

## MIDAS GLOBAL FUND

### Supplement to the Prospectus dated 19 August 2011 for Skyline Umbrella Fund plc

This Supplement contains specific information in relation to the Midas Global Fund (the “**Fund**”), a fund of Skyline Umbrella Fund plc (the “**Company**”) an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds governed by the laws of Ireland and authorised by the Central Bank of Ireland (the “**Central Bank**”).

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of) the Prospectus of the Company dated 19 August 2011, (the “Prospectus”), and must be read in conjunction with, the Prospectus.**

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

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

Dated: 16 December 2011

## **IMPORTANT INFORMATION**

**THIS DOCUMENT IS IMPORTANT. BEFORE YOU PURCHASE ANY OF THE SHARES REPRESENTING INTERESTS IN THE FUND DESCRIBED IN THIS SUPPLEMENT YOU SHOULD ENSURE THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU SHOULD TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.**

**It is the intention of the Company to invest on behalf of the Fund in financial derivative instruments (“FDIs”) for investment and efficient portfolio management purposes (as detailed below under “Investment Policy”) to achieve its investment objective.**

Certain risks attached to FDIs are set out in the Prospectus under "Risk Factors". The Directors of the Company expect that the Net Asset Value of the Fund will have low volatility and will be below global equity market volatility levels.

### **Suitability of Investment**

You should inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The value of the Shares may go up or down and you may not get back the amount you have invested. See the section headed "Risk Factors" in this Supplement and in the Prospectus for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

### **General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

### **Distribution of this Supplement and Selling Restrictions**

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus (other than to prior recipients of the Prospectus). The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without

compliance with any registration or other legal requirement. If you wish to apply for the opportunity to purchase any Shares, it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile as well as any other requisite governmental or other consents or formalities which might be relevant to your purchase, holding or disposal of the Shares.

## **Investment Objective and Policies**

### **Investment Objective:**

The Company's investment objective is to achieve growth in investors' capital in the medium term and to protect investors' downside risk by trading and investing directly and/or indirectly in a diversified portfolio of global equities.

The Fund will take both long and short positions in equities with the aim of delivering consistent positive absolute returns in differing market conditions, while aiming to keep the volatility of the Fund below global equity market volatility levels using the strategy outlined below.

### **Investment Policies:**

The Company aims to achieve this investment objective through trading and investment in a portfolio of equity CFDs and swaps on a long/short basis as well as a range of other securities including but not limited to exchange traded funds and in some instances directly in equity securities. The Fund aims to achieve a consistent return and with a level of volatility which is lower than global equity market levels. Such equities shall be those issued by companies with large capitalisation from across all industry sectors, which are primarily traded on major European, UK or US exchanges. Additionally, the Fund may invest ETFs in order to gain indirect exposure to such equities. The Fund may also trade in swaps, futures and forward contracts for currency hedging purposes. It may also use stock or index futures for the purposes of hedging or locking in the performance of the Fund. In all such instances, the indices used and/or referenced shall meet with the requirements of the Central Bank.

The Investment Manager will use its proprietary trading models which are derived from technical and economic fundamentals. The Investment Manager's approach will involve identifying trading and capital growth opportunities for the Company in a broad range of securities on global markets. The Investment Manager will conduct a continuous assessment of real time securities information to identify buy and sell opportunities while simultaneously optimizing the Company's overall portfolio of securities.

The Fund will take both long and short positions but will have a maximum net exposure of 30% long or 30% short relative to the market at any point in time. The Fund uses this long and short market strategy to limit market risk or the Fund's exposure to general market movements which could adversely affect its performance. This also helps limit the Fund's volatility relative to equity markets. Long positions are taken by the Fund on equity securities which may be undervalued or are expected to appreciate in value. Short positions are used to secure potential gains from equities which the Investment Manager considers to be overvalued or unattractive and are likely to fall in value. Any short exposure will be created synthetically through the use of Swaps and all derivative positions will be covered by cash at all times.

Any FDIs entered into by the Fund shall be for the purpose of hedging, risk management or gaining indirect exposure which cannot be achieved through other equity Swaps or OTC derivatives.

To achieve the investment objective, the Company, on behalf of the Fund, intends to invest in and trade the net proceeds of any issue of Shares (whether on the Initial Issue Date or subsequently) in some or all of the instruments listed below.

- (i) FDIs in the form of CFD or equity swaps, (such swaps are synthetic positions taken by the Fund with recognised and authorised counterparties whereby the Fund assumes a liability equal to the underlying value of a short position in a specific stock pursuant to a master agreement in accordance with the requirements of the International Swaps and Derivatives Association, and such

**"Swaps"** (please see further detail in the section **"Use of Derivative Contracts"** below).

The Swap positions in which the Company will invest and trade in will be synthetic securities in which the underlying equities or equity related securities are listed, traded or dealt in on a regulated market or exchange in any of the following countries:- a member state of the EU, Australia, Canada, Hong Kong, Japan, New Zealand, Norway, Switzerland and the US;

- (ii) Equities which are listed, traded or dealt in on a recognised market or exchange in any of the foregoing countries and in all instances on a market or exchange listed in Appendix I of the Prospectus;
- (iii) The Fund may also invest in ETFs. In accordance with the investment restrictions, the Fund shall not invest more than 20% of its net assets in any single ETF. The Fund shall not invest in ETFs which can in terms of their prospectus or instruments of incorporation invest more than 10% of their net assets in other UCITS or other collective investment schemes. The Fund will at all times comply with the provisions of the Central Bank's Guidance Note 2/03 (as amended, supplemented or restated) in respect of any investment in non-UCITS regulated ETF. The ETF that the Fund may invest in will be UCITS authorised pursuant to the UCITS Directive or non-UCITS ETF, which may consist of regulated collective investment schemes domiciled in a member state of the EEA, the US, Jersey, Guernsey or the Isle of Man (in accordance with the provisions of Guidance Note 2/03). Any investment in ETF will provide indirect exposure to the global equities market;
- (iv) Where the Fund invests in forward contracts, the forward contract locks-in the price at which an index or security may be purchased or sold on a future date. In currency forward contracts, the contract holders are obligated to buy or sell the currency at a specified price, at a specified quantity and on a specified future date. Forward contracts may be cash settled between the parties. These contracts cannot be transferred. The Fund's use of forward foreign exchange contracts may include, but is not be limited to, hedging against exchange risks, shifting exposure to currency fluctuations from one currency to another and hedging classes denominated in a class currency to the Base Currency. Any forward contract entered into by the Fund will be in accordance with the limits prescribed by the law;
- (v) The Fund may also on occasions use stock and/ or index futures to manage risk in the fund's portfolio. The use of index futures will be to hedge overall portfolio positions. The Fund will only take futures positions in major market indices such as the FTSE or S&P 500. The futures will be bought to reduce short term exposure of the Fund to adverse movements in the relevant index or to neutralize short term potential exposure due to the release of important economic announcements or other unforeseeable events. Such futures will be used by the Fund as an alternative to closing off active positions. Stock futures will be used in a similar way as a means of hedging individual positions from adverse movements arising from earnings announcements;
- (vi) The Fund may also, on occasions, utilise FDIs in the form of options, futures and currency Swaps. Futures and options will be traded on the exchanges relevant to the instrument and at all times in accordance with Appendix I of the Prospectus; and
- (vii) The Fund will manage a certain portion of its net assets in Money Market Instruments such as cash or cash equivalents (short-term money market deposits). The level of net assets held in cash may vary depending on the

prevailing market conditions. In addition to its portfolio of securities the Company may also hold up to 100 per cent of its Net Asset Value in cash at any one time and depending on market conditions.

The Fund shall not borrow shares for any purpose, but through such Swaps, effectively creates a liability of equal magnitude and risk, thereby gaining “synthetic” short exposure.

In all instances the Fund shall invest in assets which are either listed/traded on markets/exchanges or in which the underlying securities are listed/traded on markets/exchanges as set out in Appendix I of the Prospectus.

The Investment Manager will manage such exposures on a daily basis and ensure that the Fund is not subject to any shortfall risks. The Fund may be leveraged up to a total of 100% of its Net Asset Value through the use of FDIs in accordance with the Investment Restrictions and the Central Bank's Notices. The Fund will have a maximum net exposure of 30% long or short relative to the market at any point in time and not more than 5% exposure in any one security or issuer.

The Investment Manager shall employ its internal risk management controls to help minimise potential losses by the Fund. This system will employ a number of stop loss orders. A “stop loss order” or “stop market order” is an order placed with a broker to buy or sell when a certain price is reached. It is designed to limit an investor's loss or to lock in profit on a security position. The stop loss levels are determined not on losses against the cost of investment but are instead based upon the level of loss incurred from the greater of the cost or the maximum profit within the period. Its design is to ensure that the Investment Manager maximises profits and seeks to minimise the volatility of returns.

The cumulative effect of all the stop loss orders is to create an objective “circuit breaker” that if all positions deteriorated in market terms there is an explicit stop loss level for the Fund.

The Investment Manager will actively monitor each of the Fund's positions to ensure that Fund complies with the investment restrictions and is not leveraged in excess of 100% of its Net Asset Value.

## **Use of Derivative Contracts**

### *Swaps*

The Company on behalf of the Fund may enter into Swaps with a recognised and authorised counterparty by way of an ISDA Master Agreement (and Credit Support Annex) and may enter into confirmations dated as of a date on or before the Initial Issue Date, which will govern the Swaps including provisions relating to termination. Following the Initial Issue Date, additional confirmations may be entered into in relation to repurchases of, and subscriptions for (if applicable), Shares, to adjust the nominal value of the underlying exposure.

The counterparty to a Swap will be required under the terms of the relevant swap agreement to provide Collateral to the Company, where appropriate, so that the Company's risk exposure to the relevant counterparty is reduced to the extent required by the Central Bank. Any Collateral so provided (the “**Collateral**”) must be in the form permitted by the Central Bank.

A Swap may be terminated on the occurrence of certain events with respect to either the Fund or the relevant counterparty including, but not limited to, an event of default (such as a failure to pay, breach of agreement or bankruptcy) or a termination event (which is not due to the fault of either party, for example, illegality or a tax event) as further set out in the relevant swap agreement.

Where a Swap is terminated, market quotations will be obtained with respect to the Swap. An amount equal to the relevant market quotation will be settled between the relevant counterparty and

the Fund in accordance with the terms of the Swap. The Fund may then enter into new FDIs in the form of swaps with other recognised and authorised counterparties in order to gain exposure to the relevant underlying assets.

#### *Contracts for differences*

The Fund may enter into contracts for differences (“**CFDs**”) which allow a direct exposure to the market, a sector or an individual security. Unlike a forward contract, there is no final maturity, the position being closed out at the discretion of the position taker. CFDs are used to gain exposure to share price movements without buying the shares themselves. A CFD on a company’s shares will specify the price of the shares when the contract was started. The contract is an agreement to pay out cash on the difference between the starting share price and when the contract is closed. CFDs entered into by the Fund will not be leveraged and the Fund will at all times hold cash to cover all contract positions. Risks associated with the use of CFDs are set out below under the heading “Risk Factors”.

### **Hedging**

The Fund may utilise different FDIs for efficient portfolio management purposes to seek to hedge against declines in the values of securities or other assets of the Fund as a result of changes in currency exchange rates adverse market movements or events or to lock in performance of the portfolio. If the Company on behalf of the Fund enters into a FDI with the Approved Counterparty, the Fund could be exposed to credit risk from the creditworthiness of the counterparty.

#### *Forward Contracts*

A forward contract locks-in the price at which an index or security may be purchased or sold on a future date. In currency forward contracts, the contract holders are obligated to buy or sell the currency at a specified price, at a specified quantity and on a specified future date. Forward contracts may be cash settled between the parties. These contracts cannot be transferred. The Fund’s use of forward foreign exchange contracts may include, but is not be limited to, hedging against exchange risks, shifting exposure to currency fluctuations from one currency to another and hedging classes denominated in a class currency to the Base Currency. Any forward contract entered into by the Fund will be in accordance with the limits prescribed by the law.

#### *Futures*

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

The Fund will use futures contracts as follows:-

- a. Equity index futures to help limit risk by reducing exposure to the global equities market and
- b. Currency futures to help reduce exposure to USD or GBP.

The Fund's use of futures will not be aimed to generate greater exposure to the market; rather it will be used to reduce such exposure by using index futures to hedge a net long or short portfolio position. It would also be the Fund's preference in most instances to use futures contracts as opposed to options for the purposes of hedging.

The Company may incur transaction costs in respect of entering into any currency or asset or index hedging.

### *Options*

The right to buy or sell a specific quantity of a specific asset at a fixed price at or before a specified future date. There are two forms of options: put or call options. Put options are contracts sold for a premium that give to the buyer the right, but not the obligation, to sell to the seller a specified quantity of a particular asset (or financial instrument) at a specified price. Call options are similar contracts sold for a premium that give the buyer the right, but not the obligation, to buy from the seller a specified quantity of a particular asset (or financial instrument) at a specified price. Options may also be cash-settled. The Fund may use such instruments to hedge against market risk or currency risk by using stop-loss strategies. Any option entered into by the Fund will be in accordance with the limits prescribed by the law.

The Fund will use options to limit risk exposure. The options the Fund may use shall be:

- Equity index options; and
- currency options.

The Fund will utilise both put and call options depending on the particular circumstances. The use of options will not be an effort to generate greater exposure to the market, rather they will be used to reduce the overall portfolio exposures. The Fund will not write options or use options for directional bets and the Fund will also not engage in the use of exotic option types.

### *Currency Swaps*

A swap is a contractual agreement between two counterparties in which the cash flows from two reference assets are exchanged as they are received for a predetermined time period, with the terms initially set so that the present value of the swap is zero. Swaps typically call for the making of payments on a periodic basis. In most swap contracts, the notional principal of the swap is not exchanged but is used to calculate the periodic payments. Swaps are typically traded in OTC form. The Fund may use currency swaps to hedge against potential currency risks. Any Swap entered into by the fund will be in accordance with limits prescribed by law.

### **Investment Restrictions**

Investors must note that the Company and the Fund adheres to the restrictions and requirements set out under the UCITS III Regulations, as may be amended from time to time.

In addition, the Fund shall:

- not invest more than 7.5% of its Net Asset Value in the securities of any one issuer and shall not acquire more than 5% of the securities of any one issuer;
- not invest more than 40% of its Net Asset Value in securities or contracts where the underlying securities are in any one geographical region, but then only in securities which are components of market indices including FTSE 350 or Eurostoxx 600, S&P 500, the S&P Mid-Cap 400, Nikkei Index or other similar indices;

- not invest directly in any government or corporate bonds, unlisted securities, physical commodities or any real estate, other than exchange traded funds;
- not hold an open position in any one futures or options contract for which the margin or premium requirements represents 10% or more of its Net Asset Value;
- not hold an open position in contracts concerning a single financial instrument for which the margin or premium requirement represents 10% or more of its Net Asset Value;
- not take legal or management control over the issuers of its investments;
- not invest in real estate or directly in physical commodities; and
- endeavour to adhere to the percentage limits referred to above. If for any reason, the limits are exceeded by up to 5%, the Investment Manger will endeavour bring the limits back within the investment restriction limits within 15 calendar days. Further, if for any reason, such limits are exceeded by 5% or more, the Investment Manager will endeavour to bring the limits back within the investment restriction limits immediately.

## **Borrowings**

The Company may not, except for temporary liquidity purposes, directly borrow any monies. Any temporary borrowings must be in accordance with the general provisions set out in the Prospectus under the heading **FUNDS - Borrowing and Lending Powers**.

## **Risk Factors**

The general risk factors are set out in the Prospectus under the heading **RISK FACTORS**. In addition, the following risk factors apply to the Fund:

- (a) This Fund is not capital protected nor is it guaranteed. In certain market conditions, the Fund may be faced with losses. Such market conditions could mean that investors could, in certain circumstances, face minimal or no returns, or may even suffer a loss, on such investments. There is no assurance that the investment objective of the Fund will be achieved.
- (b) The Fund is a sub-fund of the Company. The sub-funds of the Company are segregated as a matter of Irish law and as such, in Ireland, the assets of one sub-fund will not be available to satisfy the liabilities of another sub-fund. However, it should be noted that the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. There can be no guarantee that the courts of any jurisdiction outside Ireland will respect the limitations on liability as set out above.
- (c) There can be no assurance that the Fund will achieve its investment objectives. Notwithstanding the use of the Investment Manager's proprietary risk management system, the value of Shares and the income therefrom may rise or fall as the capital value of the securities in which the Fund invests may fluctuate. The investment income of the Fund is based on CFD and other securities held as well as income earned from such securities, less expenses incurred. Therefore the Fund's investment may be expected to fluctuate in response to changes in such income or expenses.
- (d) While the Fund aims to keep its level of volatility below that of global equity markets, such volatility may be high on occasions where global equity markets (which include emerging markets) are highly volatile.

- (e) The prices of CFD, derivative instruments and all securities contracts, including futures and options prices, are highly volatile. Price movements of CFDs, option contracts, futures contracts and other derivative contracts in which the assets of the Fund may be invested are influenced by, among other things, market conditions, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly in currencies and interest rate related futures and options markets. Such intervention is often intended to directly influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.
- (f) Certain investment positions in which the Fund may invest may become illiquid. This could prevent the Fund from liquidating unfavourable positions promptly and subject the Fund to potential substantial losses. This could also impair the Fund's ability to distribute redemption proceeds to a redeeming Shareholder in a timely manner.
- (g) Futures positions may be become illiquid because certain exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Fund from liquidating unfavourable positions.
- (h) Currency fluctuations may affect the value of the Fund's investments and the income thereon and, consequently, may adversely affect value of investor's Shares in the Fund. A significant portion of the Fund's assets may be denominated in a currency other than base currency of the Fund. There is the risk the value of such assets and/or value of any distributions from such assets may decrease if the underlying currency in which assets are traded falls relative to the base currency in which Shares are valued and priced. The Fund may hedge its foreign currency risks through foreign currency exchange contracts, forward contracts, currency options and other methods. To the extent that the Fund does not hedge its foreign currency risk or such hedging is incomplete or unsuccessful, the value of the Fund's assets and income may be adversely affected by currency exchange rate movements. Additionally, circumstances may also arise in which hedging transactions undertaken by the Company may reduce currency gains which would otherwise accrue to it if where no such heading transactions were undertaken by the Fund.
- (i) The Fund will be exposed to the credit risk of counterparties or brokers, dealers and exchanges through which the Fund deals with in exchange-traded transactions. The Fund may be subject to the risk of loss of such of its assets as are held by a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of the Fund, or the bankruptcy of an exchange clearinghouse.
- (j) The use of leverage creates special risks and may significantly increase the Fund's investment risk. Leverage creates an opportunity for greater yield and total return but, at the same time will increase the Fund's exposure to capital risk and internal costs. Any investment income and gains earned on investments made through the use of leverage that are in excess of the interest costs associated therewith may cause the Net Asset Value to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the Net Asset Value may decrease more rapidly than would otherwise be the case.

## Risk Management Process

The Company on behalf of the Fund has filed with the Central Bank its risk management policy which enables it to accurately measure, monitor and manage the various risks associated with the use of FDIs. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

## Dividend Policy

There are no dividend entitlements for Shares. It is not the intention of the Directors to declare a dividend. Shareholders will be notified in advance of any change in the dividend policy and full details will be provided in an updated Supplement. However, if a dividend is declared, it shall be paid within 4 months of the date of its declaration.

## Key Information for Buying and Selling

### Base Currency

Euro.

### Business Day

Means any day (other than a Saturday or Sunday) on which banks are open for business in Dublin or such other day or days as may be determined by the Directors from time to time and as notified to Shareholders in advance.

### Dealing Day

Means each Business Day and such other day or days as the Directors may in their absolute discretion determine and notify in advance to Shareholders.

### Dealing Deadline

In respect of a Dealing Day, the Dealing Deadline is 3.00 p.m. (Irish time) on the Business Day preceding each Dealing Day, or such shorter period as the Directors shall determine and notify in advance to Shareholders.

Class	Minimum Shareholding	Minimum Initial Investment Amount	Minimum Additional Investment Amount	ISIN Code
Class A € Shares	N/A	€25,000	€5,000	IE00B41GZ436
Institutional Class B € Shares	N/A	€200,000	€25,000	IE00B456SF18
Class A £ Shares	N/A	£25,000	£5,000	IE00B3ZD9416
Institutional Class B £ Shares	N/A	£200,000	£25,000	IE00B413MH63

(subject to the discretion of the Directors in each case to allow lesser amounts).

## Minimum Fund Size

€5,000,000 or such other amount as the Directors may in their absolute discretion determine.

### **Valuation Point**

Close of business (Irish time) on the relevant Dealing Day. The Net Asset Value per Share of the Fund in respect of each Dealing Day will be published and available on the day after the relevant Dealing Day.

### **Settlement Date**

Three (3) Business Days after the relevant Dealing Day.

### **Preliminary Charge**

A Preliminary Charge of up to 3% of the Initial Issue Price or after the Launch Date, the Net Asset Value per Share may be payable in respect of an investment in the Fund.

### **Repurchase Charge**

No Repurchase Charge shall be charged or be payable in respect of the repurchase of any investments in Shares of the Company by investors.

### **Anti-Dilution Levy**

The Directors may, where there are net subscriptions or redemptions, charge an Anti-Dilution Levy which will be calculated to cover the costs of acquiring or selling investments as a result of net subscriptions or redemptions on any Dealing Day, which will include any dealing spreads, commissions and will be charged in circumstances where the Directors believe it is necessary to prevent an adverse effect on the value of the assets of the Fund. The level of the Anti-Dilution Levy may vary but at no time shall exceed a maximum of 5% of the Net Asset Value of the Fund.

### **Publication**

The Net Asset Value per Share will be published 1 Business Day following the relevant Dealing Day on [www.bloxham.ie](http://www.bloxham.ie) and may also be published in Irish financial press on a weekly basis.

## Fees and Expenses

### Management Fees

#### *Investment Management Fee*

##### Class A Shares

Under the provisions of the Investment Management Agreement, the Company will pay the Investment Manager a fee of up to 1.5% per annum of the Net Asset Value of the Fund attributable to the Class A € Shares and the Class A £ Shares (together the "**Class A Shares**"). This fee shall be accrued on each Dealing Day, 1% of which shall be payable monthly in arrears with the remaining 0.5% payable quarterly in arrears subject to the provisions set out below.

In the event that the increase in the Net Asset Value per share at the end of any quarterly period has not increased by at least the Hurdle Benchmark then the equivalent of one third or 0.5% annualised (prorated for such shorter quarterly period) of the Investment Manager's fee will be returned to the Fund on the relevant Calculation Date (as defined below) in respect of such quarterly period.

##### Institutional Class B Shares

Under the provisions of the Investment Management Agreement, the Company will pay the Investment Manager a fee of up to 0.75% per annum of the Net Asset Value of the Fund attributable to the Institutional Class B € Shares and the Institutional Class B £ Shares (together the "**Institutional Class B Shares**"). This fee shall be accrued on each Dealing Day, 0.25% of which shall be payable monthly in arrears with the remaining 0.5% payable quarterly in arrears subject to the provisions set out below.

In the event that the increase in the Net Asset Value per share at the end of any quarterly period has not increased by at least the Hurdle Benchmark then the equivalent of two thirds or 0.5% annualised (prorated for such shorter quarterly period) of the Investment Manager's fee will be returned to the Fund on the relevant Calculation Date (as defined below) in respect of such quarterly period.

The Investment Manager shall also be entitled to be repaid out of the assets of the Fund all costs, expenses, outgoings and liabilities reasonably and properly incurred by or on behalf of the Investment Manager on behalf of the Fund.

#### *Performance Fees*

The Investment Manager shall be entitled to the following performance fees payable out of the assets of the Fund in relation to each Share Class:

A performance fee payable equal to 10% of the aggregate appreciation in value of each Share Class over the Hurdle Benchmark for those Shares multiplied by the number of Shares in issue at the end of the performance period. The manner in which the appreciation in value of the Shares and the Hurdle Benchmark are calculated for these purposes is described in more detail below.

Performance fees are accrued at each Valuation Point and payable quarterly in arrears, calculated by the Administrator and verified by the Custodian as at the last Business Day in the three month periods ending on 31 July, 31 October, 31 January and 30 April in each year (each a "**Calculation Date**").

For the purposes of calculating the performance fees, a performance period shall generally be quarterly commencing on the Business Day following the immediately preceding Calculation Date and end on the Calculation Date as at which the performance fee is to be calculated. The

initial offer price was taken as the starting point for the calculation of the performance fee for the first performance period.

The appreciation in value in respect of Shares in each Class shall be calculated as at each Calculation Date based off the "Closing NAV" of those Shares for that performance period. For the purposes of such calculation, the "Closing NAV" shall be the Net Asset Value per Share at the Calculation Date as at which the calculation is being made before accrual of the performance fee. The initial "Closing NAV" was the close of the initial offer period.

The performance fee will only be paid for a calculation period where the:

- (i) Appreciation in Net Asset Value in respect of each Share Class exceeds the Hurdle Benchmark for the relevant calculation period; and
- (ii) If a performance fee has been accrued, then on a redemption, transfer or exchange, it is payable to the Investment Manager as if the redemption date was the end of the performance calculation period.

#### Hurdle Benchmark

The Hurdle Benchmark is defined as the amount the Net Assets per share would increase by at the Hurdle rate over the performance period. The Hurdle rate is 3% per annum after taking into account the Investment Management Fee and is pro rated for a partial year or a calendar quarter.

#### Unrealised Gains

The Performance Fee is based on net realised and net unrealised gains and losses as at the end of each performance period and, as a result, a Performance Fee may be paid on unrealised gains which may subsequently never be realised.

#### *Administration Fee*

The Administrator will be entitled to receive out of the assets of the Fund an annual fee which will not exceed 0.07% of the net assets of the Fund (plus VAT, if any) subject to a monthly minimum fee of €8,000 together with transfer agency fees and financial reporting fees which will be charged at normal commercial rates and its reasonable costs and expenses incurred by the Administrator in the performance of its duties as Administrator of the Fund. These fees shall accrue and be calculated on each Dealing Day and shall be payable monthly in arrears.

#### *Custody Fee*

The Custodian will be entitled to receive from the Company out of the assets of the Fund an annual fee which will not exceed 0.06% of the net assets of the Fund (plus VAT, if any) together with reasonable costs and expenses incurred by the Custodian in the performance of its duties as Custodian of the Fund. These fees shall accrue and be calculated on each Dealing Day and shall be payable monthly in arrears.

The Custodian shall also be entitled to be reimbursed out of the assets of the Fund all agreed sub-custodian fees, expenses and transaction charges (which will be charged at normal commercial rates).

### *Establishment Expenses*

The fees and expenses incurred in connection with the establishment of the Company and the Fund will not exceed €150,000. These fees and expenses will be paid out assets of the Fund and will be amortised over the first five years.

### **Other Fees and Expenses**

This section should be read in conjunction with the section entitled **Fees and Expenses** in the Prospectus.

### **Miscellaneous**

There is one other Fund of the Company currently in existence, namely Bloxham Defensive High Yield Fund.