

## Sanlam Real Assets Fund

Supplement dated 11 December 2018 to the Prospectus dated 27 February 2018

for Sanlam Universal Funds plc

### An umbrella fund with segregated liability between sub-funds

This Supplement contains specific information in relation to the Sanlam Real Assets Fund (the “**Fund**”), a Fund of Sanlam Universal Funds plc (the “**Company**”), an umbrella type open-ended investment company with variable capital governed by the laws of Ireland and authorised by the Central Bank of Ireland (the “**Central Bank**”). The Company has forty-eight other sub-funds in existence, namely:

Satrix World Equity Tracker Fund  
Sanlam Global Financial Fund  
Sanlam Global Best Ideas Fund  
Sanlam Global Bond Fund  
Sanlam Strategic Cash Fund  
Sanlam World Equity Fund  
Sanlam Strategic Bond Fund  
P-Solve Inflation Plus Fund  
Sanlam African Frontier Markets Fund  
SIIP India Opportunities Fund  
Bridge Global Property Income Fund  
Sanlam Centre Global Select Equity Fund  
SIM Global Equity Income Fund  
Sanlam Accel Income Fund  
Sanlam Global High Quality Fund  
Satrix North America Equity Tracker Fund  
Satrix UK Equity Tracker Fund  
Satrix Europe excluding UK Equity Tracker Fund  
Satrix Emerging Markets Equity Tracker Fund  
Sanlam Equity Allocation Fund  
Sanlam Managed Risk Fund  
Sanlam Global Property Fund  
Sanlam S&P Africa Tracker Fund  
Sanlam FOUR US Dividend Fund  
Anchor Global Stable Fund  
High Street Global Balanced Fund  
Sanlam FOUR Active European Ex-UK Equity Fund  
Sanlam FOUR Active UK Equity Fund  
Sanlam FOUR Global Equity Fund  
Sanlam FOUR Multi-Strategy Fund  
Sanlam FOUR Stable Global Equity Fund  
Anchor Global Equity Fund  
Bridge Global Equity Income Growth Fund  
Bridge Global Managed Growth Fund  
SIM Global Emerging Markets Fund  
Sanlam FOUR UK Income Opportunities Fund  
Autus Global Equity Fund  
Absa Africa Equity Fund  
Sanlam Japan Equity Fund  
Sanlam Centre American Select Equity Fund  
Sanlam Global Convertible Securities Fund  
Sanlam Centre Active U.S. Treasury Fund  
Wisian Capital South African Equity Fund  
Sanlam FOUR Enhanced Income Fund  
Cameron Hume Global Fixed Income ESG Fund  
Sanlam Centre Global Listed Infrastructure Fund  
Perpetua Global Equity UCITS Fund

**This Supplement forms part of and should be read in conjunction with the Prospectus dated 27 February 2018.**

**The Fund will invest in financial derivative instruments ("FDI") for efficient portfolio management and hedging purposes. It is not the intention for the Fund to be leveraged by its use of FDI.**

**Investment in the Fund should be viewed as medium to long term.**

**Shareholders should note that dividends may be paid out of the capital of the Fund in order to preserve cash flow to Shareholders and this may diminish the future returns of the Fund. Therefore, there is greater risk that capital may be eroded and distribution will be achieved by forgoing the potential for future capital growth of your investment. This cycle may continue until all capital is depleted. In this regard, distributions made during the life of the relevant share classes should be understood as type of capital reimbursement. Distributions out of capital may have different tax consequences to distributions of income and it is recommended that you seek appropriate advice in this regard**

The Directors of the Company, whose names appear in the "Directors of the Company" section of the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: 11 December 2018

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## **Investment Objective and Policies**

### **Investment Objective**

The investment objective of the Fund is to target capital growth over the long term and to outperform inflation through a portfolio of investments giving exposure to a range of real assets. As the portfolio and investor base is global in nature, the inflation target will be a composite of the Consumer Price Inflation rate in a basket of relevant countries (the "Index"). Further information on the Index is set out below under "Index Description".

### **Policy and Guidelines**

The Fund's investment objective will be achieved through investment of up to 100% of the Fund's Net Asset Value primarily in a global range of equity securities of companies listed on Recognised Exchanges set out in Appendix I of the Prospectus who derive their value from underlying real assets. For this purpose "real assets" are physical assets that have value due to their substance and properties e.g. housing, warehousing, infrastructure, utilities, aviation and renewable energy. There is no particular geographical focus. The securities will primarily be common stocks, preferred stocks, warrants (not more than 5% of the Fund's Net Asset Value), rights (which are issued by a company to allow holders to subscribe for additional securities issued by that company) and convertible securities (such convertible securities may embed derivatives but not increase leverage), as well as depository receipts, all of which are traded on Recognised Exchanges set out in Appendix I of the Prospectus.

The Fund may invest up to 30% of its Net Asset Value in real estate investment trusts ("REITS"). The ability to trade REITS in the secondary market may be more limited than other stocks. For the avoidance of doubt, investment in REITS will be classified as investment in transferable securities.

The Fund may invest on an ancillary basis up to 20% of its Net Asset Value in fixed income securities such as, including but not limited to corporate bonds, and sovereign debt (which may be fixed or floating rate and rated investment or sub-investment grade by Standard & Poor's, Moody's or an equivalent rating agency) and money market instruments such as investment grade corporate bonds and government issued securities of less than 1 year maturity and cash deposits.

The Fund may invest in FDI for efficient portfolio management and hedging purposes as set out under the "Use of Financial Derivative Instruments" section below.

### **Investment Philosophy and Approach**

The Fund will consist of global companies selected on the basis of fundamental research carried out by the Investment Manager who will focus on strengths and weaknesses of the business model, opportunities and threats impacting future profitability (through regular monitoring and management meetings), including but not limited to free cash flow, balance sheet, competitive positioning and management strength. The analysis will look at the valuation of the business relative to these fundamentals. The Investment Manager will, based on the above, select a portfolio of companies which is broadly diversified in terms of exposure to companies who derive their value from underlying real assets. The Fund's stock selection will be from securities which derive their value from underlying real assets such as, but not limited to, housing, warehousing, infrastructure, utilities, aviation and renewable energy. The Fund will hold between 20-60 positions.

The Fund aims to deliver real returns by investing in a portfolio of listed equities of companies whose business activities are predominantly comprised of owning real assets such as infrastructure (roads, bridges etc.) , renewable energy ( wind farms, solar energy plants etc.) or specialist property (student accommodation, sheltered housing etc.). The value of the Fund's investments are therefore supported by the value of these assets and the overall value of these companies is derived from the value of these underlying tangible investments.

Investments will typically be global in nature, have contractual cash-flows and offer more attractive yields relative to traditional equity investments.

Periodically fixed income securities may present an alternative way for the Fund to gain exposure to real assets. Where this is the case, the selection criteria will incorporate yield and duration analysis conducted by the Investment Manager with the aim of achieving the highest yield for a given maturity.

The Fund's targets are as follows:

- Delivering a strong real return for investors. The formal target will be to produce positive returns over the Index over the medium to longer term.
- Lower volatility and greater capital preservation across the cycle as the Fund is investing in securities which derive their value from underlying real assets.
- While a specific level of income will not be targeted, the Investment Manager expects income to be a significant part of the total return, in line with the underlying investments which themselves generate regular income.

### **Index Description**

The Investment Manager creates an equally weighted composite Index from the Consumer Price Inflation Rate of the component countries of the G10 Region Consumer Price Inflation Index (United States, Eurozone, Japan, United Kingdom, Canada, Australia, New Zealand, Switzerland, Denmark, Norway and Sweden) to ensure no geographical bias.

### **Risk Management**

The Manager on behalf of the Fund has filed with the Central Bank its risk management policy which enables it to accurately measure, monitor and manage the various risks associated with the use of FDI and warrants. The Manager will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. As set out in the risk management policy, the Manager will use the commitment approach for the purposes of calculating global exposure.

### **Profile of a Typical Investor**

A typical investor is an institutional investor, multi-manager, fund of funds or professional investor, being a corporate, pension fund, insurance company, public sector body such as a government, supranational agency or a local authority, bank, other investment firm, or any other intermediary. The Fund may also accept retail investors. The typical investor will invest over the medium to long-term and will expect the higher levels of volatility that accompany equity investments. Tax implications will vary by investor and each is encouraged to take its own tax advice.

### **Investment Restrictions**

The general investment restrictions set out under the heading "Investment Restrictions" in the Prospectus shall apply.

In addition, the following investment restrictions will apply to the Fund:

1. Over the counter (OTC) FDIs (except for unlisted futures, options, forward currency, exchange rate swap transactions for efficient portfolio management and hedging purposes) are not permitted.
2. Use of FDIs by the Fund is for efficient portfolio management and hedging purposes only.
3. Investments in open-ended fund of funds or an open-ended feeder fund are not permitted.
4. The Fund may not be geared or leveraged through investment in any security, including but not limited to FDI.
5. The Fund is restricted to long only investment strategies. All FDI are required to be fully hedged either by cash or by similar securities.

## **Use of Financial Derivative Instruments**

The Fund may also use FDI for the purposes of efficient portfolio management and hedging only and accordingly to achieve one or more of the following, the reduction of risk, the reduction of costs, and the generation of additional capital or income for the Fund with no, or with an acceptably low level of, risk. Subject to the Investment Restrictions, the Fund may use FDI namely: spot and forward currency contracts, futures and options:

**Futures:** Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. Futures contracts allow the Investment Manager to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, the Investment Manager may, by closing out its position, exit from its obligation to buy or sell the underlying assets prior to the contract's delivery date. Futures may also be used by the Investment Manager to equitise cash balances, both pending investment of a cash flow and with respect to fixed cash targets. Frequently, using futures to achieve a particular strategy instead of using the underlying or related security or index results in lower transaction costs being incurred.

**Options:** There are two forms of options: put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option. Options may also be cash settled. The Investment Manager on behalf of the Fund may be a seller or buyer of put and call options. The options will be exchange traded options on individual equities or on futures contracts of equity market indices. The use of options will be restricted to long only investments of puts and calls, with the exception of covered call writing where the underlying deliverable is held by the Fund and put writing where the Fund is willing and able to be assigned the underlying security.

**Spot and forward currency contracts:** A forward contract locks-in the price at which an index or asset may be purchased or sold on a future date. In currency forward contracts, the contract holders are obligated to buy or sell the currency at a specified price, at a specified quantity and on a specified future date, whereas an interest rate forward determines an interest rate to be paid or received on an obligation beginning at a start date sometime in the future. Forward contracts may be cash settled between the parties. These contracts cannot be transferred. The Funds' use of forward foreign exchange contracts may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, shifting exposure to currency fluctuations from one currency to another and hedging classes denominated in a currency (other than the Base Currency) to the Base Currency. Whilst hedging strategies are designed to reduce the losses to a Shareholder's investment if the currencies of assets which are denominated in currencies other than the Base Currency fall against that of the Base Currency, the use of hedging strategies may substantially limit holders of Shares from benefiting if the Base Currency falls against the currency in which the assets of the Fund are denominated. To the extent that hedging transactions are successful, Shareholders in the hedged Share class will not be affected if the value of the hedged class rises or falls against the Base Currency and/or currencies in which the assets of the Fund are denominated. For further information please see the "Hedged Classes" section of the Prospectus.

The Fund may employ forward currency exchange contracts to purchase or sell a specific currency at a future date at a price set at the time of the contract and/or to gain an exposure within the limits laid down by the Central Bank. "Spot" settlement means that delivery of the currency amounts normally takes place two business days in both relevant centres after the trade is executed.

However, 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. Under-hedged positions will not fall short of 95% of the portion of the Net Asset Value of the Share class which is to be hedged and any under-hedged positions will be kept under review to ensure it is not carried forward from month to month. Over-hedged positions will not exceed 105% of the Net Asset Value and hedged positions will be kept under review to ensure that positions in excess of 100% of Net Asset Value will not be carried forward from month to month.

Where, in respect of any Share class of the Fund, it is intended to conduct currency management transactions, the benefit and cost of such transactions shall accrue solely to the investors in such class and

the Net Asset Value per Share of that class shall be increased/reduced as the case may be by the benefit/cost of any such currency management transactions. Any currency exposure of a class may not be combined with or offset against that of any other Share class of the Fund. The currency exposures of the assets of the Fund may not be allocated to separate Share classes.

The Fund may enter into Securities Financing Transactions in the form of securities lending arrangements. Further details in respect of Securities Financing Transactions and applicable limits are set out in the Prospectus under the heading "Repurchase/Reverse Repurchase Agreements and Securities Lending".. Securities lending is used to generate additional income for the Fund with an acceptable low level of risk. The Fund will not use financial derivative instruments until a risk management process has been prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

Further details on the requirements relating to such Securities Financing Transactions and the Collateral Policy for the Fund are contained in the Prospectus.

### **Leverage**

The Fund will ensure that its use of FDIs will not result in the Fund having exposure in excess of its Net Asset Value. Any exposure to such FDI will always be equal to or less than the Fund's Net Asset Value and will be fully covered, either by similar underlying investments or cash, as appropriate in the relevant circumstances. Accordingly, the Fund will not be leveraged or geared by its use of FDIs.

### **Borrowings**

In accordance with the general provisions contained in the "Borrowing and Lending Powers" section of the Prospectus, the Fund may borrow up to 10% of its net assets on a temporary basis. Such borrowings are permitted only to meet the Fund's obligations in relation to (i) the administration of the Fund relating to purchase or sale transactions; and/or (ii) the redemption or cancellation of Shares in the Fund. Borrowings in relation to (i) above are only permitted for a period of up to 8 calendar days, and 61 calendar days in respect of (ii) in order to comply with the South African Financial Sector Conduct Authority and to allow for the Fund to be distributed to South African retail investors. However, at all times borrowings on behalf of the Fund will be in accordance with the Regulations and the requirements of the Central Bank.

### **Listing**

An application has been made to the Irish Stock Exchange Plc trading as Euronext Dublin ("Euronext Dublin") for the Class A Distribution Sterling Shares, Class AH Distribution USD Shares, Class B Accumulation Sterling Shares, Class D Distribution Sterling Shares and Class DH Distribution USD Shares, to be admitted to the Official List and to trading on the Global Exchange Market ("GEM") of Euronext Dublin and dealing in these Shares of the Fund will commence immediately following the closing of the Initial Offer Period. No application has been made to list the Shares on any other stock exchange.

The Class SR Accumulation USD Shares and Class SI Accumulation USD Shares were admitted to the Official List and to trading on the Global Exchange Market on 23 August 2018.

### **GEM is not a "regulated market" as defined under the Directive on Markets in Financial Instruments 2014/65/EU.**

Neither the admission of the Shares to listing on the Official List and trading on the Global Exchange Market of Euronext Dublin nor the approval of this Supplement pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in this Supplement or this Prospectus or the suitability of the Fund for investment purposes.

As at the date of this document the Fund does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptance (other than normal trade bills) or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities which are material in nature.

As at the date of this Supplement, no Director nor their spouses nor their infant children or any person closely associated have any interest in the Shares of the Fund or any options in respect of such capital.

Save as disclosed herein there has been no significant change and no significant new matter has arisen since the date of the Prospectus.

### **Investment Manager and Distributor**

The investment manager and distributor currently appointed to the Fund is:

#### **Sanlam FOUR Investments UK Limited**

Sanlam FOUR Investments UK Limited (the "**Investment Manager**") is a company incorporated under the laws of the United Kingdom having its registered office at 1 Ely Place, London, EC1N 6RY, United Kingdom. The Investment Manager provides investment management and advisory services to collective investment schemes and is regulated by the Financial Conduct Authority.

### **Risk Factors**

The general risk factors set out under the heading "Risk Factors" section of the Prospectus apply to the Fund. In addition, the following risk factors apply to the Fund:

#### **Risks relating to the use of FDI**

**Market Risk** — This is the general risk attendant to all investments that the value of a particular investment will change in a way detrimental to the portfolio's interest.

**Management Risk** — FDI are highly specialised instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The successful use of FDI draws upon the Investment Manager's special skills and experience and usually depends on the Investment Manager's ability to forecast price movements, interest rates, or currency exchange rate movements correctly. Should prices, interest rates, or exchange rates move unexpectedly, a portfolio may not achieve the anticipated benefits of the transactions or may realise losses and thus be in a worse position than if such strategies had not been used. The use of FDI requires an understanding not only of the underlying instrument but also of the FDI itself, without the benefit of observing the performance of the FDI under all possible market conditions. In particular, the use and complexity of FDI require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that an FDI adds to a portfolio and the ability to forecast price, interest rate or currency exchange rate movements correctly.

**Counterparty and Credit Risk** — This is the risk that a loss may be sustained by a portfolio as a result of the failure of another party to an FDI (usually referred to as a "counterparty") to comply with the terms of the FDI contract. The credit risk for exchange-traded FDI is generally less than for privately negotiated FDI, since the clearing house, which is the issuer or counterparty to each exchange-traded FDI, provides a guarantee of performance. This guarantee is supported by a daily payment system (i.e., margin requirements) operated by the clearing house in order to reduce overall credit risk. For privately negotiated FDI, there is no similar clearing agency guarantee. Therefore, the Investment Manager will consider the creditworthiness of each counterparty to a privately negotiated FDI in evaluating potential credit risk.

**Liquidity Risk** — Liquidity risk exists when a particular instrument is difficult to purchase or sell. If an FDI transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated FDI), it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

**Legal Risk** — The use of OTC FDI, such as forward contracts, swap agreements, will expose the Fund to the risk that the legal documentation of the relevant OTC contract may not accurately reflect the intention of the parties.

**Other Risks** — Other risks in using FDI include the risk of mispricing or improper valuation of FDI and the inability of FDI to correlate perfectly with underlying assets, rates and indices. Many FDI, in particular privately negotiated FDI, are complex and often valued subjectively. Improper valuations can result in

increased cash payment requirements to counterparties or a loss of value to the portfolio concerned. FDI do not always perfectly or even closely track the value of the assets, rates or indices they are designed to track. Consequently, a portfolio's use of FDI may not always be an effective means of, and sometimes could be counterproductive to, furthering the portfolio's investment objective.

### **Hedge Class Risk**

The adoption of a currency hedging strategy for a Share class may substantially limit the ability of holders of such Share class to benefit if the currency of such Share class depreciates against the Base Currency of the Fund or against the currencies in which the assets of the Fund are denominated.

A class of Shares of the Fund may be denominated in a currency other than the Base Currency of the Fund or the currency in which the assets of the Fund are denominated. Changes in the exchange rate between the Base Currency or the currency/currencies in which the assets of the Fund are denominated and the denominated currency of a Share class may lead to a depreciation of the value of such Shares as expressed in the denominated currency. The Investment Manager may or may not try to mitigate their risk by using financial instruments. Investors should be aware that this strategy may substantially limit Shareholders of the relevant class from benefiting if the denominated 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 class of Shares of the Fund may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/loss on and the costs of the relevant financial instruments.

### **Dividend Policy**

It is intention of the Directors to declare a dividend in relation to the Class A Distribution Sterling, Class AH Distribution USD, Class D Distribution Sterling and Class DH Distribution USD Shares on a monthly basis.

It is the intention of the Company to seek UK "reporting fund" status in respect of Class A Distribution Sterling, Class AH Distribution USD, Class B Accumulation Sterling Shares, Class D Distribution Sterling, Class DH Distribution USD, Class SR Accumulation USD and Class SI Accumulation USD Shares. In broad terms a "reporting fund" is an offshore fund that meets certain upfront and annual reporting requirements to HM Revenue & Customs and its Shareholders. Once reporting fund status is obtained from HM Revenue & Customs for the relevant classes it will remain in place permanently, provided the annual requirements are complied with. UK Shareholders who hold their interests in the Class A Distribution Sterling, Class AH Distribution USD, Class B Accumulation Sterling Shares, Class D Distribution Sterling, Class DH Distribution USD Shares Class SR Accumulation USD Shares and Class SI Accumulation USD Shares at the end of the reporting period to which the reported income relates, subject to their personal circumstances, will normally be liable to either income tax or corporation tax on the higher of any cash distribution paid and the full reported amount. The reported income will be deemed to arise to UK Shareholders on the date the report is issued by the Company.

The Directors reserve the right to change the dividend policy of the Fund to reflect changes that may occur from time to time in the requirements for qualifying as a reporting fund or otherwise for the purposes of UK taxation and will notify Shareholders of any changes to the Dividend Policy.

**Investors should refer to their tax advisors in relation to the implications of these Share classes obtaining such status and any payment of dividends. Please see the section entitled United Kingdom under the Taxation section of the Prospectus of the Company for further details.**

### **Key Information for Buying and Selling**

#### **Initial Offer Period**

The Initial Offer Period for the Class A Distribution Sterling Shares, Class AH Distribution USD Shares, Class B Accumulation Sterling Shares, Class D Distribution Sterling Shares, Class DH Distribution USD Shares, Class SR Accumulation USD Shares and Class SI Accumulation USD Shares begins at 9:00 a.m. on 2 August 2018 and will close at 5.00 p.m. on 1 February 2019 (as may be shortened or extended by the Directors in accordance with the Central Bank's requirements).

**Initial Issue Price**

Class A Distribution Sterling	GBP 10
Class AH Distribution USD	USD 10
Class B Accumulation Sterling	GBP 10
Class D Distribution Sterling	GBP 10
Class DH Distribution USD	USD 10
Class SR Accumulation USD	USD 10
Class SI Accumulation USD	USD 10

**Base Currency**

The Base Currency of the Fund is GBP.

**Minimum Investment Levels**

The Fund has no minimum investment levels.

**Business Day**

Any day (except Saturday or Sunday) on which the banks in both Ireland and the UK are open generally for business, or such other day as the Directors may, with the consent of the Depositary, determine and notify to Shareholders in advance.

**Dealing Day**

The Fund shall be open to dealing on every Business Day, however dealing must at least be fortnightly.

**Dealing Deadline**

In respect of a Dealing Day, the Dealing Deadline is defined as 11.00 a.m. in Ireland on the relevant Dealing Day.

**Settlement Date**

In the case of subscriptions payment must be received no later than three Business Days after the relevant Dealing Day. However, the Directors may, at their discretion, allow investors to make payment for subscriptions after these periods. In such circumstances, the provisions which are set out under the "Application for Shares" section of the Prospectus shall apply. Furthermore, the completed subscription documentation must have been received by the relevant Dealing Deadline.

If payment in full has not been received by the Settlement Date, or in the event of non-clearance of funds, any allotment of Shares made in respect of such application may, at the discretion of the Directors, be cancelled. Alternatively, the Directors may treat the application as an application for such number of Shares as may be purchased with such payment on the next Dealing Day following receipt of payment in full or of cleared funds.

If cleared funds are not received on the Settlement Date then any interest costs and/or directly related charges will be reimbursed by the subscriber unless otherwise agreed by the Directors at their absolute discretion. In addition, the Directors will have the right to sell all or part of the investor's holding of Shares in the Fund or any other fund in order to meet those charges.

In the case of repurchases three Business Days after the relevant Dealing Day (assuming the receipt of the

relevant duly signed repurchase documentation).

### **Preliminary Charge**

Class A Distribution Sterling	Up to 5%
Class AH Distribution USD	Up to 5%
Class B Accumulation Sterling	None
Class D Distribution Sterling	Up to 5%
Class DH Distribution USD	Up to 5%
Class SR Accumulation USD	Up to 5%
Class SI Accumulation USD	Up to 5%

The directors may waive the Preliminary Charge in whole or in part. This section should be read in conjunction with the Charges and Expenses section below.

### **Valuation Point**

12 noon in Ireland on the relevant Dealing Day.

### **Charges and Expenses**

The total annual management charges and management expenses of the Fund are based on a percentage of the Net Asset Value of the Fund prior to the deduction of any fees or other expenses.

The total annual management charges and management expenses of the Fund differ for the various classes of Shares. The total annual management charges and management expenses of each class of Shares in the Fund will be as follows: -

The Investment Manager will be entitled to receive from the Company an annual fee of 0.75% of the Net Asset Value of the Class A Distribution Sterling Shares and Class AH Distribution USD Shares, 0.50% of the Net Asset Value of the Class D Distribution Sterling Shares and Class DH Distribution Fund Shares. The Investment Manager is not entitled to any fee in respect of the Class B Accumulation Sterling Shares as the Shareholders in this class have entered into a separate investment management agreement with the Investment Manager. The Investment Manager will pay out of its fees, the fees and expenses of the Distributor.

The Investment Manager may at its sole discretion waive all or a portion of the Investment Management fee with respect to certain Shareholders' investment in the Fund. Any such waiver or reduction will not entitle other Shareholders to a similar waiver.

The Manager will be entitled to receive from the Company an annual fee of up to 0.15% of the Net Asset Value of the Class A Distribution Sterling, Class AH Distribution USD, Class B Accumulation Sterling, Class D Distribution Sterling and Class DH Distribution DH Shares (plus VAT, if any). These fees will accrue and be calculated on each Dealing Day and be payable monthly in arrears. The Manager will pay out of its fees, the fees and expenses of the Administrator.

The Manager will be entitled to receive from the Company an annual fee of 0.85% of the Net Asset Value of the Class SR Accumulation USD Shares and 0.55% per annum of the Net Asset Value of the Class SI Accumulation USD Shares. The Manager will pay out its fees, the fees and expenses of the Distributor, Investment Manager and the Administrator. Shareholders in these classes have entered into a separate investment management agreement with the Investment Manager.

The above fees shall accrue and be calculated with reference to the daily Net Asset Value of the Fund on each Dealing Day and will be payable monthly in arrears.

The Manager will be responsible for all its own out of pocket costs and expenses.

The Registrar and Transfer Agent will be entitled to receive from the Company out of the assets of the Fund an annual fee which will not exceed US\$2,500 plus US\$1,000 for each additional share class greater than four, together with reasonable costs and expenses incurred by the Registrar and Transfer Agent in the performance of its duties as Registrar and Transfer Agent of the Fund. These fees shall accrue and be calculated on each Dealing Day and shall be payable monthly in arrears. The Registrar and Transfer Agent shall also be entitled to be reimbursed out of the assets of the Fund all agreed transaction charges (which will be charged at normal commercial rates).

The Depositary will be entitled to receive from the Company out of the assets of the Fund an annual trustee fee which will not exceed 0.02% of the net assets of the Fund (plus VAT, if any) together with reasonable costs and expenses incurred by the Depositary in the performance of its duties as Depositary of the Fund. These fees shall accrue and be calculated on each Dealing Day and shall be payable monthly in arrears. The Depositary shall also be entitled to be reimbursed out of the assets of the Fund all agreed safekeeping fees, expenses and all agreed transaction charges (which will be charged at normal commercial rates).

The cost of establishing the Fund, obtaining authorisation from any authority, regulatory or other body, listing the Shares on Euronext Dublin, filing fees and the preparation and printing of this Supplement, marketing costs and the fees of all professionals relating to it, is not expected to exceed €15,000 and are being borne by the Fund and amortised over the five years following the first issue of Shares in the Fund.

This section should read in conjunction with the section entitled "Charges and Expenses" in the Prospectus.

## **Material Contracts**

### **Investment Management Agreement**

The Investment Management Agreement dated 03 March 2010 between the Manager and the Investment Manager (the "**Agreement**") provides that the appointment of the Investment Manager will continue in force unless and until terminated by the Manager on giving not less than 30 days' written notice to the Investment Manager or the Investment Manager giving not less than 90 days' written notice to the Manager. However, in certain circumstances the Agreement may be terminated without a minimum period of notice by either party. The Agreement limits the liability of the Investment Manager to the Manager to losses arising by reason of the fraud, bad faith, negligence, wilful default or wilful misfeasance of the Investment Manager in the performance or non-performance of its duties. The Agreement also provides that the Investment Manager shall indemnify the Manager to the extent that any claims, costs, direct damages, direct losses or expenses are attributable to the fraud, bad faith, negligence, wilful default or wilful misfeasance by the Investment Manager in the performance or non-performance of its duties.

### **Distribution Agreement**

The Distribution Agreement dated 21 December 2015 between the Manager and the Distributor (the "**Agreement**") provides that the appointment of the Distributor will continue in force unless and until terminated by the Manager on giving not less than 90 days' written notice to the Distributor or by the Distributor giving not less than 90 days' written notice to the Manager. However, in certain circumstances the Agreement may be terminated without a minimum period of notice by either party. The Agreement limits the liability of the Distributor to the Manager to losses arising by reason of the fraud, bad faith, negligence, wilful default or wilful misfeasance by the Distributor in the performance or non-performance of its duties. The Agreement also provides that the Distributor shall indemnify the Manager to the extent that any claims, costs, direct damages, direct losses or reasonable expenses are attributable to the fraud, bad faith, negligence, wilful default or wilful misfeasance by the Distributor in the performance or non-performance of its duties.