

**ACPI SELECT UCITS FUNDS PLC (the “FUND”)**

**ACPI BALANCED UCITS FUND (the “SUB-FUND”)**

**SUPPLEMENT 1**

**dated 11 September, 2018 to the Prospectus dated 22 May, 2017**

**Distribution of this Supplement is not authorised unless accompanied by the most recently available Prospectus issued by the Fund, and this Supplement should be read in conjunction with and forms part of such Prospectus and may not otherwise be relied upon.** Copies of the Prospectus may be obtained free of charge upon request from the registered office of the Fund or from the Administrator.

Unless otherwise defined in this Supplement, words and phrases in the Prospectus will have the same meaning in this Supplement.

**An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. The Sub-Fund may invest substantially in deposits with credit institutions. Investors should note the difference between the nature of a deposit and the nature of an investment in the Sub-Fund, in particular the risk that the principal invested in the Sub-Fund is capable of fluctuation.**

**1. Structure**

The Sub-Fund is a Sub-Fund of the Fund. The Fund is an open-ended variable capital umbrella investment company with segregated liability between its Sub-Funds. A description of the Fund and its management, administration, charges, taxation of the Fund and its Shareholders and risk factors is contained in the Prospectus.

**2. Shares and Classes**

Shares may be subscribed for in the following Classes of Shares:

	<b>Reference Currency</b>	<b>Minimum Initial Subscription</b>	<b>Minimum Holding</b>	<b>Minimum Transaction Size</b>	<b>Distribution Status</b>	<b>Hedged Class</b>
<b><u>US\$ Retail Class</u></b>	US Dollars	US\$2,500	US\$2,500	US\$500	Accumulating	No
<b><u>US\$ Institutional Class</u></b>	US Dollars	US\$100,000	US\$100,000	US\$500	Accumulating	No
<b><u>US\$ Z Class</u></b>	US Dollars	US\$2,500	US\$2,500	US\$500	Accumulating	No
<b><u>EUR Retail Class</u></b>	Euro	€2,500	€2,500	€500	Accumulating	Yes
<b><u>EUR Institutional Class</u></b>	Euro	€100,000	€100,000	€500	Accumulating	Yes

<b><u>EUR Institutional Unhedged Class</u></b>	Euro	€100,000	€100,000	€500	Accumulating	No
<b><u>GBP Retail Class</u></b>	Sterling	£2,500	£2,500	£500	Accumulating	Yes
<b><u>GBP Institutional Class</u></b>	Sterling	£100,000	£100,000	£500	Accumulating	Yes
<b><u>GBP Institutional Unhedged Class</u></b>	Sterling	£100,000	£100,000	£500	Accumulating	No
<b><u>CHF Retail Unhedged Class</u></b>	Swiss Franc	CHF2,500	CHF2,500	CHF500	Accumulating	No
<b><u>CHF Institutional Unhedged Class</u></b>	Swiss Franc	CHF100,000	CHF100,000	CHF500	Accumulating	No

Each investor must satisfy the Minimum Initial Subscription requirements applicable to each Class as outlined above and must retain Shares having a Net Asset Value of the Minimum Holding applicable to each Class as outlined above. A Shareholder may make subsequent subscriptions, conversions and redemptions, each subject to a Minimum Transaction Size applicable to each Class as outlined above. The Directors reserve the right to differentiate between Shareholders, waive or reduce the Minimum Initial Subscription, Minimum Holding and Minimum Transaction Size for certain investors.

The offering of US\$ Z Class will be limited to investors (whether institutional or individual clients) who maintain a discretionary investment management agreement or similar investment management agreement with an entity within the ACPI group and/or in respect of which the Directors deem it appropriate for such clients to invest. The Directors have the right in their sole discretion to waive this restriction at any time.

The fees applicable to each Class are set out in Section 15 below headed "Fees and Expenses".

### **3. Base Currency**

The Base Currency of the Sub-Fund is US Dollars.

### **4. Investment Objective**

The investment objective of the Sub-Fund is to outperform the USD Libor 1 year Index by 300 basis points per annum.

### **5. Investment Policy**

The Sub-Fund will invest a minimum of 50% of its Net Asset Value in UCITS and open ended alternative investment funds in order to gain exposure to global equities and fixed income securities (including

government and/or corporate bonds which may have fixed or floating rates of interest, 90% of which will have a credit rating of investment grade or higher by Standard and Poor's, Moody's Investors Service or Fitch Ratings Ltd) listed or traded on a Recognised Exchange. Such collective investment schemes will be managed by international fund managers who are amongst the sector leaders in their asset class.

At the Investment Manager's discretion, the Sub-Fund may also invest up to 50% of the Net Asset Value of the Sub-Fund directly in equities and equity-related securities as further described in the section headed "Equity and Equity-Related Securities" below.

The Sub-Fund may also hold cash and money market instruments as further described in the section headed "Liquid Assets" below and may engage in foreign exchange transactions to mitigate against currency risk as further described in the section headed "Financial Derivative Instruments" below.

The Sub-Fund will seek to out perform the USD Libor 1 year Index by 300 basis points per annum. The USD Libor 1 year Index is an interest rate at which banks can borrow funds, in marketable size, from other banks in the London interbank market. The LIBOR is fixed on a daily basis by the British Bankers' Association. The LIBOR is derived from a filtered average of the world's most creditworthy banks' interbank deposit rates for larger loans with maturities between overnight and one full year.

#### *Collective Investment Schemes*

The collective investment schemes in which the Sub-Fund may invest shall be UCITS and/or other collective investment schemes eligible for investment by a UCITS. However given no more than 30% in aggregate of the Net Asset Value of the Sub-Fund may be invested in alternative investment funds, the primary focus will be investment in UCITS domiciled throughout the EU and in particular, in Ireland and Luxembourg. Any investment in an alternative investment fund will be required to meet the Central Bank's requirements and will be domiciled in Ireland, in a Member State of the EEA, in the United States of America, in Jersey, in Guernsey or in the Isle of Man. The aggregate maximum management fees that may be charged by the collective investment schemes in which the Sub-Fund may invest will not exceed 1.5% of such collective investment schemes' net asset value.

The Sub-Fund will only invest in collective investment schemes which have an annualised tracking error against their relevant benchmark, of less than 20% per annum. The Sub-Fund must invest in at least five of schemes and not more than 20% of the Net Asset Value of the Sub-Fund may be invested in any one of such schemes. In addition, the following investment restrictions shall apply:

- i. Investment in a collective investment scheme which can itself invest more than 10% of its net asset value in other collective investment schemes is not permitted. The Sub-Fund shall not be invested in any collective investment scheme which operates as a fund of funds or a feeder fund.
- ii. The Sub-Fund shall not be invested in any collective investment scheme which has as a principal investment objective the investment of its assets in real estate or interests in real estate or in investments which involve the assumption of unlimited liability.
- iii. The Sub-Fund may not invest in any collective investment scheme which holds Shares in the Sub-Fund.

### *Investment Strategy*

The Sub-Fund's assets will be allocated between collective investment schemes based on detailed analysis. The Sub-Funds investment strategy favours forming a relatively concentrated selection of 10-15 collective investment schemes in which the Sub-Fund will invest. These collective investment schemes will have an investment strategy which can adapt throughout a full market cycle resulting in a solid and often repeatable investment process over the market cycle.

Generally, such collective investment schemes tend to operate with a smaller asset base where alpha generation is the primary objective. Alpha generation is performance in excess of each collective investment scheme's respective benchmark.

The Investment Manager executes a rigorous manager selection process combining both qualitative and quantitative assessments of both the manager's investment pedigree and strategy guidelines. The on-going monitoring and due diligence of existing managers and routine cross-referencing against a viable peer group is conducted. The strategy is evolutionary, ensuring that the offering remains at the forefront of product innovation given the ever changing dynamics of the investment world. In order to complement the portfolio construction process, the Investment Manager formulates an internal asset allocation framework which further drives overall positioning in the Sub-Fund. The internal asset allocation framework is research driven, and assesses the relative valuation of all major asset classes within respective regions.

### *Equity and Equity-Related Securities*

At the Investment Manager's discretion, the Sub-Fund may invest up to 50% of its Net Asset Value directly in equity and equity-related securities including equity contracts for difference listed or quoted on a Recognised Exchange in the United States, the United Kingdom, developed European and developed Asian markets. Such investment will also cover GICS (Global Industry Classification Standard) sectors. GICS is a standardised classification system for equities and is used to make portfolio diversification and overall asset allocation decisions from within a common framework.

The Sub-Fund will invest in equity contracts for difference in order to participate in the above equity markets which are less accessible via direct investment or as a means to provide more diversified exposure to equities as further described in the section headed "Financial Derivative Instruments" below.

The equity selection process will be formulated through an ongoing quantitative fundamental screening process for initial idea generation. The screening process will assess potential equities based on the following variables: i) valuation, ii) yield; iii) balance sheet; iv) underlying profitability; and v) growth and operating margins. The Investment Manager will then utilise the output generated by this process for eventual portfolio construction. Ongoing changes to this strategy will be at the discretion of the Investment Manager.

### *Liquid Assets*

Notwithstanding the preceding paragraphs, the Sub-Fund will at all times consider market valuations and the prevailing investment climate. Should the Investment Manager perceive the investment climate to be negative or that the equity market offers investors little value, the Sub-Fund can retain substantial amounts in cash or ancillary liquid assets including money market instruments (such as money market funds) and cash deposits

(denominated in such currency or currencies as the Investment Manager may determine) pending investment or reinvestment. In addition, the Sub-Fund may hold cash due to recent subscriptions pending investment or in anticipation of future redemptions. Such holdings may result in the Sub-Fund not being primarily invested in investment collective investment schemes but shall be in accordance with the limits set out in Appendix I of the Prospectus.

#### *Financial Derivative Instruments*

The Sub-Funds may use FDI for investment purposes, for efficient portfolio management purposes, to hedge currency exposure and for share class currency hedging subject always to the conditions and within the limits laid down by the Central Bank. Efficient portfolio management transactions relating to the assets of the Sub-Fund may be entered into by the Investment Manager with one of the following aims: (a) a reduction of risk (including currency exposure risk); and (b) a reduction of cost (with no increase or minimal increase in risk). It is not expected that efficient portfolio management transactions will generate additional capital or income for the Sub-Fund.

The FDI which the Sub-Fund will use are set out below:

##### (i) Currency Forwards

The Sub-Fund may utilise FDI to actively manage non-Base Currency exposure. The Sub-Fund will mainly use currency forwards to hedge all or part of the currency risk of a non-Base Currency asset. Where undertaken, there can be no guarantee that such hedging will be successful in eliminating part or all of the currency risk. For example, if the Sub-Fund purchased a EUR denominated 5 year issue, it is preferable for the Sub-Fund to earn the yield on this asset without taking on the risk of adverse movements between EUR and USD. To facilitate this outcome the Sub-Fund would sell the EUR forward versus the USD at forward date thus locking in the current exchange rate.

##### (ii) Contracts for Difference

The Sub-Fund may purchase equity contracts for difference as a means of gaining exposure to the economic performance and cash flows of an equity security without the need for taking or making physical delivery of the security. The Sub-Fund may also utilise contracts for difference for efficient portfolio management purposes.

A contract for difference is a financial instrument linked to an underlying share price. Consequently, no rights are acquired or obligations incurred relating to the underlying share and the Sub-Fund may buy (go long) depending on the Investment Manager's view of a company's share price.

#### *Share Class Currency Hedging*

Foreign exchange transactions may be used for currency hedging purposes. A Class of the Sub-Fund which is denominated in a currency other than the Base Currency may be hedged against exchange rate fluctuation risks between the denominated currency of the Class and the Base Currency of the Sub-Fund. The Investment Manager may attempt to mitigate the risk of such fluctuation by using financial derivative instruments, namely currency forwards, for currency hedging purposes subject to the conditions and within

the limits laid down by the Central Bank. Where a Class is to be hedged using such instruments (a "Hedged Class"), this is to be disclosed in section 2 above. While it is not intended that a Hedged Class will be leveraged, the use of hedging techniques and instruments may result in a Hedged Class being over or under hedged due to external factors outside the control of the Investment Manager, subject to the requirements of the Central Bank as set down in the Prospectus in the section entitled "Currency Hedging". However, over-hedged positions will not exceed 105% of the Net Asset Value of a Hedged Class and under-hedged positions shall not fall short of 95% of the portion of the Net Asset Value of a Hedged Class which is to be hedged against currency risk. Hedged positions will be reviewed daily to ensure that over-hedged or under-hedged positions do not exceed/fall short of the permitted levels outlined above and positions materially in excess of 100% will not be carried forward from month to month. For further information on currency hedging, please see the section in the Prospectus entitled "Currency Hedging".

Further details of the FDI that the Sub-Fund may utilise are set out in Appendix IV of the Prospectus together with a description of the relevant risks attached to each.

The Investment Manager will only enter into over the counter derivative transactions on behalf of the Sub-Fund with counterparties which are subject to prudential supervision and belong to categories approved by the Central Bank. Such counterparties will not be related to the Investment Manager but may include the Depositary or entities related to the Depositary.

Investors should be aware that when the Sub-Fund enters into FDI contracts for efficient portfolio management purposes, direct and indirect operational costs and/or fees shall be deducted from the revenue delivered to the Sub-Fund. In the case of forwards and contracts for difference, such fees and costs may include financing fees. One of the considerations taken into account by the Investment Manager when selecting brokers and counterparties to FDI transactions on behalf of the Sub-Fund is that any such costs and/or fees which are deducted from the revenue delivered to the Sub-Fund shall be at normal commercial rates and shall not include any hidden revenue. Such direct or indirect costs and fees will be paid to the relevant broker or counterparty to the FDI transaction. All revenues generated through the use of FDI for efficient portfolio management purposes, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

Where necessary, the Sub-Fund will accept collateral from its counterparties in order to reduce counterparty risk exposure generated through the use of over the counter derivative instruments. Any collateral received by the Sub-Fund shall comprise of cash collateral and/or government backed securities of varying maturity which satisfy the requirements of the Central Bank relating to non-cash collateral which may be received by a UCITS. Cash collateral received by the Sub-Fund may be reinvested in accordance with the requirements of the Central Bank at the discretion of the Investment Manager. In this regard, any cash collateral received by the Sub-Fund may be placed on deposit with relevant credit institutions as permitted by the UCITS Regulations. In such circumstances, the Sub-Fund shall be exposed to the creditworthiness of the relevant credit institution with which cash collateral is placed. The level of collateral required to be posted may vary by counterparty with which the Sub-Fund trades. The haircut policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by the Sub-Fund, taking into account the credit standing and price volatility of the relevant counterparty.

With the exception of the permitted investment of up to 10% of the Net Asset Value of the Sub-Fund in unlisted transferable securities, investment by the Sub-Fund is restricted to the Recognised Exchanges as

listed under Appendix II to the Prospectus. The Sub-Fund will not invest or trade in real estate nor will it enter into transactions carrying unlimited liability.

## **6. Changes to the Investment Objective and/or Policy**

A change at any time to the investment objective or a material change to the investment policy of the Sub-Fund may only be effected with the approval of a majority of the votes cast at a general meeting of Shareholders in accordance with the Articles of Association. Shareholders will be given reasonable notice of such changes to permit them to redeem their holdings, if they wish, prior to any such changes becoming effective.

## **7. Investment and Borrowing Restrictions**

In accordance with the provisions of Appendix I of the Prospectus, the Fund may borrow up to 10% of the Net Asset Value of the Sub-Fund on a temporary basis. Such borrowings may only be used for short term liquidity purposes to cover the redemption of Shares. Investment restrictions applying to the Sub-Fund are set out in Appendix I to the Prospectus.

## **8. Leverage**

In general terms, the Sub-Fund will not take leveraged positions. However, on rare occasions, the Sub-Fund might take leveraged positions in order to take advantage of opportunities arising from very severe market dislocations. Any exposure created by the use of derivatives will not exceed the Net Asset Value of the Sub-Fund. The Sub-Fund's global exposure relating to financial derivative instruments, including any embedded derivatives, shall not exceed 100% of the Net Asset Value of the Fund. Global exposure relating to financial derivative instruments will be measured using the commitment approach in accordance with the Central Bank's requirements. The commitment approach calculates global exposure by measuring the market value of the underlying exposures of financial derivative instruments.

## **9. Profile of a Typical Investor**

The typical investor in the Sub-Fund will adopt a long-term investment mind-set, typically over a 3-5 year investment time horizon and with a willingness to accept some interim price volatility during this period given the ability of the Sub-Fund to invest in equity-related securities and collective investment schemes.

## **10. Applications for Shares**

### *Offer*

Shares in the EUR Institutional Unhedged Class and CHF Institutional Unhedged Class will be offered from 9 a.m. (Irish time) on 12 September 2018 to 11 a.m. (Irish time) on 8 March, 2019 (the "Initial Offer Period") at the Initial Offer Price of EUR 10.00 and CHF10.00 respectively and subject to acceptance of applications for Shares by the Fund and will be issued for the first time as at the Subscription Day on or after expiry of the Initial Offer Period.

The Initial Offer Period may be shortened or extended by the Directors. The Central Bank will be notified in

advance of any such shortening or extension if subscriptions for Shares have been received and otherwise on an annual basis.

The Initial Offer Period for the US\$ Retail Class, US\$ Institutional Class, EUR Retail Class, EUR Institutional Class, GBP Retail Class, GBP Institutional Class, CHF Retail Unhedged Class, GBP Institutional Unhedged Class and US\$ Z Class have now closed. The US\$ Retail Class, US\$ Institutional Class, EUR Retail Class, EUR Institutional Class, GBP Retail Class, GBP Institutional Class CHF Retail Unhedged Class, GBP Institutional Unhedged Class and US\$ Z Class are now available at the Net Asset Value per Share.

The Directors, in accordance with the Articles of Association, may in their absolute discretion refuse to accept any application for Shares in whole or in part at any time.

#### *Valuation Day*

The Valuation Day of the Sub-Fund shall be every Business Day and/or such other day or days as the Directors may from time to time determine and notify to Shareholders provided there shall be at least one Valuation Day in respect of each Subscription Day and Redemption Day.

#### *Valuation Point*

The Valuation Point is 11.00 p.m. in Ireland on the relevant Valuation Day and/or such other time as the Directors may from time to time determine and notify to Shareholders provided that the Valuation Point shall be after the relevant dealing deadline.

#### *Subscription Day*

The Subscription Day of the Sub-Fund will be every Business Day of each calendar month and/or such other day or days as the Directors may determine and notify to Shareholders in advance provided there is at least one Subscription Day per fortnight.

#### *Subscription Price*

Classes of Shares will be offered at the Net Asset Value per Share. However, the Directors, in accordance with the Articles of Association, may in its absolute discretion refuse to accept any application for Shares in whole or in part at any time.

#### *Subscription Procedure*

All applicants for Shares (unless they have previously submitted a signed Application Form) must submit an Application Form or, if a U.S. Person, an Application Form for U.S. Persons, and send a signed copy thereof to the Administrator by post or by facsimile so as to be received by the Administrator no later than 11.00 a.m. (Irish time) on the relevant Valuation Day or such later time and/or day prior to the relevant Valuation Point as the Directors may in their discretion determine in accordance with the requirements of the Central Bank. Such late applications will only be accepted in exceptional circumstances and the decision for accepting such late applications will be fully documented. All supporting documentation in relation to money laundering prevention checks must be received promptly. The Directors reserve the right to delay or reject an application

and/or cancel an investment if already made where documentation in relation to money laundering prevention checks is not promptly received.

Cleared funds must be received for the account of the Sub-Fund on or before 5 p.m. (Irish Time) on the fourth Business Day following the relevant Subscription Day (i.e. T+4). Shares will be fully allotted to the relevant applicant with respect to the Subscription Day once the Net Asset Value per Share for such Subscription Day has been determined and issued with respect to such Subscription Day once the Net Asset Value per Share for such Subscription Day has been determined and following receipt of the applicants' funds.

If the relevant Application Form is not received by the prescribed deadline, the application may be held over to the following Subscription Day and Shares will then be issued at the relevant Subscription Price on that Subscription Day. Subject to the forgoing, the Fund may charge interest or cancel the allotment where cleared funds are not received within the prescribed deadlines. As the register of Shares of the Fund is updated each Business Day following a Subscription Day (i.e. T+1) a failure to receive cleared funds within the above-mentioned timeframe may require the cancellation of the allotment of the relevant Shares on that Subscription Day and this may result in a loss to the Sub-Fund. Subsequent subscriptions may be made via post, fax or other approved electronic means.

Any change to the application procedure and cut-off times will be notified to investors in advance and, where necessary, reflected by amendment to this Supplement.

#### *Amendments to Shareholder Details*

The Administrator will only accept changes to Shareholder's registration details and payment instructions on receipt of written instructions from the relevant Shareholder.

### **11. Restrictions on Sale and Transfer**

The Shares may not be offered, sold or transferred to investors who are Ineligible Applicants as described under "Subscriptions" in the Prospectus.

### **12. Redemptions**

#### *Redemption Day*

The Redemption Day of the Sub-Fund will be every Business Day of each calendar month and/or such other day or days as may be determined by the Directors and notified to Shareholders in advance provided there is at least one Redemption Day per fortnight.

#### *Redemption Price*

The Redemption Price per Share shall be the Net Asset Value per Share as at the relevant Valuation Point less any applicable duties and charges.

#### *Redemption Procedure*

Shares will be redeemable at the option of the Shareholder. Shareholders should send a completed signed redemption request by post or by facsimile to be received by the Administrator no later than 11.00 a.m. (Irish time) on the relevant Valuation Day or such other time as the Directors may in any particular case determine, provided in all cases that requests must be received prior to the relevant Valuation Point, failing which the redemption request will be held over until the next following Redemption Day and Shares will be redeemed at the relevant Redemption Price applicable on that Redemption Day. Late applications will only be accepted in exceptional circumstances and the decision for accepting such late applications will be fully documented.

Payment of redemption proceeds will be made as soon as possible but normally no later than five (5) Business Days after the relevant Redemption Day and in any event no later than seven (7) calendar days after the relevant Redemption Day.

No payment may be made from a holding until the Application Form (including payment details to an account in the investor's name) and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the Shareholder and the anti-money laundering procedures have been completed. The Directors reserve the right to withhold payments due to investors where documentation in relation to money laundering prevention checks has not been promptly received. In the event that the account details contained in the redemption request differ from those which are contained in the Application Form, then other information as the Administrator may request in connection with the account details will be required prior to any redemption payment being made.

The Directors, the Manager, and the Administrator will act with due care and diligence in dealing with facsimile instructions, including but not limited to taking reasonable precautions to ensure that applications for Shares, redemption requests and switching requests are not accepted which are false, fraudulent or incomplete. Subject to the foregoing, any person who uses facsimile as a means of instruction as permitted under this Prospectus shall indemnify and hold harmless the Directors, the Fund, the Manager and the Administrator against any loss of any nature whatsoever arising to each of them as a result of any of them acting on facsimile instructions and the Fund, the Manager, the Directors and the Administrator may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instructions or other instrument believed, in good faith, to be genuine or to be signed by properly authorised persons, subject, in the case of the Administrator and the Manager, to the terms of the Administration Agreement and Management Agreement respectively and, in particular, Clause 13 of the Administration Agreement and Clause 12 of the Management Agreement (as summarised in paragraph "15" of the section of the Prospectus headed "General Information"), and, in the case of the Directors, subject and without prejudice to Article 37.01 of the Articles which provides, in summary, that indemnity shall not extend to a Director if loss is sustained or incurred as a result of any fraud, negligence or wilful default by him in relation to the Fund.

Proceeds of a redemption will be paid in the Reference Currency of that Share Class.

A request for a partial redemption of Shares will be refused, or the holding may be redeemed in its entirety, if, as a result of such partial redemption, the aggregate Net Asset Value of the Shares retained by the Shareholder would be less than the required Minimum Holding of the relevant Share Class or the equivalent in another currency.

It is not the current intention to charge a redemption fee. Any change to this policy will be notified in advance to investors, who will be given the opportunity to redeem their Shares before any change in the redemption fee policy comes into force. Where the Directors intend to charge a redemption fee, such fee will be disclosed in an updated Supplement.

### **13. Switching**

Shareholders may be entitled to exchange all or any of their Shares in one Sub-Fund or Class for Shares in another Sub-Fund or Class on any Redemption Day, subject to (i) compliance with the procedure in the paragraph below; and (ii) subject to the Minimum Initial Subscription and Minimum Holding in respect of each Sub-Fund or Class. Shareholders must also have regard to the details set out under the heading "Switching" on page 37 of the Prospectus. A Share exchange will be effected by way of a redemption of Shares of one Sub-Fund or Class at the relevant Redemption Price and a simultaneous subscription (at the most recent Subscription Price) for Shares of the other Sub-Fund or Class.

Shareholders should send a completed switching request to the Administrator to be received by the Administrator no later than 11.00 a.m. (Irish time) on the relevant Valuation Day or such other time as the Directors may in any particular case determine. Switching requests received after 11.00 a.m. (Irish time) will be held over until the next following Redemption Day and Shares will be exchanged at the relevant Redemption Price and Subscription Price applicable on that Redemption Day. Late applications will only be accepted in exceptional circumstances and the decision for accepting such late applications will be fully documented.

### **14. Distribution Policy**

No income or gains will be distributed by the Sub-Fund by way of dividend. All such income or gains will accumulate within the Sub-Fund.

In the event of alteration of the Sub-Fund's distribution policy, full details of such policy will be disclosed in an updated Supplement (including the method as to how it will be paid) and all Shareholders will be notified in advance.

### **15. Fees and Expenses**

Please refer to the Prospectus under the heading "Fees and Expenses of the Fund" for a general overview of fees and expenses applicable to the Fund, a proportion of which will be borne by the Sub-Fund. In addition, the following fees are payable by the Sub-Fund.

#### *The Manager*

The Fund will pay to the Manager an annual management fee of up to 0.02% of the Net Asset Value of the Sub-Fund subject to a minimum fee of \$25,000 per annum rising to a minimum of \$30,000 per annum after 1 year from the date of appointment of the Manager (the "Management Fee"). The Management Fee will be apportioned between the Sub-Funds on a pro rata basis to the Net Asset Value of the Sub-Funds during the relevant period. In the event of the creation of additional Sub-Funds, this minimum amount may increase. The Management Fee accrues as of each Valuation Point and is payable monthly in arrears (plus VAT, if

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

*The Investment Manager*

The Investment Manager shall receive out of the assets of the Sub-Fund (the “Investment Management Fee”) a fee equal to the difference between the maximum aggregate Management Fee and Investment Management Fee payable in respect of each Class as detailed in the table below and the Management Fee:

<b>Class</b>	<b>Maximum aggregate Investment Management Fee and Management Fee</b>
US\$ Retail Class	1.5% per annum
US\$ Institutional Class	0.75% per annum
US\$ Z Class	1.25% per annum
EUR Retail Class	1.5% per annum
EUR Institutional Class	0.75% per annum
EUR Institutional Unhedged Class	0.75% per annum
GBP Retail Class	1.5% per annum
GBP Institutional Class	0.75% per annum
GBP Institutional Unhedged Class	0.75% per annum
CHF Retail Unhedged Class	1.5% per annum
CHF Institutional Unhedged Class	0.75% per annum

The Investment Management Fee accrues as of each Valuation Point and is payable monthly in arrears (plus VAT, if any). The Investment Manager shall be entitled to be reimbursed by the Sub-Fund for reasonable out of pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

*The Depositary*

The Depositary shall receive out of the assets of the Sub-Fund an annual depositary fee which shall accrue and be payable monthly in arrears not exceeding 0.03% of the Net Asset Value of the Sub-Fund (plus VAT, if any) subject to a minimum annual fee in respect of the Sub-Fund of not more than US\$40,000.

The Depositary shall also receive out of the assets of the Sub-Fund a custody fee which will vary from 0.01% per annum of the value of the assets under custody and US\$8 per transaction in the United States up to 0.40% per annum of the value of the assets under custody and US\$245 per transaction in the Ukraine. If the Sub-Fund invests in assets located in countries which attach a higher fee level, it will therefore pay a higher fee to the Depositary. Certain minimum fees may also apply.

The Depositary shall also be entitled to be repaid out of the assets of each Sub-Fund all reasonable out-of-pocket expenses incurred by it on behalf of the relevant Sub-Fund including sub-custodians’ fees which will be at normal commercial rates.

*The Administrator*

The Administrator shall receive out of the assets of the Sub-Fund an annual administration fee of up to 0.09% of the Net Asset Value of the Sub-Fund (the “**Administration Fee**”). The Administration Fee is subject to an annual minimum fee of \$450,000 which will be allocated between the Sub-Funds on a pro rata basis to the Net Asset Value of the Sub-Funds during the relevant period. For accounting purposes, the minimum fee is seen as \$75,000 per Sub-Fund so if one Sub-Fund has assets above the annual minimum fee, the minimum fee apportioned will be allocated to the remaining Sub-Funds, as adjusted. The Administration Fee shall accrue daily and be paid monthly in arrears. The Administrator may also charge an additional monthly fee of \$300 per month per Class where there is in excess of four Classes in existence in the Sub-Fund.

The Administrator will also charge a transaction fee per subscription, transfer or redemption of \$35 payable out of the assets of the Sub-Fund.

The Administrator will also charge a fee of \$6,666 per set of interim and annual financial statements prepared in respect of the Sub-Fund.

The Administrator shall be entitled to be reimbursed by the Sub-Fund for reasonable out of pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

#### *Subscription Fee*

No subscription fees are charged on the subscription of Shares in the Sub-Fund.

#### *Redemption Fee*

No redemption fees are charged on the redemption of Shares in the Sub-Fund.

#### *Switching Fee*

No switching fees are charged on the conversion of Shares in the Sub-Fund.

#### *Other Fees and Expenses*

The Fund will also pay out of the assets of the Sub-Fund of the costs and expenses (i) of all transactions carried out on its behalf and (ii) of the administration of the Sub-Fund, including (a) registering the Sub-Fund and the Shares with any governmental or regulatory authority including the fees and expenses of any paying agents at normal commercial rates, (b) management, administration, depositary and related services, (c) the preparation, printing and posting of prospectuses, reports to Shareholders, the Central Bank and governmental agencies, (d) taxes, (e) commissions (including banking commissions), brokerage and transaction fees, (f) auditing, tax and legal fees including litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, (g) the cost of insurance for the benefit of the Directors, (h) interest on borrowings and (i) all other organisational and operating expenses.

#### *Fees in respect of Underlying Funds*

The Sub-Fund may be liable to pay, without limitation, subscription, redemption, management, performance, distribution, administration and/or depositary fees or charges in respect of each collective investment fund in

which it the Sub-Fund invests. Any such charges will be clearly disclosed in the Sub-Fund's semi-annual or annual report. The Fund must waive the preliminary initial charge which it is entitled to charge for its own account in relation to the acquisition of units by the Sub-Fund in any other fund managed by it or an associated or related company. Where any commission is received by the Fund or Investment Manager by virtue of an investment of the Sub-Fund in another fund, this commission will be paid into the assets of the Sub-Fund.

## **16. Risk Factors**

The attention of investors is drawn to the section headed "Risk Factors" in the Prospectus.

## **17. Taxation**

Investors' attention is drawn to the summary of the Irish taxation rules applicable to the Fund and Sub-Funds as set out in "Appendix III – Taxation".

**Shareholders should consult their own advisers as to their own particular tax consequences of an investment in the Sub-Fund.**