**SUPPLEMENT 1: JK GLOBAL OPPORTUNITIES FUND**

**21 December 2021**

**This Supplement contains information relating specifically to JK Global Opportunities Fund (the "Fund"), a sub-fund of JK Funds p.l.c. (the "Company"), an open-ended umbrella fund with segregated liability between sub-funds authorised by the Central Bank on 30 August 2013 as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended). This Supplement forms part of and should be read in conjunction with the Prospectus of the Company dated 21 December 2021.**

**The Fund may primarily invest in derivatives for investment purposes and for hedging and efficient portfolio management purposes.**

**The Fund may at certain times be substantially invested in cash and cash equivalents (see Investment Policy for further details). Shares in the Fund are not deposits and are not guaranteed. Investment in the Fund involves certain investment risks, including the fluctuation of principal. The value of investments may fall as well as rise and investors may get back less than they originally invested. Investors' attention is particularly drawn to the section of the Prospectus entitled "Risk Factors".**

**The Directors of the Company may opt to make an application for the Sterling Institutional Shares, US Dollar Institutional Shares, Yen Institutional Shares and Euro Institutional Shares of the Fund to be listed on the Official List and traded on the Main Securities Market of the Irish Stock Exchange plc, trading as Euronext Dublin ("Euronext Dublin"). The Directors do not anticipate that an active secondary market will develop in the Shares of the Fund.**

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

**As of the date of this Supplement, 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 or acceptance credits, hire purchase or finance lease commitments, guarantee or other contingent liabilities.**

**The Fund may engage in transactions in Financial Derivative Instruments ("FDIs") for investment purposes and for the purposes of efficient portfolio management. The Directors of the Company expect that the Net Asset Value of the Fund will have medium to high volatility through investments in FDIs. Investors should read the section entitled 'Risk Factors' before investing in the Fund.**

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**Name of Fund:** JK Global Opportunities Fund

**Investment Objective:** The investment objective of the Fund is to achieve above average long term capital appreciation.

There can be no assurance that the Fund will achieve its investment objective.

**Investment Policy:** The Fund will seek to achieve its Investment Objective primarily through investment in the three principal asset classes of equities, bonds, and currencies through a global macro trading strategy which involves taking strategic short term positions and tactical long term positions across global markets (including emerging markets). The Fund may also invest in exchange traded notes. The Fund is actively managed and is not managed by reference to a benchmark. The Fund may invest up to 100 per cent of the entire portfolio in emerging markets.

The Fund will invest in the three principal asset classes described above but may also use financial derivative instruments to gain exposure to the three principal asset classes described above and/or hedging. The Fund is not subject to any specific limits in relation to its allocation of assets across the different asset classes described below and may at any particular time be invested up to 100 per cent of the entire portfolio in any of the three asset classes or the financial derivative instruments listed below:

(i) Equities listed or traded on a recognised exchange including, but without limitation, common and preferred stock;

(ii) Unlisted equities (subject to a maximum of 10 per cent of the Net Asset Value of the Fund);

(iii) Equity-related securities including ADRs and GDRs;

(iv) Non-UCITS exchange traded funds ("non-UCITS ETFs") which are treated as collective investment schemes, subject to a maximum of 10 per cent of its Net Asset Value in any one non-UCITS ETF. The Fund may also invest in UCITS funds which are treated as collective investment schemes, subject to the limits set out below in the section entitled “Investment in Collective Investment Schemes”. Investments in non-UCITS ETFs and UCITS funds will provide exposure to the three principal asset classes of equities, bonds, and currencies;

(v) Exchange traded and OTC options on equities, bonds or currencies. Each of these instruments could be used to either gain exposure to or to hedge existing exposure to a particular geographical region or industry sector instead of using a physical security. Such exposure gained or hedged against could be in any of the three main asset classes in which the Fund may at any time be invested in;

(vi) Futures contracts on equities, bonds or currencies. Each of these instruments could be used to either gain exposure to or to hedge existing exposure to a particular geographical region or industry sector instead of using a physical security. Such exposure gained or hedged against could be in any of the three main asset classes in which the Fund may at any time be invested in;

(vii) Forward contracts, which may be used by the Fund for hedging purposes or to gain exposure to the three principal asset classes described above being equities, bonds or currencies;

(viii) Contracts for differences on equities, bonds, or currencies (which can be used for hedging purposes, as well as for gaining exposure to an underlying without the need for full capital expenditure);

(ix) Warrants and rights on equities, bonds, or currencies which can be used for hedging purposes or to gain exposure to the three principal asset classes described above;

(x) Bonds including fixed or floating rate, investment grade or below investment grade corporate or government issued debt. In general, investments in below investment grade fixed income securities shall not exceed 70% of the Net Asset Value of the Fund;

(xi) Convertible bonds (which may be fixed and/or floating, government or corporate and investment grade or below investment grade);

(xii) Swaps and swaptions on equities, dividend swaps, volatility swaps, variance swaps and inflation swaps. Credit default swaps may also be used which could refer to single name issuers or a basket of issuers. Swaps are typically entered into for gaining exposure to the three principal asset classes listed above in order to structure a transaction in a more efficient manner and to gain exposure to certain assets (typically equities and bonds) or hedge against exposure to other such assets. They can also be used for hedging purposes;

(xiii) The Fund may use Total Return Swaps in accordance with the requirements of SFTR and the Central Bank Rules. Total Return Swaps maybe entered into for any purpose that is consistent with the investment objective of the Fund (as set out above), and for the purposes of gaining exposure to certain assets (as listed in the Investment Policy of the Fund). The maximum proportion of AUM that can be subject to Total Return Swaps is 100%. The expected proportion of AUM that can be subject to Total Return Swaps will be 50%. In any case the most recent semi-annual and annual reports of the Fund will express as an absolute amount and as a percentage of the Fund's assets the amount of the Fund assets subject to Total Return Swaps;

(xiv) Currencies for investment purposes (where the Investment Manager sees the value of taking a long or short position on one currency as against another) or for currency hedging purposes (where the Investment Manager takes a long or short position so as to hedge against currency fluctuations of investments denominated in a particular currency);

(xv) Fixed-income securities (i.e. fixed and adjustable rate bonds, zero-coupon and discount bonds, debentures, certificates of deposit, bankers' acceptances, asset-backed securities, commercial paper, Treasury bills and government securities). The securities may be issued by corporations, governments, their agencies or authorities and supranational organisations.

The products (i) to (xiii) described above may be listed or traded on a recognised exchange or traded over-the-counter (as applicable). The Fund may gain direct exposure to emerging markets by investing in equity securities as well as via investments in ADRs and GDRs, which are listed or traded on Regulated Markets. The Fund may utilise a broad range of hedging techniques to preserve capital or reduce risk as described further below. The Fund may hold high levels of cash or cash equivalents pending investment or if this is considered appropriate to achieve the investment objective.

The Investment Manager expects that the Fund's investments will tend, over time, to be weighted towards Asia (including Japan) and emerging markets, but there is no limit on investments in non-Asian markets (including Japan) nor emerging markets. Notwithstanding the above, the Investment Manager shall not invest more than 20% of the Net Asset Value of the Fund in Russia through ADRs and GDRs.

The Investment Manager may seek to hedge foreign currency exposure of the Fund to currencies other than the base currency through the use of spot and forward foreign exchange contracts, currency swaps and currency forwards. The Investment Manager will also seek to hedge the foreign currency exposure of the assets attributable to the Yen, Euro and Sterling denominated shares in the Fund from US dollars into Yen or Euro or Sterling (as applicable) on a regular basis using spot and forward foreign exchange contracts, currency swaps or currency forwards.

The Fund is also permitted to concentrate investments in any one industry or market sector and may take exposures to one or more currencies at any time. It may take long and synthetic short positions in the assets described above. Such long and short positions will be subject to the guidelines for the notional exposure of the Fund as set out under "Risk Management" below. The listed securities and exchange traded derivatives in which the Fund may invest will be listed on the Recognised Exchanges. Information regarding the allocation of assets across the different assets classes will be available on the website of the Investment Manager (www.jkim.co.uk).

The Fund can take long positions by investing in the asset classes, including the derivative instruments referred to above.

A "short" sale involves the sale of a security that the seller does not own in the hope of purchasing the same security (or a security exchangeable for such security) at a later date at a lower price. If the shorted asset falls in price, then the value of the position increases, and vice-versa. A long position is created by purchasing an asset. The Investment Manager will amend the long and short exposure to reflect its degree of confidence about the direction of the markets or the market in the asset concerned.

Although UCITS regulations prohibit the short selling of physical securities, they allow the creation of synthetic short positions (synthetic in this context meaning essentially achieving the same economic outcome without actually selling short) through the use of derivative instruments. Synthetic short positions will be achieved through the use of derivative instruments in equities, bonds and currencies. The types of derivatives that the Fund may use include futures, options, swaps, Total Return Swaps and contracts for differences. The portfolio of the Fund may be up to 100 per cent net short depending on the Investment Manager's view of the current direction of the markets. The Fund's use of short strategies will be opportunistic and there will not be a specific target for the percentage of the Fund's Net Asset Value that will be in short positions. The Fund may have little or no short exposure for significant time periods; however, when in the opinion of the Investment Manager, opportunities exist to meet the Fund's investment objective through the use of short strategies, the Fund's exposure may be significant. If the use of derivatives is extensive, this may increase the volatility of the Fund's performance and there can be no guarantee that taking such positions will achieve the desired result.

Under normal circumstances, the Fund can take direct and synthetic long positions up to an anticipated maximum value of 250 per cent of the Net Asset Value of the Fund, and it may also take short positions up to an anticipated absolute value of up to 100 per cent of the Net Asset Value of the Fund, calculated excluding currency positions which are long and short at the same time and are captured under the leverage levels included under "Risk Management" below. Synthetic long and / or synthetic short positions will be achieved through the use of the aforementioned derivative instruments above (it being noted that the Fund is not permitted to short directly).

Further information with respect to the use of derivative instruments by the Fund is set out in Appendix 3 to the Prospectus. The risks attached to the use of derivative instruments by the Fund are set out in the section entitled "Risk Factors" in the Prospectus.

**Investment in collective investment schemes**

The Fund may invest in non-UCITS exchange traded funds ("non-UCITS ETFs") which are treated as transferable securities and not collective investment schemes, subject to a maximum of 10 per cent of its Net Asset Value in any one non-UCITS ETF. The Fund may also invest up to 20 per cent of its Net Asset Value in UCITS funds which are treated as collective investment schemes. All investments will be made in accordance with the UCITS investment restrictions as summarised in Appendix 1 of the Prospectus.

**Investment Strategy**

The Fund will seek to achieve its investment objective by utilising a value driven contrarian investment approach to both asset and individual security selection, focussing on those assets, markets, and traded securities whose valuations are believed to deviate significantly from perceived fair value, historic levels, or from industry peers. A contrarian investment approach does not follow general market trends and endeavours to identify depressed assets whose valuations are believed to deviate from the perceived market value. It is possible that valuations will deviate both up and down.

The Investment Manager's investment approach utilises a broad range of investment techniques, including analysis of global macro-economic trends, as well as relative and absolute value analysis conducted across markets, sectors and currencies. Company research, thematic and sector analysis, will all form part of the investment process, as will analysis of liquidity, technical, momentum and sentiment indicators.

**Profile of Typical Investor in the Fund**

The typical investor in the Fund will be a combination of institutional investors and high net worth individuals who understand and appreciate the risks associated with investing in Shares of the Fund. The Fund may also be purchased by retail investors, directly or via fund distribution platforms and wealth managers. The Fund is suitable for investors seeking long term capital appreciation and high market volatility and risk in the management of their assets, in particular given the Fund may extensively invest in derivatives. Investment in the Fund should be determined by the attitude to risk, wish for income or growth, intended investment time horizon and volatility and in the context of the investor's overall portfolio. Investors should seek professional advice before making investment decisions.

**Distribution Policy**

It is not envisaged that any income or gains will be distributed by the Fund by way of dividend. This does not preclude the Directors from declaring a dividend at any time in the future if they consider it appropriate to do so. In such case, full details will be provided in an updated Supplement and Shareholders will be notified in advance if the Directors declare a dividend.

**Risk Management**

As the Fund will engage in FDI to the extent that the commitment approach does not adequately capture the global exposure of the portfolio, the Manager, in consultation with the Investment Manager, has determined that the Value at Risk ("VaR") methodology is an appropriate methodology to calculate the Fund's global exposure and market risk, taking into account the investment objectives and policies of the Fund and the complexity of the FDI used.

The Fund will be leveraged as a result of its use of FDI and may therefore generate a notional exposure above 100 per cent of the Net Asset Value of the Fund when calculated using VaR methodology. VaR is the advanced risk measurement methodology used to assess the Fund's market risk. This leverage effect entails greater risk for investors.

Investors should be aware that VaR is a way of measuring the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions. The Fund could however be exposed to losses which are much greater than envisaged by VaR, more so under abnormal market conditions. It should be noted that VaR does not explicitly measure leverage; rather, VaR is a statistical risk measure and the actual loss of a particular transaction or to the Fund overall may materially exceed the loss indicated by the use of VaR.

The level of leverage (calculated as a sum of the notional exposure of FDI being utilised by the Fund) under normal circumstances is not expected to be more than 350 per cent of the Net Asset Value of the Fund. It is possible that leverage may exceed this range and the Fund may be subject to higher leverage levels from time to time. The Investment Manager expects that the leverage employed by the Fund will not exceed 500 per cent of the Net Asset Value of the Fund. However, it may exceed this target. The expected level of leverage range is calculated based on the sum of the absolute value of notionals of the derivatives used, in accordance with the Central Bank Rules. This figure does not take into account any netting and hedging arrangements that the Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes and is therefore not a risk-adjusted method of measuring leverage which means this figure is higher than it otherwise would be if such netting and hedging arrangements were taken into account. As these netting and hedging arrangements, if taken into account, may reduce the level of leverage, this calculation may not provide an accurate measure of the Fund's actual leverage position. There are limitations in using VaR as a statistical measure of risk because it does not directly limit the level of leverage in the Fund and only describes the risk of loss in prevailing market conditions and would not capture future significant changes in volatility.

The Fund will use the absolute VaR model. In applying the VaR model, the following quantitative standards are used:

- the 'one-tailed' confidence level is 99%;
- the holding period is 20 days; and
- the historical observation period is longer than one year.

The VaR shall not exceed 20 per cent of the Net Asset Value of the Fund, based on the above quantitative standards.

The absolute VaR model is considered appropriate as the Fund does not define the investment target in relation to a benchmark.

**Cross-Investment**

Where it is appropriate to its investment objective and policies, the Fund may invest in other Funds of the Company (once these are established). The Fund may invest in other Funds of the Company, but may only invest in another Fund if the Fund in which it is investing does not itself hold Shares in any other Fund of the Company. The Fund shall not invest in its own Shares. . Where a Fund (the "Investing Fund") invests in the Shares of another Fund (the "Receiving Fund") of the Company: (i) the rate of the annual management fee which investors in the Investing Fund are charged in respect of that portion of the Investing Fund's assets invested in Receiving Funds (whether such fee is paid directly at Investing Fund level, indirectly at the level of the receiving Funds or a combination of both) shall not exceed the rate of the maximum annual management fee which investors in the Investing Fund may be charged in respect of the balance of the Investing Funds assets, such that there shall be no double charging of the annual management fee to the Investing Fund as a result of its investments in the Receiving Fund. This provision is also applicable to the annual fee charged by the investment manager where the fee is paid directly out of the assets of the UCITS. The Investment Manager will waive the initial fee which it may receive as set out below; and (ii) the Investment Manager will waive that portion of its investment management fee in order to avoid a double charge. Any investment made in other Funds of the Company shall be subject to the investment restrictions stated above under “Investment in collective investment schemes”. Where the Fund invests in other Funds of the Company the preliminary/initial redemption charges by the Fund in which it is investing will be waived.

**Valuation Point**

11.59 p.m. (Dublin time) on the Business Day immediately preceding the relevant Dealing Day.

**Dealing Day**

Weekly every Thursday. In the event that a Dealing Day is not a Business Day, as described below, the next Business Day shall become the Dealing Day.

**Business Day**

Any day on which banks are open for business in Dublin and London and/or such other place or places and such other day or days as the Directors may determine and notify to Shareholders.

**Dealing Request Deadline**

3.00 p.m. (Dublin time) two Business Days immediately preceding the relevant Dealing Day or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Dealing Request Deadline is no later than the Valuation Point.

In the event of subscriptions, in addition to a duly completed application form being received by the Dealing Request Deadline, cleared funds in respect of the subscription monies must be received by the Administrator within three Business Days after the Dealing Day or such other time as the Directors may from time to time, in their sole discretion, permit. Investors should note that the Directors may, in exceptional circumstances, exercise their discretion to accept subscriptions received after the Dealing Request Deadline. Subscription monies are generally required to be paid in the currency of the relevant Class, however, subscriptions may be accepted in a currency other than the currency of the relevant Class at the discretion of the Directors and this may be approved by any one Director. All costs of the conversion will be borne by the Investor. Applications for Shares will not be dealt with and Shares will not be issued until

| | |
|---|---|
| | receipt of notification that an applicant's funds have been cleared in the full amount of the subscription. |
| **Deferred Redemptions** | Redemption requests submitted at a particular Dealing Day may be deferred in accordance with the terms of the Prospectus to the next Dealing Day where the requested redemptions exceed 10 per cent of the Fund's Net Asset Value. |
| **Price Publication** | The Net Asset Value per Share will be published within two Business Days of each Valuation Point and updated following each calculation of Net Asset Value. Such prices will be up to date as of the time of publication. The latest Net Asset Value per Share will be published on the website of the Investment Manager (www.jkim.co.uk) and is available from the office of the Administrator. In the event the Company opts to list Shares on Euronext Dublin, the Net Asset Value for any listed Shares will be notified immediately upon calculation to Euronext Dublin and will be published on www.ise.ie. |
| **Share Classes and types of Shares** | Only Accumulation Shares are currently offered<br><br><u>Institutional Shares</u><br>Sterling Institutional Shares<br>US Dollar Institutional Shares<br>Yen Institutional Shares<br>Euro Institutional Shares<br><br><u>Management Shares</u><br>Yen Management Shares |
| **Base currency** | US Dollar |

The Investment Manager will use spot and forward foreign exchange contracts, currency swaps and currency forwards to hedge the currency exposure of non-base currency Share Classes (with the exception of the Yen Management Shares) against the base currency.

**Management Shares**

The Investment Manager will use spot and forward foreign exchange contracts, currency swaps and currency forwards to hedge the currency exposure of the Management Shares against Sterling.

Management Shares may be issued only to (i) the Directors, (ii) the Investment Manager or any of its members or employees (iii) any person connected with such person (including, without limitation, a trustee of a trust established by or for such a person), (iv) any company, partnership or other person or entity controlled by or which is the controller of any such persons, or (v) any nominee of any of the foregoing. The primary purpose of the Management Shares is to facilitate investors who are investing in the Fund indirectly through vehicles managed by the Investment Manager or any associated party, thereby avoiding double-charging of fees or to facilitate investors who are shareholders, directors, members, officers or employees of the Investment Manager or any associated party. The Directors shall determine, in their sole discretion, a person's eligibility for Management Shares.

**Offer of Shares**

Shares are available for subscription at the Subscription Price on each Dealing Day on a forward pricing basis. The Subscription Price is equal to the Net Asset Value per Share as at the relevant Valuation Point. The Directors may also charge an initial fee (as set out under below) which will be payable to the Investment Manager.

| | **Share Classes** | | | | |
|---|---|---|---|---|---|
| | **Institutional** | | | | **Management** |
| | US Dollar Institutional Shares | Sterling Institutional Shares | Euro Institutional Shares | Yen Institutional Shares | Yen Management Shares |
| **Minimum Subscription** | US$100,000 | £70,000 | €80,000 | ¥10,000,000 | ¥10,000,000 |
| **Minimum Additional Subscription** | US$10,000 | £7,000 | €8,000 | ¥1,000,000 | ¥1,000,000 |
| **Minimum Holding** | US$100,000 | £70,000 | €80,000 | ¥10,000,000 | ¥10,000,000 |

(Investors should refer to the section of the Prospectus headed “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country).

Once the Minimum Subscription has been subscribed for, Shareholders are required to maintain the relevant Minimum Holding in the Fund, which shall be the same amount as the Minimum Subscription (ignoring any fluctuation in the Net Asset Value of Shares as a result of market movement).

The Directors may reduce or waive the Minimum Holding, the Minimum Subscription and the Minimum Additional Subscription at their sole discretion.

**Dilution Levy**

The Manager and the Directors, having consulted with the Investment Manager, may, in their absolute discretion, apply to the Net Asset Value per Share a dilution levy of up to 3 per cent to cover dealing charges, costs, commission and taxes incurred by the Fund when there are net subscriptions or net redemptions when dealing in its underlying investments and to preserve the value of the underlying asserts of the Fund. A dilution levy may be charged in the circumstances described in more detail under the “Dilution Levy” paragraph in the “Fees and Expenses” section in the main body of the Prospectus.

**Fees and Expenses**

**Initial Fee**

The Directors are permitted to impose an initial fee on the sale of Shares to an investor of up to 5 per cent of the amount subscribed and have discretion to waive this fee in whole or in part.

The Initial Fee, where charged, will be payable to the Investment Manager.

**Exchange Fee**

An exchange fee of up to 5 per cent of the redemption proceeds of the Class of Shares which is being exchanged may be payable. The redemption proceeds of the Class of Shares which is being exchanged will be reduced by the amount of the exchange fee (if any) and the net amount applied in subscribing for the Shares of the other Class. The Directors may waive payment of the exchange fee in whole or in part at their discretion. The exchange fee will be retained by the Fund.

**Redemption Fee**

It is not the Directors' current intention that any redemption fee be imposed.

**Management Fee**

The Manager shall be entitled to receive out of the assets of the Fund, an annual fee, accrued on each Dealing Day and payable monthly in arrears, at an annual rate of up to 0.03% per annum of the Net Asset Value of the Fund. The management fee is based on a sliding scale applied to the aggregate assets across all Funds, subject to an annual minimum fee of €50,000 based on a single Fund and an annual minimum fee of €15,000 for each additional Fund.

The management fee shall be subject to the imposition of VAT, if required.

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

**Investment Management Fee**

The Investment Manager receives from the Company an annual investment management fee which is payable monthly in arrears and is accrued and calculated weekly as at each Valuation Point. The amount of such investment management fee is 1.25 per cent of the Net Asset Value of the relevant Class of Shares (before deduction of that week's investment management fees and before deduction for any accrued performance fees).

The Investment Manager may from time to time, and at its sole discretion, and out of its own resources decide to return to intermediaries, distributors, Shareholders, the Fund and/or other persons part or all of the investment management fee. Any such payments may be applied in paying up additional Shares to be issued to the Shareholder, or may be paid in cash.

There is no investment management fee in respect of the Management Shares.

**Performance Fee**

The performance fee will be calculated and accrued weekly as at each Valuation Point. The initial calculation period will be the period beginning on 26 November 2020 and ending 24 December 2021 (the "**Calculation Period**"). Thereafter, each Calculation Period shall be the period beginning on the day following the end of the prior calculation period and ending on the last valuation point in December in each year (each a "**Calculation Period**") and is payable to the Investment Manager annually in arrears within 14 calendar days of the end of each Calculation Period (the "**Payment Date**").

In the case of Shares redeemed during a Calculation Period, the accrued performance fee in respect of those Shares will be payable within 14 calendar days after the date of redemption and the performance fee payable on such Shares will be calculated as though the date of redemption was the end of the relevant Calculation Period for such Shares. Crystallised performance fees shall remain in the relevant Class (but shall not participate in subsequent gains and losses of the relevant Class) until paid to the Investment Manager, and shall not be used or made available to satisfy redemptions or pay any fees and expenses of the relevant Class. In the event of a partial redemption, Shares will be treated as redeemed on a first in, first out ("fifo") basis.

If the Investment Management Agreement is terminated before the end of any Calculation Period, the performance fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

The share performance in respect of a Calculation Period is the arithmetic difference between the Net Asset Value per Share of the relevant Class on the last Valuation Point of the current Calculation Period and, the higher of the High Water Mark and the initial offer price (the "**Share Performance**"). The initial offer price shall be taken as the starting price for this calculation. No performance fee is accrued or paid until (a) the net asset value per Share exceeds the previous highest net asset value per Share on which the performance fee was paid at the end of a Calculation Period, or (b) the initial offer price, if higher; and the performance fee is only payable or paid on the increase of the net asset value per share over the amount in (a) or (b) above, whichever is higher.

For the purposes of performance fee calculation, the Net Asset Value per Share shall be calculated before the deduction of any unrealised performance fee and will have any relevant distributions added back into the Net Asset Value. All other payments and expenses are deducted.

*General*

For each Calculation Period, the performance fee will be 15 per cent of the Share Performance in any Calculation Period, subject to a high watermark ("**HWM**"). The HWM is the highest Net Asset Value per Share on which a performance fee was paid at the end of a Calculation Period from the date of issue of any particular Class in respect of the Fund. A performance fee is calculated and paid only on positive performance from one HWM to the next HWM and no performance fee is payable on any positive performance below the current HWM. It should be noted that there is no repayment of any performance fee already paid if the Net Asset Value per Share subsequently falls back below the HWM.

The performance fee accrues and is taken into account in the calculation of the Net Asset Value per Share on a weekly basis and crystallises on an annual basis. The differences in the Net Asset Value per Share for each Class available to a Fund may result in differences in the performance fee calculation for each Class.

The amount of the performance fee will be calculated by the Administrator and verified by the Depositary as at each Payment Date and will not be open to the possibility of manipulation. As the performance fee depends on the performance of the Net Asset Value per Share of the Class in question, it is not possible to predict the amount of performance fee that will be payable and there is in effect, no maximum performance fee as it is impossible to quantify any performance in advance.

The amount of performance fee payable in respect of each Share is a US Dollar amount equivalent to the Share Performance x 15 per cent and is payable on the number of Shares in issue at the end of the Calculation Period.

Example

The table below does not represent the actual NAV of any Class in the Fund. The scenarios assume no subscription / redemption activities during the period. It should be noted that regardless of the NAV at which an investor subscribes into a given Class, the performance accrual will be from the current NAV less the HWM. As share equalisation on performance is not operated, inequities may therefore arise between existing investors and new investors and the Investment Manager under various circumstances.

| Performance fee: 15% | Year 1<br><br>Positive Return | Year 2<br><br>Negative Return | Year 3<br><br>Positive Return | Year 4<br><br>Positive Return |
|---|---|---|---|---|
| Starting NAV | 100.00 | 134.00 | 120.00 | 143.35 |
| HWM | 100.00 | 134.00 | 134.00 | 143.35 |
| Ending NAV | 140.00 | 120.00 | 145.00 | 170.00 |
| Outperformance | 40.00 | 0.00 | 11.00 | 26.65 |
| Fee Paid | 6.00 | 0.00 | 1.65 | 4.00 |

Investors may request additional information on the way in which the performance fee calculation works from the Company.

The Investment Manager may from time to time, and at its sole discretion, and out of its own resources decide to return to intermediaries, distributors, Shareholders, the Fund and/or other persons part or all of the performance fee. Any such payments may be applied in paying up additional Shares to be issued to the Shareholder, or may be paid in cash.

Investors should be aware that the performance fee is based on net realised and net unrealised gains and losses as at the end of each Calculation Period and as a result, performance fees may be paid on unrealised gains which may subsequently never be realised. In addition, the performance fee may adversely impact the potential returns for new and existing Shareholders, particularly in circumstances where large subscriptions are made in a Share Class trading above the HWM, as performance fees are accruing across the Share Class on gains made prior to investment.

There is no performance fee in respect of the Management Shares.

**Administration Fee**

The Administrator will be entitled to receive out of the assets of the Fund a fee in respect of fund and portfolio accounting and investor servicing at a minimum fee of €4,000 per month (€48,000 per annum) per sub fund or the below annual fee as set out in the table below, whichever is greater.

| Aggregate Fund Value | Fee |
|---|---|
| Up to EUR 100 million | 0.10 % of the Net Asset Value |
| EUR 100 million – EUR 200 million | 0.08 % of the Net Asset Value |
| Greater than EUR 200 million | 0.04% of the Net Asset Value |

The Administrator shall be entitled to a one-off implementation fee in respect of the Company of €5,000. The Administrator shall be entitled to a fee of €5,000 per annum in respect of the preparation of the annual financial statements of the Company.

In addition, the Company shall reimburse the Administrator out of the assets of the relevant sub funds for all properly vouched disbursements reasonably incurred by it in the performance of its duties under the Administration Agreement. All such sums shall be payable monthly in arrears.

**Depositary Fee**

The Depositary will be entitled to receive out of the assets of the Fund, a maximum fee of 0.03% per annum subject to a minimum monthly fee of US$3,250 per month (plus VAT if any) of the Net Asset Value of the Fund, calculated as at each Valuation Point and payable monthly in arrears. The Depositary shall also be entitled to be reimbursed out of the assets of the Fund for all reasonable properly vouched out-of-pocket expenses incurred for the benefit of the Fund. The Fund shall bear the cost of all relevant sub-custodian transaction fees and charges incurred by the Depositary, or any sub-custodian (which will be charged at normal commercial rates).

The Depositary will be entitled to be paid a once off on boarding fee of US$4,000 (plus VAT if any) which may be amortised as part of the establishment costs. The Depositary shall perform Due Diligence reviews on underlying non depositary funds, where applicable, at the rate of $2,000 per fund.

The Depositary will be entitled to additional fees to be agreed between the parties in circumstances including, but not limited to: required additional work; amendments to the Prospectus or the Articles; change of other service providers to the Fund; changes to the infrastructure of other service providers to the Fund which necessitate changes to the infrastructure of the Depositary; change to the structure of the Fund which necessitate changes to documents or the operations of the Depositary or termination of the Fund up to a maximum of €10,000 per annum (plus VAT if any).

Details on other fees and expenses to be incurred by the Company are detailed in the main body Prospectus under the heading entitled “Fees and Expenses”.

**Risk Factors**

Investors’ attention is drawn to the section entitled “Risk Factors” in the Prospectus.

**Reporting Fund Status**

The following table sets out the Classes of Shares in respect of which, subject to discussion with the United Kingdom HM Revenue & Customs, reporting fund status is expected to apply. The dates set out in the table reflect the dates from which reporting fund status was obtained in relation to the relevant Classes of Share prior to the Company’s continuation in Ireland.

| **Class** | **Reporting Fund status with effect from** |
|---|---:|
| Sterling Institutional Shares | 01/01/2010 |
| Yen Institutional Shares | 01/01/2010 |
| Euro Institutional Shares | 01/01/2010 |
| US Dollar Institutional Shares | 01/01/2010 |
| Yen Management Shares | 01/01/2010 |

Investors should note that certain Classes of Shares had distributing fund status for prior periods. Details of the relevant Classes of Shares are available on the HM Revenue & Customs website, under the Company’s former names.