payment**

Redemption payments will be made to the bank account detailed on the Account Opening Form or as subsequently notified to the Administrator in writing signed by an authorised signatory of the Shareholder. Redemption payments following processing of redemption requests received by telefax or telephone or by other electronic means will only be made to the account of record of a Shareholder.

### **Currency of Payment**

Shareholders will be repaid in the designated currency of the relevant Class. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the

Distributor/Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

### **Timing of Payment**

Redemption proceeds in respect of Shares will normally be paid within two Business Days of the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator.

### **Withdrawal of Redemption Requests**

Requests for redemption may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Fund.

### **Compulsory/Total Redemption**

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the sub-headings "Compulsory Redemption of Shares/Deduction of Tax" and "Total Redemption of Shares".

## **12. Conversion of Shares**

Subject to the Minimum Subscription and Minimum Holding requirements of the relevant Fund or Classes, Shareholders may request conversion of some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading "Conversion of Shares".

## **13. Suspension of Dealing**

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the Prospectus under the heading "Suspension of Valuation of Assets". Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

## **14. Fees and Expenses**

The Fund shall bear its attributable portion of the fees and operating expenses of the Company. The fees and operating expenses of the Company are set out in detail under the heading "Fees and Expenses" in the Prospectus and further detailed below:

## **Management Fees**

### **Management Fee**

Under the provisions of the Management Agreement, the Company will pay the Manager a fee of up to 0.015% per annum of the Net Asset Value of the Company as of the relevant Valuation Date (plus VAT, if any), subject to a minimum fee of €50,000 based on a single Fund and €12,500 for each additional Fund per annum.

The management fee will accrue daily and will be payable monthly in arrears (and pro rata for lesser periods).

### **Investment Management Fee**

The Fund has agreed to pay the Investment Manager a monthly investment management fee in arrears of 1/12th of 1% (approximately 1% per annum) of the Net Asset Value attributable to Class I (USD), Class I (GBP) and Class I (GBP Unhedged), an investment management fee in arrears of 1/12th of 0.75% (approximately 0.75% per annum) of the Net Asset Value attributable to Class S (GBP) Shares, Class S (GBP Unhedged) Shares, Class S (USD) Shares, Class S (EUR) Shares, Class T (USD) Shares and Class T (GBP Unhedged) Shares which shall be calculated and accrued daily and an investment management fee in arrears of 1/12th of 0.65% (approximately 0.65% per annum) of the Net Asset Value attributable to Class Q (GBP Unhedged) Shares and Class Q (USD) Shares.

No investment management fee shall be payable in respect of the Class D (USD) Shares, Class D (GBP) Shares and Class D (GBP Unhedged) Shares.

In the event that the Company is liquidated, or the Fund or the Investment Management Agreement is terminated, prior to the end of a month, the Investment Manager shall receive the amount of the Investment Management Fee prorated through the effective date of the liquidation or termination of the Investment Management Agreement or the Fund, as appropriate.

### **Performance Fee**

In addition, in respect of the Class I (USD), Class I (GBP), Class I (GBP Unhedged), Class S (GBP) Shares, Class S (GBP Unhedged) Shares, Class S (USD) Shares and Class S (EUR) Shares in the Fund the Company pays the Investment Manager a performance fee ("**Performance Fee**") out of the net assets attributable to the Fund as set out below.

Other Classes of Shares, currently established or which may be established in the future, are currently or may be in the future, subject to performance fees in such amount or amounts as shall be specified in this Supplement. However, the Class D (USD) Shares, the Class D (GBP) Shares, the Class D (GBP Unhedged)

Shares, the Class T (USD) Shares, the Class T (GBP Unhedged) Shares, the Class Q (GBP Unhedged) Shares and the Class Q (USD) Shares of the Fund are not subject to a performance fee.

The Performance Fee per Class shall be calculated and shall accrue at each Valuation Point and the accrual will be reflected in the Net Asset Value of such Class. The Performance Fee shall be calculated in respect of each period of twelve months beginning on the first Business Day of December and ending on the last Business Day of the following November ("**Performance Fee Period**"). In respect of any new or unlaunched Classes, the initial calculation period for each Class will be from a date in a Performance Fee Period on which the Shares of the Class are first issued until the end of the Performance Fee Period expiring not less than twelve months from the date of such first issuance.

The Performance Fee will be paid annually in arrears within 30 days after the close of business on the Business Day following the end of the relevant Performance Fee Period.

The Performance Fee in respect of Class I (USD), Class I (GBP) and Class I (GBP Unhedged) for each Performance Fee Period shall be equal to 15% of the amount, if any, by which the Net Asset Value of such Class, as of the last Dealing Day of the relevant Performance Fee Period, before Performance Fee accrual, exceeds the Indexed Net Asset Value of such Class on the last Dealing Day of the Performance Fee Period. The Performance Fee in respect Class S (GBP) Shares, Class S (GBP Unhedged) Shares, Class S (USD) Shares and Class S (EUR) Shares in the Fund for each Performance Fee Period shall be equal to 10% of the amount, if any, by which the Net Asset Value of such Class, as of the last Dealing Day of the relevant Performance Fee Period, before Performance Fee accrual, exceeds the Indexed Net Asset Value of such Class on the last Dealing Day of the Performance Fee Period. In addition, the Performance Fee with respect to any redemptions of Shares processed during the Performance Fee Period will crystallise and become payable to the Investment Manager.

**"Indexed Net Asset Value"** means, in respect of the initial Performance Fee Period for the Class, the Initial Price of the Class multiplied by the number of Shares of the Class issued during the Initial Offer Period, increased on each Dealing Day by the value of any subscriptions or decreased pro rata by the value of any redemptions which have taken place since the Initial Offer Period, adjusted by the Benchmark Return over the course of the Performance Fee Period. For each subsequent Performance Fee Period for the Class, the "Indexed Net Asset Value" means either (i) where a Performance Fee was payable in respect of the prior Performance Fee Period, the Net Asset Value of the Class, increased on each Dealing Day by the value of any subscriptions or decreased pro rata by the value of any redemptions which have taken place since the beginning of such Performance Fee Period, adjusted by the Benchmark Return over the course of the Performance Fee Period; or (ii) where no Performance Fee was payable in respect of the prior Performance Fee Period, the Indexed Net Asset Value of the Class at end of the prior Performance Fee Period, increased on each Dealing

Day by the value of any subscriptions or decreased pro rata by the value of any redemptions which have taken place since the beginning of such Performance Fee Period, adjusted by the Benchmark Return over the course of the Performance Fee Period.

For the avoidance of doubt any underperformance versus the benchmark will be carried forward from one Performance Fee Period to the next and must be recouped before any additional Performance Fee will accrue. In the event that the Fund merges with another fund (the “**Merging Fund**”) during the Initial Offer Period, any underperformance in the Merging Fund at the time of the merger will be carried forward to the initial Performance Fee Period and must be recouped before a Performance Fee is payable in the Fund.

“**Benchmark Return**” means, in respect of the Class S (GBP Unhedged) Shares and the Class I (GBP Unhedged) Shares, the performance of the MSCI India Net Total Return USD Index (also known as “M1IN”) measured in GBP and, in respect of all other Classes, means the performance of the MSCI India Net Total Return USD Index (also known as “M1IN”) (the “**Benchmarks**”).

The Benchmarks are based on the MSCI India Index, administered by MSCI Limited, which is designed to measure the performance of the large and mid cap segments of the Indian market and so is appropriate in the context of the Fund’s investment objective, strategy and policy. As at the date of this Supplement, MSCI Limited is included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation.

All fees payable to the Investment Manager will be paid in the designated currency of the relevant Class. The Fund shall bear the cost of any Irish value added tax applicable to any amount payable to the Investment Manager.

Net realised and unrealised capital gains and net realised and unrealised capital losses will be included in the Performance Fee calculation as at the end of the relevant Performance Fee Period. As a result, a Performance Fee may be paid on unrealised gains which may subsequently never be realised.

In the event that the Company is liquidated, or the Fund or the Investment Management Agreement is terminated prior to the end of a Performance Fee Period, the Performance Fee will be computed as though the effective date of the liquidation of the Company or termination of the Fund or the Investment Management Agreement, as appropriate, was the end of a Performance Fee Period.

The Performance Fee shall be calculated by the Administrator and verified by the Depositary and is structured so as not to be open to the possibility of manipulation. The Performance Fee in respect of each Performance Fee Period will be calculated by reference to the Net Asset Value per Share after the accrual of all other costs but before the deduction of any accrued Performance Fee for



the current Performance Fee Period, provided that in doing so it is in the investors' best interests. A series of worked examples can be found at Appendix A hereto, illustrating the manner in which the Performance Fee model will operate.

## **Other Fees:**

### **Administrator's Fees**

The Administrator shall receive an annual fee, which shall accrue and be payable monthly in arrears, of up to 0.12% of the Company's Net Asset Value (subject to a minimum monthly fee in respect of the Fund of \$5,000 (for up to 3 Share Classes) and an additional \$250 for each share class thereafter).

### **Depository's Fee**

The Depository shall receive an annual fee, which shall accrue and be payable monthly in arrears, of 0.02% of the first US\$250 million of the Company's Net Asset Value, 0.0150% of the next US\$250 million of the Company's Net Asset Value, 0.0125% of the next US\$500 million of the Company's Net Asset Value; and 0.01% of the Company's Net Asset Value thereafter (subject to a minimum monthly fee of \$1,000 in respect of the Fund). The Depository also receives an annual safekeeping fee which is at normal commercial rates and is forwarded directly to the relevant sub-custodian.

### **Northern Trust Company, London Branch**

The Company has appointed Northern Trust Company London ("**Northern Trust**") to provide currency hedging transaction services which comprises (i) monitoring by Northern Trust's PASCO desk of the net asset value of the hedged share classes against a defined tolerance, and (ii) to the extent that the tolerance in respect of the hedged share class has been exceeded, Northern Trust's FX desk entering into rolling forward foreign exchange contracts as principal (on the instructions of Northern Trust's PASCO desk) with the Fund for the account of the relevant share class.

Northern Trust shall be entitled, for such services, to transactional fees which shall be at normal commercial rates and shall be paid out of the assets of the Fund as attributable to the relevant Class of Shares being hedged.

### **Establishment Fee**

The Fund shall bear the fees and expenses relating to the establishment of the Fund which are not expected to exceed €40,000 and which may be amortised over the first five Accounting Periods of the Fund or such other period as the Directors may determine and in such manner as the Directors in their absolute discretion deem fair.

## 15. Dividends and Distributions

It is intended that the Fund will be an accumulating fund where no dividend will be declared and where any net investment income attributable to each Class will be accumulated in the respective Net Asset Value per Share of each Class.

It is intended that the Company will applied for and seek approval from HM Revenue and Customs (“HMRC”) for certification of all Classes as reporting funds as defined in the Offshore Funds (Tax) Regulations 2009.

The Company will make available a report in accordance with the reporting fund regime for each reporting period to each of its UK investors who hold an interest in a reporting fund, on or before 31 July in respect of each previous Accounting Period ended 30 November. Such report shall also be made available on the website of the Investment Manager. It is noted that under the reporting funds regime, reported income may give rise to a tax charge without a corresponding distribution being made.

The Directors intend to take all practicable steps, consistent with applicable laws, regulatory requirements and investment objectives and policies of the Fund to maintain the status of each Class as a reporting Fund. The exact conditions that must be fulfilled in order to maintain reporting fund status may be affected by changes in HMRC practice or by changes to the provisions of the relevant legislation.

## 16. Risk Factors

The attention of investors is drawn to the “Risk Factors” section in the Section of the Prospectus entitled “The Company”. In addition, the following risk factors are specific to the Fund:

### ***Performance Fee Risk***

The payment of the Performance Fee as described under “Fees and Expenses - Performance Fees” to the Investment Manager based on the performance of the Fund may provide the Investment Manager with an incentive to cause the Fund to make more speculative investments than might otherwise be the case. The Investment Manager will have discretion as to the timing and the terms of the Fund’s transactions in investments and may therefore have an incentive to arrange such transactions to maximise its fees. Investors should also note that, as the Performance Fee is calculated by reference to the performance of the Fund relative to the Benchmark and not by reference to the Net Asset Value of the Fund on its own, it is possible that a Performance Fee may be payable in circumstances where the overall performance of the Fund as a whole is negative. This could occur where, for example, the Fund outperforms the Benchmark Return but, overall, has a negative performance. A series of worked examples included at Appendix A provides further detail as to how a Performance Fee may be paid in times of negative performance.

## ***Emerging Markets Risk***

Investment in emerging markets involves risk factors and special considerations which may not be typically associated with investing in more developed markets. Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of emerging countries. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of emerging countries in which investment may be made, including expropriation, nationalisation or other confiscation could result in loss to the Company.

By comparison with more developed securities markets, most emerging countries' securities markets are comparatively small, less liquid and more volatile. This may result in greater volatility in the Net Asset Value per Share of the Fund (and consequently subscription and redemption prices for Shares in the Fund) than would be the case in relation to funds invested in more developed markets. In addition, if a large number of securities have to be realised at short notice to meet substantial redemption requests in the Fund such sales may have to be effected at unfavourable prices which may in turn have an adverse effect on the Net Asset Value per Share of the Fund.

In addition settlement, clearing, safe custody and registration procedures may be underdeveloped increasing the risks of error, fraud or default. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of investor information or protection as would generally apply in more developed markets. Investments in certain emerging markets may require consents or be subject to restrictions which may limit the availability of attractive investment opportunities to the Fund. Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally and so transactions may need to be made on a neighbouring exchange.

Emerging markets securities may incur brokerage or stock transfer taxes levied by foreign governments which would have the effect of increasing the cost of investment and which may reduce the realised gain or increase the loss on such securities at the time of sale. The issues of emerging markets securities, such as banks and other financial institutions, may be subject to less stringent regulation than would be the case for issuers in developed countries, and therefore potentially carry greater risk. In addition custodial expenses for emerging market securities are generally higher than for developed market securities. Dividend and interest payments from, and capital gains in respect of, emerging markets securities may be subject to foreign taxes that may or may not be reclaimable.

Laws governing foreign investment and securities transactions in emerging markets may be less sophisticated than in developed countries. Accordingly, the

Fund may be subject to additional risks, including inadequate investor protection, unclear or contradictory legislation or regulations and lack of enforcement thereof, ignorance or breach of legislation or regulations on the part of other market participants, lack of legal redress and breaches of confidentiality. It may be difficult to obtain and enforce a judgement in certain emerging markets in which assets of the Fund are invested.

## APPENDIX A

### PERFORMANCE FEE – WORKED EXAMPLE

#### Example 1\*:

<u>Scenario:</u>	Increase in Share Class NAV exceeds Benchmark Return
<u>Increase in Share Class NAV:</u>	+8%
<u>Benchmark Return:</u>	+4%
<u>Performance Fee:</u>	15% of the amount by which the NAV of the Class exceeds the Benchmark Return
<u>Result:</u>	Performance Fee of \$6 is payable

- at the beginning of the Performance Fee Period investors in the share class hold 100 Shares at a price of \$10 giving a NAV of the Class of \$1000;
- at the beginning of the Performance Fee Period the Indexed Net Asset Value is also \$1000;
- at the end of the Performance Fee Period the NAV has increased to \$1080 (1000 x 1.08); and
- the Indexed Net Asset Value has increased to \$1040 (1000 x 1.04);
- as the NAV of the Class exceeds the Indexed Net Asset Value at the end of the Performance Fee Period, a Performance Fee is payable;
- Performance Fee = \$1080 - \$1040 = \$40 x 15% = \$6;
- at the beginning of the next Performance Fee Period the Indexed Net Asset Value and the NAV of the Class reset to the same starting point, the NAV of the Class as at the end of the prior Performance Fee Period less the Performance Fee paid; \$1080 - \$6 = \$1074.

#### Example 2\*:

<u>Scenario:</u>	Increase in Share Class NAV is less than Benchmark Return
<u>Increase in Share Class NAV:</u>	+2%
<u>Benchmark Return:</u>	+4%
<u>Performance Fee:</u>	15% of the amount by which the NAV of the Class exceeds the Benchmark Return
<u>Result:</u>	No Performance Fee is payable

- At the beginning of the Performance Fee Period investors in the share class hold 100 Shares at a price of \$10 giving a NAV of the Class of \$1000;
- at the beginning of the Performance Fee Period the Indexed Net Asset Value is also \$1000;
- at the end of the Performance Fee Period the NAV has increased to \$1020 (1000 x 1.02); and

- the Indexed Net Asset Value has increased to \$1040 (1000 x 1.04);
- as the NAV of the Class is less than the Indexed Net Asset Value at the end of the Performance Fee Period, no Performance Fee is payable;
- at the beginning of the next Performance Fee Period the Indexed Net Asset Value and the NAV of the Class start from their values as at the end of the prior Performance Fee Period as any prior underperformance is carried forward to next Performance Fee Period.

**Example 3\*:**

<u>Scenario:</u>	Carried Forward Underperformance from Prior Performance Fee Period where the Increase in Share Class NAV exceeds Benchmark Return in next Performance Fee Period
<u>Share Class NAV:</u>	\$1020
<u>Indexed Net Asset Value:</u>	\$1040
<u>Increase in Share Class NAV:</u>	+8%
<u>Benchmark Return:</u>	+4%
<u>Performance Fee:</u>	15% of the amount by which the NAV of the Class exceeds the Benchmark Return
<u>Result:</u>	Performance Fee of \$3 payable

- at the beginning of the Performance Fee Period the carried forward NAV of the Class is \$1020;
- at the beginning of Performance Fee Period the carried forward Indexed Net Asset Value is also \$1040;
- at the end of the Performance Fee Period the NAV has increased to \$1101.60 (1020 x 1.08); and
- the Indexed Net Asset Value has increased to \$1081.60 (1040 x 1.04);
- as the NAV of the Class exceeds the Indexed Net Asset Value at the end of the new Performance Fee Period, a Performance Fee is payable;
- Performance Fee = \$1101.60 - \$1081.60 = \$20 x 15% = \$3;
- at the beginning of the next Performance Fee Period the Indexed Net Asset Value and the NAV of the Class reset to the same starting point, the NAV of the Class as at the end of the prior Performance Fee Period less the Performance Fee paid; \$1101.60 - \$3 = \$1098.60

**Example 4\*:**

<u>Scenario:</u>	Decrease in Share Class NAV is less than decrease in Benchmark Return
<u>Decrease in Share Class NAV:</u>	-4%

Benchmark Return: -8%

Performance Fee: 15% of the amount by which the NAV of the Class exceeds the Benchmark Return

Result: Performance Fee of \$6 is payable

- At the beginning of the Performance Fee Period investors in the share class hold 100 Shares at a price of \$10 giving a NAV of the Class of \$1000;
- at the beginning of Performance Fee Period the Indexed Net Asset Value is also \$1000;
- at the end of the Performance Fee Period the NAV has decreased to \$960 (1000 x 0.96); and
- the Indexed Net Asset Value has decreased to \$920 (1000 x 0.92);
- as the NAV of the Class exceeds the Indexed Net Asset Value at the end of the Performance Fee Period, a Performance Fee is payable;
- Performance Fee = \$960 - \$920 = \$40 x 15% = \$6;
- at the beginning of the next Performance Fee Period the Indexed Net Asset Value and the NAV of the Class reset to the same starting point, the NAV of the Class as at the end of the prior Performance Fee Period less the Performance Fee paid; \$960 - \$6 = \$954.

**Example 5\*:**

Scenario: Decrease in Share Class NAV is greater than Benchmark Return

Decrease in Share Class NAV: -8%

Benchmark Return: -4%

Performance Fee: 15% of the amount by which the NAV of the Class exceeds the Benchmark Return

Result: No Performance Fee is payable

- At the beginning of the Performance Fee Period investors in the share class hold 100 Shares at a price of \$10 giving a NAV of the Class of \$1000;
- at the beginning of Performance Fee Period the Indexed Net Asset Value is also \$1000;
- at the end of the Performance Fee Period the NAV has decreased to \$920 (1000 x 0.92); and
- the Indexed Net Asset Value has decreased to \$960 (1000 x 0.96);
- as the NAV of the Class is less than the Indexed Net Asset Value as at the end of the Performance Fee Period, no Performance Fee is payable;
- at the beginning of the next Performance Fee Period the Indexed Net Asset Value and the NAV of the Class start from their values as at the end of the prior Performance Fee Period as prior underperformance is carried forward to next Performance Fee Period.

**Example 6\*:**

<u>Scenario:</u>	Increase in Share Class NAV exceeds Benchmark Return
<u>Increase in Share Class NAV:</u>	+8%
<u>Benchmark Return:</u>	+4%
<u>Performance Fee:</u>	10% of the amount by which the NAV of the Class exceeds the Benchmark Return
<u>Result:</u>	Performance Fee of \$4 is payable

- At the beginning of the Performance Fee Period investors in the share class hold 100 Shares at a price of \$10 giving a NAV of the Class of \$1000;
- at the beginning of Performance Fee Period the Indexed Net Asset Value is also \$1000;
- at the end of the Performance Fee Period the NAV has increased to \$1080 (1000 x 1.08); and
- the Indexed Net Asset Value has increased to \$1040 (1000 x 1.04);
- as the NAV of the Class exceeds the Indexed Net Asset Value at the end of the Performance Fee Period, a Performance Fee is payable;
- Performance Fee = \$1080 - \$1040 = \$40 x 10% = \$4;
- at the beginning of the next Performance Fee Period the Indexed Net Asset Value and the NAV of the Class reset to the same starting point, the NAV of the Class as at the end of the prior Performance Fee Period less the Performance Fee paid; \$1080 - \$4 = \$1076.

**Example 7\*:**

<u>Scenario:</u>	Increase in Share Class NAV is less than Benchmark Return
<u>Increase in Share Class NAV:</u>	+2%
<u>Benchmark Return:</u>	+4%
<u>Performance Fee:</u>	10% of the amount by which the NAV of the Class exceeds the Benchmark Return
<u>Result:</u>	No Performance Fee is payable

- At the beginning of the Performance Fee Period investors in the share class hold 100 Shares at a price of \$10 giving a NAV of the Class of \$1000;
- at the beginning of Performance Fee Period the Indexed Net Asset Value is also \$1000;
- at the end of the Performance Fee Period the NAV has increased to \$1020 (1000 x 1.02); and
- the Indexed Net Asset Value has increased to \$1040 (1000 x 1.04);
- as the NAV of the Class is less than the Indexed Net Asset Value at the end of the Performance Fee Period, no Performance Fee is payable;



- at the beginning of the next Performance Fee Period the Indexed Net Asset Value and the NAV of the Class start from their values as at the end of the prior Performance Fee Period as any prior underperformance is carried forward to next Performance Fee Period.

**Example 8\*:**

Scenario: Carried Forward Underperformance from Prior Performance Fee Period where the Increase in Share Class NAV exceeds Benchmark Return in next Performance Fee Period

Share Class NAV: \$1020

Indexed Net Asset Value: \$1040

Increase in Share Class NAV: +8%

Benchmark Return: +4%

Performance Fee: 10% of the amount by which the NAV of the Class exceeds the Benchmark Return

Result: Performance Fee of \$2 payable

- At the beginning of the Performance Fee Period the carried forward NAV of the Class is \$1020;
- at the beginning of Performance Fee Period the carried forward Indexed Net Asset Value is also \$1040;
- at the end of the Performance Fee Period the NAV has increased to \$1101.60 (1020 x 1.08); and
- the Indexed Net Asset Value has increased to \$1081.60 (1040 x 1.04);
- as the NAV of the Class exceeds the Indexed Net Asset Value at the end of the new Performance Fee Period, a Performance Fee is payable;
- Performance Fee = \$1101.60 - \$1081.60 = \$20 x 10% = \$2;
- at the beginning of the next Performance Fee Period the Indexed Net Asset Value and the NAV of the Class reset to the same starting point, the NAV of the Class as at the end of the prior Performance Fee Period less the Performance Fee paid; \$1101.60 - \$2 = \$1099.60.

**Example 9\*:**

Scenario: Decrease in Share Class NAV is less than decrease in Benchmark Return

Decrease in Share Class NAV: -4%

Benchmark Return: -8%

Performance Fee: 10% of the amount by which the NAV of the Class exceeds the Benchmark Return

Result: Performance Fee of \$4 is payable

- At the beginning of the Performance Fee Period investors in the share class hold 100 Shares at a price of \$10 giving a NAV of the Class of \$1000;
- at the beginning of Performance Fee Period the Indexed Net Asset Value is also \$1000;
- at the end of the Performance Fee Period the NAV has decreased to \$960 (1000 x 0.96); and
- the Indexed Net Asset Value has decreased to \$920 (1000 x 0.92);
- as the NAV of the Class exceeds the Indexed Net Asset Value at the end of the Performance Fee Period, a Performance Fee is payable;
- Performance Fee = \$960 - \$920 = \$40 x 10% = \$4;
- at the beginning of the next Performance Fee Period the Indexed Net Asset Value and the NAV of the Class reset to the same starting point, the NAV of the Class as at the end of the prior Performance Fee Period less the Performance Fee paid; \$960 - \$4 = \$956.

**Example 10\*:**

<u>Scenario:</u>	Decrease in Share Class NAV is greater than Benchmark Return
<u>Decrease in Share Class NAV:</u>	-8%
<u>Benchmark Return:</u>	-4%
<u>Performance Fee:</u>	10% of the amount by which the NAV of the Class exceeds the Benchmark Return
<u>Result:</u>	No Performance Fee is payable

- At the beginning of the Performance Fee Period investors in the share class hold 100 Shares at a price of \$10 giving a NAV of the Class of \$1000;
- at the beginning of Performance Fee Period the Indexed Net Asset Value is also \$1000;
- at the end of the Performance Fee Period the NAV has decreased to \$920 (1000 x 0.92); and
- the Indexed Net Asset Value has decreased to \$960 (1000 x 0.96);
- as the NAV of the Class is less than the Indexed Net Asset Value as at the end of the Performance Fee Period, no Performance Fee is payable;
- at the beginning of the next Performance Fee Period the Indexed Net Asset Value and the NAV of the Class start from their values as at the end of the prior Performance Fee Period as prior underperformance is carried forward to next Performance Fee Period.

\* all examples assume no subscriptions/redemptions during the Performance Fee Period.

**SUPPLEMENT 2**  
**DATED 1 JULY 2024 TO THE PROSPECTUS ISSUED FOR CHIKARA FUNDS**  
**PLC**

**CHIKARA JAPAN ALPHA FUND**

This Supplement contains information relating specifically to the Chikara Japan Alpha Fund (the “Fund”), a sub-fund of Chikara Funds plc (the “Company”), an open-ended umbrella type investment company with variable capital and segregated liability between Funds authorised by the Central Bank on 1 March 2007 as a UCITS pursuant to the UCITS Regulations. Shares are also available in four other sub-funds of the Company, the Chikara Global Emerging Markets Opportunities Fund, the Chikara Asian Evolution Fund, the Chikara Japan Income and Growth Fund and the Chikara Indian Subcontinent Fund.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 1 July 2024 (the “Prospectus”).**

The Directors of the Company whose names appear in the Prospectus under the heading “Management and Administration” accept responsibility for the information contained in this Supplement and the Prospectus. 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 Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.** Investors should read and consider the section entitled “Risk Factors” before investing in the Fund.

**Profile of a Typical Investor**

The Fund is suitable for high net worth individuals, institutional and retail investors seeking capital growth over the long term with a moderate to high level of volatility.

**1. Interpretation**

The expressions below shall have the following meanings:

“Business Day”	means any day (except Saturday or Sunday) on which banks in Dublin, London and Tokyo are generally open for business or such other day or days as may be determined by the Directors and notified to Shareholders in advance.
“Dealing Day”	means each day which is a Business Day, or such other day or days as may be determined by the Directors, in consultation with the Manager, and

notified to Shareholders in advance provided that there shall be at least one Dealing Day every fortnight.

“Dealing Deadline”	means 12.00 noon Irish time on the Business Day before each Dealing Day or such other time as the Directors may determine and notify to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.
“Initial Offer Period”	means the period during which a Class of Shares is first offered for subscription at the Initial Price, as specified in the section entitled “Initial Offer Period and Initial Price” below.
“Initial Price”	means €10, £10, \$10 or ¥1000 per Share, as appropriate to the relevant Class.
“T Share Classes”	means the JPY T Distribution Shares, JPY T Accumulation Shares, GBP T Distribution Shares, GBP T Accumulation Shares, USD T Distribution Shares, USD T Accumulation Shares, EUR T Distribution Shares and EUR T Accumulation Shares.
“Valuation Point”	means 12.00 noon Irish time on each Dealing Day.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## **2. Base Currency**

The Base Currency shall be Japanese Yen (“JPY”). The Net Asset Value per Share will be published and subscriptions and redemptions will be effected in the designated currency of each Class.

## **3. Investment Objective**

The investment objective of the Chikara Japan Alpha Fund is to provide investors with superior long term capital appreciation.

## **4. Investment Policy**

The investment objective will be achieved by investing primarily on a long-only basis in a concentrated portfolio of equities of companies listed or traded on Recognised Exchanges in Japan which have their registered office or conduct a predominant part of their economic activity in Japan. These stocks typically fall into three key opportunity sets: Fundamental Opportunities, which, in the Investment Manager’s view, are large cap companies with high returns on

capitals; Special Situations, which are catalyst driven opportunities such as positive earnings revisions and capital returns to shareholders; and thirdly, Undiscovered Gems, representing opportunities in the small and mid cap sector, which take advantage of mispricing within the space.

The Investment Manager’s investment philosophy emphasises fundamental, proprietary research to identify potential companies supported, where possible, by direct company meetings conducted by the dedicated and experienced Japan team at the Investment Manager.

The Fund will invest the majority of its assets in selected companies that have their registered office, or conduct a predominant part of their economic activity, in Japan.

In the pursuit of its investment objective, the Fund may also invest up to 10% of its Net Asset Value in exchange traded funds (“ETFs”) which have exposure to the Recognised Exchanges referred to above. Such ETFs shall be UCITS and/or non-UCITS schemes and may be open ended or closed ended. Any investment in closed ended ETFs will only be made on the basis that such investment constitutes an investment in transferable securities.

The Fund is actively managed, which means that the Investment Manager has discretion over the composition of the Fund’s portfolio, subject to the Fund’s investment objective and policy.

The Fund will be managed with the goal of generating maximum Alpha. “Alpha” is the term used to describe the risk-adjusted out performance of an investment to the market. A large Alpha indicates a good performance relative to the market.

On occasion, the Fund may invest up to 5% of its Net Asset Value in special purpose acquisition companies (“SPAC”). For the avoidance of doubt, after the SPAC has merged with the target company and has its own business, it will cease to be categorised as a SPAC and will no longer contribute towards the up to 5% allocation to SPACs.

## 5. Derivatives

The Fund does not invest in derivatives with the exception of foreign exchange forwards for currency hedging as further described in the section entitled “Hedged Classes” contained in the Prospectus.

## 6. Share Classes

At the date of this Supplement the Fund has established the following Classes of Shares with the respective currencies listed below:

<b>Class</b>	<b>Currency</b>	<b>Hedged Against Base Currency</b>
A	Euro	Yes

<b>Class</b>	<b>Currency</b>	<b>Hedged Against Base Currency</b>
B	GBP	Yes
C	JPY	N/A
D	GBP	Yes
E	USD	Yes
I (GBP)	GBP	Yes
I (USD)	USD	Yes
I (JPY)	JPY	N/A
I (EUR)	EUR	Yes
I (GBP unhedged)	GBP	No
JPY T Distribution	JPY	N/A
JPY T Accumulation	JPY	N/A
GBP T Distribution	GBP	Yes
GBP T Accumulation	GBP	Yes
USD T Distribution	USD	Yes
USD T Accumulation	USD	Yes
EUR T Distribution	EUR	Yes
EUR T Accumulation	EUR	Yes

Class D Shares shall only be available for subscription by the categories of investor listed below, or any nominee thereof:

- (i) the Investment Manager;
- (ii) employees of the Investment Manager;
- (iii) the spouse, partner, children (provided they are over the age of 18) or siblings of employees of the Investment Manager;
- (iv) clients of the Investment Manager who have given a discretionary asset manager mandate to the Investment Manager; and
- (v) any pension scheme or trust that is established for the benefit of one or more of the persons set out in (ii) and (iii) above.

#### **Initial Offer Period and Initial Price**

The Initial Offer Periods of all Share Classes have now closed and Shares are now issued at the Net Asset Value per Share.

#### **7. Minimum Subscription and Minimum Holding**

Investors shall be required to adhere to the following Minimum Subscription and Minimum Holding requirements in respect of the each Share Class:

<b>Class</b>	<b>Minimum Subscription</b>	<b>Minimum Holding</b>
A	€1000	N/A
B	£1000	N/A
C	JPY equivalent of \$1,000	N/A
D	£1000	N/A
E	\$1000	N/A
I (GBP)	£1000	N/A
I (USD)	\$1000	N/A
I (JPY)	JPY equivalent of \$1,000	N/A
I (EUR)	€1000	N/A
I (GBP unhedged)	£1000	N/A
T Share Classes	JPY equivalent of \$1,000,000	N/A

The Directors have discretion, under the Articles of Association, to waive or reduce the Minimum Subscription or Minimum Holding with respect to any Shareholder or applicant for Shares. The Directors have delegated this right to the Investment Manager. The Investment Manager may group amounts of less than the Minimum Subscription being managed for individual investors in order to make up to the total Minimum Subscription amount.

## **8. Application for Shares**

Completed Subscription Forms may be submitted to the Administrator on behalf of the Company. Completed Subscription Forms received by the Administrator prior to the Dealing Deadline for any Dealing Day will be processed on the Business Day following that Dealing Day. Any such subscription shall be effected at the Net Asset Value per Share.

Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day unless, in exceptional circumstances, the Directors, in their absolute discretion, otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day.

In the case of applicants who have not previously subscribed for Shares in the Company, a completed Subscription Form will only be accepted after the Account Opening Form has been processed and all supporting documentation is to the satisfaction of the Administrator.

Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Shares prior to subscribing to the relevant Fund. Applicants will be required to represent (which representation will form part of the Subscription Form) that they have received and read a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor

Information Document(s)/Key Information Documents will be available at [www.fundinfo.com](http://www.fundinfo.com).

Account Opening Forms and Subscription Forms may be obtained from the Distributor or Administrator but may, if the Company or its delegate so determines, be made by telefax or other electronic means subject to prompt transmission to the Administrator of the signed Account Opening Form and such other papers as may be required by the Company or its delegate. No Shares will be issued to an investor until the Administrator is in receipt of the signed Account Opening Form and such other documents as may be required from that investor. Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator by telefax or other electronic means or such other means as may be permitted by the Directors without a requirement to submit original documentation and such applications should contain such information as may be specified from time to time by the Directors or their delegate. All applications for Shares carried out by telefax or other electronic means should be verified by the applicant by telephone to the Administrator to confirm receipt of their fax or other electronic instruction. In accordance with the requirements of the Central Bank and in consultation with the Administrator, subsequent applications may also be accepted by telephone.

Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

### **Fractions**

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than 0.001 of a Share.

Subscription monies, representing less than 0.001 of a Share will not be returned to the investor but will be retained by the Company in order to defray administration costs.

### **Method of Payment**

Subscription payments net of all bank charges should be paid by CHAPS, SWIFT or telegraphic or electronic transfer to the bank account specified in the Account Opening Form enclosed with this Prospectus. Other methods of payment are subject to the prior approval of the Investment Manager. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.



## **Currency of Payment**

Subscription monies are payable in the designated currency of the relevant Class and will not be accepted in any currency other than the designated currency of the relevant Class.

## **Timing of Payment**

Payment in respect of subscriptions must be received in cleared funds by the Administrator no later than two Business Days after the relevant Dealing Day. If payment in cleared funds in respect of a subscription has not been received by the settlement deadline, the Investment Manager or its delegate may cancel the allotment and/or charge the investor for any losses, costs or expenses incurred by the Fund or the Company, where applicable, as a result of the failure or default of the investor to transmit subscription monies in immediately available funds for the account of the Fund by the settlement deadline. Any losses, costs or expenses incurred by the Fund and charged to the investor will be paid into the Fund.

The Investment Manager may waive either of such charges in whole or in part. In addition, the Investment Manager has the right to sell all or part of the investor's holding of Shares in the Fund or any other Fund of the Company in order to meet such charges.

## **Confirmation of Ownership**

Confirmation of each purchase of Shares will usually be sent to Shareholders within 1 Business Day of calculation of the Net Asset Value per Share and, in any event, no later than 6 Business Days after the purchase of Shares. Title to Shares will be evidenced by the entering of the investor's name on the Company's register of Shareholders and no certificates will be issued.

## **9. Redemption of Shares**

Requests for the redemption of Shares should be made to the Administrator whose details are set out in the Account Opening Form on behalf of the Company by facsimile or written communication or telephone or by other electronic means or such other means as may be permitted by the Directors and should include such information as may be specified from time to time by the Directors or their delegate. Requests for redemption received prior to the Dealing Deadline for any Dealing Day will be processed effective as of that Dealing Day provided that Shares will be redeemed at the Net Asset Value per Share at the Valuation Point relevant to that Dealing Day. Any requests for redemption received after the Dealing Deadline for a Dealing Day will be processed on the next Dealing Day unless, in exceptional circumstances the Directors, in consultation with the Manager, determine otherwise. No redemption payment will be made from an investor holding until cleared funds and the Account Opening Form are in place from the original subscription and all documentation required by or on behalf of the Company (including any documents in connection with anti-money

laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed.

In the event of a Shareholder requesting a redemption which would, if carried out, leave the Shareholder holding Shares having a Net Asset Value less than the Minimum Holding, the Company may, at the discretion of the Investment Manager, redeem the whole of the Shareholder's holding.

The redemption price per Share shall be the Net Asset Value per Share.

### **Method of Payment**

Redemption payments will be made to the bank account detailed on the Account Opening Form or as subsequently notified to the Administrator in writing signed by an authorised signatory of the Shareholder. Redemption payments following processing of redemption requests received by telefax or telephone or by other electronic means will only be made to the account of record of a Shareholder.

### **Currency of Payment**

Shareholders will be repaid in the designated currency of the relevant Class. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Distributor/Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

### **Timing of Payment**

Redemption proceeds in respect of Shares will normally be paid within two Business Days of the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator.

### **Withdrawal of Redemption Requests**

Requests for redemption may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Fund.

### **Compulsory/Total Redemption**

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the sub-headings "Compulsory Redemption of Shares/Deduction of Tax" and "Total Redemption of Shares".

## 10. Conversion of Shares

Subject to the Minimum Subscription and Minimum Holding requirements of the relevant Fund or Classes, Shareholders may request conversion of some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading “Conversion of Shares”.

## 11. Suspension of Dealing

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the Prospectus under the heading “Suspension of Valuation of Assets”. Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

## 12. Fees and Expenses

The Fund shall bear its attributable portion of the fees and operating expenses of the Company. The fees and operating expenses of the Company are set out in detail under the heading “Fees and Expenses” in the Prospectus and further detailed below:

### **Management Fees:**

#### **Management Fee**

Under the provisions of the Management Agreement, the Company will pay the Manager a fee of up to 0.015% per annum of the Net Asset Value of the Company as of the relevant Valuation Date (plus VAT, if any), subject to a minimum fee of €50,000 based on a single Fund and €12,500 for each additional Fund per annum.

The management fee will accrue daily and will be payable monthly in arrears (and pro rata for lesser periods).

#### **Investment Management Fee**

The Fund has agreed to pay the Investment Manager a monthly management fee in arrears of 1/12th of 1% (approximately 1% per annum) of the Net Asset Value attributable to Class A, Class B, Class C, Class E, Class I (GBP), Class I (GBP unhedged), Class I (USD), Class I (JPY) and Class I (EUR) and a monthly management fee in arrears of 1/12th of 0.75% (approximately 0.75% per annum) of the Net Asset Value attributable to Class T Shares which shall be calculated and accrued daily.

The abovementioned fees are not applicable to Class D Shares.

In the event that the Company is liquidated, or the Fund or the Investment Management Agreement is terminated, prior to the end of a month, the Investment Manager shall receive the amount of the Investment Management Fee prorated through the effective date of the liquidation or termination of the Investment Management Agreement or the Fund, as appropriate.

### **Performance Fee**

No Class of Share of the Fund is subject to a performance fee. However, other Classes of Shares, which may be established in the future, may be subject to performance fees in such amount or amounts as shall be specified in this Supplement.

### **Other Fees:**

#### **Administrator's Fees**

The Administrator shall receive an annual fee, which shall accrue and be payable monthly in arrears, of up to 0.12% of the Company's Net Asset Value (subject to a minimum monthly fee in respect of the Fund of \$5,000 (for up to 3 Share Classes) and an additional \$250 for each share class thereafter).

#### **Depository's Fee**

The Depository shall receive an annual fee, which shall accrue and be payable monthly in arrears, of 0.02% of the first US\$250 million of the Company's Net Asset Value, 0.0150% of the next US\$250 million of the Company's Net Asset Value, 0.0125% of the next US\$500 million of the Company's Net Asset Value; and 0.01% of the Company's Net Asset Value thereafter (subject to a minimum monthly fee of \$1,000 in respect of the Fund). The Depository also receives an annual safekeeping fee which is at normal commercial rates and is forwarded directly to the relevant sub-custodian.

#### **Northern Trust Company, London Branch**

The Company has appointed Northern Trust Company London ("Northern Trust") to provide currency hedging transaction services which comprises (i) monitoring by Northern Trust's PASCO desk of the net asset value of the hedged share classes against a defined tolerance, and (ii) to the extent that the tolerance in respect of the hedged share class has been exceeded, Northern Trust's FX desk entering into rolling forward foreign exchange contracts as principal (on the instructions of Northern Trust's PASCO desk) with the Fund for the account of the relevant share class.

Northern Trust shall be entitled, for such services, to transactional fees which shall be at normal commercial rates and shall be paid out of the assets of the

Fund as attributable to the relevant Class of Shares being hedged.

### **13. Dividends and Distributions**

All Share Classes, other than those with the word 'Distribution' in the name of the Share Class will be accumulating Share Classes where no dividend will be declared and where any net investment income attributable to each Class will be accumulated in the respective Net Asset Value per Share of each Class:

Those Share Classes with the word 'Distribution' in the name of the Share Class will be distributing Share Classes. The Company has applied for and received approval from HM Revenue and Customs ("HMRC") for certification of all Share Classes as reporting funds as defined in, and pursuant to the requirements of, the Offshore Funds (Tax) Regulations 2009. If sufficient net income after expenses is available in the distributing Share Classes, the Directors' current intention is to make a single distribution each year of substantially the whole of the net income (including interest and dividends) of the relevant distributing Share Class. The net amount of all realised and unrealised gains (less realised and unrealised losses) arising on the disposal of investments shall not be distributed but shall form part of the assets of the relevant distributing Share Class. Owing to the investment objective of the Fund, the intended nature of the Fund's investments and the fact that the expenses of the Fund are in the first instance payable out of net income it is not anticipated that the net income of any relevant distributing Share Class or any dividends will be significant.

Dividends, if declared, will be paid on an annual basis and will normally be declared in May of each year. Dividends will be paid within four months of declaration.

The Company will make available a report in accordance with the reporting fund regime for each reporting period to each of its UK investors who hold an interest in a reporting fund, on or before 31 July in respect of each previous Accounting Period ended 30 November. Such report shall also be made available on the website of the Investment Manager. It is noted that under the reporting funds regime, reported income may give rise to a tax charge without a corresponding distribution being made.

The Directors intend to take all practicable steps, consistent with applicable laws, regulatory requirements and investment objectives and policies of the Fund, to maintain the status of each Class as a reporting fund. The exact conditions that must be fulfilled in order to maintain reporting fund status may be affected by changes in HM Revenue and Customs practice or by changes to the provisions of the relevant legislation.

Dividends in relation to the distributing Share Classes may be paid out of the net income of the Fund attributable to the distributing Share Classes (whether in the form of dividends, interest or otherwise) and net realised and unrealised gains (i.e. realised and unrealised capital gains net of all realised and unrealised losses) of the Fund attributable to the distributing Share Classes, subject to

certain adjustments. Dividends which are not claimed or collected within six years of payment shall revert to and form part of the assets of the Fund. Dividends will be paid by bank transfer at the expense of Shareholders. Shareholders may elect to re-invest dividends in additional Shares in the Fund by ticking the appropriate box on the Application Form.

Dividends declared shall not be paid to Shareholders until the original Application Form and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) have been received from the relevant Shareholder(s). Until the relevant anti-money laundering procedures have been completed, dividends payable to Shareholders shall be held by the Depositary for and on behalf of the Fund in a non-interest bearing account.

#### **14. Risk Factors**

The attention of investors is drawn to the “Risk Factors” section in the Section of the Prospectus entitled “The Company”.

**SUPPLEMENT 3**  
**DATED 1 JULY 2024 TO THE PROSPECTUS ISSUED FOR CHIKARA FUNDS**  
**PLC**

**CHIKARA ASIAN EVOLUTION FUND**

This Supplement contains information relating specifically to the Chikara Asian Evolution Fund (the “**Fund**”), a sub-fund of Chikara Funds plc (the “**Company**”), an open-ended umbrella type investment company with variable capital and segregated liability between Funds authorised by the Central Bank on 1 March 2007 as a UCITS pursuant to the UCITS Regulations. Shares are also available in four other sub-funds of the Company, the Chikara Japan Alpha Fund, the Chikara Japan Income and Growth Fund, the Chikara Indian Subcontinent Fund and the Chikara Global Emerging Markets Opportunities Fund.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 1 July 2024 (the “Prospectus”).**

The Directors of the Company whose names appear in the Prospectus under the heading “Management and Administration” accept responsibility for the information contained in this Supplement and the Prospectus. 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 Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.** Investors should read and consider the section entitled “Risk Factors” before investing in the Fund.

**Profile of a Typical Investor**

The Fund is suitable for high net worth individuals, institutional and retail investors seeking capital growth over the long term with a moderate to high level of volatility.

**1. Interpretation**

The expressions below shall have the following meanings:

“Business Day”	means any day (except Saturday or Sunday) on which banks in Dublin, London and New York are generally open for business or such other day or days as may be determined by the Directors and notified to Shareholders in advance.
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“Dealing Day”	means each day which is a Business Day, or such other day or days as may be determined by the Directors, in consultation with the Manager, and notified to Shareholders in advance provided that there shall be at least one Dealing Day every fortnight.
“Dealing Deadline”	means 12.00 noon Irish time on the Business Day before each Dealing Day or such other time as the Directors may determine and notify to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.
“Initial Offer Period”	means the period during which a Class of Shares is first offered for subscription at the Initial Price, as specified in the section entitled “Initial Offer Period and Initial Price” below.
“Initial Price”	means \$10 or £10 per Share, as appropriate to the relevant Class.
“Valuation Point”	means 12.00 noon Irish time on each Dealing Day.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## **2. Base Currency**

The Base Currency shall be United States Dollars. The Net Asset Value per Share will be published and subscriptions and redemptions will be effected in the designated currency of each Class.

## **3. Investment Objective**

The investment objective of the Chikara Asian Evolution Fund is to provide investors with superior long term capital appreciation.

## **4. Investment Policy**

The investment objective will be achieved by investing primarily on a long-only basis in a concentrated portfolio of equities of companies listed or traded on Recognised Exchanges in Asia, excluding Japan, or which conduct a predominant part of their economic activity in Asia, and are beneficiaries of the growth of domestic consumption in Asia (“Consumer Companies”).

The Fund will be managed with the goal of generating superior long-term returns through the selection of undervalued growth stocks that offer compelling risk/reward opportunities and trade at attractive long term valuations in the Asian consumer sector. These stocks typically fall into four key opportunity sets: High



Growth Leaders, which, in the Investment Manager's view, are market leading large or mid-cap Consumer Companies, often in larger markets like China or India, that have typically demonstrated strong, double digit growth track records; Established Franchises, which are typically mid-cap companies more normally found in the ASEAN markets; Tightly Held Dominators, which again are typically market leading Consumer Companies but smaller and less liquid, such as subsidiaries of multi-national companies with a small free float or tightly held family run businesses; and Special Situations, which are also consumer related opportunities but do not fall under the previous definitions, for a company undergoing a change of management or a newly listed company.

The Investment Manager's investment philosophy emphasises fundamental, proprietary research to identify potential companies supported, where possible, by direct company meetings conducted by the dedicated and experienced Asian team at the Investment Manager.

The Fund will invest the majority of its assets in selected companies that have their registered office or conduct a predominant part of their economic activity, in Asia.

Although it is the normal policy of the Fund to deploy its assets as detailed above, it may also use the derivatives outlined below and/or invest in deposits, cash and money market instruments in order to reduce market volatility.

In the pursuit of its investment objective, the Fund may also invest up to 10% of its Net Asset Value in exchange traded funds ("ETFs") which have exposure to the Recognised Exchanges referred to above. Such ETFs shall be UCITS and/or non-UCITS schemes and may be open ended or closed ended. Any investment in closed ended ETFs will only be made on the basis that such investment constitutes an investment in transferable securities.

The Fund is actively managed, which means that the Investment Manager has discretion over the composition of the Fund's portfolio, subject to the Fund's investment objective and policy. Accordingly, although the Performance Fee is calculated in reference to the Benchmark Return, as defined below, the Investment Manager will select the Fund's investments based entirely on its stock selection techniques, irrespective of whether such stocks are components of the Benchmark.

The Fund may invest in A-Shares of Chinese companies, denominated in RMB, listed on the Shanghai or Shenzhen stock exchanges ("China A-Shares") via the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect (collectively "Stock Connect").

On occasion, the Fund may invest up to 5% of its Net Asset Value in special purpose acquisition companies ("SPAC"). For the avoidance of doubt, after the SPAC has merged with the target company and has its own business, it will cease to be categorised as a SPAC and will no longer contribute towards the up to 5% allocation to SPACs.

## **5. Securities Financing Transactions**

All types of assets held by a Fund may be subject to any of repurchase transactions (including repo and reverse repo agreements) or total return swaps. It is expected that the proportion of the Fund's assets under management that will be subject to any of repurchase transactions (including repo and reverse repo agreements) or total return swaps will typically be in the range of 0% to 20% of the Net Asset Value of the Fund, but will not in any case exceed 100% of the Net Asset Value of the Fund, and will not exceed the investment restrictions prescribed in Appendix I of the Prospectus.

The Investment Manager will report to the Shareholders the amount of assets engaged in each type of transaction, as well as other relevant information on an annual basis, or more frequently, if required by law.

The risks of such transactions are summarised in the section of this Prospectus titled "Risk Factors".

For further information on SFTs please see section entitled "Securities Financing Transactions (SFTs)" contained in the Prospectus.

## **6. Derivatives**

In order to gain exposure to a market in which the Fund cannot directly invest the Fund may from time to time purchase the following exchange listed and/or OTC financial derivative instruments which will allow the Fund to gain exposure to an underlying security or index: (a) swap contracts; (b) contracts for difference; (c) futures; (d) options; and (e) structured notes. Any such underlying security or instrument must be a transferable security and any such stock index must be an index of a regulated market. The securities or instruments underlying structured notes shall be limited to bonds or equities listed or traded on a Recognised Exchange.

The Investment Manager is of the opinion that the use of derivatives in the manner contemplated above is not likely to result in the Net Asset Value of the Fund being highly volatile and will not have a significantly negative impact on the performance of the Fund in relation to its investment objective and investment policy.

The use of derivatives in the manner outlined above will give rise to a long only leveraged exposure to the relevant asset class(es). Leverage arising from the use of derivatives by the Fund, for investment and efficient portfolio management purposes (as outlined in Section 5. below), will typically range between 40% and 80% of the Net Asset Value of the Fund. Such leverage will not, in any circumstances, exceed the Net Asset Value of the Fund.

The use of derivative instruments for the purposes outlined above may expose the Fund to the risks disclosed under the headings "Derivatives and Techniques

and Instruments Risk” in the Risk Factors Section of the Prospectus.

The Fund may use the following derivatives for the following purposes:

#### Structured Notes

Exchange listed and/or OTC structured notes (as described above) may be purchased or sold by the Investment Manager, on behalf of the Fund, for the purpose of hedging the risk of fluctuation in the value of the Fund’s portfolio of securities. The primary exposure will be to the issuer of the structured note but there will also be an economic exposure to the underlying bond or equity.

#### Futures

Futures may be purchased or sold by the Investment Manager, on behalf of the Fund, for the purpose of hedging the risk of fluctuation in the value of the Fund’s portfolio of securities. Stock index futures may be sold provided there exists a sufficient correlation between the composition of the index used and the corresponding portfolio of the Fund and that any such index shall be an index of a regulated market.

#### Options

Exchange listed and/or OTC options may be purchased or sold by the Investment Manager, on behalf of the Fund, for the purposes of hedging:

- (a) the risk of fluctuation in the value of the Fund’s portfolio of securities. Call options on stock indices may be sold and put options on stock indices may be purchased provided there exists a sufficient correlation between the composition of the index used and the corresponding portfolio of the Fund;
- (b) the risk that changes in the exchange rate between the Base Currency and the currency of denomination of the assets of the Fund may lead to a depreciation of the value of the Fund’s assets as expressed in the Base Currency.

#### Swaps

The Fund may also enter into swap contracts (as described above) for the purposes of hedging the risk of fluctuation in the value of the Fund’s portfolio of securities.

#### Contracts for Difference

The Fund may enter into contracts for difference for the purposes of hedging the risk of fluctuation in the value of the Fund’s portfolio of securities.

#### Forward FX contracts

The Investment Manager may, on behalf of the Fund, engage in the following currency hedging techniques:

- (i) hedging by proxy, i.e. a technique whereby the Fund effects a hedge of the Base Currency of the Fund (or benchmark or currency exposure of the assets of the Fund) against exposure in one currency by selling (or purchasing) another currency closely related to it, provided that these currencies are indeed likely to fluctuate in the same manner;
- (ii) cross hedging, i.e. a technique whereby the Fund sells a currency it is exposed to and purchases more of another currency to which the Fund may also be exposed, the level of the Base Currency being left unchanged, provided however that all such currencies are currencies of the countries which are at that time within the Fund's investment policy and the technique is used as an efficient method to gain the desired currency and asset exposures; and
- (iii) anticipatory hedging, i.e. a technique whereby the Fund effects a hedge of a particular currency in anticipation of the acquisition of securities denominated in that currency for the purposes of hedging the resulting currency exposure into the currency of denomination of the relevant Class, provided however that the currency which is bought in anticipation of a later purchase of underlying portfolio securities is a currency associated with those countries which are within the Fund's investment policy.

Although the use of derivatives may give rise to additional leverage, any such leverage will typically range between 40% and 80% of the Net Asset Value of the Fund. Such leverage will not, in any circumstances, exceed the Net Asset Value of the Fund. Consequently the total exposure of the Fund (i.e. the global exposure of the Fund for the purposes of the UCITS Regulations plus the Net Asset Value of the Fund) shall not exceed 200 per cent. of the Net Asset Value of the Fund. The use of derivative instruments for the purposes outlined above may expose the Fund to the risks disclosed under the headings "Derivatives and Techniques and Instruments Risk" and "Currency Risk" in the Risk Factors Section of the Prospectus. The Directors expect that the use of derivatives by the Fund may result in a low impact on the performance of the Fund in relation to its investment objectives and policies.

The Fund may also purchase or sell securities on a when-issued or delayed-delivery basis.

## **7. Share Classes**

At the date of this Supplement the Fund has established the following Classes

of Shares with the respective currencies listed below:

<b>Class</b>	<b>Currency</b>	<b>Hedged Against Base Currency</b>
A	USD	N/A
B	GBP	Yes
C	USD	N/A
C	GBP	Yes
D	USD	N/A

Class D Shares shall only be available for subscription by the categories of investor listed below, or any nominee thereof:

- (i) the Investment Manager;
- (ii) employees of the Investment Manager;
- (iii) the spouse, partner, children (provided they are over the age of 18) or siblings of employees of the Investment Manager;
- (iv) clients of the Investment Manager who have given a discretionary asset manager mandate to the Investment Manager; and
- (v) any pension scheme or trust that is established for the benefit of one or more of the persons set out in (ii) and (iii) above.

#### **Initial Offer Period and Initial Price**

The Initial Offer Periods of all Share Classes have now closed and Shares are now issued at the Net Asset Value per Share.

#### **8. Minimum Subscription and Minimum Holding**

Investors shall be required to adhere to the following Minimum Subscription and Minimum Holding requirements in respect of the each Share Class:

<b>Class</b>	<b>Minimum Subscription</b>	<b>Minimum Holding</b>
A	\$100,000	\$100,000
B	£100,000	£100,000
C (USD)	\$5,000,000	\$5,000,000
C (GBP)	£5,000,000	£5,000,000
D	\$100,000	\$100,000

It is anticipated that Class C (USD) and Class C (GBP) will be closed when the relevant Class reaches \$100,000,000 (or foreign currency equivalent).

The Directors have discretion, under the Articles of Association, to waive or reduce the Minimum Subscription or Minimum Holding with respect to any Shareholder or applicant for Shares. However the Directors may only exercise this right in the best interests of the Company. The Directors have delegated this right to the Investment Manager. The Investment Manager may group amounts of less than the Minimum Subscription being managed for individual investors in order to make up to the total Minimum Subscription amount.

## **9. Application for Shares**

Completed Subscription Forms may be submitted to the Administrator on behalf of the Company. Completed Subscription Forms received by the Administrator prior to the Dealing Deadline for any Dealing Day will be processed on the Business Day following that Dealing Day. Any such subscription shall be effected at the Net Asset Value per Share.

Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day unless the Directors in their absolute discretion otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day.

In the case of applicants who have not previously subscribed for Shares in the Company, a completed Subscription Form will only be accepted after the Account Opening Form has been processed and all supporting documentation is to the satisfaction of the Administrator.

Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Shares prior to subscribing to the relevant Fund. Applicants will be required to represent (which representation will form part of the Subscription Form) that they have received and read a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Document(s)/Key Information Document(s) will be available at [www.fundinfo.com](http://www.fundinfo.com).

Account Opening Forms and Subscription Forms may be obtained from the Distributor or Administrator but may, if the Company or its delegate so determines, be made by telefax or by other electronic means, subject to prompt transmission to the Administrator of the signed Account Opening Form and such other papers (as may be required by the Company or its delegate. No Shares will be issued to an investor until the Administrator is in receipt of the signed Account Opening Form and such other documents as may be required from that investor. Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator by telefax or other electronic means or such other means as may be permitted by the Directors without a

requirement to submit original documentation and such applications should contain such information as may be specified from time to time by the Directors or their delegate. All applications for Shares carried out by telefax or other electronic means should be verified by the applicant by telephone to the Administrator to confirm receipt of their fax or other electronic instruction. In accordance with the requirements of the Central Bank and in consultation with the Administrator, subsequent applications may also be accepted by telephone.

Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

### **Fractions**

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than 0.001 of a Share.

Subscription monies, representing less than 0.001 of a Share will not be returned to the investor but will be retained by the Company in order to defray administration costs.

### **Method of Payment**

Subscription payments net of all bank charges should be paid by CHAPS, SWIFT or telegraphic or electronic transfer to the bank account specified in the Account Opening Form enclosed with this Prospectus. Other methods of payment are subject to the prior approval of the Investment Manager. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

### **Currency of Payment**

Subscription monies are payable in the designated currency of the relevant Class and will not be accepted in any currency other than the designated currency of the relevant Class.

### **Timing of Payment**

Payment in respect of subscriptions must be received in cleared funds by the Administrator no later than two Business Days after the relevant Dealing Day. If payment in cleared funds in respect of a subscription has not been received by the settlement deadline, the Investment Manager or its delegate may cancel the allotment and/or charge the investor for any losses, costs or expenses incurred by the Fund or the Company, where applicable, as a result of the failure or default of the investor to transmit subscription monies in immediately available funds for the account of the Fund by the settlement deadline. Any losses, costs or

expenses incurred by the Fund and charged to the investor will be paid into the Fund.

The Investment Manager may waive either of such charges in whole or in part. In addition, the Investment Manager has the right to sell all or part of the investor's holding of Shares in the Fund or any other Fund of the Company in order to meet such charges.

### **Confirmation of Ownership**

Confirmation of each purchase of Shares will usually be sent to Shareholders within 1 Business Day of calculation of the Net Asset Value per Share and, in any event, no later than 6 Business Days after the purchase of Shares. Title to Shares will be evidenced by the entering of the investor's name on the Company's register of Shareholders and no certificates will be issued.

## **10. Redemption of Shares**

Requests for the redemption of Shares should be made to the Administrator whose details are set out in the Account Opening Form on behalf of the Company by facsimile or written communication or telephone or by other electronic means or such other means as may be permitted by the Directors and should include such information as may be specified from time to time by the Directors or their delegate. Requests for redemption received prior to the Dealing Deadline for any Dealing Day will be processed effective as of that Dealing Day provided that Shares will be redeemed at the Net Asset Value per Share at the Valuation Point relevant to that Dealing Day. Any requests for redemption received after the Dealing Deadline for a Dealing Day will be processed on the next Dealing Day unless the Directors, in consultation with the Manager, determine otherwise. No redemption payment will be made from an investor holding until cleared funds and the Account Opening Form are in place from the original subscription and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed.

In the event of a Shareholder requesting a redemption which would, if carried out, leave the Shareholder holding Shares having a Net Asset Value less than the Minimum Holding, the Company may, at the discretion of the Investment Manager, redeem the whole of the Shareholder's holding.

The redemption price per Share shall be the Net Asset Value per Share.

### **Method of Payment**

Redemption payments will be made to the bank account detailed on the Account Opening Form or as subsequently notified to the Administrator in writing signed by an authorised signatory of the Shareholder. Redemption payments following



processing of redemption requests received by telefax or telephone or by other electronic means will only be made to the account of record of a Shareholder.

### **Currency of Payment**

Shareholders will be repaid in the designated currency of the relevant Class. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Distributor/Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

### **Timing of Payment**

Redemption proceeds in respect of Shares will normally be paid within two Business Days of the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator.

### **Withdrawal of Redemption Requests**

Requests for redemption may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Fund.

### **Compulsory/Total Redemption**

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the sub-headings "Compulsory Redemption of Shares/Deduction of Tax" and "Total Redemption of Shares".

## **11. Conversion of Shares**

Subject to the Minimum Subscription and Minimum Holding requirements of the relevant Fund or Classes, Shareholders may request conversion of some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading "Conversion of Shares".

## **12. Suspension of Dealing**

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the Prospectus under the heading "Suspension of Valuation of Assets". Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

### 13. Fees and Expenses

The Fund shall bear (i) the fees and expenses relating to the establishment of the Fund which may be amortised over the first five Accounting Periods of the Fund or such other period as the Directors may determine and in such manner as the Directors in their absolute discretion deem fair; and (ii) its attributable portion of the fees and operating expenses of the Company. The fees and operating expenses of the Company are set out in detail under the heading “Fees and Expenses” in the Prospectus. The fees payable out of the Fund’s assets to the Investment Manager are as follows:

#### **Management Fees:**

##### **Management Fee**

Under the provisions of the Management Agreement, the Company will pay the Manager a fee of up to 0.015% per annum of the Net Asset Value of the Company as of the relevant Valuation Date (plus VAT, if any), subject to a minimum fee of €50,000 based on a single Fund and €12,500 for each additional Fund per annum.

The management fee will accrue daily and will be payable monthly in arrears (and pro rata for lesser periods).

##### **Investment Management Fee**

The Fund has agreed to pay the Investment Manager a monthly management fee in respect of the Class A Shares and the Class B Shares in arrears of 1/12<sup>th</sup> of 1.5% (approximately 1.5% per annum) of the Net Asset Value per Share which shall be calculated and accrued weekly.

The Fund has agreed to pay the Investment Manager a monthly management fee in respect of the Class C (USD) Shares and the Class C (GBP) Shares in arrears of 1/12<sup>th</sup> of 1% (approximately 1% per annum) of the Net Asset Value per Share which shall be calculated and accrued weekly.

The abovementioned fees are not applicable to Class D Shares.

In the event that the Company is liquidated, or the Fund or the Investment Management Agreement is terminated, prior to the end of a month, the Investment Manager shall receive the amount of the Investment Management Fee prorated through the effective date of the liquidation or termination of the Investment Management Agreement or the Fund, as appropriate.

##### **Performance Fee**

In addition, in respect of Class A and Class B Shares, the Company pays the Investment Manager a performance fee (“**Performance Fee**”) out of the net assets attributable to the Fund as set out below.

Other Classes of Shares, currently established or which may be established in the future, are currently or may be in the future, subject to performance fees in such amount or amounts as shall be specified in this Prospectus. However, Class C (USD), Class D and Class C (GBP) Shares of the Fund are not subject to a performance fee.

The Performance Fee per Class shall be calculated and shall accrue at each Valuation Point and the accrual will be reflected in the Net Asset Value of such Class. The Performance Fee shall be calculated in respect of each period of twelve months beginning on the first Business Day of December and ending on the last Business Day of the following November ("**Performance Fee Period**"). In respect of any new or unlaunched Classes, the initial calculation period for each Class will be from a date in a Performance Fee Period on which the Shares of the Class are first issued until the end of the Performance Fee Period expiring not less than twelve months from the date of such first issuance.

The Performance Fee will be paid annually in arrears within 30 days after the close of business on the Business Day following the end of the relevant Performance Fee Period.

The Performance Fee for each Performance Fee Period shall be equal to 15% of the amount, if any, by which the Net Asset Value of such Class, as of the last Dealing Day of the relevant Performance Fee Period, before Performance Fee accrual, exceeds the Indexed Net Asset Value of such Class on the last Dealing Day of the Performance Fee Period. In addition, the Performance Fee with respect to any redemptions of Shares processed during the Performance Fee Period will crystallise and become payable to the Investment Manager.

**"Indexed Net Asset Value"** means, in respect of the initial Performance Fee Period for the Class, the Initial Price of the Class multiplied by the number of Shares of the Class issued during the Initial Offer Period, increased on each Dealing Day by the value of any subscriptions or decreased pro rata by the value of any redemptions which have taken place since the Initial Offer Period, adjusted by the Benchmark Return over the course of the Performance Fee Period. For each subsequent Performance Fee Period for the Class, the "Indexed Net Asset Value" means either (i) where a Performance Fee was payable in respect of the prior Performance Fee Period, the Net Asset Value of the Class, increased on each Dealing Day by the value of any subscriptions or decreased pro rata by the value of any redemptions which have taken place since the beginning of such Performance Fee Period, adjusted by the Benchmark Return over the course of the Performance Fee Period; or (ii) where no Performance Fee was payable in respect of the prior Performance Fee Period, the Indexed Net Asset Value of the Class at end of the prior Performance Fee Period, increased on each Dealing Day by the value of any subscriptions or decreased pro rata by the value of any redemptions which have taken place since the beginning of such Performance Fee Period, adjusted by the Benchmark Return over the course of the Performance Fee Period.

For the avoidance of doubt any underperformance versus the benchmark will be carried forward from one Performance Fee Period to the next and must be recouped before any additional Performance Fee will accrue.

**“Benchmark Return”** means the performance of the MSCI AC Asia ex Japan Index (M1ASJ) (the **“Benchmark”**).

The MSCI AC (All Country) Asia ex Japan Index, administered by MSCI Limited, is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of Asia, excluding Japan and so is appropriate in the context of the Fund’s investment objective, strategy and policy. As at the date of this Supplement, MSCI Limited is included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation.

All fees payable to the Investment Manager will be paid in the designated currency of the relevant Class. The Fund shall bear the cost of any Irish value added tax applicable to any amount payable to the Investment Manager.

Net realised and unrealised capital gains and net realised and unrealised capital losses will be included in the Performance Fee calculation as at the end of the relevant Performance Fee Period. As a result, a Performance Fee may be paid on unrealised gains which may subsequently never be realised.

In the event that the Company is liquidated, or the Fund or the Investment Management Agreement is terminated prior to the end of a Performance Fee Period, the Performance Fee will be computed as though the effective date of the liquidation of the Company or termination of the Fund or the Investment Management Agreement, as appropriate, was the end of a Performance Fee Period.

The Performance Fee shall be calculated by the Administrator and verified by the Depositary and is structured so as not to be open to the possibility of manipulation. The Performance Fee in respect of each Performance Fee Period will be calculated by reference to the Net Asset Value per Share after the accrual of all other costs but before the deduction of any accrued Performance Fee for the current Performance Fee Period, provided that in doing so it is in the investors’ best interests. A series of worked examples can be found at Appendix A hereto, illustrating the manner in which the Performance Fee model will operate.

### **Other Fees:**

#### **Administrator’s Fees**

The Administrator shall receive an annual fee, which shall accrue and be payable monthly in arrears, of up to 0.12% of the Company’s Net Asset Value (subject to a minimum monthly fee in respect of the Fund of \$3,500 (for up to 3 Share Classes) and an additional \$250 for each share class thereafter).

## **Depository's Fee**

The Depository shall receive an annual fee, which shall accrue and be payable monthly in arrears, of 0.02% of the first US\$250 million of the Company's Net Asset Value, 0.0150% of the next US\$250 million of the Company's Net Asset Value, 0.0125% of the next US\$500 million of the Company's Net Asset Value; and 0.01% of the Company's Net Asset Value thereafter (subject to a minimum monthly fee of \$1,000 in respect of the Fund). The Depository also receives an annual safekeeping fee which is at normal commercial rates and is forwarded directly to the relevant sub-custodian.

## **Northern Trust Company, London Branch**

The Company has appointed Northern Trust Company London ("Northern Trust") to provide currency hedging transaction services which comprises (i) monitoring by Northern Trust's PASCO desk of the net asset value of the hedged share classes against a defined tolerance, and (ii) to the extent that the tolerance in respect of the hedged share class has been exceeded, Northern Trust's FX desk entering into rolling forward foreign exchange contracts as principal (on the instructions of Northern Trust's PASCO desk) with the Fund for the account of the relevant share class.

Northern Trust shall be entitled, for such services, to transactional fees which shall be at normal commercial rates and shall be paid out of the assets of the Fund as attributable to the relevant Class of Shares being hedged.

## **14. Dividends and Distributions**

It is intended that the Fund will be an accumulating fund where no dividend will be declared and where any net investment income attributable to each Class will be accumulated in the respective Net Asset Value per Share of each Class.

The Company has applied for and received approval from HM Revenue and Customs ("HMRC") for certification of all Classes as reporting funds as defined in the Offshore Funds (Tax) Regulations 2009.

The Company will make available a report in accordance with the reporting fund regime for each reporting period to each of its UK investors who hold an interest in a reporting fund, on or before 31 July in respect of each previous Accounting Period ended 30 November. Such report shall also be made available on the website of the Investment Manager. It is noted that under the reporting funds regime, reported income may give rise to a tax charge without a corresponding distribution being made.

The Directors intend to take all practicable steps, consistent with applicable laws, regulatory requirements and investment objectives and policies of the Fund, to maintain the status of each Class as a reporting fund. The exact conditions that must be fulfilled in order to maintain reporting fund status may be affected by

changes in HM Revenue and Customs practice or by changes to the provisions of the relevant legislation.

## **15. Risk Factors**

The attention of investors is drawn to the “Risk Factors” section in the Section of the Prospectus entitled “The Company”. In addition, the following risk factors are specific to the Fund:

### ***Performance Fee Risk***

The payment of the Performance Fee as described under “Fees and Expenses - Performance Fees” to the Investment Manager based on the performance of the Fund may provide the Investment Manager with an incentive to cause the Fund to make more speculative investments than might otherwise be the case. The Investment Manager will have discretion as to the timing and the terms of the Fund’s transactions in investments and may therefore have an incentive to arrange such transactions to maximise its fees. Investors should also note that, as the Performance Fee is calculated by reference to the performance of the Fund relative to the Benchmark and not by reference to the Net Asset Value of the Fund on its own, it is possible that a Performance Fee may be payable in circumstances where the overall performance of the Fund as a whole is negative. This could occur where, for example, the Fund outperforms the Benchmark Return but, overall, has a negative performance. A series of worked examples included at Appendix A provides further detail as to how a Performance Fee may be paid in times of negative performance.

### ***Emerging Markets Risk***

Investment in emerging markets involves risk factors and special considerations which may not be typically associated with investing in more developed markets. Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of emerging countries. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of emerging countries in which investment may be made, including expropriation, nationalisation or other confiscation could result in loss to the Company.

By comparison with more developed securities markets, most emerging countries’ securities markets are comparatively small, less liquid and more volatile. This may result in greater volatility in the Net Asset Value per Share of the Fund (and consequently subscription and redemption prices for Shares in the Fund) than would be the case in relation to funds invested in more developed markets. In addition, if a large number of securities have to be realised at short notice to meet substantial redemption requests in the Fund such sales may have to be effected at unfavourable prices which may in turn have an adverse effect on the Net Asset Value per Share of the Fund.

In addition settlement, clearing, safe custody and registration procedures may be underdeveloped increased the risks of error, fraud or default. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of investor information or protection as would generally apply in more developed markets. Investments in certain emerging markets may require consents or be subject to restrictions which may limit the availability of attractive investment opportunities to the Fund. Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally and so transactions may need to be made on a neighbouring exchange.

Emerging markets securities may incur brokerage or stock transfer taxes levied by foreign governments which would have the effect of increasing the cost of investment and which may reduce the realised gain or increase the loss on such securities at the time of same. The issues of emerging markets securities, such as banks and other financial institutions, may be subject to less stringent regulation than would be the case for issuers in developed countries, and therefore potentially carry greater risk. In addition custodial expenses for emerging market securities are generally higher than for developed market securities. Dividend and interest payments from, and capital gains in respect of, emerging markets securities may be subject to foreign taxes that may or may not be reclaimable.

Laws governing foreign investment and securities transactions in emerging markets may be less sophisticated than in developed countries. Accordingly, the Fund may be subject to additional risks, including inadequate investor protection, unclear or contradictory legislation or regulations and lack of enforcement thereof, ignorance or breach of legislation or regulations on the part of other market participants, lack of legal redress and breaches of confidentiality. It may be difficult to obtain and enforce a judgement in certain emerging markets in which assets of the Fund are invested.

## APPENDIX A

### PERFORMANCE FEE CALCULATION – WORKED EXAMPLES

#### Example 1\*:

<u>Scenario:</u>	Increase in Share Class NAV exceeds Benchmark Return
<u>Increase in Share Class NAV:</u>	+8%
<u>Benchmark Return:</u>	+4%
<u>Performance Fee:</u>	15% of the amount by which the NAV of the Class exceeds the Benchmark Return
<u>Result:</u>	Performance Fee of \$6 is payable

- at the beginning of the Performance Fee Period investors in the share class hold 100 Shares at a price of \$10 giving a NAV of the Class of \$1000;
- at the beginning of the Performance Fee Period the Indexed Net Asset Value is also \$1000;
- at the end of the Performance Fee Period the NAV has increased to \$1080 (1000 x 1.08); and
- the Indexed Net Asset Value has increased to \$1040 (1000 x 1.04);
- as the NAV of the Class exceeds the Indexed Net Asset Value at the end of the Performance Fee Period, a Performance Fee is payable;
- Performance Fee = \$1080 - \$1040 = \$40 x 15% = \$6;
- at the beginning of the next Performance Fee Period the Indexed Net Asset Value and the NAV of the Class reset to the same starting point, the NAV of the Class as at the end of the prior Performance Fee Period less the Performance Fee paid; \$1080 - \$6 = \$1074.

#### Example 2\*:

<u>Scenario:</u>	Increase in Share Class NAV is less than Benchmark Return
<u>Increase in Share Class NAV:</u>	+2%
<u>Benchmark Return:</u>	+4%
<u>Performance Fee:</u>	15% of the amount by which the NAV of the Class exceeds the Benchmark Return
<u>Result:</u>	No Performance Fee is payable

- At the beginning of the Performance Fee Period investors in the share class hold 100 Shares at a price of \$10 giving a NAV of the Class of \$1000;
- at the beginning of the Performance Fee Period the Indexed Net Asset Value is also \$1000;
- at the end of the Performance Fee Period the NAV has increased to \$1020 (1000 x 1.02); and



- the Indexed Net Asset Value has increased to \$1040 (1000 x 1.04);
- as the NAV of the Class is less than the Indexed Net Asset Value at the end of the Performance Fee Period, no Performance Fee is payable;
- at the beginning of the next Performance Fee Period the Indexed Net Asset Value and the NAV of the Class start from their values as at the end of the prior Performance Fee Period as any prior underperformance is carried forward to next Performance Fee Period.

**Example 3\*:**

<u>Scenario:</u>	Carried Forward Underperformance from Prior Performance Fee Period where the Increase in Share Class NAV exceeds Benchmark Return in next Performance Fee Period
<u>Share Class NAV:</u>	\$1020
<u>Indexed Net Asset Value:</u>	\$1040
<u>Increase in Share Class NAV:</u>	+8%
<u>Benchmark Return:</u>	+4%
<u>Performance Fee:</u>	15% of the amount by which the NAV of the Class exceeds the Benchmark Return
<u>Result:</u>	Performance Fee of \$3 payable

- at the beginning of the Performance Fee Period the carried forward NAV of the Class is \$1020;
- at the beginning of Performance Fee Period the carried forward Indexed Net Asset Value is also \$1040;
- at the end of the Performance Fee Period the NAV has increased to \$1101.60 (1020 x 1.08); and
- the Indexed Net Asset Value has increased to \$1081.60 (1040 x 1.04);
- as the NAV of the Class exceeds the Indexed Net Asset Value at the end of the new Performance Fee Period, a Performance Fee is payable;
- Performance Fee = \$1101.60 - \$1081.60 = \$20 x 15% = \$3;
- at the beginning of the next Performance Fee Period the Indexed Net Asset Value and the NAV of the Class reset to the same starting point, the NAV of the Class as at the end of the prior Performance Fee Period less the Performance Fee paid; \$1101.60 - \$3 = \$1098.60

**Example 4\*:**

<u>Scenario:</u>	Decrease in Share Class NAV is less than decrease in Benchmark Return
<u>Decrease in Share Class NAV:</u>	-4%

Benchmark Return: -8%

Performance Fee: 15% of the amount by which the NAV of the Class exceeds the Benchmark Return

Result: Performance Fee of \$6 is payable

- At the beginning of the Performance Fee Period investors in the share class hold 100 Shares at a price of \$10 giving a NAV of the Class of \$1000;
- at the beginning of Performance Fee Period the Indexed Net Asset Value is also \$1000;
- at the end of the Performance Fee Period the NAV has decreased to \$960 (1000 x 0.96); and
- the Indexed Net Asset Value has decreased to \$920 (1000 x 0.92);
- as the NAV of the Class exceeds the Indexed Net Asset Value at the end of the Performance Fee Period, a Performance Fee is payable;
- Performance Fee = \$960 - \$920 = \$40 x 15% = \$6;
- at the beginning of the next Performance Fee Period the Indexed Net Asset Value and the NAV of the Class reset to the same starting point, the NAV of the Class as at the end of the prior Performance Fee Period less the Performance Fee paid; \$960 - \$6 = \$954.

**Example 5\*:**

Scenario: Decrease in Share Class NAV is greater than Benchmark Return

Decrease in Share Class NAV: -8%

Benchmark Return: -4%

Performance Fee: 15% of the amount by which the NAV of the Class exceeds the Benchmark Return

Result: No Performance Fee is payable

- At the beginning of the Performance Fee Period investors in the share class hold 100 Shares at a price of \$10 giving a NAV of the Class of \$1000;
- at the beginning of Performance Fee Period the Indexed Net Asset Value is also \$1000;
- at the end of the Performance Fee Period the NAV has decreased to \$920 (1000 x 0.92); and
- the Indexed Net Asset Value has decreased to \$960 (1000 x 0.96);
- as the NAV of the Class is less than the Indexed Net Asset Value as at the end of the Performance Fee Period, no Performance Fee is payable;
- at the beginning of the next Performance Fee Period the Indexed Net Asset Value and the NAV of the Class start from their values as at the end of the prior Performance Fee Period as prior underperformance is carried forward to next Performance Fee Period.

**Example 6\*:**

<u>Scenario:</u>	Increase in Share Class NAV exceeds Benchmark Return
<u>Increase in Share Class NAV:</u>	+8%
<u>Benchmark Return:</u>	+4%
<u>Performance Fee:</u>	10% of the amount by which the NAV of the Class exceeds the Benchmark Return

Result: Performance Fee of \$4 is payable

- At the beginning of the Performance Fee Period investors in the share class hold 100 Shares at a price of \$10 giving a NAV of the Class of \$1000;
- at the beginning of Performance Fee Period the Indexed Net Asset Value is also \$1000;
- at the end of the Performance Fee Period the NAV has increased to \$1080 (1000 x 1.08); and
- the Indexed Net Asset Value has increased to \$1040 (1000 x 1.04);
- as the NAV of the Class exceeds the Indexed Net Asset Value at the end of the Performance Fee Period, a Performance Fee is payable;
- Performance Fee = \$1080 - \$1040 = \$40 x 10% = \$4;
- at the beginning of the next Performance Fee Period the Indexed Net Asset Value and the NAV of the Class reset to the same starting point, the NAV of the Class as at the end of the prior Performance Fee Period less the Performance Fee paid; \$1080 - \$4 = \$1076.

**Example 7\*:**

<u>Scenario:</u>	Increase in Share Class NAV is less than Benchmark Return
<u>Increase in Share Class NAV:</u>	+2%
<u>Benchmark Return:</u>	+4%
<u>Performance Fee:</u>	10% of the amount by which the NAV of the Class exceeds the Benchmark Return

Result: No Performance Fee is payable

- At the beginning of the Performance Fee Period investors in the share class hold 100 Shares at a price of \$10 giving a NAV of the Class of \$1000;
- at the beginning of Performance Fee Period the Indexed Net Asset Value is also \$1000;
- at the end of the Performance Fee Period the NAV has increased to \$1020 (1000 x 1.02); and
- the Indexed Net Asset Value has increased to \$1040 (1000 x 1.04);
- as the NAV of the Class is less than the Indexed Net Asset Value at the end of the Performance Fee Period, no Performance Fee is payable;
- at the beginning of the next Performance Fee Period the Indexed Net Asset Value and the NAV of the Class start from their values as at the end of the prior Performance Fee Period as any prior underperformance is carried forward to next Performance Fee Period.

**Example 8\*:**

<u>Scenario:</u>	Carried Forward Underperformance from Prior Performance Fee Period where the Increase in Share Class NAV exceeds Benchmark Return in next Performance Fee Period
<u>Share Class NAV:</u>	\$1020
<u>Indexed Net Asset Value:</u>	\$1040
<u>Increase in Share Class NAV:</u>	+8%
<u>Benchmark Return:</u>	+4%
<u>Performance Fee:</u>	10% of the amount by which the NAV of the Class exceeds the Benchmark Return
<u>Result:</u>	Performance Fee of \$2 payable

- At the beginning of the Performance Fee Period the carried forward NAV of the Class is \$1020;
- at the beginning of Performance Fee Period the carried forward Indexed Net Asset Value is also \$1040;
- at the end of the Performance Fee Period the NAV has increased to \$1101.60 (1020 x 1.08); and
- the Indexed Net Asset Value has increased to \$1081.60 (1040 x 1.04);
- as the NAV of the Class exceeds the Indexed Net Asset Value at the end of the new Performance Fee Period, a Performance Fee is payable;
- Performance Fee = \$1101.60 - \$1081.60 = \$20 x 10% = \$2;
- at the beginning of the next Performance Fee Period the Indexed Net Asset Value and the NAV of the Class reset to the same starting point, the NAV of the Class as at the end of the prior Performance Fee Period less the Performance Fee paid; \$1101.60 - \$2 = \$1099.60.

**Example 9\*:**

<u>Scenario:</u>	Decrease in Share Class NAV is less than decrease in Benchmark Return
<u>Decrease in Share Class NAV:</u>	-4%
<u>Benchmark Return:</u>	-8%
<u>Performance Fee:</u>	10% of the amount by which the NAV of the Class exceeds the Benchmark Return
<u>Result:</u>	Performance Fee of \$4 is payable

- At the beginning of the Performance Fee Period investors in the share class hold 100 Shares at a price of \$10 giving a NAV of the Class of \$1000;

- at the beginning of Performance Fee Period the Indexed Net Asset Value is also \$1000;
- at the end of the Performance Fee Period the NAV has decreased to \$960 (1000 x 0.96); and
- the Indexed Net Asset Value has decreased to \$920 (1000 x 0.92);
- as the NAV of the Class exceeds the Indexed Net Asset Value at the end of the Performance Fee Period, a Performance Fee is payable;
- Performance Fee = \$960 - \$920 = \$40 x 10% = \$4;
- at the beginning of the next Performance Fee Period the Indexed Net Asset Value and the NAV of the Class reset to the same starting point, the NAV of the Class as at the end of the prior Performance Fee Period less the Performance Fee paid; \$960 - \$4 = \$956.

**Example 10\*:**

<u>Scenario:</u>	Decrease in Share Class NAV is greater than Benchmark Return
<u>Decrease in Share Class NAV:</u>	-8%
<u>Benchmark Return:</u>	-4%
<u>Performance Fee:</u>	10% of the amount by which the NAV of the Class exceeds the Benchmark Return
<u>Result:</u>	No Performance Fee is payable

- At the beginning of the Performance Fee Period investors in the share class hold 100 Shares at a price of \$10 giving a NAV of the Class of \$1000;
- at the beginning of Performance Fee Period the Indexed Net Asset Value is also \$1000;
- at the end of the Performance Fee Period the NAV has decreased to \$920 (1000 x 0.92); and
- the Indexed Net Asset Value has decreased to \$960 (1000 x 0.96);
- as the NAV of the Class is less than the Indexed Net Asset Value as at the end of the Performance Fee Period, no Performance Fee is payable;
- at the beginning of the next Performance Fee Period the Indexed Net Asset Value and the NAV of the Class start from their values as at the end of the prior Performance Fee Period as prior underperformance is carried forward to next Performance Fee Period.

\* all examples assume no subscriptions/redemptions during the Performance Fee Period.

**SUPPLEMENT 4**  
**DATED 1 JULY 2024 TO THE PROSPECTUS ISSUED FOR CHIKARA FUNDS**  
**PLC**

**CHIKARA JAPAN INCOME AND GROWTH FUND**

This Supplement contains information relating specifically to the Chikara Japan Income and Growth Fund (the “Fund”), a sub-fund of Chikara Funds plc (the “Company”), an open-ended umbrella type investment company with variable capital and segregated liability between Funds authorised by the Central Bank on 1 March 2007 as a UCITS pursuant to the UCITS Regulations. Shares are also available in four other sub-funds of the Company, the Chikara Japan Alpha Fund, the Chikara Asian Evolution Fund, the Chikara Indian Subcontinent Fund and the Chikara Global Emerging Markets Opportunities Fund.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 1 July 2024 (the “Prospectus”).**

Shareholders and prospective investors should note that all or part of the fees and expenses may be charged to the capital of the Fund. If all or part of the fees and expenses of the Fund are charged to the capital of the Fund this would have the effect of lowering the capital value of an investment in the Fund. Capital may be eroded and “income” will be achieved by foregoing the potential for future capital growth. Thus, on redemptions of Shares, Shareholders may not receive back the full amount invested.

The Directors of the Company whose names appear in the Prospectus under the heading “Management and Administration” accept responsibility for the information contained in this Supplement and the Prospectus. 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 Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.** Investors should read and consider the section entitled “Risk Factors” before investing in the Fund.

**Profile of a Typical Investor**

The Fund is suitable for high net worth individuals, institutional and retail investors seeking a fund with a combined income and capital appreciation objective over the long term and are comfortable with the level of volatility associated with an equity investment.

## 1. Interpretation

The expressions below shall have the following meanings:

“Business Day”	means any day (except Saturday or Sunday) on which banks in Dublin, London and Tokyo are generally open for business or such other day or days as may be determined by the Directors and notified to Shareholders in advance.
“Dealing Day”	means each day which is a Business Day, or such other day or days as may be determined by the Directors, in consultation with the Manager, and notified to Shareholders in advance provided that there shall be at least one Dealing Day every fortnight.
“Dealing Deadline”	means 12.00 noon Irish time on the Business Day before each Dealing Day or such other time as the Directors may determine and notify to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.
“Initial Offer Period”	means the period during which a Class of Shares is first offered for subscription at the Initial Price, as specified in the section entitled “Initial Offer Period and Initial Price” below.
“Initial Price”	means, in relation to the EUR (unhedged) Accumulation Class and EUR (unhedged) S Accumulation Class, €10 per Share.
“S Share Classes”	means, together, the EUR (unhedged) S Accumulation Class, the GBP S Accumulation Class, GBP S Income Class, USD S Accumulation Class, USD S Income Class, JPY S Accumulation Class, GBP (unhedged) S Income Class and JPY S Income Class.
“Valuation Point”	means 12.00 noon Irish time on each Dealing Day.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## 2. **Base Currency**

The Base Currency shall be Japanese Yen. The Net Asset Value per Share will be published and subscriptions and redemptions will be effected in the designated currency of each Class.

## 3. **Investment Objective**

The investment objective of the Chikara Japan Income and Growth Fund is to generate income alongside capital appreciation.

## 4. **Investment Policy**

The investment objective will be achieved by investing primarily on a long-only basis in a concentrated portfolio of equities of companies listed or traded on Recognised Exchanges in Japan which have their registered office or conduct a predominant part of their economic activity in Japan and are seen as undervalued with strong balance sheets and sound business franchises but also can offer a return to shareholders through either dividend yields or share buybacks. These stocks typically fall into three key opportunity sets; Dividend Growth, Stable Yield, and Special Situations, which are set out in further detail directly below.

### ***Stable Yield***

The dividend yield of these companies will be above the average for listed or quoted Japanese companies. The annual pay-out to investors is considered by the Investment Manager to be stable based on the Investment Manager's understanding of both the industry and the company financial and operational strengths, as well as the commitment of the company's management to maintaining a consistent dividend policy. The key characteristics for companies in this category are: (i) dividend yield significantly above the Japanese market average; (ii) stable operating cash flow; (iii) strong balance sheet; and (iv) management commitment to a stable and sustainable dividend payment.

### ***Dividend Growth***

The dividend yield of these companies is higher than the dividend average for listed or quoted Japanese companies but the Investment Manager considers that they have the ability and the willingness to increase the dividend payment over time, based on the Investment Manager's analysis of their operating cash flow and strength of balance sheet, and critically, on direct contact with the companies' management. Additionally, company management will have an historical track record and/or dividend policy which demonstrates that the dividend will be, in the Investment Manager's opinion, at worst maintained even when earnings suffer short term downturns. The key characteristics for companies in this category are: (i) dividend yield above the Japanese market average; (ii) improving operating cash flow; (iii) healthy balance sheet; and (iv) management commitment to increasing dividend payments.



### ***Special Situations***

Specific factors such as changing regulations, tax considerations, shareholder structures and management attitudes may offer the greatest opportunity for investment return. The current dividend yield of these companies may be lower than that of the average in Japan. However, the Investment Manager believes that the changes identified by it suggest an increased likelihood of rising distributions to shareholders in the near future. The key characteristics of companies in this category are: (i) overcapitalised balance sheet; (ii) strong operating cash flow; and (iii) management policy favouring shareholder returns.

The reference to changing management attitudes relates to their view on shareholder returns i.e. the management has changed or existing management has changed their views in favour of shareholder returns.

The Investment Manager's investment philosophy emphasises fundamental, proprietary research to identify potential companies, supported, where possible, by direct company meetings conducted by the dedicated and experienced Japan team at the Investment Manager.

The Fund will invest the majority of its assets in selected companies that have their registered office, or conduct a predominant part of their economic activity, in Japan.

The Fund will not follow any particular sectoral focus or market capitalisation.

In the pursuit of its investment objective, the Fund may also invest up to 10% of its Net Asset Value in exchange traded funds ("ETFs") which have exposure to the Recognised Exchanges referred to above. Such ETFs shall be UCITS and/or non-UCITS schemes and may be open ended or closed ended. Any investment in closed ended ETFs will only be made on the basis that such investment constitutes an investment in transferable securities.

On occasion, the Fund may invest up to 5% of its Net Asset Value in special purpose acquisition companies ("SPAC"). For the avoidance of doubt, after the SPAC has merged with the target company and has its own business, it will cease to be categorised as a SPAC and will no longer contribute towards the up to 5% allocation to SPACs.

## **5. Derivatives**

The Fund does not invest in derivatives with the exception of foreign exchange forwards for currency hedging as further described in the section entitled "Hedged Classes" contained in the Prospectus.

## **6. Share Classes**

At the date of this Supplement the Fund has established the following Classes of Shares with the respective currencies listed below:

<b>Class</b>	<b>Currency</b>	<b>Hedged Against Base Currency</b>
EUR (unhedged) Accumulation Class	EUR	No
GBP Accumulation Class	GBP	Yes
JPY Accumulation Class	JPY	N/A
USD Accumulation Class	USD	Yes
GBP S Accumulation Class	GBP	Yes
JPY S Accumulation Class	JPY	N/A
USD S Accumulation Class	USD	Yes
GBP Income Class	GBP	Yes
JPY Income Class	JPY	N/A
USD Income Class	USD	Yes
EUR (unhedged) S Accumulation Class	EUR	No
GBP S Income Class	GBP	Yes
JPY S Income Class	JPY	N/A
USD S Income Class	USD	Yes
GBP (unhedged) S Income Class	GBP	No
GBP Accumulation (Management) Class	GBP	Yes
GBP (unhedged) Accumulation Class	GBP	No
GBP (unhedged) Income Class	GBP	No

Shares in GBP Accumulation (Management) Class shall only be available for subscription by the categories of investor listed below, or any nominee thereof:

- (iv) the Investment Manager;
- (v) employees of the Investment Manager;
- (vi) the spouse, partner, children (provided they are over the age of 18) or siblings of employees of the Investment Manager;
- (iv) clients of the Investment Manager who have given a discretionary asset manager mandate to the Investment Manager; and
- (vii) any pension scheme or trust that is established for the benefit of one or more of the persons set out in (ii) and (iii) above.

### **Initial Offer Period and Initial Price**

The Initial Offer Period of those Share Classes marked 'Open' in the table below will close at 5:00 p.m. on 31 December 2024 or such earlier or later date as the Directors may in their absolute discretion determine having notified the Central Bank.

During the Initial Offer Period, Shares will be issued at the Initial Price and thereafter will be issued at the Net Asset Value per Share.

<b>Class</b>	<b>Initial Offer Period</b>
EUR (unhedged) Accumulation Class	Open
EUR (unhedged) S Accumulation Class	Open

The Initial Offer Period in respect of all other Share Classes have now closed and such Shares are now issued at the Net Asset Value per Share.

## 7. Minimum Subscription and Minimum Holding

Investors shall be required to adhere to the following Minimum Subscription and Minimum Holding requirements in respect of the each Share Class:

<b>Class</b>	<b>Minimum Subscription</b>	<b>Minimum Holding</b>
EUR (unhedged) Accumulation Class	€1000	N/A
GBP Accumulation Class	£1000	N/A
JPY Accumulation Class	JPY equivalent of \$1,000	N/A
USD Accumulation Class	\$1000	N/A
GBP Income Class	£1000	N/A
JPY Income Class	JPY equivalent of \$1,000	N/A
USD Income Class	\$1000	N/A
GBP Accumulation (Management) Class	£1000	N/A
GBP (unhedged) Accumulation Class	£1000	N/A
GBP (unhedged) Income Class	£1000	N/A
GBP S Accumulation Class	£1,000,000	N/A
GBP S Income Class	£1,000,000	N/A
GBP (unhedged) S Income Class	£1,000,000	N/A
JPY S Accumulation Class	JPY equivalent of \$1,000,000	N/A
JPY S Income Class	JPY equivalent of \$1,000,000	N/A
USD S Accumulation Class	\$1,000,000	N/A
USD S Income Class	\$1,000,000	N/A
EUR (unhedged) S Accumulation Class	€1,000,000	N/A

The Directors have discretion, under the Articles of Association, to waive or reduce the Minimum Subscription or Minimum Holding with respect to any Shareholder or applicant for Shares. The Directors have delegated this right to the Investment Manager. The Investment Manager may group amounts of less than the Minimum Subscription being managed for individual investors in order to make up to the total Minimum Subscription amount.

## **8. Application for Shares**

Completed Subscription Forms may be submitted to the Administrator on behalf of the Company. Completed Subscription Forms received by the Administrator prior to the Dealing Deadline for any Dealing Day will be processed effective as of that Dealing Day. Any such subscription shall be effected at the Net Asset Value per Share. Applications in respect of Shares during the Initial Offer Period must be received by the Administrator by the Dealing Deadline on the last Business Day of the Initial Offer Period.

Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day unless, in exceptional circumstances, the Directors, in their absolute discretion, otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day.

In the case of applicants who have not previously subscribed for Shares in the Company, a completed Subscription Form will only be accepted after the Account Opening Form has been processed and all supporting documentation is to the satisfaction of the Administrator.

Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Shares prior to subscribing to the relevant Fund. Applicants will be required to represent (which representation will form part of the Subscription Form) that they have received and read a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Document(s)/Key Information Document(s) will be available at [www.fundinfo.com](http://www.fundinfo.com).

Account Opening Forms and Subscription Forms may be obtained from the Distributor or Administrator but may, if the Company or its delegate so determines, be made by telefax or other electronic means, subject to prompt transmission to the Administrator of the signed Account Opening Form and such other papers as may be required by the Company or its delegate. No Shares will be issued to an investor until the Administrator is in receipt of the signed Account Opening Form and such other documents as may be required from that investor. Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator by telefax or other electronic means or such other means as may be permitted by the Directors without a requirement to submit original documentation and such applications should contain such information as may be specified from time to time by the Directors or their

delegate. All applications for Shares carried out by telefax or other electronic means should be verified by the applicant by telephone to the Administrator to confirm receipt of their fax or by other electronic instruction. In accordance with the requirements of the Central Bank and in consultation with the Administrator, subsequent applications may also be accepted by telephone. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

### **Fractions**

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than 0.001 of a Share.

Subscription monies, representing less than 0.001 of a Share will not be returned to the investor but will be retained by the Company in order to defray administration costs.

### **Method of Payment**

Subscription payments net of all bank charges should be paid by CHAPS, SWIFT or telegraphic or electronic transfer to the bank account specified in the Account Opening Form enclosed with this Prospectus. Other methods of payment are subject to the prior approval of the Investment Manager. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

### **Currency of Payment**

Subscription monies are payable in the designated currency of the relevant Class and will not be accepted in any currency other than the designated currency of the relevant Class.

### **Timing of Payment**

Payment in respect of subscriptions must be received in cleared funds by the Administrator no later than two Business Days after the relevant Dealing Day. If payment in cleared funds in respect of a subscription has not been received by the settlement deadline, the Company or its delegate may cancel the allotment and/or charge the investor for any losses, costs or expenses incurred by the Fund or the Company, where applicable, as a result of the failure or default of the investor to transmit subscription monies in immediately available funds for the account of the Fund by the settlement deadline. Any losses, costs or expenses incurred by the Fund and charged to the investor will be paid into the Fund.

The Investment Manager may waive either of such charges in whole or in part. In addition, the Investment Manager has the right to sell all or part of the

investor's holding of Shares in the Fund or any other Fund of the Company in order to meet such charges.

### **Confirmation of Ownership**

Confirmation of each purchase of Shares will usually be sent to Shareholders within 1 Business Day of calculation of the Net Asset Value per Share and, in any event, no later than 6 Business Days after the purchase of Shares. Title to Shares will be evidenced by the entering of the investor's name on the Company's register of Shareholders and no certificates will be issued.

## **9. Redemption of Shares**

Requests for the redemption of Shares should be made to the Administrator whose details are set out in the Account Opening Form on behalf of the Company by facsimile or written communication or telephone or by other electronic means or such other means as may be permitted by the Directors and should include such information as may be specified from time to time by the Directors or their delegate. Requests for redemption received prior to the Dealing Deadline for any Dealing Day will be processed effective as of that Dealing Day provided that Shares will be redeemed at the Net Asset Value per Share at the Valuation Point relevant to that Dealing Day. Any requests for redemption received after the Dealing Deadline for a Dealing Day will be processed on the next Dealing Day unless, in exceptional circumstances the Directors, in consultation with the Manager, determine otherwise. No redemption payment will be made from an investor holding until cleared funds and the Account Opening Form are in place from the original subscription and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed.

In the event of a Shareholder requesting a redemption which would, if carried out, leave the Shareholder holding Shares having a Net Asset Value less than the Minimum Holding, the Company may, at the discretion of the Investment Manager, redeem the whole of the Shareholder's holding.

The redemption price per Share shall be the Net Asset Value per Share.

### **Method of Payment**

Redemption payments will be made to the bank account detailed on the Account Opening Form or as subsequently notified to the Administrator in writing signed by an authorised signatory of the Shareholder. Redemption payments following processing of redemption requests received by telefax or telephone or by other electronic means will only be made to the account of record of a Shareholder.

## **Currency of Payment**

Shareholders will be repaid in the designated currency of the relevant Class. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Distributor/Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

## **Timing of Payment**

Redemption proceeds in respect of Shares will normally be paid within two Business Days of the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator.

## **Withdrawal of Redemption Requests**

Requests for redemption may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Fund.

## **Compulsory/Total Redemption**

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the sub-headings "Compulsory Redemption of Shares/Deduction of Tax" and "Total Redemption of Shares".

## **10. Conversion of Shares**

Subject to the Minimum Subscription and Minimum Holding requirements of the relevant Fund or Classes, Shareholders may request conversion of some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading "Conversion of Shares".

## **11. Suspension of Dealing**

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the Prospectus under the heading "Suspension of Valuation of Assets". Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

## 12. Fees and Expenses

The Fund shall bear (i) the fees and expenses relating to the establishment of the Fund which may be amortised over the first five Accounting Periods of the Fund or such other period as the Directors may determine and in such manner as the Directors in their absolute discretion deem fair; and (ii) its attributable portion of the fees and operating expenses of the Company.

In each of (i) and (ii) above, the fees and expenses may be charged to the capital of the Fund, as a result, investors should note that capital may be eroded and that income will be achieved by forgoing the potential for future capital growth. The rationale for charging fees and expenses to capital is that the generation of income rather than capital growth is deemed a priority of the investors.

The fees and operating expenses of the Company are set out in detail under the heading “Fees and Expenses” in the Prospectus. The fees payable out of the Fund’s assets to the Investment Manager are as follows:

### **Management Fees:**

#### **Management Fee**

Under the provisions of the Management Agreement, the Company will pay the Manager a fee of up to 0.015% per annum of the Net Asset Value of the Company as of the relevant Valuation Date (plus VAT, if any), subject to a minimum fee of €50,000 based on a single Fund and €12,500 for each additional Fund per annum.

The management fee will accrue daily and will be payable monthly in arrears (and pro rata for lesser periods).

#### **Investment Management Fee**

The Fund has agreed to pay the Investment Manager a monthly management fee in arrears of 1/12th of 0.75% (approximately 0.75% per annum) of the Net Asset Value attributable to GBP S Accumulation Class, JPY S Accumulation Class, USD S Accumulation Class, GBP S Income Class, JPY S Income Class, USD S Income Class, GBP (unhedged) S Income Class and the EUR (unhedged) S Accumulation Class.

The Fund has agreed to pay the Investment Manager a monthly management fee in arrears of 1/12th of 0.90% (approximately 0.90% per annum) of the Net Asset Value attributable to the EUR Accumulation Class, GBP Accumulation Class, JPY Accumulation Class, USD Accumulation Class, GBP Income Class, JPY Income Class, USD Income Class, GBP (unhedged) Accumulation Class and GBP (unhedged) Income Class.

The abovementioned fees are not applicable to GBP Accumulation



(Management) Class.

In the event that the Company is liquidated, or the Fund or the Investment Management Agreement is terminated, prior to the end of a month, the Investment Manager shall receive the amount of the Investment Management Fee prorated through the effective date of the liquidation or termination of the Investment Management Agreement or the Fund, as appropriate.

### **Performance Fee**

No Class of Share of the Fund is subject to a performance fee. However, other Classes of Shares, which may be established in the future, may be subject to performance fees in such amount or amounts as shall be specified in this Supplement.

### **Other Fees:**

#### **Administrator's Fees**

The Administrator shall receive an annual fee, which shall accrue and be payable monthly in arrears, of up to 0.12% of the Company's Net Asset Value (subject to a minimum monthly fee in respect of the Fund of \$5,000 (for up to 3 Share Classes) and an additional \$250 for each share class thereafter).

#### **Depository's Fee**

The Depository shall receive an annual fee, which shall accrue and be payable monthly in arrears, of 0.02% of the first US\$250 million of the Company's Net Asset Value, 0.0150% of the next US\$250 million of the Company's Net Asset Value, 0.0125% of the next US\$500 million of the Company's Net Asset Value; and 0.01% of the Company's Net Asset Value thereafter (subject to a minimum monthly fee of \$1,000 in respect of the Fund). The Depository also receives an annual safekeeping fee which is at normal commercial rates and is forwarded directly to the relevant sub-custodian.

#### **Northern Trust Company, London Branch**

The Company has appointed Northern Trust Company London ("Northern Trust") to provide currency hedging transaction services. Northern Trust shall be entitled, for such services, to transactional fees which shall be at normal commercial rates and shall be paid out of the assets of the relevant Sub-Fund as attributable to the relevant Class of Shares being hedged.

### **13. Dividend Policy**

The following Share Classes will be accumulating Share Classes where no dividend will be declared and where any net investment income attributable to each Class will be accumulated in the respective Net Asset Value per Share of each Class:

- EUR (unhedged) Accumulation Class;
- GBP Accumulation Class;
- GBP (unhedged) Accumulation Class;
- JPY Accumulation Class;
- USD Accumulation Class;
- GBP S Accumulation Class;
- JPY S Accumulation Class;
- USD S Accumulation Class;
- GBP Accumulation (Management) Class;
- EUR (unhedged) S Accumulation Class

(collectively the “Accumulating Share Classes”).

It is intended that the following Share Classes will be distributing Share Classes:

- GBP Income Class;
- GBP (unhedged) Income Class;
- JPY Income Class;
- USD Income Class;
- GBP (unhedged) S Income Class;
- GBP S Income Class;
- JPY S Income Class; and
- USD S Income Class

(collectively the “Income Share Classes”).

Dividends, if declared, will be paid at least on a semi-annual basis and, where deemed appropriate by the Directors, on a quarterly basis. Dividends, if declared semi-annually, will normally be declared in March and September of each year and, if declared quarterly, will also be declared in June and December of each year. Dividends will be paid within four months of declaration.

The Company has applied for and received approval from HM Revenue and Customs (“HMRC”) for certification of all Classes (i.e. Accumulating Share Classes and Income Share Classes) as reporting funds as defined in the Offshore Funds (Tax) Regulations 2009.

The Company will make available a report in accordance with the reporting fund regime for each reporting period to each of its UK investors who hold an interest in a reporting fund, on or before 31 July in respect of each previous Accounting Period ended 30 November. Such report shall also be made available on the website of the Investment Manager. It is noted that under the reporting funds regime, reported income may give rise to a tax charge without a corresponding distribution being made.

Although the Directors will endeavour to ensure that certification as a “reporting fund” is maintained, there can be no guarantee that it will continue to be available

for future periods of account of the Company. As a consequence of the investment management fees being charged to the capital of the Fund, the capital may be eroded and the income of the Fund shall be achieved by foregoing the potential for future capital growth. Distributions made during the life of the Fund must therefore be understood as a type of capital reimbursement. The Directors intend to take all practicable steps, consistent with applicable laws, regulatory requirements and investment objectives and policies of the Fund to maintain the status of each Class as a reporting Fund. The exact conditions that must be fulfilled in order to maintain reporting fund status may be affected by changes in HMRC practice or by changes to the provisions of the relevant legislation.

Dividends in relation to the Income Share Classes may be paid out of the net income of the Fund attributable to the Income Share Classes (whether in the form of dividends, interest or otherwise) and net realised and unrealised gains (i.e. realised and unrealised capital gains net of all realised and unrealised losses) of the Fund attributable to the Income Share Classes, subject to certain adjustments. Dividends which are not claimed or collected within six years of payment shall revert to and form part of the assets of the Fund. Dividends will be paid by bank transfer at the expense of Shareholders. Shareholders may elect to re-invest dividends in additional Shares in the Fund by ticking the appropriate box on the Application Form.

Dividends declared shall not be paid to Shareholders until the original Application Form and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) have been received from the relevant Shareholder(s). Until the relevant anti-money laundering procedures have been completed, dividends payable to Shareholders shall be held by the Depositary for and on behalf of the Fund in a non-interest bearing account.

Where the amount of any distribution payable to an individual Shareholder would be less than ¥1,000, \$10 or £10, as appropriate to the relevant Class, the Directors in their sole discretion may determine that such amount shall not be distributed but shall be retained and reinvested within and for the benefit of the Fund.

Where the amount of any dividend payable to an individual Shareholder would be less than ¥25,000, \$250 or £250, as appropriate to the relevant Class, the Directors in their sole discretion may determine not to pay any such dividend and, instead issue and credit to the account of the relevant Shareholder the number of Shares in the Fund as are as nearly as possible equal in value to but not in excess of the amount of such dividend at the date of issue of such additional Shares. A preliminary charge or sales charge shall not be deducted from such amount.

#### **14. Risk Factors**

The attention of investors is drawn to the “Risk Factors” section in the Section of

the Prospectus entitled “The Company”. In addition, the following risk factors are specific to the Fund:

***Capital Erosion Risk***

As the fees and expenses of the Fund may be charged to the capital of the Fund, there is a greater risk of capital erosion of the Fund arising from the lack of potential for capital growth. Where the Fund experiences capital erosion, it is likely that the value of future returns would also be diminished.

**SUPPLEMENT 5**  
**DATED 1 JULY 2024 TO THE PROSPECTUS ISSUED FOR CHIKARA FUNDS**  
**PLC**

**CHIKARA GLOBAL EMERGING MARKETS OPPORTUNITIES FUND**

This Supplement contains information relating specifically to the Chikara Global Emerging Markets Opportunities Fund (the “**Fund**”), a sub-fund of Chikara Funds plc (the “**Company**”), an open-ended umbrella type investment company with variable capital and segregated liability between sub-funds authorised by the Central Bank on 1 March 2007 as a UCITS pursuant to the UCITS Regulations. Shares are also available in four other sub-funds of the Company, the Chikara Japan Alpha Fund, the Chikara Japan Income and Growth Fund, the Chikara Asian Evolution Fund and the Chikara Indian Subcontinent Fund.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 1 July 2024 (the “Prospectus”).**

The Directors of the Company whose names appear in the Prospectus under the heading “Management and Administration” accept responsibility for the information contained in this Supplement and the Prospectus. 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 Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.** Investors should read and consider the section entitled “Risk Factors” before investing in the Fund.

**Profile of a Typical Investor**

The Fund is suitable for high net worth individuals, institutional and retail investors seeking capital growth over the long term with a moderate to high level of volatility.

**1. Interpretation**

The expressions below shall have the following meanings:

**“Class A Shares”** means the Class A (USD) Shares, the Class A (GBP) Shares, the Class A (EUR) Shares and the Class A (CHF) Shares;

**“Class B Shares”** means the Class B (USD) Shares, the Class B (GBP) Shares, the Class B (EUR) Shares and the Class B (CHF) Shares;

<b>“Class F Shares”</b>	means the Class F (USD) Shares, the Class F (GBP) Shares, the Class F (EUR) Shares and the Class F (CHF) Shares;
<b>“Business Day”</b>	means any day (except Saturday or Sunday) on which banks in Dublin, London and New York are generally open for business or such other day or days as may be determined by the Directors and notified to Shareholders in advance.
<b>“Dealing Day”</b>	means each day which is a Business Day, or such other day or days as may be determined by the Directors, in consultation with the Manager, and notified to Shareholders in advance provided that there shall be at least one Dealing Day every fortnight.
<b>“Dealing Deadline”</b>	means 12.00 noon Irish time on the Business Day before each Dealing Day or such other time as the Directors may determine and notify to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.
<b>“Emerging Markets”</b>	means any country which is not classified as a developed market by MSCI or FTSE, or which are categorised by the World Bank as middle or low-income, or which are not members of the Organisation for Economic Co-operation and Development.
<b>“Initial Offer Period”</b>	means the period during which a Class of Shares is first offered for subscription at the Initial Price, as specified in the section entitled “Initial Offer Period and Initial Price” below.
<b>“Initial Price”</b>	means €10, £10, \$10 or CHF10 per Share, as appropriate to the relevant Class.
<b>“Valuation Point”</b>	means 12.00 noon Irish time on each Dealing Day.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## 2. Base Currency

The Base Currency shall be United States Dollars. The Net Asset Value per Share will be published and subscriptions and redemptions will be effected in the designated currency of each Class.

### 3. Investment Objective

The investment objective of the Chikara Global Emerging Markets Opportunities Fund is to achieve capital growth over the long term.

### 4. Investment Policy

The Fund will seek to achieve the investment objective by investing in the equity of companies that conduct a proportion of their business in, or generate revenues from, Emerging Markets on a global basis, and which are listed on Recognised Exchanges. As a result, the Fund is generally expected to have a strong focus on, and exposure to, economic activity in Emerging Markets.

The focus of the Fund is to generate long term capital growth by investing in companies that the Investment Manager determines have strong governance arrangements, strong balance sheets and are not overvalued. The Investment Manager's investment philosophy uses fundamental, proprietary research to identify potential companies supported, where possible, by direct company meetings conducted by the dedicated and experienced Emerging Markets team at the Investment Manager.

The Fund intends to invest in India through the Foreign Portfolio Investment ("FPI") regime. Further details on the FPI regime are set out in Section 5 below. The Fund is registered as a Category I FPI.

In the pursuit of its investment objective, the Fund may also invest up to 10% of its Net Asset Value in exchange traded funds ("ETFs") which have exposure to the Recognised Exchanges referred to above. Such ETFs shall be UCITS and/or non-UCITS schemes and may be open ended or closed ended, however, the Fund will not invest in US ETFs. Any investment in closed ended ETFs will only be made on the basis that such investment constitutes an investment in transferable securities.

The Fund will not invest in Russia or in securities traded on Russian markets.

The Fund may invest in A-Shares of Chinese companies, denominated in RMB, listed on the Shanghai or Shenzhen stock exchanges ("**China A-Shares**") via the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect (collectively "**Stock Connect**"). Stock Connect is a cross-boundary investment channel that connects the Shanghai and Shenzhen Stock Exchange with the Hong Kong Stock Exchange. The aim of Stock Connect is for foreign investors to achieve stock market access to the People's Republic of China ("**PRC**") via Hong Kong. Further detail in respect of Stock Connect and its attendant risks can be found in the sections of the Prospectus headed "Stock Connect" and "Risks Associated with the Use of Stock Connect".

### 5. Sustainability

The Fund complies with Article 6 of SFDR. Although sustainability risks are integrated into the Investment Manager's investment decision making processes, the Fund does not promote environmental or social characteristics within the meaning of Article 8 of SFDR, nor does the Fund have sustainable investment as its objective within the meaning of Article 9 of the SFDR. Further information regarding sustainability can be found in the section of the Prospectus headed "Integration of Sustainability Risks into the Investment Process".

## 6. Regime for Foreign Investors Investing into India

The Foreign Portfolio Investment ("FPI") regime is a regime for foreign investment into India which was introduced pursuant to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations 2014 (the "FPI Regulations"). It was implemented on 1 June 2014 (and amended by the FPI Regulations 2019). The key features of the FPI regime are as follows:

- there is a unified route for foreign portfolio investments in India;
- Under the FPI Regulations, SEBI authorises Designated Depository Participants to authorise and certify the FPIs;
- FPIs are classified into two main categories based on the type of entities and their risk profiles. The two categories are as follows:

### (iii) Category I

- a. Government and Government related investors such as central banks, sovereign wealth funds and international organisations or agencies;
- b. University funds and pension funds;
- c. Appropriately regulated entities such as banks, insurance or reinsurance entities, asset management companies, investment managers/advisors, portfolio managers, broker dealers and swap dealers;
- d. Entities from FATF member countries which are as follows:
  - i. Appropriately regulated funds;
  - ii. Unregulated funds whose investment manager is appropriately regulated and registered as a Category I FPI;
  - iii. University related endowments funds of universities in existence for more than 5 years
- e. Other entities which include:
  - i. Entities whose investment manager is from the FATF member country and such investment is registered as Category I FPI
  - ii. Any entity of FATF member country of which at least 75% owned, directly or indirectly by another entity, which are eligible to be registered as Category I FPI.



(iv) **Category II**

all other entities which are not eligible under Category I are eligible as a Category II FPI such as;

- i. Appropriately regulated funds not eligible as a Category I FPI;
- ii. Endowments and foundations
- iii. Charitable organisations
- iv. Corporate bodies
- v. Family offices
- vi. Individuals
- vii. Unregulated funds in the form of limited partnerships and trusts
- viii. Appropriately regulated entities investing on behalf of their clients.

All investments made by FPIs are subject to the provision of the FPI Regulations.

FPIs may only invest in those securities listed in the FPI Regulations at Regulation 21. Total holding by each FPI must be below 10% of the total issued equity share capital of the relevant Indian company.

For the avoidance of doubt, the Fund will always make investments in accordance with its investment policy, as detailed in the “Investment Policy” section above.

**7. Derivatives**

The Fund does not invest in derivatives with the exception of foreign exchange forwards for any currency hedging as will be further described in the section entitled “Hedged Classes” contained in the Prospectus.

**8. Share Classes**

At the date of this Supplement the Fund has established the following Classes of Shares with the respective currencies listed below:

<b>Class</b>	<b>Currency</b>	<b>Hedged Against Base Currency</b>
A (USD)	USD	N/A
A (EUR)	EUR	N/A
A (CHF)	CHF	N/A
A (GBP)	GBP	N/A
B (USD)	USD	N/A
B (EUR)	EUR	N/A
B (CHF)	CHF	N/A
B (GBP)	GBP	N/A
F (USD)	USD	N/A
F (EUR)	EUR	N/A
F (CHF)	CHF	N/A
F (GBP)	GBP	N/A

## 9. Initial Offer Period and Initial Price

The Initial Offer Period of those Share Classes marked 'Open' in the table below will close at 5:00 p.m. on 31 December 2024 or such earlier or later date as the Directors may in their absolute discretion determine having notified the Central Bank.

During the Initial Offer Period, Shares will be issued at the Initial Price and thereafter will be issued at the Net Asset Value per Share.

<b>Class</b>	<b>Initial Offer Period</b>
A (USD)	Open
A (EUR)	Open
A (CHF)	Open
B (EUR)	Open
F (EUR)	Open
F (CHF)	Open

The Initial Offer Period in respect of all other Share Classes has now closed and such Shares are now issued at the Net Asset Value per Share.

## 10. Minimum Subscription and Minimum Holding

Investors shall be required to adhere to the following Minimum Subscription and Minimum Holding requirements in respect of each Share Class:

<b>Class</b>	<b>Minimum Subscription</b>	<b>Minimum Holding</b>
A (USD)	\$1000	N/A
A (GBP)	£1000	N/A
A (EUR)	€1000	N/A
A (CHF)	CHF1000	N/A
B (USD)	\$1,000,000	N/A
B (GBP)	£1,000,000	N/A
B (EUR)	€1,000,000	N/A
B (CHF)	CHF1,000,000	N/A
F (USD)	\$5,000,000	N/A
F (GBP)	£5,000,000	N/A
F (EUR)	€5,000,000	N/A
F (CHF)	CHF5,000,000	N/A

The Directors have discretion, under the Articles of Association, to waive or reduce the Minimum Subscription with respect to any applicant for Shares, where they consider that doing so will be in the best interests of the Company. The Directors have delegated the exercise of this discretion to the Investment Manager. The Investment Manager may group amounts of less than the Minimum Subscription being managed for individual investors in order to make up to the total Minimum Subscription amount.

The Class F Shares shall be open to new subscription applications for such as time as the Fund's Net Asset Value remains below \$100 million, although existing Class F Shareholders shall be entitled to make an application to subscribe for additional Class F Shares at any time.

## **11. Application for Shares**

Completed Subscription Forms may be submitted to the Administrator on behalf of the Company. Completed Subscription Forms received by the Administrator prior to the Dealing Deadline for any Dealing Day will be processed on the Business Day following that Dealing Day. Any such subscription shall be effected at the Net Asset Value per Share.

Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day unless the Directors in their absolute discretion otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day.

In the case of applicants who have not previously subscribed for Shares in the Company, a completed Subscription Form will only be accepted after the Account Opening Form has been processed and all supporting documentation is to the satisfaction of the Administrator.

Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Shares prior to subscribing to the relevant Fund. Applicants will be required to represent (which representation will form part of the Subscription Form) that they have received and read a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Document(s) will be available at [www.fundinfo.com](http://www.fundinfo.com).

Account Opening Forms and Subscription Forms may be obtained from the Distributor or Administrator but may, if the Company or its delegate so determines, be made by telefax or by other electronic means, subject to prompt transmission to the Administrator of the signed Account Opening Form and such other papers (as may be required by the Company or its delegate. No Shares will be issued to an investor until the Administrator is in receipt of the original signed Account Opening Form and such other documents as may be required from that investor. Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator by telefax or other electronic means or such other means as may be permitted by the Directors and such applications should contain such information as may be specified from time to time by the Directors or their delegate. All applications for Shares carried out by telefax or other electronic means should be verified by the applicant by telephone to the Administrator to confirm receipt of their fax or other electronic instruction. In accordance with the requirements of the Central Bank and in consultation with the Administrator, subsequent applications may also be accepted by telephone.

Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

### **Fractions**

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than 0.001 of a Share.

Subscription monies, representing less than 0.001 of a Share will not be returned to the investor but will be retained by the Company in order to defray administration costs.

### **Method of Payment**

Subscription payments net of all bank charges should be paid by CHAPS, SWIFT or telegraphic or electronic transfer to the bank account specified in the Account

Opening Form enclosed with this Prospectus. Other methods of payment are subject to the prior approval of the Investment Manager. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

### **Currency of Payment**

Subscription monies are payable in the designated currency of the relevant Class and will not be accepted in any currency other than the designated currency of the relevant Class.

### **Timing of Payment**

Payment in respect of subscriptions must be received in cleared funds by the Administrator no later than two Business Days after the relevant Dealing Day. If payment in cleared funds in respect of a subscription has not been received by the settlement deadline, the Company or its delegate may cancel the allotment and/or charge the investor for any losses, costs or expenses incurred by the Fund or the Company, where applicable, as a result of the failure or default of the investor to transmit subscription monies in immediately available funds for the account of the Fund by the settlement deadline. Any losses, costs or expenses incurred by the Fund and charged to the investor will be paid into the Fund.

In addition, the Investment Manager has the right to sell all or part of the investor's holding of Shares in the Fund or any other Fund of the Company in order to meet such charges.

### **Confirmation of Ownership**

Confirmation of each purchase of Shares will usually be sent to Shareholders within 1 Business Day of calculation of the Net Asset Value per Share and, in any event, no later than 6 Business Days after the purchase of Shares. Title to Shares will be evidenced by the entering of the investor's name on the Company's register of Shareholders and no certificates will be issued.

## **12. Redemption of Shares**

Requests for the redemption of Shares should be made to the Administrator whose details are set out in the Account Opening Form on behalf of the Company by facsimile or written communication or telephone or by other electronic means or such other means as may be permitted by the Directors and should include such information as may be specified from time to time by the Directors or their delegate. Requests for redemption received prior to the Dealing Deadline for any Dealing Day will be processed effective as of that Dealing Day provided that Shares will be redeemed at the Net Asset Value per Share at the Valuation Point relevant to that Dealing Day. Any requests for redemption received after the Dealing Deadline for a Dealing Day will be processed on the next Dealing Day unless the Directors, in consultation with the Manager, determine otherwise. No redemption payment will be made from an investor holding until cleared funds

and the original Account Opening Form are in place from the original subscription and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed.

In the event of a Shareholder requesting a redemption which would, if carried out, leave the Shareholder holding Shares having a Net Asset Value less than the Minimum Holding (if applicable), the Company may, at the discretion of the Investment Manager, redeem the whole of the Shareholder's holding.

The redemption price per Share shall be the Net Asset Value per Share.

### **Method of Payment**

Redemption payments will be made to the bank account detailed on the Account Opening Form or as subsequently notified to the Administrator in writing signed by an authorised signatory of the Shareholder. Redemption payments will only be made to the account of record of a Shareholder.

### **Currency of Payment**

Shareholders will be repaid in the designated currency of the relevant Class. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Distributor/Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

### **Timing of Payment**

Redemption proceeds in respect of Shares will normally be paid within two Business Days of the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator.

### **Withdrawal of Redemption Requests**

Requests for redemption may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Fund.

### **Compulsory/Total Redemption**

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the sub-headings "Compulsory Redemption of Shares/Deduction of Tax" and "Total Redemption of Shares".

## **13. Conversion of Shares**

Subject to the Minimum Subscription and Minimum Holding requirements of the relevant Fund or Classes, Shareholders may request conversion of some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading “Conversion of Shares”.

#### **14. Suspension of Dealing**

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the Prospectus under the heading “Suspension of Valuation of Assets”. Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

#### **15. Fees and Expenses**

The Fund shall bear (i) the fees and expenses relating to the establishment of the Fund, which are not expected to exceed \$50,000 and which may be amortised over the first five Accounting Periods of the Fund or such other period as the Directors may determine and in such manner as the Directors in their absolute discretion deem fair; and (ii) its attributable portion of the fees and operating expenses of the Company.

In each of (i) and (ii) above, the fees and expenses may be charged to the capital of the Fund, as a result, investors should note that capital may be eroded and that income will be achieved by forgoing the potential for future capital growth. The rationale for charging fees and expenses to capital is that the generation of income rather than capital growth is deemed a priority of the investors.

The fees and operating expenses of the Company are set out in detail under the heading “Fees and Expenses” in the Prospectus. The fees payable out of the Fund’s assets to the Investment Manager are as follows:

##### **Management Fees:**

##### **Management Fee**

Under the provisions of the Management Agreement, the Company will pay the Manager a fee of up to 0.015% per annum of the Net Asset Value of the Company as of the relevant Valuation Date (plus VAT, if any), subject to a minimum fee of €50,000 based on a single Fund and €12,500 for each additional Fund per annum.

The management fee will accrue daily and will be payable monthly in arrears (and pro rata for lesser periods).

## **Investment Management Fee**

The Fund has agreed to pay the Investment Manager a monthly management fee in respect of the Class A Shares in arrears of 1/12<sup>th</sup> of 1.0% (approximately 1.0% per annum) of the Net Asset Value per Share which shall be calculated and accrued weekly.

The Fund has agreed to pay the Investment Manager a monthly management fee in respect of the Class B Shares in arrears of 1/12<sup>th</sup> of 0.7% (approximately 0.7% per annum) of the Net Asset Value per Share which shall be calculated and accrued weekly.

The Fund has agreed to pay the Investment Manager a monthly management fee in respect of the Class F Shares in arrears of 1/12<sup>th</sup> of 0.5% (approximately 0.5% per annum) of the Net Asset Value per Share which shall be calculated and accrued weekly.

In the event that the Company is liquidated, or the Fund or the Investment Management Agreement is terminated, prior to the end of a month, the Investment Manager shall receive the amount of the Investment Management Fee prorated through the effective date of the liquidation or termination of the Investment Management Agreement or the Fund, as appropriate.

## **Performance Fee**

No Class of Share of the Fund is subject to a performance fee. However, other Classes of Shares, which may be established in the future, may be subject to performance fees in such amount or amounts as shall be specified in this Supplement at such time.

## **Other Fees:**

### **Administrator's Fees**

The Administrator shall receive an annual fee, which shall accrue and be payable monthly in arrears, of up to 0.12% of the Company's Net Asset Value (subject to a minimum monthly fee in respect of the Fund of \$3,500 (for up to 3 Share Classes) and an additional \$250 for each share class thereafter).

### **Depository's Fee**

The Depository shall receive an annual fee, which shall accrue and be payable monthly in arrears, of 0.02% of the first US\$250 million of the Company's Net Asset Value, 0.0150% of the next US\$250 million of the Company's Net Asset Value, 0.0125% of the next US\$500 million of the Company's Net Asset Value; and 0.01% of the Company's Net Asset Value thereafter (subject to a minimum monthly fee of \$1,000 in respect of the Fund). The Depository also receives an annual safekeeping fee which is at normal commercial rates and is forwarded by



the Depository directly to the relevant sub-custodian as reimbursement of sub-custodial fees and expenses.

### **Northern Trust Company, London Branch**

The Company has appointed Northern Trust Company London (“**Northern Trust**”) to provide currency hedging transaction services.

Northern Trust shall be entitled, for such services, to transactional fees which shall be at normal commercial rates and shall be paid out of the assets of the Fund as attributable to the relevant Class of Shares being hedged.

## **16. Dividends and Distributions**

It is intended that the Fund will be an accumulating fund where no dividend will be declared and where any net investment income attributable to each Class will be accumulated in the respective Net Asset Value per Share of each Class.

The Company has applied for and received approval from HM Revenue and Customs for certification of all Classes as reporting funds as defined in the Offshore Funds (Tax) Regulations 2009.

The Company will make available a report in accordance with the reporting fund regime for each reporting period to each of its UK investors who hold an interest in a reporting fund, on or before 31 July in respect of each previous Accounting Period ended 30 November. Such report shall also be made available on the website of the Investment Manager. It is noted that under the reporting funds regime, reported income may give rise to a tax charge without a corresponding distribution being made.

The Directors intend to take all practicable steps, consistent with applicable laws, regulatory requirements and investment objectives and policies of the Fund, to maintain the status of each Class as a reporting fund. The exact conditions that must be fulfilled in order to maintain reporting fund status may be affected by changes in HM Revenue and Customs practice or by changes to the provisions of the relevant legislation.

## **17. Risk Factors**

The attention of investors is drawn to the “Risk Factors” section in the Section of the Prospectus entitled “The Company”. In addition, the following risk factors are specific to the Fund:

### ***Emerging Markets Risk***

The Fund invests predominantly in issuers which are established in, or which conduct a proportion of their business in Emerging Markets. Investment in Emerging Markets involves risk factors and special considerations which may not be typically associated with investing in more developed markets. The

economies of these markets may differ significantly from the economies of certain developed countries in such respects as gross domestic product or gross national product, rate of inflation, currency depreciation, capital reinvestment, resource self-sufficiency, structural unemployment, and balance of payments position. In particular, these economies frequently experience high levels of inflation. In addition, such countries may have: restrictive national policies that limit the Fund's investment opportunities; limited information about their issuers; a general lack of uniform accounting, auditing and financial reporting standards, auditing practices and requirements compared to the standards of developed countries; less governmental supervision and regulation of business and industry practices, stock exchanges, brokers and listed companies; favourable economic developments that may be slowed or reversed by unanticipated political or social events in such countries; a lack of capital market structure or market-oriented economy; difficulties in obtaining and enforcing a judgment against a foreign issuer; or imposition of foreign withholding and other taxes.

Systemic and market factors in Emerging Markets may affect the acquisition, payment for or ownership of investments including: (a) the prevalence of crime and corruption; (b) the inaccuracy or unreliability of business and financial information; (c) the instability or volatility of banking and financial systems, or the absence or inadequacy of an infrastructure to support such systems; (d) custody and settlement infrastructure of the market in which such investments are transacted and held; (e) the acts, omissions and operation of any securities depository; (f) the risk of the bankruptcy or insolvency of banking agents, counterparties to cash and securities transactions, registrars or transfer agents; and (g) the existence of market conditions which prevent the orderly execution of settlement of transactions or which affect the value of assets.

Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of emerging countries. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of emerging countries in which investment may be made, including expropriation, nationalisation sequestration of assets, expropriation or confiscatory taxation, currency blockage or repatriation, changes in government policies or regulations, political, religious or social instability or diplomatic or political developments and changes. Any one or more of these factors could adversely affect the economies and markets of such countries that in turn could affect the value of the Fund's investments in their respective markets. Furthermore, the economies of many of the Emerging Markets are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade.

By comparison with more developed securities markets, most emerging countries' securities markets are comparatively small, less liquid and more

volatile, resulting in relatively slow and cumbersome execution of transactions. This may give rise to a credit risk in relation to the counterparty. In general there may be an increased risk of defaults and delays in settlement compared to the markets in more developed economies. As a result, the Fund may experience difficulty in realising all entitlements attaching to the securities acquired. These risks may result in greater volatility in the Net Asset Value per Share of the Fund (and consequently subscription and redemption prices for Shares in the Fund) than would be the case in relation to funds invested in more developed markets. In addition, if a large number of securities have to be realised at short notice to meet substantial redemption requests in the Fund such sales may have to be effected at unfavourable prices which may in turn have an adverse effect on the Net Asset Value per Share of the Fund.

In addition settlement, clearing, safe custody and registration procedures may be underdeveloped increased the risks of error, fraud or default. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in Emerging Markets may not provide the same degree of investor information or protection as would generally apply in more developed markets. Investments in certain Emerging Markets may require consents or be subject to restrictions which may limit the availability of attractive investment opportunities to the Fund. Emerging Markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally and so transactions may need to be made on a neighbouring exchange. Furthermore, the banking and other financial systems of many Emerging Markets are not well developed or well regulated. Delays in transfers by banks may result as may liquidity crises and other problems arising as a result of the under-capitalization of the banking sector as a whole. A general banking crisis in any of the Emerging Markets in which the Fund invests would have a material adverse effect on the Fund.

Emerging Markets securities may incur brokerage or stock transfer taxes levied by foreign governments which would have the effect of increasing the cost of investment and which may reduce the realised gain or increase the loss on such securities at the time of same. The issues of Emerging Markets securities, such as banks and other financial institutions, may be subject to less stringent regulation than would be the case for issuers in developed countries, and therefore potentially carry greater risk. In addition custodial expenses for Emerging Market securities are generally higher than for developed market securities. Dividend and interest payments from, and capital gains in respect of, Emerging Markets securities may be subject to foreign taxes that may or may not be reclaimable. The scope and range of custodial services offered in many foreign countries may be more limited than in Ireland and, as a result, the Fund's assets may be maintained with banks, brokers and other financial institutions offering more limited custody services, and possessing less experience, less developed procedures for safekeeping of assets, poorer capitalisation, and greater risks of bankruptcy, insolvency and fraud, than would typically be the case in Ireland. Assets maintained in certain foreign countries also may be subject to other types of risks that either are not present or less pronounced in Ireland and other more established markets.

Laws governing foreign investment and securities transactions in Emerging Markets may be less sophisticated and predictable than in developed countries. Currently, the tax rules and regulations prevailing in many Emerging Markets are, as a general matter, either new or under varying stages of review and revision, and there is considerable uncertainty as to whether new tax laws will be enacted and, if enacted, the scope and content of such laws. Reliance on oral administrative guidance from regulators and procedural inefficiencies hinder legal remedies in many areas, including bankruptcy and the enforcement of creditors' rights. Moreover, companies often experience delays when obtaining governmental licenses and approvals. Accordingly, the Fund may be subject to additional risks, including inadequate investor protection, unclear or contradictory legislation or regulations and lack of enforcement thereof, ignorance or breach of legislation or regulations on the part of other market participants, lack of legal redress and breaches of confidentiality. It may be difficult to obtain and enforce a judgement in certain Emerging Markets in which assets of the Fund are invested.

## **SWISS SUPPLEMENT TO THE CHIKARA FUNDS PLC**

*(An open-ended umbrella investment company with variable capital incorporated with limited liability in Ireland and segregated liability between Funds under the Companies Act 2014 with registration number 426582 and established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended.*

Distribution of this Swiss Supplement (this "Supplement") to the Swiss consolidated prospectus, dated 10 July 2024 of Chikara Funds Plc (the "Company"), together with the supplements containing information relating to the separate sub-funds in the Company (the "Prospectus"), is not authorised unless it is accompanied by the current Prospectus of the Company, which forms part of and should be read in conjunction with this Supplement, and which is hereby incorporated by reference.

Potential investors must review the Prospectus and this Supplement before subscribing for Shares of the Company. Any statement contained in the Prospectus shall be deemed modified to the extent, but only to the extent, that a statement contained herein expressly modifies such statement. Any statement contained in the Prospectus and not so modified remains a part of the Prospectus.

### **1. Representative**

The representative in Switzerland is 1741 Fund Solutions Ltd., Burggraben 16, CH-9000 St. Gallen.

### **2. Paying agent**

The paying agent in Switzerland is Tellco Bank Ltd., Bahnhofstrasse 4, CH-6430 Schwyz.

### **3. Location where the relevant documents may be obtained**

The Company's legal documentation, including the Company's Prospectus, the key information documents, the Memorandum and Articles of Association and annual audited and the unaudited semi-annual financial statements may be obtained free of charge from the representative.

### **4. Publications**

Publications concerning the foreign collective investment scheme are made in Switzerland in fundinfo: [www.fundinfo.com](http://www.fundinfo.com).

Each time units are issued or redeemed, the issue and the redemption prices or the net asset value together with a reference stating "excluding commissions" must be published daily in [www.fundinfo.com](http://www.fundinfo.com).

## **5. Fees and Expenses**

The fees and expenses associated with the representation, paying agency and other distribution items may be charged to the Company. The actual amount of such fees and expenses will be disclosed in the audited annual report.

## **6. Payment of retrocessions and rebates**

The Chikara Funds plc and its agents may pay retrocessions as remuneration for distribution activity in respect of fund units in Switzerland. This remuneration may be deemed payment for the following services in particular:

- Distribution partners
- Sales partners who place Shares in the Company with their customers exclusively through a written commission-based investment management or advisory mandate (e.g. independent asset managers or advisors).

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

Disclosure of the receipt of retrocessions is based on the applicable provisions of FinSA.

Upon request of the investor, the recipient of the retrocessions must disclose the amount of retrocession it has received for the distribution of the Shares to the investor. When a retrocession payment may give rise to a conflict of interest, the recipient of the retrocession must ensure transparent disclosure and inform investors, unsolicited and free of charge, of the amount of retrocession it may receive for such distribution.

In the case of distribution activity in Switzerland, the Chikara Funds plc and its agents may, upon request, pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investor in question. Rebates are permitted provided that:

- they are paid from fees received by the Chikara Funds plc and therefore do not represent an additional charge on the fund assets;
- they are granted on the basis of objective criteria;
- all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Chikara Funds plc are as follows:

- the volume subscribed by the investor or the total volume they hold in the collective investment scheme or, where applicable, in the product range of the promoter;
- the amount of the fees generated by the investor;

- the investment behavior shown by the investor (e.g. expected investment period);
- the investor's willingness to provide support in the launch phase of a collective investment scheme.

At the request of the investor, the Chikara Funds plc must disclose the amounts of such rebates free of charge.

#### **7. Place of performance and jurisdiction:**

In respect of the units offered in Switzerland, the place of performance is the registered office of the representative. The place of jurisdiction is at the registered office of the representative or at the registered office or place of residence of the investor.

Dated: 10 July 2024