

If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

The Directors of the Company, whose names appear under the heading "Management and Administration" are the persons responsible for the information contained in this Supplement and the Prospectus of the Company dated 9 July 2021 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.

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## **HI EUROPEAN MARKET NEUTRAL FUND**

*(A fund of Hedge Invest International Funds plc an investment company with variable capital structured as an umbrella fund with segregated liability between sub-funds)*

### **SUPPLEMENT**

**Hedge Invest SGR P.A.**

Investment Manager

**Tellworth LLP**

Sub-Investment Manager

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This Supplement contains information relating to the HI European Market Neutral Fund (the "Fund"), which is a separate fund of Hedge Invest International Funds plc. This Supplement forms part of the current prospectus of the Company (the "Prospectus") dated 9 July 2021 and should be read in the context of and together with the Prospectus and together with the most recent audited annual report and accounts and if published after such report, a copy of the latest unaudited semi-annual report.

The date of this Supplement is 5 December 2022.

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## DEFINITIONS

Unless otherwise defined herein or unless the context otherwise requires all defined terms used in this Supplement shall bear the same meaning as in the Prospectus

**“Accumulating Classes”**, the classes designated as having an accumulating dividend policy in the Schedule A hereto.

**“Applicable Share Classes”**, Classes for which a Performance Fee may be payable as listed in Schedule A to this Supplement.

**“Business Day”**, any day (except Saturday and Sunday) where the banks in London and Dublin are open for business.

**“CHF” or “Swiss Francs”**, the lawful currency of Switzerland.

**“Dealing Day”**, every Business Day.

**“Distributing Classes”**, the classes designated as having a distributing dividend policy in the Schedule A hereto.

**“First Valuation Point”**, close of business in the first market in which the Investments of the Company are traded on a Dealing Day.

**“High Water Mark”**, the greater of: (i) the initial offer price per Share of the relevant Share class and (ii) the highest Net Asset Value per Share of the relevant Share class on the last day of the previous Performance Period for which a Performance Fee was paid.

**“Management Shares”**, the EUR M Shares and the GBP M Shares.

**“Performance Period”**, the accounting period for the Company, which ends on 30 June each year.

**“Professional Investor”**, an investor who is considered to be a professional client or which may, on request, be treated as a professional client within the meaning of Annex II of Directive 2014/65/EU (Markets in Financial Instruments Directive).

**“Sub-Investment Manager”**, Tellworth LLP and/or such other person as may be appointed, in accordance with the requirements of the Central Bank, to provide investment management services to the Fund.

**“Valuation Point”**, shall be close of business in the relevant markets on each Dealing Day at which time the Net Asset Value is calculated.

## HI EUROPEAN MARKET NEUTRAL FUND

### INTRODUCTION

This Supplement comprises information relating to the Shares of HI European Market Neutral Fund to be issued in accordance with the Prospectus and this Supplement. The Fund currently has 19 classes of Shares, designated in various currencies as set out in Schedule A hereto.

The base currency of the Fund is Euro.

The general details set out in the Prospectus apply to the Fund save where otherwise stated in this Supplement. To the extent that there is any inconsistency between this Supplement and the Prospectus, this Supplement shall prevail.

### INVESTMENT OBJECTIVES AND POLICIES

#### Investment Objective

The investment objective of the Fund is to achieve long-term capital growth.

#### Investment Policy

The Fund will seek to achieve the investment objective by investing primarily in equities listed on Regulated Markets in Europe. The Fund may also invest in other securities with equity characteristics, including but not limited to preferred stocks and depository receipts for such securities (such as global depository receipts), issued by companies in Europe. The Fund is not expected to have any bias towards any specific industrial or other market sector.

Subject to the requirements of the Central Bank, the Fund may utilise financial derivative instruments (“**FDI**”) for investment purposes, in order to gain exposure to the securities set out above, or for hedging or efficient portfolio management purposes, such as increasing or decreasing exposure to index futures, depending on the volatility at that time, with the aim of managing the Fund’s exposure to short term volatility in respect of European equities. The FDI that the Fund may use are: options, futures and contracts for differences (“**CFD**”). CFDs may be in respect of single named equities, equity related securities (such as preferred stocks) and equity indices comprised of European equities. FDIs may be traded on a Regulated Market or over-the-counter (“**OTC**”). Options used by the Fund may be equity options, index options and options on futures. The fund may use options to hedge positions, for example, by taking short positions on sector indices where there are long positions within the same sector. Futures used by the Fund may be equity futures and index futures. The Fund may use futures positions to hedge against market risk by buying or selling index futures that match the make-up of the Fund’s portfolio. Additional information on an index or indices to which the Fund has gained exposure to via FDI may be obtained in the financial statements for the Fund.

The Investment Manager or Sub-Investment Manager generally takes long positions in securities that it has identified as undervalued and synthetic short positions it has identified as overvalued. Long positions may be held through a combination of direct investment and/or FDI and short positions will be held synthetically through FDI. The decision to take a short position is made upon a proper analysis of fundamental and technical factors that suggest a given security’s price is expected to trend downward. The split between long and short positions will fluctuate at any given point over time depending on the direction dictated by the current investment themes. However, it is typically expected that the Fund will have

0% to 150% long and 0% to 150% short exposure based on the Net Asset Value of the Fund.

The Fund may also engage in repurchase, reverse repurchase and stock lending techniques for efficient portfolio management or hedging purposes.

The Fund may also invest in collective investment schemes established as UCITS, whose investment objectives are consistent with that of the Fund. Any investment in collective investment schemes shall not exceed in aggregate 10% of the Net Asset Value.

If deemed appropriate, such as in the event of significant volatility in the European equities markets, the Fund may take a defensive investment strategy and may move the entire portfolio to cash or cash equivalents (which shall include, but shall not be limited to, short-term fixed income securities including commercial paper (i.e. investment grade short-term paper issued by credit institutions), money market obligations such as short and medium-term treasury bills and treasury notes (both fixed and floating rate), certificates of deposit and bankers' acceptances). Such investments may also be retained pending re-investment, or for use as collateral, subject to the requirements of the Central Bank, arising from the Fund's use of FDI if this is considered appropriate to the investment objective or for defensive purposes.

The day-to-day investment management of the assets and the day-to-day risk management in relation to the assets of the Fund shall be undertaken by the Sub-Investment Manager. The Investment Manager shall retain overall responsibility for monitoring the activities of the Sub-Investment Manager and for risk management in relation to the assets of the Fund.

### ***Other Investments***

In seeking to achieve the Fund's objective, the Fund may also take direct or indirect (through FDI) positions, on an ancillary basis of up to 10 percent of the Net Asset Value of the Fund, in:

- equities and equity related instruments of the types described above in paragraph one of "Investment Policy" listed on Regulated Markets of developed countries outside of Europe; and
- fixed or floating rate investment grade debt instruments (e.g., bonds, debentures and notes) issued by corporations located in and governments, government agencies and supra-governmental organisations of developed countries.

### ***Investment in FDI***

The Fund may use FDI as described in "Investment Policy" above, for investment purposes, hedging or efficient portfolio management purposes, including options, futures and CFDs. Details of these FDIs are set out in the Prospectus under "Investment in Financial Derivative Instruments".

The Fund uses a risk management process ("RMP") which enables the Fund to accurately measure, monitor and manage the risks associated with FDI and a document describing it has been prepared and submitted to the Central Bank in accordance with the Central Bank's requirements on the use of FDIs. Only FDI provided for in the RMP document will be utilised.

The Fund uses a risk management technique known as absolute value-at-risk to assess the Fund's market risk to seek to ensure that the use of FDI by the Fund is within regulatory limits. The value-at-risk on the portfolio of the Fund shall not exceed 20% in any one day. The confidence level of the Fund shall be 99% and the holding period shall be twenty trading days. The historical observation period will not be less than one year, however, a shorter observation period may be used when appropriate, (e.g. as a result of significant recent changes in price volatility).

The Fund's gross leverage, calculated as the sum of the notionals of the FDI used by the Fund, including the leverage employed as a result of synthetically selling short positions, the leverage created by embedded derivatives in transferable securities and the leverage created by exposure to an index via FDI, will be compliant with the Regulations and is expected to be in the region of 250% to 300% of the Net Asset Value of the Fund and can, in certain circumstances, substantially increase the adverse impact to which the Fund's investment portfolio may be subject.

The gross leverage set out above can, in certain circumstances, be higher than the expected level.

The risks attached to the use of FDI by the Fund are set out in the section headed "Risks Associated with Financial Derivative Instruments" in the Prospectus.

## **Strategy**

### *Investment philosophy*

The Sub-Investment Manager's investment approach is based on stock selection using a focused, research driven approach. The investment universe includes all European companies with no restriction relating to market capitalisation. Typically, the largest components of the Fund's portfolio will be mid-sized and large capitalisation companies.

Smaller companies will be represented to a lesser extent. The selection of a potential position for the portfolio follows an analysis by the Sub-Investment Manager as to whether the shares are undervalued. The Fund will typically maintain a net exposure between its long and short positions between -20% to +20%.

The Fund may use FDI as described in "Investment Policy" above, for investment purposes, hedging or efficient portfolio management purposes, including options, futures and CFDs.

Depending on the number of positions and ideas, the Fund may, to the extent permitted by the Regulations, be highly concentrated.

### *Research-driven investment approach*

Idea generation is the responsibility of the Sub-Investment Manager. Events and information are discussed and investigated by the Sub-Investment Manager. This is done through the screening of the universe, primarily looking at price/book, market value/sales and return on capital employed metrics. The Sub-Investment Manager conducts a large number of company visits, utilise a large established network, mainly amongst European banks and brokers, and participates in conferences which specialise in company introduction.

### *Opportunistic investment strategy*

The Fund intends to utilise the Sub-Investment Manager's investment strategy across various industries and investment classes, as described in the paragraph entitled "Investment Policy" above. Irrespective of the market conditions, the Sub-Investment Manager has historically maintained a commitment to value orientated investing.

### *Stock selection*

Investments are selected based on various criteria including derived demand, quality assessment, innovation, returns on human and physical capital and valuation.

Stocks are picked not only on mid-term fundamentals as described above but also using a shorter-term trading strategy driven by reaction to news where the team has some knowledge and trading of core positions where there is excess volatility in the market.

## **CURRENCY HEDGING**

The Fund may enter into transactions for the purpose of hedging currency exposure, in accordance with the terms of the Prospectus.

The Fund will utilise FDI, in the form of forward contracts for the purposes of hedging the currency exposure of the CHF D Shares, CHF DM Shares, CHF DM2 Shares, CHF R Shares, USD D Shares, USD DM2 Shares, USD I2 Shares, USD R Shares, GBP DM2 Shares, GBP DM2 Dist Shares, GBP I2 Shares and GBP M Shares. The Fund will not be leveraged as a result of its use of FDI for currency hedging purposes. For further information on the Fund's hedging policy and the use of FDI, please refer to the sections headed "Currency Hedging at Class Level" and "Investment in Financial Derivative Instruments Efficient Portfolio Management/Direct Investment" in the Prospectus.

## **PROFILE OF A TYPICAL INVESTOR**

The Fund is suitable for investors seeking to achieve long-term capital growth with low volatility through investment with variable net exposure in equities listed in Regulated Markets in Europe, having a risk tolerance broadly similar to that found in the European equities market.

## **INVESTMENT AND BORROWING RESTRICTIONS**

The investment and borrowing restrictions set out in the Prospectus apply in their entirety to the Fund.

## **EFFICIENT PORTFOLIO MANAGEMENT**

Investors are referred to the section entitled "Investment in Financial Derivative Instruments Efficient Portfolio Management / Direct Investment" in the Prospectus.

## **RISK FACTORS**

Investors should consider the risk factors set out in the Prospectus. The following additional risk factors apply to the Fund:

### **ESG Integration**

In managing the assets of the Fund, the Sub-Investment Manager takes account of sustainability risks arising and the potential financial impact of such risks on the return of an investment. A sustainability risk is an environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment (sustainability risks are referred to in this Supplement as "ESG risks"). The Sub-Investment Manager believes that consideration of ESG risks as part of its overall investment decision making process is an important aspect of evaluating the risk associated with the relevant investment and, accordingly, the return to the Fund. By taking

ESG risks into consideration during its investment decision making process, the intention of the Sub-Investment Manager is to manage such ESG risks in a way that ESG risks do not have a material impact on the performance of the Fund over and above the risks in relation to the investment which are already highlighted in risk factors set out in the Prospectus. As the integration of ESG risks forms part of the Sub-Investment Manager's overall security selection process, it is expected that the potential impact on the return of the Fund is limited. The consideration of ESG risks and any impact on the value of the Fund is part of the ongoing assessment and management of investments carried out by the Sub-Investment Manager for the full life cycle of the Fund.

Given the investment objective and investment policy of the Fund, the Sub-Investment Manager does not currently consider the adverse impact of investment decisions on sustainability factors, as it believes focusing on the identification and analysis of investment opportunities for the Fund to be a greater use of its resources.

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **MANAGEMENT AND ADMINISTRATION**

Detailed descriptions of the Directors, the Manager and other service providers to the Fund are set out in the Prospectus.

### **SUB-INVESTMENT MANAGER**

The Investment Manager has appointed Tellworth LLP to act as Sub-Investment Manager in relation to the assets of the Fund. The Sub-Investment Manager is paid out of the Investment Management Fee and not directly out of the assets of the Fund.

The Sub-Investment Manager is a company incorporated in the United Kingdom and is regulated by the UK Financial Conduct Authority.

### **DIVIDEND POLICY**

The Directors are empowered to declare and pay dividends on any class of Shares in the Fund. The dividend policy in respect of each Share Class is set out below.

- i. **Accumulating Classes:** it is not intended to distribute dividends to the Shareholders in the Accumulating Classes. All net income and net realised capital gains will not be distributed and will be reflected in the net asset value per share.
- ii. **Distributing Classes:** the Directors intend to declare dividends to the Shareholders in the Distributing Classes out of the net income (consisting of revenue, including any accrued interest and dividends less expenses) of the Fund attributable to the relevant Share Class. The Fund, in order to provide a regular and consistent income stream to its Shareholders, will generally declare a distribution semi-annually on the following approximate dates: 1 January and 1 July. Dividend payments will be made to the bank account detailed on the Account Opening Form or as subsequently notified to the Administrator or the Manager in writing.

## SUBSCRIPTIONS AND REDEMPTIONS

### Procedures for Subscriptions

#### Application Forms

All applicants must complete a signed subscription form prescribed by the Directors in relation to the Fund ("**Application Form**"). The Application Form sets out the methods by which and to whom the subscription monies must be sent. Application Forms shall (save as determined by the Directors) be irrevocable and may be sent by facsimile or such other means in accordance with the requirements of the Central Bank, at the risk of the applicant. Where requested, the original documentation, including the application form, shall also be sent to the Administrator.

Moreover, applicants will not receive redemption proceeds until the Administrator has received the Application Form together with relevant accompanying documentation that facilitates the Administrator's verification of the applicant's identity (including any documents in connection with anti-money laundering procedures) and the anti-money laundering procedures have been completed.

The Administrator and/or the Directors have reserved the right to reject in whole or in part any application for Shares or to request further details or evidence of identity from an applicant for Shares. Where an application for Shares is rejected, the subscription monies shall be returned to the applicant as soon as is reasonably practicable after the date of such application.

#### Subscriptions

The initial offer period for the EUR FOF Shares, EUR M Shares, EUR R Shares, CHF D Shares, CHF DM2 Shares, EUR DM2 Shares, EUR I2 Shares and USD DM2 Shares ("**Launched Classes**") is now closed, and Shares in Launched Classes are offered at the Subscription Price per Share.

EUR DM Shares, EUR I Shares, USD R Shares, CHF R Shares and CHD DM Shares are closed to further subscriptions (the "**Closed Classes**").

The initial offer period for all Share classes other than Launched Classes and Closed Classes is open and shall end on the earlier of: (i) the first subscription by an investor into the relevant Share class; or (ii) 5pm (Irish time) on 6 December 2023, or such earlier or later date as the Directors shall determine, in accordance with the requirements of the Central Bank (the "**Closing Date**").

Following the close of the initial offer period, Shares in the Fund will be offered at the Subscription Price per Share calculated as of the Valuation Point.

The Application Form or subscription form (in the case of subsequent purchases) should be received by the Closing Date, in the case of subscriptions during the initial offer period and thereafter, by 2pm (Irish time) one Business Day preceding the relevant Dealing Day (the "**Subscription Cut-Off Time**") or in exceptional circumstances, such later time/or date as the Directors shall determine in respect of a specific application, provided that the application is received before the First Valuation Point. Subsequent faxed subscription requests into a Shareholder's account may be processed without the requirement to submit a subscription form. However, any amendments to a Shareholder's registration details and payment instructions will only be effected on receipt of relevant documentation. It is the responsibility of the Distributor or their appointed agents to ensure that the orders placed through them are



transmitted on a timely basis. Any subscription form received after the Subscription Cut-Off Time will, except in exceptional circumstances, be held over until the next Dealing Day.

The Directors may limit or close, permanently or on a temporary basis, subscriptions for Shares of any other Class in their discretion. In such cases, the Administrator will inform prospective investors on receipt of a relevant Application Form for that particular Class.

### **Payment of Subscription Monies**

For payment instructions concerning purchases, investors should refer to the bank account specified in the Application Form or contact the Distributor or the Administrator.

#### *Method of Payment*

Subscription payments net of all bank charges must be paid in the designated currency of the relevant Share class and should be paid by telegraphic transfer to the bank account specified in the Application Form. No interest will be paid in respect of payments received in circumstances where the application is held over until the next Dealing Day. Subscription proceeds paid in a currency other than the designated currency of the relevant Shares class will be returned by telegraphic transfer at the risk and expense of the investor.

#### *Currency of Payment*

Subscription monies are payable in the designated currency of the relevant Share class by telegraphic transfer to the account set out on the Application Form.

#### *Timing of Payment*

Payment in full in cleared funds in respect of a subscription must be received no later than 5pm (Irish time) three Business Days following the relevant Dealing Day (or within such other periods as may be permitted by the Directors). If payment has not been received by the time for receipt by the Administrator on behalf of the Fund, any allotment of Shares made in respect of such application will be cancelled. In such event and notwithstanding cancellation of the application, the Directors may charge the applicant for any expense incurred by the Company for any loss to the Fund arising out of such non-receipt. In addition, the Company will have the right to sell all or any part of the applicant's holding of Shares in any Fund in order to meet these charges.

Subscription monies representing less than the Subscription Price for one Share will not be returned to the applicant. Fractions of up to two decimal places of Shares will be issued where any part of the subscription monies for Shares represents less than the Subscription Price for one Share.

#### *Registrations and Confirmations*

Contract notes confirming ownership will generally be sent to applicants within five Business Days of the relevant Dealing Day, setting out details of the Shares which have been allotted.

Share certificates will not be issued. For security and administration purposes Shareholders will be issued with a holder number which should be quoted in all future correspondence in relation to their holding.

### **Procedures for Redemptions**

A redemption request in the form of a signed redemption form must be received by the Administrator prior to 2pm (Irish time) one Business Day preceding the relevant Dealing Day (or, in exceptional circumstances, such later time/ or date as the Directors shall determine in respect of a specific application, provided that the application is received before the First Valuation Point). Instructions by facsimile or such other means in accordance with the requirements of the Central Bank will be accepted only where payment is made to the account of record.

## **Payment of Redemption Monies**

### *Method of Payment*

Redemption payments will be sent by telegraphic transfer at the risk and expense of the Shareholder to the bank account detailed on the Application Form or in exceptional circumstances as subsequently notified to the Administrator in writing. The Administrator will not make redemption payments to a party other than the Shareholder.

### *Currency of Payment*

Shareholders will be repaid in the designated currency of the relevant Share class. In the case of a partial redemption of a Shareholder's holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

### *Timing of Payment*

Provided that the Application Form (including any documents in connection with anti-money laundering procedures and the anti-money laundering procedures have been completed) has been received, redemption proceeds will be sent by telegraphic transfer at the risk and expense of the Shareholder to the Shareholder's designated bank account, usually within three Business Days after the relevant Dealing Day and in any event within 10 Business Days of the cut off time for redemption requests, as set out above.

## **FEES AND EXPENSES**

The Fund shall bear its attributable proportion of the organisational expenses of the Company.

The costs of establishing the Fund, did not exceed €55,000 and are being borne by the Fund and amortised over the first five years of the Fund (or such other period as may be determined by the Directors in their discretion), and will be charged as between the various classes thereof established by the Company within the amortisation period and in such manner as the Directors deem fair and equitable and provided that class thereof will bear its own direct establishment costs. If the effect of this accounting treatment becomes material in the future and there is a requirement to write off the unamortised balance of establishment and organisational costs, the Directors will reconsider this policy.

A research payment account (“**RPA**”) may be established for the Fund. In the event an RPA is established, it will be funded with a specific research charge to the Fund and will be deducted from the resources of the Fund over the year. The research charge will be based on a written policy and an annual budget approved by the Investment Manager based on a reasonable assessment of the need for third party research. The research charge may include provision for any out-of-pocket expenses of the Investment Manager or Sub-Investment Manager in the operation of the RPA including value added taxes or other ancillary expenses.

The administration of the RPA may be delegated to a third party and the payment of the research charge into the RPA shall be arranged in such manner as considered appropriate. This may include collecting the charge alongside transaction commission payments made to execution brokers. The subsequent allocation of the research budget in the purchase of third-party research will be subject to appropriate controls and oversight by the Investment Manager designed to ensure that the budget is managed and used in the best interests of the Fund and its Shareholders and will include regularly assessing the quality of the research purchased.

Information on the amount budgeted for research in respect of the Fund will be provided to the Fund together with the estimated research charge to be allocated to the Fund, the frequency with which it will be deducted and any subsequent increases in the budget. On an annual basis the Fund will also be provided with information on the actual costs incurred for such third-party research. The Company and Shareholders will be provided with disclosure in relation to such arrangement upon request.

The Investment Manager may, by waiver of fees or otherwise, agree to pay certain of the organisational and operational expenses of the Company and the Fund.

Details of other fees and expenses relating to the Company and Shareholders are set out in the Prospectus under the heading "Fees and Expenses".

### **Fees and Other Features of Each Share Class**

Shares in the Fund distinguished by minimum initial subscription minimum holding, minimum redemption requirements and levels of fees and charges levied are as set out in Schedule A to this Supplement. The Directors or the Manager may, in their discretion, waive the minimum amounts below generally or in relation to any specific subscription, holding or redemption.

The DM Shares and DM2 Shares may be offered only a) through distribution agents, platforms or financial intermediaries that are not eligible to receive commissions under local adviser charging rules or that decide not to receive commissions or b) to intermediaries, investing on behalf of individual clients under discretionary mandates, or c) to insurance companies, or to d) pension funds, or to e) other collective investment schemes, or to such other investors as may be determined by the Directors or the Manager. Purchases of the DM Shares and DM2 Shares are not subject to an initial sales charge or servicing charge. Shareholders cannot switch DM Shares and DM2 Shares into another Class of Shares in the Fund or a different sub-fund without the prior approval of the Board of Directors or the Manager.

The EUR FOF Share class is available only to fund of fund investors managed by the Investment Manager or such other investors as may be determined by the Directors.

The USD D Share class and CHF D Share class are only available through sub-distributors who are eligible to receive retrocessions.

The EUR M Shares and GBP M Shares are available only to investors who have a current agreement with the Investment Manager in order to be entitled to subscribe for such Shares or such other investors as may be determined by the Directors or the Manager.

### **Manager's Fees**

The Manager shall be paid a fee out of the assets of the Fund, calculated and accrued on each Dealing Day and payable monthly in arrears, of an amount up to 0.04% of the Net

Asset Value of the Fund (plus VAT, if any), subject to a minimum monthly fee up to €4,000 per month (plus VAT, if any) to be prorated across the Funds of the Company proportionate to each Fund's assets under management. The Manager is also entitled to receive out of the assets of the Fund reasonable and properly vouched out of pocket expenses, which will be at normal commercial rates.

### **Investment Manager's Fees**

The Investment Manager is entitled to a fee, payable out of the assets of the Fund, based on a percentage per annum of the Net Asset Value attributable to the relevant Share class as set out above, which is accrued as of each Dealing Day and paid monthly in arrears in Euro (the "**Investment Management Fee**").

The Investment Manager shall also be entitled to be reimbursed all reasonable, properly vouched out-of-pocket expenses incurred by the Investment Manager in the performance of his duties and responsibilities under the Investment Management Agreement. The Investment Manager is responsible for the fees of any advisers it utilises.

### **Performance Fee**

#### *Management Shares*

No Performance Fees are payable in respect of the Management Shares nor in respect of the EUR FOF Shares.

#### *Applicable Share Classes*

The Investment Manager is entitled to a performance fee in respect of the Applicable Share Classes, equal to 20% of the increase in the Net Asset Value per Share of the applicable class outstanding in respect of each Performance Period subject to a High-Water Mark (the "**Performance Fee**").

The Performance Fee shall accrue and shall be taken into account in calculating the Net Asset Value per Share of the Applicable Share Class in issue at each Valuation Point. In the event that a Shareholder repurchases Shares prior to the end of a Performance Period, an amount equal to any accrued but unallocated Performance Fee in respect of such Shares will be deducted from the redemption proceeds and such accrued Performance Fee will crystallise in due proportions be re-allocated to the Investment Manager promptly thereafter. The Performance Fee in respect of each Performance Period will be calculated by reference to the Net Asset Value before the deduction of any accrued Performance Fee to the extent it is in the Shareholder's best interests. The initial offer price per Share of the relevant class is taken as the starting price for the calculation of any performance fee.

The performance fee shall be calculated and accrued on each Dealing Day. The payment of a Performance Fee, if any, will crystallise on the last Valuation Point of the Performance Period and will become payable to and be credited to the Investment Manager. The Performance Fee, if any, will be made within 14 calendar days of the end of each Performance Period. The first Performance Period in respect of any Applicable Share Class will be the period commencing on the Business Day immediately following the close of the Initial Offer Period for that Class and ending on the following June 30 in the next financial year.

The Share classes will be charged a Performance Fee which is proportionate to the performance of the relevant Share class as a whole. The Performance Fee is calculated based on the Net Asset Value of the relevant Share class and no Shareholder level equalisation is undertaken. This may result in inequalities as between Shareholders in a

Share class in relation to the payment of performance fees (with some Shareholders in the Share class paying disproportionately higher performance fees in certain circumstances) and may also result in certain Shareholders having more of their capital at risk at any time than others. In order to limit inequalities as between Shareholders in a Share class, the High Water Mark of the relevant Share class will be adjusted in the case of subscriptions into the Share class, provided that the High Water Mark shall never be adjusted below: (i) the initial offer price for the relevant Share class; or (ii) the highest Net Asset Value per Share of the relevant Share class on the last day of the previous Performance Period for which a Performance Fee was paid. Notwithstanding this, the methodology may in certain circumstances, result in certain Shareholders being charged a performance fee in circumstances where the Net Asset Value per Share of their Shares has not increased over the relevant calculation period as a whole.

**The Performance Fee is based on net realised and net unrealised gains and losses and as a result, incentive fees may be paid on unrealised gains which may subsequently never be realised. Whilst the key objectives of the Performance Fee are to further strengthen the alignment of interest between the Investment Manager and Shareholders and to reward out-performance, the payment of a Performance Fee, if any, shall reduce the investment return of the relevant Shareholders.**

Calculation of the any performance fee must be verified by the Depositary and will not be open to the possibility of manipulation. The amount of the Performance Fee will be calculated by the Administrator and verified by the Depositary.

Please refer to Schedule B to this Supplement for an example of the calculation of the Performance Fee. The tabulation is provided as an illustration for information only. The tabulation does not constitute any warranty as to success and is qualified in its entirety by the express provisions of the Prospectus and this Supplement. Investors may request additional information on the way in which the Performance Fee calculation works from the Company.

The Investment Manager may at its discretion, pay part of its Investment Management Fee or Performance Fee to the Sub-Investment Manager or any sub-distributors.

### **Service Fee**

The Investment Manager shall be entitled to a service fee of 0.30% of the Net Asset Value per Share of the CHF D Shares and USD D Shares, to compensate it for provision of certain services in respect of the distribution of the Fund through third party distributors (the “**Service Fee**”).

The Service Fee shall be calculated and accrued on each Dealing Day and be payable monthly in arrears.

### **Sales Fee**

A waivable Sales Fee of up to 3% of the subscription proceeds may be payable by applicants in respect of Share classes other than the DM Share classes, the DM2 Share classes and the EUR FOF Share class, in addition to the Subscription Price, such Sales Fee being payable as a disclosable retrocession to sub-distributors.

No Sales Fee shall be charged in respect of the DM Share classes and the EUR FOF Share class. In the event the Directors resolve to impose a Sales Fee in respect of the DM Share classes and the EUR FOF Share class, Shareholders will be given reasonable notification to enable them to redeem their Shares prior to implementation of the charge. In the event of a

Sales Fee being charged, Shareholders should view their investment as medium to long-term.

### **Redemption Fee**

No Redemption Fee shall be charged in respect of the EUR FOF Shares.

The Fund may, at the discretion of the Directors or the Manager, impose a Redemption Fee of up to 3% of the redemption proceeds in respect of Share classes other than the EUR FOF Share class. It is not currently the intention of the Directors or the Manager to charge a Redemption Fee.

In the event the Directors or the Manager resolve to impose a Redemption Fee, Shareholders will be given reasonable notification to enable them to redeem their Shares prior to implementation of the charge. In the event of a Redemption Fee being charged, Shareholders should view their investment as medium to long-term.

### **Switching Fee**

Shareholders of a class of Shares within the Fund may switch to a class of Shares within such other fund of the Company, at the discretion of the Directors or the Manager, provided however that all of the criteria applicable to switching between funds as set out in the Prospectus are complied with. Shareholders may be subject to a switching fee of up to 1% on the switching of Shares which shall be calculated as a percentage of the Redemption Price of Shares in the original fund. It is not currently the intention of the Directors or the Manager to charge a switching fee.

### **Administrator's Fees**

The Company shall pay the Administrator out of the assets of the Fund an annual fee, calculated and accrued daily and payable monthly in arrears at a rate of up to a maximum of 0.10% per annum of the Net Asset Value of the Fund (subject to a minimum annual administration fee of €50,000).

The Administrator is also entitled to charge to the Fund all agreed fees and transaction charges, at normal commercial rates, together with any reasonable and properly vouched out-of-pocket expenses, incurred on behalf of the Fund, which shall include legal fees, couriers' fees and telecommunication costs and expenses together with VAT, if any, thereon.

### **Depositary's Fees**

The Company shall pay the Depositary out of the assets of the Fund an annual trustee fee, calculated and accrued daily and payable monthly in arrears at a rate of up to a maximum of 0.03% per annum of the Net Asset Value of the Fund (subject to a minimum annual custody fee of €40,000 at the Company level and a minimum annual trustee fee of €24,000 per sub-fund).

The Depositary shall also receive custody charges, transaction charges, sub-custodial fees, and reasonable, properly vouched out-of-pocket expenses as shall be agreed, which shall be at normal commercial rates.

## SCHEDULE A

### Share Class Information

Share Class	Initial Price	Offer	Minimum Subscription/ Minimum Holding	Initial Minimum	Minimum Additional Subscription	Minimum Redemption	Annual Investment Management Fee per annum	Performance fee	Service Fee	Dividend Policy
<b>EUR DM Shares</b>	n/a		€10,000		€1,000	€2,500	1%	20% of the outperformance above the High-Water Mark		Accumulating
<b>EUR I Shares</b>	n/a		€100,000		€50,000	€50,000	1.5%	20% of the outperformance above the High-Water Mark		Accumulating
<b>EUR R Shares</b>	n/a		€10,000		€10,000	€2,500	2%	20% of the outperformance above the High-Water Mark		Accumulating
<b>EUR FOF Shares</b>	n/a		€1,000		€1,000	€1,000	2%	Nil		Accumulating
<b>CHF R Shares</b>	n/a		CHF 10,000		CHF 10,000	CHF 2,500	2%	20% of the outperformance above the High-Water Mark		Accumulating
<b>CHF DM Shares</b>	n/a		CHF 10,000		CHF 1,000	CHF 2,500	1%	20% of the outperformance above the High-Water Mark		Accumulating

<b>USD R Shares</b>	n/a	USD 10,000	USD 10,000	USD 2,500	2%	20% of the outperformance above the High-Water Mark		Accumulating
<b>EUR M Shares</b>	n/a	€100,000	€100,000	€25,000	0%	Nil		Accumulating
<b>GBP M Shares</b>	GBP £100	£100,000	£100,000	£25,000	0%	Nil		Accumulating
<b>USD Shares</b>	D USD 100	USD 10,000	USD 1000	USD 1000	1.7%	20% per outperformance of the High-Water Mark	0.30%	Accumulating
<b>CHF Shares</b>	D CHF 100	CHF 10,000	CHF 1000	CHF 1000	1.7%	20% of the outperformance above the High-Water Mark	0.30%	Accumulating
<b>EUR DM2 Shares</b>	EUR 100	EUR 10,000	EUR 1000	EUR 1000	1%	20% of the outperformance above the High-Water Mark		Accumulating
<b>USD DM2</b>	USD 100	USD 10,000	USD 1,000	USD 1,000	1%	20% of the outperformance above the High-Water Mark		Accumulating
<b>CHF DM2</b>	CHF 100	CHF 10,000	CHF 1,000	CHF 1,000	1%	20% of the outperformance above the High-Water Mark		Accumulating
<b>GBP DM2</b>	GBP 100	GBP 10,000	GBP 1,000	GBP 1,000	1%	20% of the outperformance above the High-Water Mark		Accumulating



<b>GBP DM2 Dist</b>	GBP 100	GBP 10,000	GBP 1,000	GBP 1,000	1%	20% of the outperformance above the High-Water Mark		Distributing
<b>EUR I2</b>	EUR 100	EUR 100,000	EUR 50,000	EUR 50,000	1.5%	20% of the outperformance above the High-Water Mark		Accumulating
<b>USD I2</b>	USD 100	USD 100,000	USD 50,000	USD 50,000	1.5%	20% of the outperformance above the High-Water Mark		Accumulating
<b>GBP I2</b>	GBP 100	GBP 100,000	GBP 50,000	GBP 50,000	1.5%	20% of the outperformance above the High-Water Mark		Accumulating

## SCHEDULE B

### Example of the calculation of the Performance Fee

The following table shows a concrete example of the Performance Fee methodology incorporating events that may occur during a Performance Fee Period.

EUR R Shares	Initial Issue Price / Net Asset Value at the start of the Performance Period	High Water Mark	Net Asset Value (pre-performance fee accrual) at the end of the Performance Period	Performance Fee payable from a Performance Fee percentage of 20%	Net Asset Value (pre-performance fee accrual) at the end of the Performance Period after the Performance Fee crystallises	Comments
Period 1	€100	€100	€90	€0	€90	In this example, as performance during the Performance Period has not exceeded the High-Water Mark, no Performance Fee becomes payable and the High-Water Mark is carried over to the next Performance Period.
Period 2	€90	€100	€110	€2	€108	<p>In this example, as the High-Water Mark during the Performance Period 1 was not exceeded, it has been carried forward to the Performance Period 2.</p> <p>As performance during the Performance Period 2 has exceeded the High-Water Mark, a Performance Fee will crystallise at the end of the Performance Period 2 and will be payable.</p> <p>The Performance Fee amount corresponds to the outperformance over the High-Water Mark (10) * Performance Fee Percentage of 20%.</p>

Period 3	€108	€108	€120	€2.40	€117.60	<p>In this example, as a Performance Fee was paid in the previous Performance Period, the High-Water Mark resets to the Performance Period 2 crystallisation Net Asset Value per Share.</p> <p>As performance during the Performance Period 3 has exceeded the High-Water Mark, a Performance Fee will crystallise at the end of the Performance Period 3 and will be payable.</p> <p>The Performance Fee amount corresponds to the Fund's outperformance over the High-Water Mark (12) * Performance Fee Percentage of 20%.</p>
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