
Hedge Invest International Funds plc

An open-ended investment company with variable capital structured as an umbrella fund with segregated liability between sub-funds incorporated with limited liability in Ireland under registration number 485407.

UK COUNTRY SUPPLEMENT ADDITIONAL INFORMATION FOR INVESTORS IN THE UNITED KINGDOM

28 June 2024

This Supplement contains information specific to investors in the United Kingdom regarding Hedge Invest International Funds plc (the “Company”). It forms part of and must be read in conjunction with the prospectus of the Company dated 17 June 2024, as amended and supplemented from time to time (the “Prospectus”).

All capitalised terms used herein contained shall have the same meaning in this Supplement as in the Prospectus, unless otherwise indicated.

In connection with the Company’s recognition under section 264 of the Financial Services and Markets Act 2000, as amended (“**FSMA**”), the Company has appointed JPMorgan Chase Bank, N.A., London Branch (the “**Facilities Agent**”) to maintain the facilities required of the operator of a recognised scheme pursuant to the rules contained in the Collective Investment Schemes Sourcebook published by the UK Financial Conduct Authority (the “**FCA**”) as part of the FCA’s Handbook of Rules and Guidance. Such facilities will be located at 25 Bank Street, Canary Wharf, London E14 5JP. At these facilities any person may:

- (1) inspect (free of charge) a copy of:
 - (a) the Company’s Memorandum and Articles of Association;
 - (b) any instrument amending the Company’s Memorandum and Articles of Association;
 - (c) the latest Prospectus of the Company;
 - (d) the latest key investor information documents of the Company and its Funds; and
 - (e) the annual and half-yearly reports most recently prepared and published by the Company;
- (2) obtain copies of the documents at (1)(c),(1)(d) and (1)(e) above free of charge and of the documents at (1)(a) and (1)(b) above at no more than a reasonable charge;
- (3) obtain information (in English) about the most recently published prices relating to the Shares of any Fund;
- (4) arrange for the redemption of Shares in any Fund and obtain payment; and
- (5) make a complaint about the operation of the Company, which complaint the Facilities Agent will transmit to the Company.

Some or all of the rules made under FSMA for the protection of retail clients will not apply to an investment in the Company and compensation under the Financial Services Compensation Scheme of the United Kingdom will not be available.

The Directors of the Company, whose names appear under the heading "Management and Administration" in the Prospectus are the persons responsible for the information contained in this Supplement and the Prospectus of the Company dated 17 June 2024 and accept responsibility accordingly. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information.

UNITED KINGDOM TAXATION

The following information is a summary of the anticipated tax treatment in the United Kingdom. This information is based on the law as enacted in the United Kingdom on the date of this Supplement, is subject to changes therein (possibly with retrospective effect) and is not exhaustive. The summary applies only to persons who hold their Shares beneficially as an investment and not for trading or other purposes and (save where expressly referred to) who are resident in the United Kingdom for United Kingdom tax purposes.

The following information does not constitute legal or tax advice. Prospective investors should consult their own professional advisors on the implications of making an investment in and holding or disposing of Shares and the receipt of distributions with respect to such Shares under the law of the countries in which they are liable to taxation. Prospective investors should consult their own professional advisors if they are in any doubt about their position.

The Company

As a UCITS, the Company will not be treated as United Kingdom resident for United Kingdom tax purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom through a permanent establishment situated in the United Kingdom for corporation tax purposes, or through a branch or agency situated in the United Kingdom within the charge to income tax, the Company will not be subject to United Kingdom corporation tax or income tax on income and capital gains arising to it, save as noted below in relation to possible withholding tax on certain United Kingdom source income. The Directors intend that the affairs of the Company are conducted so that no such permanent establishment, branch or agency will arise insofar as this is within their control, but it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment, branch or agency coming into being will at all times be satisfied.

Interest and other income received by the Company which has a United Kingdom source may be subject to withholding taxes in the United Kingdom.

Shareholders

Subject to their personal circumstances, individual Shareholders resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax in respect of any

dividends or other distributions of income (including reportable income) by the Company, whether or not such distributions are reinvested.

Companies within the charge to United Kingdom corporation tax should generally be exempt from United Kingdom corporation tax on distributions made by the Company although it should be noted that this exemption is subject to certain exclusions and specific anti-avoidance rules (particularly in the case of “small companies”, as defined in section 931S of the Corporation Tax Act 2009 (“CTA 2009”).

Each class of Shares of a Fund will be deemed to constitute an “offshore fund” for the purposes of the offshore fund legislation in Part 8 of the Taxation (International and Other Provisions) Act 2010 (“TIOPA 2010”). Under this legislation, any gain arising on the sale, redemption or other disposal of shares in an offshore fund (which may include an in specie redemption by the Company) held by persons who are resident in the United Kingdom for tax purposes will be taxed at the time of such sale, disposal or redemption as income and not as a capital gain. This does not apply, however, where the relevant class is accepted by HM Revenue & Customs as a “reporting fund” throughout the period during which Shares in the Company have been held.

Certain classes of Shares of the Company have been approved as reporting funds and will meet the income reporting requirements set out below. Potential investors are referred to HM Revenue & Customs published list of reporting funds for confirmation of those classes approved as reporting funds. Although the Directors will endeavour to ensure that approval of such classes as reporting funds is maintained, this cannot be guaranteed. The Directors reserve the right to apply for reporting fund status in respect of any class of Shares.

In order for a class of Shares to qualify as a reporting fund the Company must apply to HM Revenue & Customs for entry of the relevant class into the reporting fund regime, and for each accounting period it must then report to investors 100 per cent of the net income attributable to the relevant class, that report being made within six months of the end of the relevant accounting period. United Kingdom resident individual investors will be taxable on such reported income, whether or not the income is actually distributed. Income for these purposes is computed by reference to income for accounting purposes as adjusted for capital and other items.

Provided a class of Shares is approved as a reporting fund throughout the period during which Shares in such class have been held, apart from any sums representing accrued income for the period of disposal, gains realised on the disposal of Shares by United Kingdom taxpayers will be subject to taxation as capital and not as income unless the investor is a dealer in securities. Any such gains may accordingly be reduced by any general or specific United Kingdom exemption available to a Shareholder and this may result in certain investors incurring a proportionately lower United Kingdom tax charge.

Subject to the regulations mentioned below, under the reporting fund regime reportable income is attributed only to those investors who remain as Shareholders at the end of the relevant accounting period. This means that, particularly where actual dividends are not declared in relation to all the income of a class of Shares, Shareholders could receive a greater or lesser share of dividend income than anticipated in certain circumstances such as when, respectively, class size is shrinking or expanding. Regulations enable a reporting fund to elect to operate dividend equalisation or to make income adjustments, which should

minimise this effect. The Directors have elected to make income adjustments based on reportable income in respect of all classes of Shares with reporting fund status, which should mitigate the risk of Shareholders in such classes of Shares being attributed a disproportionate share of reportable income.

Chapter 6 of Part 3 of the Offshore Funds (Tax) Regulations 2009 (the “Regulations”) provides that specified transactions carried out by a UCITS fund, such as the Company, will not generally be treated as trading transactions for the purposes of calculating the reportable income of reporting funds that meet a genuine diversity of ownership condition. The Directors confirm that all classes of Shares with reporting fund status are primarily intended for and marketed to retail and institutional investors. For the purposes of the Regulations, the Directors undertake that all classes of Shares in the Company with reporting fund status will be widely available and will be marketed and made available sufficiently widely to reach the intended category of investors and in a manner appropriate to attract those kinds of investors.

A Shareholder who is resident in the United Kingdom and who, subsequent to subscription, wishes to convert Shares of one class into Shares of a different class (in accordance with the procedure outlined in “Switching Between Funds” in the Prospectus) should note that such a conversion may give rise to a disposal triggering a potential liability to income tax or corporation tax as appropriate (in the case of a class of Shares which is not approved as a reporting fund) or capital gains tax or corporation tax (in the case of a class of Shares which is approved as a reporting fund), in each case depending upon the value of the shareholding on the date of conversion.

Chapter 3 of Part 6 of the CTA 2009 provides that, if at any time in an accounting period a corporate investor within the charge to United Kingdom corporation tax holds an interest in an offshore fund and there is a time in that period when that fund fails to satisfy the “non-qualifying investments test”, the interest held by such a corporate investor will be treated for the accounting period as if it were rights under a creditor relationship for the purposes of the rules relating to the taxation of most corporate debt contained in the CTA 2009 (the “Corporate Debt Regime”). The Shares will (as explained above) constitute interests in an offshore fund. In circumstances where the test is not so satisfied (for example where a class of Shares invests in cash, securities or debt instruments or open-ended companies that themselves do not satisfy the “non-qualifying investments test” and the market value of such investments exceeds 60 per cent. of the market value of all its investments at any time), the Shares in the relevant class of Shares will be treated for corporation tax purposes as within the Corporate Debt Regime. As a consequence, all returns on the Shares in respect of each corporate investor’s accounting period during which the test is 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 accounting basis. Accordingly, a corporate investor in the Company 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). The provisions relating to non-reporting funds (outlined above) would not then apply to such corporate Shareholders and the effect of the provisions relating to holdings in controlled foreign companies (outlined below) would then be substantially mitigated.

The attention of individual Shareholders resident in the United Kingdom is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007 under which the income accruing to the Company may be attributed to such a Shareholder and may render them liable to taxation in respect of the undistributed income and profits of the Company. This

legislation will, however, not apply if such a Shareholder can satisfy HM Revenue & Customs that either:

- (i) it would not be reasonable to draw the conclusion from all the circumstances of the case, that the purpose of avoiding liability to taxation was the purpose, or one of the purposes, for which the relevant transactions or any of them were effected;
- (ii) all the relevant transactions are genuine commercial transactions and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of the transactions was more than incidentally designed for the purpose of avoiding liability to taxation; or
- (iii) all the relevant transactions were genuine, arm's length transactions and if the Shareholder were liable to tax under Chapter 2 of Part 13 in respect of such transactions such liability would constitute an unjustified and disproportionate restriction on a freedom protected by Title II or IV of Part Three of the Treaty on the Functioning of the European Union or Part II or III of the EEA Agreement.

Part 9A of TIOPA 2010 subjects United Kingdom resident companies to tax on the profits of companies not so resident (such as the Company) in which they have an interest. The provisions, broadly, affect United Kingdom resident companies which hold, alone or together with certain other associated persons, shares which confer a right to at least 25 per cent of the profits of a non-resident company (a "25% Interest") (or, in the case of an umbrella fund, a fund thereof) where that non-resident company (or fund) is controlled by persons who are resident in the United Kingdom and is subject to a lower level of taxation in its territory of residence. The legislation is not directed towards the taxation of capital gains. In addition, these provisions will not apply if the Shareholder reasonably believes that it does not hold a 25% Interest in the Company (or relevant fund) throughout the relevant accounting period.

The attention of persons resident in the United Kingdom for taxation purposes is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 ("section 13"). Section 13 applies to a "participator" for United Kingdom taxation purposes (which term includes a shareholder) if at any time when any gain accrues to a company which constitutes a chargeable gain for those purposes, at the same time, the company is itself controlled by a sufficiently small number of persons so as to render the company a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a "close" company for those purposes. The provisions of section 13 could, if applied, result in any such person who is a "participator" in the Company being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to that person directly, that part being 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". No liability under section 13 could be incurred by such a person however, where such proportion does not exceed one quarter of the gain. 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 arise on the disposal of assets used only for the purposes of genuine, economically significant business activities carried on outside the United Kingdom

In the case of United Kingdom resident individuals domiciled outside the United Kingdom, section 13 applies only to gains relating to United Kingdom situate assets of the Company and gains relating to non-United Kingdom situate assets if such gains are remitted to the United Kingdom

Common Reporting Standard

Shareholders are referred to the section headed "Exchange of Information" in the Tax Section of the Prospectus.