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

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

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## **CONSOLIDATED PROSPECTUS FOR GERMANY**

### **POLAR CAPITAL FUNDS PUBLIC LIMITED COMPANY**

(An umbrella type open-ended investment company with variable capital and segregated liability between funds, incorporated with limited liability under the laws of Ireland with registered number 348391. The Company is authorised in Ireland as an investment company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. Number 352 of 2011), as amended.

**The date of this Consolidated Prospectus is 12<sup>th</sup> December, 2018**

*This Prospectus is a consolidation of the Prospectus of the Company dated 30<sup>th</sup> November, 2018 and the Additional Information for Investors in Germany. It is exclusively used for offer and distribution of the Shares in the Company in or from Germany. It may not be used for the offer or distribution of the Shares in the Company in any other jurisdiction. If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the Company or the suitability of an investment in the Company you should consult your stock broker or other independent financial adviser. Prices for shares in the Company may fall as well as rise.*

### **PROSPECTUS**

**DATED 30<sup>th</sup> November , 2018**

### **INVESTMENT MANAGER**

**Polar Capital LLP**

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The Directors of Polar Capital Funds public limited company, whose names appear under the heading “Management and Administration” in the prospectus of the Company dated 30<sup>th</sup> November 2018 (the “Prospectus”), accept responsibility for the information contained in the Prospectus and in 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) the information contained in the Prospectus and in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

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**ASIAN STARS FUND**

(a Fund of Polar Capital Funds public limited company)

**SUPPLEMENT**

**DATED 20<sup>th</sup> DECEMBER, 2018**

## DEFINITIONS

“Business Day”	a day on which banks and stock exchanges/markets are open for normal banking business in Dublin and London and/or in any other or further financial centre which the Directors may determine to be relevant for the operations of the Fund on that day (including dealings in foreign exchange and foreign currency deposits).
“Central Bank”	Central Bank of Ireland.
“Dealing Day”	each Business Day (provided always there shall be at least one Dealing Day per fortnight).
“Euronext Dublin”	the Irish Stock Exchange plc trading as Euronext Dublin.
“Index”	<p>MSCI AC Asia ex Japan Total Return USD Index (Bloomberg: NDUECAXJ Index)</p> <p>The MSCI AC Asia ex Japan Total Return USD Index, as currently constituted, captures large and mid-cap representation across two of three developed markets countries (including Hong Kong and Singapore but excluding Japan) and nine emerging markets countries (including China, India, Indonesia, Korea, Malaysia, Pakistan, the Philippines, Taiwan and Thailand) in Asia. With 646 constituents as of the date of this Supplement, the index covers approximately 85% of the free float adjusted market capitalization in each country. Further details of the Index can be found at <a href="http://www.msci.com">www.msci.com</a>.</p>
“Official List and the Main Securities Market”	the Official List and Main Securities Market of Euronext Dublin.
“Share Class” or “Share Classes”	such class of Shares in a Fund as the Directors from time to time designate, the current share classes in respect of the Asian Stars Fund being the Class R US Dollar Accumulation Shares, the Class R Sterling Accumulation Shares, the Class R Euro Accumulation Shares, the Class I US Dollar Accumulation Shares, the Class I Sterling Accumulation Shares, the Class I Euro Accumulation Shares, Class S US Dollar Accumulation Shares, the Class S Sterling Accumulation Shares and the Class S Euro Accumulation Shares.
“Valuation Point”	close of business in the relevant markets on the Dealing Day.

**ASIAN STARS FUND**  
(the “Fund”)

**INTRODUCTION**

Polar Capital Funds public limited company (the “Company”) is authorised in Ireland by the Central Bank as a UCITS for the purposes of the Regulations. The Company is an open-ended investment company with variable capital and is structured as an umbrella fund consisting of a number of different funds. Each fund represents a single portfolio of assets, with segregated liability between funds. Each fund may have more than one Share Class allocated to it. A separate portfolio of assets will not be maintained for separate Share Classes within a fund.

As at the date of this Supplement the other existing funds of the Company are: the Japan Fund, the Global Technology Fund, the Healthcare Opportunities Fund, the Emerging Markets Growth Fund (which has terminated), the Emerging Markets Income Fund, the Emerging Market Stars Fund, the Global Insurance Fund, the Financial Opportunities Fund, the North American Fund, the Asian Opportunities Fund, the Income Opportunities Fund, the Japan Value Fund, the Global Alpha Fund (which has terminated), the Global Convertible Fund, the Biotechnology Fund, the Healthcare Blue Chip Fund, the UK Absolute Equity Fund, the European Income Fund, the European ex UK Income Fund, the International Alpha Fund (which has terminated), the UK Value Opportunities Fund, the Automation & Artificial Intelligence Fund and the China Stars Fund.

**This Supplement forms part of and should be read in conjunction with the general description of the Company contained in the current Prospectus together with the most recent audited annual report and accounts and, if published after such report, a copy of the latest unaudited semi-annual report.**

Application has been made to Euronext Dublin for the Class R US Dollar Accumulation Shares, the Class R Sterling Accumulation Shares, the Class R Euro Accumulation Shares, the Class I US Dollar Accumulation Shares, the Class I Sterling Accumulation Shares, the Class I Euro Accumulation Shares, Class S US Dollar Accumulation Shares, the Class S Sterling Accumulation Shares and the Class S Euro Accumulation Shares to be admitted to the Official List and trading on the Main Securities Market. The Shares are expected to be admitted to the Official List and trading on the Main Securities Market on or about 1<sup>st</sup> October, 2018. The Directors do not anticipate that an active secondary market will develop in the Shares.

As at the date of this Supplement, there are no other Share Classes in the Fund, but additional Share Classes may be added in the future in accordance with the requirements of the Central Bank.

The base currency of the Fund is USD.

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

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

**Profile of a Typical Investor:** Investment in the Fund is suitable only for those persons and institutions for whom such investment does not represent a complete investment program, who understand the degree of risk involved (as detailed in the “Risk Factors” section of the Prospectus and this Supplement), can tolerate the level of volatility that is generally associated with an equity fund, i.e. susceptible to market movements and fluctuations, and believe that the investment is suitable for them based upon investment objectives and financial needs.

## **INVESTMENT OBJECTIVE**

The Fund’s investment objective is to achieve long term capital growth.

## **INVESTMENT POLICIES**

The Fund will seek to achieve its investment objective by primarily investing in a diversified portfolio of equity securities and equity related securities of, or relating to companies, which are domiciled, or exercise the predominant part of their economic activity, in Asian developed and emerging markets. The Fund will generally not invest more than 30% of its Net Asset Value in securities issued by companies in Japan or outside of Asia (such as Australia and New Zealand).

The securities in which the Fund will invest will include transferable securities, to include shares, equities, equity warrants, preferred shares, shares in collective investment schemes with investment policies that are consistent with the Fund’s investment objective and securities convertible into shares, which may be listed on a Regulated Market or unlisted (subject to a limit of 10% of the Net Asset Value of the Fund in unlisted securities) and issued by companies.

The Fund may invest in Russian domestically traded securities. However, it is not anticipated that such an investment will exceed 10% of the Net Asset Value of the Fund and investment in securities traded on Russian markets will only be made in equity securities which are listed and/or traded on the Moscow Exchange.

The Fund may invest in and have direct access to China A shares listed on the Shanghai Stock Exchange via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect Schemes (as further described in the sub-section headed “Shanghai-Hong Kong Stock Connect Scheme and Shenzhen-Hong Kong Stock Connect Scheme” in the Prospectus). The Fund may be significantly invested via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect Schemes.

The Fund may indirectly gain access to China A Shares by purchasing equity-related instruments, participation notes and participatory certificates.

The Fund may invest directly in Indian equities (and if necessary, will register as a foreign portfolio investor in India for the purpose) or may invest indirectly by purchasing equity-related instruments, participation notes and participatory certificates.

The Fund may invest no more than 10% of the Fund's Net Asset Value in aggregate in shares of open-ended collective investment schemes, which include UCITS or AIF exchange traded funds ("ETFs") which are considered to be collective investment schemes. The Fund may invest in ETFs for the purpose of gaining indirect exposure to the equity securities comprised in the indices tracked by the ETFs in which the Fund may invest. It is intended that the ETFs in which the Fund may invest will be listed on a Regulated Market, and will be domiciled in, or have exposure to, Asian developed and emerging markets. Investment in AIF ETFs which are considered by the Investment Manager to be transferable securities will be in accordance with the requirements of the Central Bank.

The Fund may also invest in Global, American and European depository receipts for the purpose of gaining exposure to underlying equity securities.

The financial derivative instruments which the Fund may utilise include futures, forwards, options (the Investment Manager may write put options and covered call options but will not write uncovered call options), contracts for difference, equity swaps and securities with embedded derivatives or elements of derivative exposure including, but not limited to, equity warrants and structured notes, such as P-Notes (which will not be leveraged), for efficient portfolio management purposes, hedging purposes, to reduce portfolio risk, to obtain in a more efficient way exposure that would otherwise be obtained by direct investment in securities in accordance with the investment objective and policies above, and as further detailed below, or in instances where a direct exposure to the underlying security is not possible. The leveraged exposure of the Fund through the use of derivatives will not exceed 100% of the Net Asset Value of the Fund, as measured using the commitment approach in accordance with the Regulations.

Futures, forwards, options, contracts for difference and equity swaps may be used to hedge against downward movements in the value of the Fund's portfolio, either by reference to specific securities (i.e. equity or equity related securities) or markets to which the Fund may be exposed. These derivative instruments may also be used to gain or reduce the Fund's exposure to equity or equity related securities or markets on a short or medium term basis where it is more efficient to use derivatives for this purpose, or to gain indirect exposure to equity or equity related securities where the Investment Manager feels that such use of financial derivative instruments is in the best interests of the Fund.

Transferable securities with embedded derivatives or elements of derivative exposure, to include equity warrants and structured notes to include P-Notes (which will not be leveraged) may be used to gain exposure to underlying equity or equity related securities as a more efficient and cheaper alternative to direct investment in that security.

Forward foreign exchange contracts will only be used for hedging purposes or to alter the currency exposure of the underlying assets in accordance with the limits set out by the Central Bank. The Fund will not be leveraged as a result of engaging in forward foreign exchange contracts. Performance may be strongly influenced by movement in FX rates due to the large exposure to non-Base Currency securities.

## **Investment Approach**

The Investment Manager's investment approach focuses primarily on fundamental bottom-up stock selection with top-down macro-economic research and analysis.

### ***Top down analysis***

The Investment Manager seeks to identify growth opportunities by looking at global growth expectations, demand drivers, supply drivers (including those which impact changes in supply), macroeconomic trends (such as social demographic trends, monetary and fiscal policy, government models, and competitiveness) and factors impacting company valuations to establish a dynamic understanding of the economic backdrop to the investment universe.

### ***Bottom up analysis***

The Investment Manager's research efforts are directed towards detailed analysis of a company's specific strategic position and opportunities within its industry with a view to establishing its potential for future Economic Value Add ("EVA"). The Investment Manager looks to identify companies with the capability to generate a high, and growing level, of EVA in the future (identified over the medium to long term investment horizon).

Having established a company's opportunity for growth, its competitive position and its potential to create EVA, the Investment Manager uses a proprietary valuation model to identify its expected level of future EVA creation and its expected market value in relation to its current price.

The Investment Manager's process incorporates quantitative and qualitative analysis of environmental, societal and governance policies, performance, practices and impacts. The Investment Manager uses quantitative analysis (exclusionary screening) to avoid companies involved in activities deemed unacceptable or controversial from an environmental, societal and governance perspective, and uses qualitative methods (third party research and internal analysis) to identify companies which can demonstrate continual improvement from an environmental, societal and governance perspective.

### ***Portfolio Construction***

The Fund will be well diversified, with a low concentration in individual holdings and typically between 40 and 55 stocks across the portfolio of the Fund.

Active risk control is an integral part of the investment process and is incorporated into every stage of portfolio construction.

### ***Sell Disciplines***

While the Investment Manager's investment philosophy dictates a long-term investment horizon, the reasons for holding a stock are constantly reviewed and the Investment Manager maintains a strict sell discipline in order to manage overall Fund risk. The Investment Manager looks to sell stocks primarily for one of the following reasons:

- Valuation has become extended
- Management disappointment – either in terms of poor results or a change in strategy
- Changes in fundamentals – either at corporate, sector or country level
- Better opportunities identified elsewhere on a relative basis

## **SECURITIES FINANCING TRANSACTIONS AND EQUITY SWAPS**

The Fund may utilise equity swaps where the underlying exposure to the listed equity is not possible or cost effective. The types of assets that will be subject to equity swaps will be equity securities or an equity index. Further details on the underlying of the equity swap will be detailed within the Company's annual report.

The maximum exposure of the Fund in respect of equity swaps shall be a maximum gross exposure of 100%. Whilst it is not intended that swaps will form a material part of the Fund, in the event there was a prohibition imposed in respect of direct investment in equity securities of Asian emerging markets, the Fund may in that instance be significantly invested in equity swaps. Accordingly, the net exposure is likely to remain within the range 0% to 100% of the Net Asset Value of the Fund.

Further details are set out in the Prospectus under the headings "Securities Financing Transactions and Equity Swaps, "Management of Collateral for OTC Financial Derivative Instruments and Techniques for Efficient Portfolio Management" and "Counterparty Selection Process".

## **INVESTMENT AND BORROWING RESTRICTIONS**

The Company is a UCITS and, accordingly, the Fund is subject to the investment and borrowing restrictions set out in the Regulations. These are set out in detail in Appendix II of the Prospectus.

## **MANAGEMENT AND ADMINISTRATION**

Detailed descriptions of the Directors and service providers to the Company are set out in the Prospectus.

### **Investment Manager**

Polar Capital LLP has been appointed as Investment Manager (the "Investment Manager") to the Company. The individual manager at Polar Capital LLP with prime responsibility for the Fund is Jorry Rask Nøddekær.

**Jorry Rask Nøddekær** – joined Polar Capital in June 2018. Prior to joining Polar Capital, Jorry worked at various firms including Nordea Investment Management, Danske Capital, F&C Investment Management, New Star Asset Management and BankInvest Asset Management. Jorry studied at Aarhus University in Denmark where he gained an MSc in economics and finance.



## **Administrator and Depositary**

The administrator, registrar, transfer agent and secretary to the Company is Northern Trust International Fund Administration Services (Ireland) Limited.

The Depositary of the Company's assets is Northern Trust Fiduciary Services (Ireland) Limited.

## **VALUATION OF ASSETS**

The Net Asset Value of the Fund and the Net Asset Value attributable to the Share Classes, as at the Valuation Point, will be calculated by the Administrator in accordance with the requirements of the Articles and full details are set out under the heading "Statutory and General Information" in the Prospectus. The Net Asset Value of the Fund will be expressed in US Dollars. The Net Asset Value as at the Valuation Point on a Dealing Day will be calculated by the Administrator the next Business Day and will normally be available by 5.00pm (Irish Time) the next Business Day.

The value of instruments or securities which are quoted, listed or dealt in on a Regulated Market shall (save in certain specific cases) be the last traded price on such Regulated Market as at the Valuation Point, or the mid-price where no trades occurred on such day. Further details are set out in the Articles of Association and in the Prospectus under the heading of "Statutory and General".

## **DIVIDEND POLICY**

### **Accumulation Share Classes**

It is not the current intention to pay dividends in respect of the Accumulation Share Classes.

## **UK "OFFSHORE FUNDS" REGIME**

For the purposes of the provisions of UK tax legislation concerning investment in arrangements that are "offshore funds" for UK tax purposes, each Share Class will separately represent such an "offshore fund". In order to protect the position of Shareholders within the scope of UK taxation, the Directors intend that the Company will elect for each Share Class to be treated as a "reporting fund" under those provisions for each of the Fund's accounting periods. On the assumption that the UK tax authorities accept that election, the treatment of each Share Class as a "reporting fund" should mean that any gain accruing to a Shareholder within the scope of UK taxation of chargeable gains on the sale, redemption or other disposal of Shares will be treated, subject to the Shareholder's individual circumstances, as a capital gain rather than as income.

The status of each Share Class as a "reporting fund" will not be dependent on the Fund's distributing any particular part of its income to Shareholders (as was the case under the provisions, commonly known as the "distributor status" rules, in force prior to the commencement of the "reporting funds" regime). Instead, a Shareholder who is within the scope of UK income taxation will generally be liable, subject to the Shareholder's individual circumstances, to UK income tax or corporation tax on the excess (if any) of the Shareholder's pro rata share of the Fund's "reportable income" for an accounting period over the amount of any dividend payment made to the Shareholder by the Fund in respect of that accounting period.

The Fund's "reportable income", for this purpose, means, broadly, the income shown in the Fund's accounts for an accounting period, subject to the addition of certain sums to the Fund's accounts income in specified circumstances (such as where the Fund invests in other entities which constitute "offshore funds" for UK tax purposes). As explained above under "Dividend Policy", the directors intend that the Fund should make an annual dividend payment to Shareholders out of the investment income earned by the Fund each year.

### **INITIAL OFFER PERIOD AND PRICE**

The Initial Offer Period for the Class R US Dollar Accumulation Shares, the Class R Sterling Accumulation Shares, the Class R Euro Accumulation Shares, the Class I US Dollar Accumulation Shares, the Class I Sterling Accumulation Shares, the Class I Euro Accumulation Shares, Class S US Dollar Accumulation Shares, the Class S Sterling Accumulation Shares and the Class S Euro Accumulation Shares shall commence at 9.00am (Irish time) on 17<sup>th</sup> August, 2018 and will close at 5.00pm (Irish time) on 31<sup>st</sup> December, 2018. The Initial Offer Period may be extended or reduced by the Directors with the consent of the Depositary in accordance with the requirements of the Central Bank.

During the Initial Offer Period Class R US Dollar Accumulation Shares, Class R Sterling Accumulation Shares, Class R Euro Accumulation Shares, Class I US Dollar Accumulation Shares, Class I Sterling Accumulation Shares, Class I Euro Accumulation Shares, Class S US Dollar Accumulation Shares, Class S Sterling Accumulation Shares and Class S Euro Accumulation Shares are being offered to investors at USD 10 and the Sterling/Euro currency equivalent of USD 10, depending on the currency of denomination of each Share Class. Thereafter, Class R US Dollar Accumulation Shares, Class R Sterling Accumulation Shares, Class R Euro Accumulation Shares, Class I US Dollar Accumulation Shares, Class I Sterling Accumulation Shares, Class I Euro Accumulation Shares, Class S US Dollar Accumulation Shares, Class S Sterling Accumulation Shares and Class S Euro Accumulation Shares will be offered at the Net Asset Value per relevant Class.

During the initial offer period, subscription monies must be received by the Administrator no later than 5.00pm (Irish time) on 31<sup>st</sup> December, 2018.

### **MINIMUM SUBSCRIPTION AND MINIMUM HOLDING**

#### ***Class R US Dollar Accumulation Shares, Class R Sterling Accumulation Shares and Class R Euro Accumulation Shares***

There is no minimum subscription or minimum holding requirement for the Class R US Dollar Accumulation Shares, the Class R Sterling Accumulation Shares or the Class R Euro Accumulation Shares.

***Class I US Dollar Accumulation Shares, Class I Sterling Accumulation Shares, Class I Euro Accumulation Shares***

Subject to the discretion of the Company and the Investment Manager (taking into account applicable local regulations), the Class I Shares are for institutional investors or intended for providers of advisory services or discretionary investment management who:

- I. provide advisory services or discretionary investment management; or
- II. have separate fee arrangements with their clients and do not receive or retain trailer fees or any other fee, rebate or payment from the Fund in relation to those services and activities.

There is no minimum subscription or minimum holding requirement for the Class I US Dollar Accumulation Shares, the Class I Sterling Accumulation Shares or the Class I Euro Accumulation Shares.

***Class S US Dollar Accumulation Shares, Class S Sterling Accumulation Shares, Class S Euro Accumulation Shares***

The Class S Shares will only be available to investors who hold at least USD 5 million in the Share Class (subject to the discretion of the Directors to determine otherwise).

It is intended that the Class S Shares will be closed to new investors upon the receipt of subscription monies into the Fund totalling USD 300 million (subject to the discretion of the Directors to determine otherwise).

Following the closing of Class S Shares to new investors, existing holders of Class S Shares may continue to subscribe for Class S Shares **provided** that they do not, at any point, redeem their holding of Class S Shares such that the value of Class S Shares held by them is less than the minimum holding requirement of USD 5 million (subject to the discretion of the Directors to determine otherwise). Any holder of Class S Shares who redeems their holding below the minimum holding requirement will not be permitted to subscribe for Class S Shares at a future date.

The Class S US Dollar Accumulation Shares, the Class S Sterling Accumulation Shares and the Class S Euro Accumulation Shares are each subject to a minimum subscription and minimum holding requirement of USD 5 million (or its foreign currency equivalent).

The aggregate of an investor's investments in the Class R and/or Class I Shares, or any other Share Class(es) that may be established in the future, may be taken into account for the purpose of satisfying the minimum subscription requirement should an investor wish to switch Share Classes in accordance with the switching provisions set out below.

The minimum subscription and minimum holding requirement for Class S Shares may be waived or reduced at the sole discretion of the Directors.

## SUBSCRIPTIONS

### Procedure

All applicants must complete (or arrange to have completed under conditions approved by the Directors) the application form prescribed by the Directors in relation to the Fund ("Application Form"). An Application Form is available from the Administrator and sets out the methods by which and to whom the subscription monies should be sent. Application Forms shall (save as determined by the Company) be irrevocable.

Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Share Classes prior to subscribing to the Fund. Applicants will be required to represent (which representation will form part of the Application Form) that they have received a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Document(s) will be available at [www.polarcapital.co.uk](http://www.polarcapital.co.uk).

Applicants for Shares must send their completed Application Form by mail or facsimile so as to be received by the Administrator no later than 5.00pm (Irish time) on the Business Day immediately preceding the relevant Dealing Day (in exceptional circumstances only the Directors may determine to accept applications for Shares after the stated cut-off provided such applications are received prior to 11.59pm (Irish time) on the Business Day immediately preceding the relevant Dealing Day). The originals of the Application Forms (and supporting documentation in relation to money laundering prevention checks) should be sent promptly by post to arrive as soon as possible after the time for receipt of such application. If the application is received after the designated time it will be held over until the following Dealing Day and Shares will then be issued at the subscription price in respect of that Dealing Day. Subscription monies must be received no later than 5.00pm (Irish time) two Business Days following the relevant Dealing Day.

Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator (subject to an investor having received a copy of the relevant Key Investor Information Document in paper or electronic form) in writing, by facsimile, by telephone or such other electronic means as may be determined by the Company from time to time and agreed with the Administrator in accordance with the requirements of the Central Bank without a requirement to submit original documentation (where applications are made by facsimile, telephone order or such other electronic means) and such applications should contain such information as may be specified from time to time by the Directors or their delegate.

All subscriptions will be dealt with on a forward pricing basis, i.e. by reference to the subscription price (as determined below) for Shares as at the Valuation Point on the relevant Dealing Day.

Failure to provide the original Application Form by the relevant time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. However, applicants will be unable to redeem Shares on request until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received by the Administrator from an investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the

Administrator (including any documents in connection with anti-money laundering procedures). Further, investors will not receive any return on their investment in these circumstances. In addition, failure to promptly provide required anti-money laundering documentation within a reasonable timeframe following an initial subscription may result in subsequent subscriptions being refused.

Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

The subscription price per Share shall be ascertained by:

- (a) determining the Net Asset Value attributable to the relevant class of Shares calculated in respect of the relevant Valuation Point on the relevant Dealing Day and adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges;
- (b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and
- (c) adjusting thereto such amount as may be necessary to round the resulting amount to the nearest two decimal places.

The latest subscription price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

All Shares will be registered and will be issued in inscribed form only. Ownership will be evidenced by entry on the Company's register of Shareholders and written ownership confirmation will be issued to Shareholders.

Fractions of the Shares will, if necessary, be issued to three decimal places. If an applicant requests a whole number of Shares, subscription monies in excess of the amount needed to purchase the Shares will be retained by the Company for the benefit of the Fund.

The Company reserves the right to reject any application in whole or in part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable (in the designated currency of the relevant Share Class) at the risk and cost of the applicant.

The Administrator will issue a written confirmation to successful applicants confirming ownership. Once completed applications have been received by the Administrator, they are irrevocable (unless otherwise agreed by the Directors).

Applications for Shares may be refused, and Shares will not be issued until receipt of notification that an applicant's funds have been cleared in the full amount of any subscription. Subject thereto, Shares are deemed to be issued on the relevant Dealing Day.

An initial fee of up to 5 per cent of the subscription price may be payable by applicants for Shares. This fee will be payable at least to the extent that the fees and/or expenses of intermediaries need to be met but may otherwise be waived if and to such extent as the Directors may determine.

The Directors reserve the right from time to time to resolve to close the Fund to new subscriptions either for a specified period or until they otherwise determine. During any such period, Shares will not be available for subscription.

### **Method of Payment of Subscription Monies**

Subscription payments net of all bank charges should be paid by telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held over until the subsequent Dealing Day.

### **Currency of Payment**

Subscription monies are payable in the designated currency of the relevant Share Class of the Fund.

However, the Company may accept payment in such other currencies as the Investment Manager may agree at the prevailing exchange rate quoted by the Company's bankers. The cost and risk of converting currency will be borne by the applicant.

## **REDEMPTIONS**

### **Procedure**

Every Shareholder will have the right to require the Company to redeem his Shares in the Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out in the Prospectus) on furnishing to the Administrator a redemption request. Redemption requests may be made in writing, by facsimile, by telephone or such other electronic means as may be determined by the Company from time to time and agreed with the Administrator in accordance with the requirements of the Central Bank and should contain such information as may be specified by the Directors or their delegate.

Postal or facsimile instructions for redemption of Shares should be sent to the Administrator at George's Court, 54-62 Townsend Street, Dublin 2, Ireland (Fax No: +353 1 542 2889). Telephone orders may be placed with the Administrator on + 353 1 4345007.

All redemption requests are dealt with on a forward pricing basis, i.e. by reference to the redemption price for Shares as at the Valuation Point on the relevant Dealing Day.

Redemption requests in respect of the Fund must be received by the Administrator by 5.00pm (Irish time) on the Business Day immediately preceding the relevant Dealing Day (in exceptional circumstances only the Directors may determine to accept applications for Shares after the stated cut-off provided such applications are received prior to 11.59pm (Irish time) on the Business Day

immediately preceding the relevant Dealing Day). If the redemption request is received after the designated time it will be treated as a request for redemption on the following Dealing Day and Shares will be redeemed at the redemption price for that day. Shares will be redeemed at the redemption price calculated as at the relevant Dealing Day.

Redemption requests will only be accepted where cleared funds and completed documents, including documentation relating to money laundering prevention checks, are in place from original subscriptions. No redemption payment will be made from an investor's holding until the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed. Any withheld redemption proceeds will be held in a non-interest bearing account until receipt of the original Application Form and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures).

Redemption requests shall (save as determined by the Directors) be irrevocable and may be sent by facsimile at the risk of the relevant Shareholder.

In the case of a partial redemption of a Shareholder's holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

### **Redemption Price**

The redemption price per Share shall be ascertained by:

- (a) determining the Net Asset Value attributable to the relevant class of Shares as at the relevant Valuation Point and deducting there from such sums as the Directors may consider represents an appropriate provision for Duties and Charges;
- (b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and
- (c) adjusting thereto such amount as may be necessary to round the resulting sum to the nearest two decimal places.

The latest redemption price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily in the Financial Times.

### **Fractions**

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in the Fund:

- (a) fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the redemption price for one Share, provided however that fractions shall not be less than 0.001 of a Share; and

- (b) redemption monies representing less than 0.001 of a Share will not be returned to a Shareholder but will be retained by the Company for the benefit of the Fund.

### **Method of Payment**

Redemption payments will be made by electronic transfer to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing, at the risk and expense of the Shareholder.

### **Currency of Payment**

Shareholders will normally be repaid in the designated currency of the relevant Share Class.

### **Timing of Payment**

Redemption proceeds in respect of Shares will be paid within three Business Days after the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator. Redemption payments will not be paid to any party other than the redeeming Shareholder.

In the case of a partial redemption of a Shareholder's holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

### **Compulsory Redemption**

The Company shall have the right to redeem compulsorily any Share at the redemption price or to require the transfer of any Share to a Qualified Holder if in their opinion (i) such Share is held by a person other than a Qualified Holder; or (ii) where the holding of Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund or its Shareholders as a whole.

### **Deferred Redemptions**

Where the Company receives in respect of any Dealing Day requests for redemptions which in the aggregate exceed at least 10% of the total number of Shares in issue in that Fund or exceed at least 10% of the Net Asset Value of the Fund on that Dealing Day, the Directors, if in their sole discretion acting in good faith believe it shall be necessary or desirable in order not to prejudice the interests of the Shareholders not making such request, or on the grounds of liquidity or other like reason, may refuse to redeem any Shares in excess of 10% of the total number of Shares in issue in the Fund or in excess of 10% of the Net Asset Value of the Fund. Any request for redemption on such Dealing Day shall be reduced rateably and the redemption requests shall be treated as if they were received on each subsequent Dealing Day until all the Shares to which the original request related have been redeemed. Shares will be redeemed at the redemption price prevailing on the Dealing Day on which they are redeemed.



## SWITCHING

Shareholders of a Class within the Fund (the "Original Class") may switch free of any switching charge to another Class(es) within the Fund (the "New Class") in accordance with the formula and procedures specified below.

Switching may be effected by written application to the Administrator on such switching form as may be prescribed by the Directors.

No switches will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended. The general provisions on procedures for redemptions (including provisions relating to the redemption fee) will apply equally to switching. Notice of switching must be received by the Administrator by 5.00pm (Irish time) on the Business Day immediately preceding the relevant Dealing Day (or such later time as the Directors may determine).

The number of Shares to be issued in the New Class will be calculated in accordance with the following formula:

$$A = \frac{B \times C \times D}{E}$$

Where

- A = number of Shares of the New Class to be allocated
- B = number of Shares of the Original Class to be converted
- C = redemption price per Share on the relevant Dealing Day for the Original Class
- D = the currency conversion factor determined by the Administrator
- E = subscription price per Share on the relevant Dealing Day for the New Class

## FEES AND EXPENSES

### General

The Class of Shares of the Fund on offer pursuant to this Supplement shall bear its attributable proportion of the operating expenses of the Company (including the Fund). These are set out in detail under the heading "Fees and Expenses" in the Prospectus.

### Subscription of Shares

A subscription fee of up to 5% of the Net Asset Value per Share may be charged at the Directors' discretion.

## **Investment Management Fees**

### ***Class R US Dollar Accumulation Shares, Class R Sterling Accumulation Shares and Class R Euro Accumulation Shares***

The investment management fee payable in respect of the Class R US Dollar Accumulation Shares, the Class R Sterling Accumulation Shares and the Class R Euro Accumulation Shares will be accrued daily and will be payable monthly in arrears, equivalent to 1.25% per annum of the Net Asset Value of the Class R US Dollar Accumulation Shares, the Class R Sterling Accumulation Shares and the Class R Euro Accumulation Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

#### *Performance Fee*

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the "Payment Date") where there is a performance fee payable.

The initial issue price of 10 US Dollars shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee for the Class R US Dollar Accumulation Shares, Class R Sterling Accumulation Shares and Class R Euro Accumulation Shares shall be equal in aggregate to 10% of the amount by which the Net Asset Value per Class R US Dollar Accumulation Share exceeds the Indexed Net Asset Value per Class R US Dollar Accumulation Share as at the Payment Date multiplied by the weighted average number of total Class R US Dollar Accumulation Shares, Class R Sterling Accumulation Shares and Class R Euro Accumulation Shares in issue on each Dealing Day since the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

The Indexed Net Asset Value per Class R US Dollar Accumulation Share is calculated by adjusting the Net Asset Value per Class R US Dollar Accumulation Share as at the date on which the last performance fee was paid by the comparative performance of the Index since the date on which the last performance fee was paid or the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class R US Dollar Accumulation Share shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the Class R US Dollar Accumulation Shares outperform the Index. If, during a performance fee period, the performance of the Class R US Dollar Accumulation Shares does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Depositary shall verify the calculation of the performance fee as at each Payment Date.

**Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised. The performance fee is only payable on the increase over the Indexed Net Asset Value.**

***Class I US Dollar Accumulation Shares, Class I Sterling Accumulation Shares and Class I Euro Accumulation Shares***

The investment management fee payable in respect of the Class I US Dollar Accumulation Shares, the Class I Sterling Shares and the Class I Euro Accumulation Shares will be accrued daily and will be payable monthly in arrears, equivalent to 0.75% per annum of the Net Asset Value of the Class I US Dollar Accumulation Shares, the Class I Sterling Accumulation Shares and the Class I Euro Accumulation Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

*Performance Fee*

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the "Payment Date") where there is a performance fee payable.

The initial issue price of 10 US Dollars shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee payable in respect of the Class I US Dollar Accumulation Shares, the Class I Sterling Accumulation Shares and the Class I Euro Accumulation Shares shall be equal in aggregate to 10% of the amount by which the Net Asset Value per Class I US Dollar Accumulation Share exceeds the Indexed Net Asset Value per Class I US Dollar Accumulation Share as at the Payment Date multiplied by the weighted average number of total Class I US Dollar Accumulation Shares, Class I Sterling Accumulation Shares and Class I Euro Accumulation Shares in issue on each Dealing Day since the last performance fee was paid.

The Indexed Net Asset Value per Class I US Dollar Accumulation Share is calculated by adjusting the Net Asset Value per Class I US Dollar Accumulation Share as at the date on which the last performance fee was paid by the comparative performance of the Index since the date on which the last performance fee was paid or at the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class I US Dollar Accumulation Share shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the Class I US Dollar Accumulation Shares outperforms the Index. If, during a performance fee period, the performance of the Class I US Dollar Accumulation

Shares does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Depositary shall verify the calculation of the performance fee as at each Payment Date.

**Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised. The performance fee is only payable on the increase over the Indexed Net Asset Value.**

***Class S US Dollar Accumulation Shares, Class S Sterling Accumulation Shares and Class S Euro Accumulation Shares***

The investment management fee payable in respect of the Class S US Dollar Accumulation Shares, the Class S Sterling Accumulation Shares and the Class S Euro Accumulation Shares will be accrued daily and will be payable monthly in arrears, equivalent to 0.375% per annum of the Net Asset Value of the Class S US Dollar Accumulation Shares, the Class S Sterling Accumulation Shares and the Class S Euro Accumulation Shares (before deduction for any accrued performance fees) as at the Valuation Day plus VAT (if any).

*Performance Fee*

The Investment Manager, in addition to its investment management fee, is entitled to receive (out of the assets of the Fund) a performance fee. The performance fee will accrue on a daily basis and the accrual will be reflected in the Net Asset Value. The performance fee shall be payable annually on 31 December (the "Payment Date") where there is a performance fee payable.

The initial issue price of 10 US Dollars shall be taken as the starting price for the calculation of the first performance fee payable. The first performance fee period will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on the Payment Date.

The performance fee payable in respect of the Class S US Dollar Accumulation Shares, the Class S Sterling Accumulation Shares and the Class S Euro Accumulation Shares shall be equal in aggregate to 10% of the amount by which the Net Asset Value per Class S US Dollar Accumulation Share exceeds the Indexed Net Asset Value per Class S US Dollar Accumulation Share as at the Payment Date multiplied by the weighted average number of total Class S US Dollar Accumulation Shares, Class S Sterling Accumulation Shares and Class S Euro Accumulation Shares in issue on each Dealing Day since the last performance fee was paid.

The Indexed Net Asset Value per Class S US Dollar Accumulation Share is calculated by adjusting the Net Asset Value per Class S US Dollar Accumulation Share as at the date on which the last performance fee was paid by the comparative performance of the Index since the date on which the last performance fee was paid or at the date of issue of the relevant Shares, whichever is later.

For the purposes of the performance fee calculation, the Net Asset Value per Class S US Dollar Accumulation Share shall be calculated before the deduction of any unrealised performance fee.

The performance fee is only payable when the Class S US Dollar Accumulation Shares outperforms the Index. If, during a performance fee period, the performance of the Class S US Dollar Accumulation Shares does not exceed the performance of the Index, no performance fee is payable until such unachieved performance is reclaimed.

The Depositary shall verify the calculation of the performance fee as at each Payment Date.

**Where performance fees are payable by the Company, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised. The performance fee is only payable on the increase over the Indexed Net Asset Value.**

### **Establishment Expenses**

All fees and expenses relating to the establishment of the Fund (including listing costs), and the fees of the advisers to the Company, who are involved in the establishment of the Fund, will be borne by the Fund and amortised over the first five years of the Fund or such other period as the Directors may determine. If the effect of this accounting treatment becomes material in the future and there is a requirement to write off the amortised balance of establishment and organisational costs, the Directors will reconsider this policy. The establishment expenses are expected to amount to approximately USD 25,000. An element of such establishment costs may be payable to the Investment Manager in respect of costs incurred by the Investment Manager in respect of the establishment of the Fund.

Details of the other fees and expenses relating to the Company and Shareholders are set out in the Prospectus.

### **RISK FACTORS**

Potential investors should consider the general risk factors set out in the Prospectus, to include "Risks associated with Investments in the PRC" and "Risks associated with the Connect Scheme".