

## SUPPLEMENT

### THE WRITTEN FUND (A COVERED OPTION WRITING FUND)

Dated 8<sup>th</sup> December, 2020

to the Prospectus issued for GATEWAY UCITS FUNDS PLC

This Supplement contains information relating specifically to **The Written Fund (a Covered Option Writing Fund)** (the "Fund"), a Fund of **GATEWAY UCITS FUNDS PLC** (the "Company"), an open-ended umbrella investment company with segregated liability between funds authorised by the Central Bank of Ireland (the "Central Bank") on 16 June, 2015 as a UCITS pursuant to the UCITS Regulations. As at the date hereof there are two other portfolios authorised as Funds of the Company, namely Gateway Target Beta UCITS Fund (\*terminated) and Ecofin Energy Transition UCITS Fund.

The Directors of the Fund, whose names appear under the heading "**MANAGEMENT AND ADMINISTRATION**" in 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.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus of the Company dated 8<sup>th</sup> December, 2020, as same may be amended (the "Prospectus").**

The launch of various Classes within the Fund may occur at different times and therefore at the time of the launch of given Class(es), the pool of assets of the Fund to which a given Class relates may have commenced to trade. Financial information in respect of the Fund will be published from time to time, and the most recently published audited and unaudited financial information will be available to potential Shareholders upon request following publication.

**The difference at any one time between the sale price (to which may be added a sales charge or commission) and the redemption price of Shares (from which may be deducted a redemption fee) means an investment should be viewed as medium to long term.**

**There is no guarantee that the Fund will generate sufficient income from its investments in order to discharge fees and expenses incurred and consequently Shareholders and prospective Shareholders should note that all or part of the fees and expenses of the Fund (including management fees) may be charged to the capital of the Fund. If all or part of the fees and expenses of the Fund are charged to the capital of the Fund this would have the effect of lowering the capital value of an investment in the Fund. Capital may be eroded and "income" will be achieved by foregoing the potential for future capital growth. Thus, on redemptions of Shares, Shareholders may not receive back the full amount invested.**

**The Fund may invest significantly in financial derivative instruments for investment purposes and/or for hedging, in each case subject to the conditions and within the limits laid down by the**

Central Bank. Transactions in derivative instruments will leverage the Fund and the Fund may establish speculative positions. Further details of the Fund's expected levels of leverage in both normal and exceptional market conditions are set out below under "Global Exposure and Leverage". This may result in a higher level of volatility and risk than would be the case if the Fund did not invest in financial derivative instruments. Due to the Fund's significant investment in financial derivative instruments, a higher degree of risk may attach to this Fund.

Shareholders should read and consider the section of the Prospectus entitled "Risk Factors" before investing in the Fund.

**Profile of a Typical Investor:** The Fund is suitable for investors seeking medium to long-term capital appreciation who are prepared to accept moderate volatility. Investors should look to hold their investment in the Fund for a minimum of three years.

## 1. Interpretation

The expressions below shall have the following meanings:

**"Base Currency"** means GBP

**"Business Day"** means any day (except Saturday or Sunday or bank holidays) on which banks in Dublin and London are generally open for business and/or such other or additional day or days as may be determined by the Directors and notified to Shareholders in advance.

**"Dealing Day"** means each Business Day and such other day or days as may be determined by the Directors and notified in advance to Shareholders provided there is at least one dealing day per fortnight.

**"Distributor"** means Gate Capital Group Limited

**"Distribution Agreement"** means the distribution agreement between the Company, the Manager and the Distributor.

**"Electronic Application"** shall have the meaning ascribed to it in this Supplement under the heading "*11. Application for Shares*".

**"Electronic Request"** shall have the meaning ascribed to it in this Supplement under the heading "*12. Redemption of Shares*".

**“Redemption Dealing Deadline”**

means for all redemption requests sent to the Administrator by 5 p.m. Irish time on the Business Day prior to the relevant Valuation Point or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Redemption Dealing Deadline is no later than the relevant Valuation Point. On the respective Dealing Days immediately prior to 25 December and 1 January in each year, redemption request forms or Electronic Requests must be received by 12.00 noon (Irish time). Where on such days a redemption request form or Electronic Request is received after 12.00 (noon) Irish time, the redemption request shall be deemed to be received by the Redemption Dealing Deadline in connection with next succeeding Dealing Day.

**“Sub-Investment Manager”**

means Gate Capital Group Limited.

**“Sub-Investment Management Agreement”**

means the Sub-Investment Management Agreement made between the Company, the Manager and the Sub-Investment Manager dated 8<sup>th</sup> December, 2020.

**“Subscription Dealing Deadline”**

means for all subscription documents sent to the Administrator, 5 p.m. Irish time on the Business Day prior to the relevant Valuation Point, or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Dealing Deadline is no later than the relevant Valuation Point. On the respective Dealing Days immediately prior to 25 December and 1 January in each year, applications for subscriptions or Electronic Applications must be received by 12.00 noon (Irish time). Where a redemption request form or Electronic Application is received after 12.00 (noon) Irish time, the subscription shall be deemed to be received by the Subscription Dealing Deadline in connection with next succeeding Dealing Day.

**“Valuation Point”**

means 5pm (Irish Time) on the relevant Dealing Day.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

**2. Classes of Shares**

<b>Class</b>	<b>Currency of Denomination</b>	<b>Minimum Initial Subscription</b>	<b>Minimum Transaction Size</b>	<b>Minimum Holding</b>
Class A – GBP	GBP	GBP 5,000	GBP 1,000	GBP 5,000
Class A – USD	USD	USD 5,000	USD 1,000	GBP 5,000
Class A – EUR	EUR	EUR 5,000	EUR 1,000	GBP 5,000
Class B – GBP	GBP	GBP 5 million	GBP 100,000	GBP 5 million

Class B – USD	USD	USD 5 million	USD 100,000	GBP 5 million
Class B – EUR	EUR	EUR 5 million	EUR 100,000	GBP 5 million

The Class A – USD Shares, Class A - EUR Shares, Class B - USD Shares and the Class B - EUR Shares will be unhedged currency Share Classes. Any conversion from the designated currency of the Class A – USD Shares, Class A - EUR Shares, Class B - USD Shares and the Class B - EUR Shares to the Base Currency of the Fund upon subscription, redemption, conversion or otherwise, shall take place at prevailing exchange rates. The value of Class A – USD Shares, Class A - EUR Shares, Class B - USD Shares and the Class B - EUR Shares will be subject to exchange rate risk in relation to the Base Currency.

The Directors have the power to issue further Classes of Shares upon prior notification to and clearance in advance with the Central Bank.

### **3. Base Currency**

The Base Currency shall be GBP.

### **4. Investment Management**

The Manager has appointed Gate Capital Group Limited as discretionary sub-investment manager for the Fund pursuant to the Sub-Investment Management Agreement.

Gate Capital Group Limited is a multi-asset class investment manager based in London. It is authorised and regulated in the UK by the Financial Conduct Authority (No 189170). Its registered office is at 71-75 Shelton Street, Covent Garden, London, WC2H 9JQ, United Kingdom.

The Sub-Investment Management Agreement is for an indefinite period and may be terminated by either the Manager and the Sub-Investment Manager on the provision of not less than one hundred and eighty ((180) days' written notice or at any time without notice where there has been a breach of the Sub-Investment Management Agreement which remains un-remedied within 30 days of notice of such breach having been received or upon such other terms as detailed within the Sub-Investment Management Agreement. The Sub-Investment Management Agreement provides that the Company out of the assets of the Fund shall indemnify defend and hold harmless the Sub-Investment Manager from and against all actions, proceedings, claims, damages, costs, demands and expenses including without limitation legal and professional expenses ("Loss") which may be brought against, suffered or incurred by the Sub-Investment Manager in the performance or non-performance of its duties under the Sub-Investment Management Agreement provided that such Loss does not arise out of negligence, fraud, bad faith, wilful default, recklessness of the Sub-Investment Manager in the performance of its duties pursuant to the Sub-Investment Management Agreement, .

The Sub-Investment Manager will carry out the discretionary asset management of the Fund subject to and in accordance with the Sub-Investment Management Agreement.

## **5. Investment Objective**

The investment objective of the Fund is to achieve medium to long term capital appreciation.

## **6. Investment Policy and Strategy**

To achieve this investment objective, the Fund will be actively managed and will invest the majority of its assets in a portfolio of equities and equity-related securities, which are listed on Recognised Exchanges in the United Kingdom, Europe, and the United States.

Equity investments will be combined with an active equity option writing strategy, as further set out below. The Sub-Investment Manager will seek at its discretion to use option strategies to enhance returns on the basis of both fundamental and option research, as further described below.

The Fund may also invest in debt for the purposes of providing collateral in respect of the derivative positions held by the Fund (for example, to support the equity exposures in the options portfolio) as well as for ancillary liquidity purposes in appropriate circumstances, as further detailed below.

### *Equity exposure*

The Sub-Investment Manager will construct a portfolio which provides exposure to equities and equity-related securities (comprising convertible preference shares) directly and indirectly (through the use of derivative financial instruments as further described below under "Use of Derivatives"), based on a combination of fundamental analysis and short-term timing techniques as further described below.

The Sub-Investment Manager will assess and select companies through a bottom up approach using fundamental analysis and the potential impact on individual equity prices from political and economic developments (such as tensions in trade relationships, long-term trends in industry sectors etc.).

This analysis is supported by the Sub-Investment Manager's own proprietary screening model that utilises publicly available information. The screening model uses both historic and consensus forecast data (data sources to include, but not limited to, Bloomberg) and is applied to the Fund's entire investment universe. Analysis is divided into the five fundamental categories listed below.

- Balance Sheet strength (i.e. price to book/Interest cover/gearing or borrowing)
- Dividends (i.e. average dividend growth / yield)
- Profitability (i.e. earnings growth / price to earnings ratio)
- Return on Capital (i.e. the return on invested capital (ROIC) is the percentage amount that a company is making for every percentage point over the cost of capital/ weighted average cost of capital (WACC).)
- Cash flow (i.e. free cash flow yield / 5 year average cash flow per share yield)

The portfolio will typically comprise between 15 and 40 individual, predominantly large capitalisation, companies across a range of sectors and geographical locations. In order to maintain flexibility and to have the ability to invest in opportunities as they arise, the Fund is not required to invest any particular percentage of its Net Asset Value in any geographic or industry sector.

As regards the short term timing techniques for increasing or reducing exposures, the Sub-Investment Manager uses both technical analysis and mathematical option analysis to identify key entry and exit points (buying and selling opportunities) on each individual holding. Such analysis shall entail a process of identifying, what is considered by the Sub-Investment Manager, the best approach to gain exposure taking into account of such factors as dividend timings, option volatility, availability of different expiry dates for the options and how these coincide with future company announcements, volatility implied in options having different strike prices etc. Among the most important factors will be the prices available in the option market at the time of trading. The range of option investment strategies are then compared and the most suitable option strategy, in the opinion of the Sub-Investment Manager, is then applied to the Fund.

The investment strategy exploits the risk and return profiles that options provide (such as protection to decline in prices, exposure to ranges of price movements etc.), as further described below.

Option prices are primarily (but not wholly) based on the price movements of the underlying share. When buying a share, the upside potential is unlimited and the downside risk is limited to the price paid. By writing a 5% out of the money put option, the risk profile is changed so that the upside potential is limited to the option premium received and the downside risk is the strike price (of the option) less the premium received. This is a very different risk profile to long only funds and provides an element of downside protection as the breakeven point will be significantly lower in the option trade.

#### *Option Strategy*

The Sub-Investment Manager will employ a strategy of option writing over a portfolio of equities with the aim of achieving total returns. Writing a put or call option refers to an investment contract in which a fee or premium is paid to the writer of the option for the right to buy or sell shares at a future date.

Covered call writing involves buying or owning an individual equity and simultaneously selling/writing call options in the same stock. The writer is assuming the potential obligation to sell the underlying investment at a fixed (strike) price on or before the expiry date in return for a cash payment received up front (the option premium). Since covered call writing entails holding individual equities and simultaneously taking on the obligation to sell the stock at a fixed (strike) price on or before the expiry date, the potential for upside returns in respect of such stock are forfeited, however, this is compensated by the cash premium payment received at the outset.

Covered put writing involves holding cash and writing individual equity put options. The writer of the options receives a cash premium up front for assuming the obligation to buy the individual equity at a fixed (strike) price on or before the expiry date. Covered put writing will entail holding cash or near cash instruments and writing individual equity put options. This gives the Fund immediate cash flow, in return for an obligation to buy individual equities at a discount to the prevailing market price. The worst case scenario is that all options are exercised and the Fund is forced to buy the individual holdings at the exercise price.

The adopted strategy and the use of options creates dynamic exposure to the market as a whole, reducing equity exposure as the market rises and increasing equity exposure as the market falls.

### *Debt Securities*

The Fund may hold up to 35% of the net assets of the Fund in debt for the purposes of providing collateral in respect of the derivative positions held by the Fund (for example, to support the equity exposures in the options portfolio) as well as for ancillary liquidity purposes in appropriate circumstances. Such circumstances may include where market conditions may require a defensive investment strategy, the holding of debt securities pending reinvestment, the holding of debt securities in order to meet redemptions and payment of expenses.

Such securities will be chosen on the basis of economic fundamentals (level of interest rates, inflation, monetary policy) and market sentiment (the optimism or pessimism of investors as a whole) as well as credit analysis of individual issuers. The debt securities will comprise:

- a) Short-term paper (Gilts and Treasury bills,) issued by governments; Short-term paper is defined as financial instruments that typically have original maturities of less than nine months.

Such debt securities shall be rated investment grade or above as rated by the principal rating agencies.

### *Investment in Collective Investment Schemes*

The Fund may also invest up to 10% of its assets in UCITS collective investment schemes and regulated alternative investment funds (which UCITS collective investment schemes and alternative investment funds may include money market funds), which fall within the requirements set out in the Central Bank's Guidance "UCITS Acceptable Investment in other Investment Funds". Such schemes will be selected on the basis of performance indicators and other valuation criteria (including risk-return indicators such as Value at Risk) which the Sub-Investment Manager deems appropriate to achieving the investment objective of the Fund.

### *Foreign Exchange Strategy*

The Fund may enter into derivative contracts (as further set out below under "Use of Derivatives") to hedge against a change in exchange rates that would cause a decline in the value of existing investments denominated or principally traded in a currency other than the Base Currency of the Fund.

### *Use of Derivatives*

Where considered appropriate, the Fund may utilise financial derivative techniques and instruments for investment purposes and/or efficient portfolio management and/or to protect against foreign exchange risks as further set out below, subject always to the conditions and within the limits laid down by the Central Bank. These techniques and instruments comprise futures, options and forward currency contracts. These instruments may be exchange traded or over-the-counter in accordance with the limitations and requirements of the Central Bank.

The Fund may, subject to the conditions and limits laid down by the Central Bank, purchase and write call and put options on securities and currencies. The Fund may use these techniques for investment purposes and/or efficient portfolio management and/or to hedge against changes in (i) exchange rates and (ii) securities prices.

Forward currency contracts may, subject to the conditions and limits laid down by the Central Bank, be used for efficient portfolio management purposes and/or to hedge currency exposures of the Fund or

any class in accordance with the requirements of the Central Bank. Such currency exposure will arise where the assets in which the Fund invests are denominated in a different currency than the Base Currency of the Fund or the designated currency of the relevant Class.

Efficient portfolio management transactions relating to the assets of the Fund are transactions with the one of the following aims a) a reduction of risk b) a reduction of cost with no increase or a minimal increase in risk; c) generation of additional capital or income with no, or an acceptably low level of risk (relative to the expected return). In relation to efficient portfolio management operations, the Sub-Investment Manager will look to ensure that the transaction is economically appropriate.

#### *Global Exposure and Leverage*

In the event that the Fund leverages itself through the use of derivatives, the expected level of leverage will not under normal circumstances exceed an aggregate exposure of 130% of the Net Asset Value of the Fund. In exceptional circumstances, leverage may reach 200% of the Net Asset Value of the Fund.

Leverage will be calculated based on the sum of the notionals in accordance with the requirements of the Central Bank. It is expected that the use of financial derivative techniques and instruments will not materially increase the Fund's risk level. The Fund will use the Absolute Value-at-Risk (VaR) model to calculate global exposure, which will be calculated on a daily basis. The VaR limit for the Fund cannot be greater than 20% of the Net Asset Value of the Fund. The VaR for the Fund will be calculated using a one-tailed 99% confidence level, a twenty day holding period and the historical period will not be less than one year unless a shorter period is justified. The Sub-Investment Manager monitors the aggregate exposure of the Fund on a daily basis to ensure that the VaR limit is not breached.

#### *Investment Restrictions*

The Fund will be subject to the investment restrictions as set out in "**Investment Restrictions**" section of the Prospectus of the Fund.

#### *Performance Measure*

As the Fund will primarily invest in equities listed on the FTSE 100, Stoxx Europe 600 & S&P 500 (the "**Benchmarks**"), the performance of the Fund may be measured against these Benchmarks for comparison only.

- FTSE 100 – A stock market index comprised of the top 100 capitalized UK companies listed on the London Stock Exchange
- STOXX Europe 600 – The STOXX Europe 600 index represents large, mid and small capitalization companies across the European region.
- S&P 500 – An index representing the 500 largest listed companies in the United States of America.

The Fund is considered to be actively managed in reference to the Benchmarks solely by virtue of the fact that it uses the Benchmarks for performance comparison purposes. However the Benchmarks are not used to define the portfolio composition of the Fund or as a performance target and the Fund may be invested in securities which are not constituents of the Benchmarks.

## 7. Collateral Management Policy

The level of collateral required to be posted by the Fund may vary by counterparty with which the Fund trades. The haircut policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset posted, taking into account the price volatility of the relevant asset and credit standing of the relevant counterparty.

## 8. Risk Management Process

The Fund will employ a risk management process based on the VaR approach which is one of the two methods permitted by the UCITS Regulations for measuring risk attaching to derivative positions in accordance with the requirement to accurately monitor, measure and manage the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. The Fund will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been submitted to Central Bank. The Company will provide on request to Shareholders supplementary information relating to the risk management methods employed by the Company including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

## 9. Offer

### *Initial Offer*

Shares in the Class A - GBP Shares, the Class A – USD Shares, the Class A - EUR Shares, Class B - GBP Shares, the Class B – USD Shares and the Class B - EUR Shares will be offered from 8.00 a.m. (Irish time) on 9<sup>th</sup> December, 2020 to 4.00 p.m. (Irish time) on 9<sup>th</sup> June, 2021 (the “**Initial Offer Period**”), at the Initial Price set out below (plus any applicable duties or charges) and Shares will be issued for the first time on the first Dealing Day after expiry of the Initial Offer Period for the relevant Class of Shares.

### *Initial Price*

Class	Initial Price
Class A – GBP	GBP 1
Class A – USD	USD 1
Class A – EUR	EUR 1
Class B - GBP	GBP 1
Class B - USD	USD 1
Class B - EUR	EUR 1

The Initial Offer Period may be extended or shortened by the Directors. The Central Bank will be notified in advance of any such shortening or extension if subscriptions for Shares have been received during the relevant Initial Offer Period and otherwise on a yearly basis.

### *Subsequent Offer*

After the closing of the Initial Offer Period, the relevant Share Class will be issued at their Net Asset Value per Share (plus any applicable duties or charges)

#### **10. Minimum Initial Subscription**

The Directors are entitled to impose Minimum Initial Subscription, Minimum Transaction Size and Minimum Holding requirements in respect of each Class of Shares. The Minimum Initial Subscription, Minimum Holding and Minimum Transaction Size requirements in respect of each Class is outlined at Section 2 of the Supplement.

The Directors reserve the right to differentiate between Shareholders and to waive or reduce the Minimum Initial Subscription, the Minimum Holding and the Minimum Transaction Size for certain investors having regard to the equitable treatment of Shareholders.

#### **11. Application for Shares**

During the relevant Initial Offer Period a duly completed Application Form must be received by the Administrator no later than 4 p.m. (Irish time) on the closing date of the Initial Offer Period for the relevant Class. Cleared funds in respect of the subscription monies must be received for the account of the Fund no later than 4 p.m. on the last day of the relevant Initial Offer Period. Following the close of the relevant Initial Offer Period, applications in respect of the Fund received by the Administrator prior to the Subscription Dealing Deadline before the relevant Dealing Day will be dealt with on that Dealing Day. If any application is received after the Subscription Dealing Deadline, it will be deemed to have been received in respect of the next Dealing Day and dealt with accordingly. The Directors may, at their discretion, resolve to accept applications received after the Subscription Dealing Deadline but prior to the Valuation Point, in exceptional circumstances. Following the close of the relevant initial offer period, confirmed cleared funds must be received two (2) Business Days after the relevant Dealing Day (the "**Settlement Date**") as further detailed in the Section "**Timing of Payment**" below. For further information on the application procedure Shareholders' attention is drawn to the Section of the Prospectus entitled "**The Shares**" and the sub-section therein entitled "**Application Procedure**" which outlines further information on the application procedure to be followed.

No redemptions will be paid until the original Application Form and such other papers as may be required by the Administrator have been received and all anti-money laundering procedures have been completed.

Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator by mail or facsimile or posted by electronic dealing (such as SWIFT or file transfer protocol and subject to prior agreement with the Administrator and to the exclusion of unsecured or deemed unsecured media such as e-mails) ("Electronic Application") or such other means as may be permitted by the Directors and agreed with the Administrator in accordance with the requirements of the Central Bank without a requirement to submit original documentation. The Directors or the Administrator reserves the right to refuse dealing by any means it considers as non-compliant or not technically

feasible. Subsequent applications should contain such information as may be specified from time to time by the Administrator.

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

### **Fractions**

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than 0.001 of a Share.

Subscription monies, representing less than 0.001 of a Share will not be returned to the investor but will be retained by the Company in order to defray administration costs.

### **Method of Payment**

Subscription payments net of all bank charges should be paid by SWIFT transfer to the bank account specified in the Application Form enclosed with this Prospectus. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

### **Currency of Payment**

Subscription monies are payable in the currency of denomination of the relevant Class. The Company will not accept applications for Shares in currencies other than the currency of denomination of the relevant Class in which the applicant has elected to apply for Shares.

### **Timing of Payment**

Payment in respect of subscriptions must be received in cleared funds by the Administrator no later than the Settlement Date. If payment in cleared funds in respect of a subscription has not been received by the relevant time, the Company or its delegate may cancel the subscription. The Company reserves the right to cancel, or to instruct its delegate to cancel, without notice any contract for which payment has not been received by the Settlement Date and to recover any losses incurred. The Company may charge the applicant or, if the applicant is a Shareholder, redeem or sell all or part of his holding of Shares and use the proceeds thereof to satisfy and make good any loss, cost, expense or fees. In addition, settlement is conditional upon all the appropriate documentation being received by the Company or its delegate prior to the Subscription Dealing Deadline in the required format with all details correct and with valid authorization. Shareholders are invited to carefully review the risk factor entitled "Non-Payment of Subscription Monies", under the section "Risk Factors" of the Prospectus.

### **Confirmation of Ownership**

Written confirmation of each purchase of Shares will normally be sent to Shareholders within 4 Business Days of the relevant Dealing Day. Title to Shares will be evidenced by the entering of the investor's

name on the Company's register of Shareholders and no certificates will be issued.

## **12. Redemption of Shares**

### **Redemption of Shares**

Shareholders may redeem their Shares on any Dealing Day at the Net Asset Value per Share on the relevant Dealing Day (less any applicable duties or charges) (save during any period when the calculation of Net Asset Value is suspended). Redemption requests for Shares received by the Administrator before the Redemption Dealing Deadline will be dealt with on that Dealing Day. Redemption requests received after the Redemption Dealing Deadline will, at the discretion of the Directors, be deemed to have been received in respect of the next Dealing Day and dealt with accordingly. Shareholders' attention is drawn to the Section of the Prospectus entitled "The Shares" and the sub-section therein entitled "Redemption of Shares" which outlines further information on the redemption procedure to be followed. The Directors may, at their discretion, resolve to accept redemption requests received after the Redemption Dealing Deadline but prior to the Valuation Point, in exceptional circumstances.

In addition to standard dealing by mail or facsimile, redemption orders can also be posted by electronic dealing such as SWIFT or file transfer protocol ("Electronic Request") and subject to prior agreement with the Administrator and to the exclusion of unsecured or deemed unsecured media such as e-mails. The Directors or the Administrator reserves the right to refuse any means of dealing it considers as not compliant or not technically feasible.

The redemption price per Share shall be the Net Asset Value per Share.

### **Method of Payment**

Redemption payments will be made to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing. Redemption payments following processing of instructions received by facsimile will only be made to the account of record of a Shareholder.

### **Currency of Payment**

Shareholders will normally be repaid in the currency of denomination of the Class from which the Shareholder has redeemed Shares.

### **Timing of Payment**

Redemption proceeds in respect of Shares will normally be paid within five (5) Business Days of the relevant Dealing Day (and in any event should not exceed ten (10) Business Days from the relevant Dealing Deadline) provided that all the required documentation has been furnished to and received by the Administrator.

## **Withdrawal of Redemption Requests**

Requests for redemption may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Fund.

## **Compulsory/Total Redemption**

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the sub-headings “Compulsory Redemption of Shares” and “Total Redemption of Shares”.

### **13. Conversion of Shares**

Subject to the Minimum Initial Subscription requirements of the relevant Fund or Class, Shareholders may request conversion of some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading “Conversion of Shares” and subject to any Minimum Transaction Size requirements applicable to a particular Class or Fund. Requests for conversion of Shares in a Class to another Class in the Fund should be made to the Administrator prior to the Redemption Dealing Deadline and in the case of conversion of Shares in the Fund to another Fund prior to the earlier of the Redemption Dealing Deadline and the dealing deadline for subscriptions in the other Fund by facsimile, written communication or electronically (in such format or method as shall be agreed in writing in advance with the Administrator and subject to and in accordance with the requirements of the Administrator and the Central Bank) or such other means as may be permitted by the Directors and should include such information as may be specified from time to time by the Administrator.

### **14. Dividend Policy**

It is not the current intention of the Directors that dividends be recommended for payment to Shareholders in the Fund. If dividends are to become payable, Shareholders will be notified in advance and full details will be provided in an updated Supplement for the Fund.

### **15. Suspension of Dealing**

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the Prospectus under the heading “Suspension of Valuation of Assets”. Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

## **16. Fees and Expenses**

### *Establishment Expenses*

All fees and expenses relating to the establishment of the Fund and registering the Fund for sale in various markets will be borne by the Fund. Such fees and expenses are estimated not to exceed an amount of €40,000 and may be amortised over the first five Accounting Periods of the Company and in such manner as the Directors in their absolute discretion deem fair.

### *Management, Custodial and Administration Expenses*

The aggregate fees and expenses payable out of the assets of the Fund in respect of the provision of management (excluding fees payable to the Sub-Investment Manager as described under the heading “Investment Management Fees” below), administration, custodial and third party services subject to a minimum fee of €170,000 will not exceed 185 basis points per annum of the Net Asset Value of the Fund. This will include (i) any fees and expenses payable to each of the Manager, the Administrator and the Depositary in respect of the provision of services (excluding in the case of the Manager the fees payable to the Sub-Investment Manager as more particularly described below) to the Fund (the “Service Provider Fees”) and (ii) the fees and expenses of each of the Company Secretary, the Money Laundering Reporting Officer for the Company, the fees payable to the Auditors and the Directors (the “Third Party Fees”). The Service Provider Fees shall accrue and shall be payable out of the assets of the Fund on a monthly basis. The Third Party Fees shall accrue and shall be payable out of the assets of the Fund on a monthly basis or otherwise on an annual basis as may be agreed from time to time.

Any additional fees and operating expenses of the Company which may be borne by the Fund (other than those detailed above or below) are set out in detail under the heading “Fees and Expenses” in the Prospectus.

Each of the Manager, the Administrator, the Depositary and the third party service providers referred to above will also be reimbursed for all reasonable out-of-pocket expenses incurred on behalf of the Company in the performance of its duties. The Depositary will also charge transaction fees and sub-custodian fees and expenses at normal commercial rates.

### **Preliminary Charge**

A Preliminary Charge of up to 5% of the Net Asset Value of Class A Shares being purchased may be charged and, in such case, shall be payable to the Manager, who may in turn pay some or all of such amount to the Sub-Investment Manager or sub-distributors that it has appointed. The Directors may, at their discretion, reduce or waive such Preliminary Charge or subject always to the requirement to ensure fair treatment of Shareholders differentiate between Shareholders as to the amount of such Preliminary Charge.

The Directors do not intend to impose a Preliminary Charge in respect of Class B Shares.

## **Redemption Charge**

The Directors do not currently intend to impose a Redemption Charge.

## **Conversion Fee**

The Directors do not currently intend to impose a conversion fee.

## **Anti-Dilution Levy / Duties and Charges**

The Company reserves the right to impose an 'anti-dilution levy' representing a provision for market spreads (the differences between the prices at which assets are valued and/or bought or sold), and other dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of the Fund, in the event of receipt for processing of net subscriptions and/or redemptions, including subscriptions and redemptions which would be effected as a result of requests for conversion from one Fund into another Fund. Any such provision may be added to the price at which Shares will be issued in the case of net subscription requests exceeding 10% of the Net Asset Value of the Fund and deducted from the price at which Shares will be redeemed in the case of net redemption requests exceeding 10% of the Net Asset Value of a Fund, including the price of Shares issued or redeemed as a result of requests for conversion. The application of any provision will be subject to the overall direction and discretion of the Company.

## **Sub-Investment Management and Distribution Fee**

The Sub-Investment Manager is entitled to charge a monthly combined investment management and distribution fee (the "Sub-Investment Management Fee") up to the percentage specified in the following table of the Net Asset Value of each Class calculated prior to the deduction of the Investment Management Fee. The Sub-Investment Management Fee shall be calculated and accrue daily and be payable monthly in arrears and shall be payable out of the assets of the Fund.

### *Class Sub-Investment Management Fee*

Class A Shares - 2%

Class B Shares - 1.5%

The Sub-Investment Manager may, at its discretion, contribute from its own assets directly towards the expenses attributable to the establishment and/or operation of the Fund and/or the marketing, distribution and/or sale of the Shares. The Sub-Investment Manager also may, from time to time at its sole discretion, use part of its Sub-Investment Management Fee to remunerate certain financial intermediaries and may pay reimbursements or rebates to certain institutional shareholders in circumstances where its fees are charged directly to such intermediaries and/or institutional shareholders and not to the Fund.

## 17. Risk Factors

Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the “Risk Factors” section of the Prospectus. Specifically, the Manager considers that the risk factors entitled “**Derivatives and Techniques and Instruments Risk**” and “**Derivatives Trading Risk**”, which are described in the Prospectus, are relevant to an investment in the Fund noting option strategy employed by the Fund and the Fund’s use of derivatives, as detailed within the ‘Investment Policy and Strategy’/.

In addition, the attention of investors is drawn to the following additional risk factors:

### **Equity Risk**

Investing in equity securities (which include common stock and preferred stock) and derivatives on such equity securities may offer a higher rate of return than those investing in debt securities or other types of investments. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines which are not specifically related to the particular company or issuer owing to adverse economic conditions, changes in interest rates or currency rates or general outlook for corporate entities and risks associated with individual companies or issuers. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might suddenly and substantially decrease in value as a result in changes in a company’s financial position and overall market and economic conditions. The value of convertible equity securities may also be affected by prevailing interest rates, the credit quality of the issuer and any call provisions.

### **Market Risk and Change in Market Conditions**

The investments of the Fund are subject to risks inherent in all investments. The value of holdings may fall as well as rise, sometimes rapidly and unpredictably. The price of investments will fluctuate and can decline in value due to factors affecting financial markets generally or particular industries, sectors, companies, countries or geographies represented in the portfolio, thus reducing the value of a portfolio. The value of an investment may decline due to general market conditions which are not specifically related to the particular investment, such as real or perceived adverse economic conditions, changes in the general outlook of macro-economic fundamentals, changes in interest or currency rates or adverse investor sentiment generally. It may also decline due to factors which affect a particular region, sector or industry, such as labour shortages or increased production costs and competitive conditions. Some investments may be less liquid and/or more volatile than others and therefore may involve greater risk.

The Fund’s performance may be adversely affected by unfavourable markets and unstable economic conditions or other events, which may result in unanticipated losses that are beyond the control of the Fund.

If there are any disruptions or failures in the financial markets or the failure of financial sector companies, the Fund’s portfolio could decline sharply and severely in value or become valueless and the Sub-

Investment Manager may not be able to avoid significant losses in that Fund. Investors may lose a substantial proportion or all of their investments.

### **Changes in the UK political environment**

Changes in the UK political environment following the UK's decision by referendum to exit from the EU has led to and is likely to lead to further political, legal, tax and economic uncertainty. This has already and is likely to continue to impact general economic conditions in the UK. A UK exit could adversely affect the Sub-Investment Manager's ability to access markets, make investments, attract and retain employees or enter into agreements (on its own behalf or on behalf of the Fund) or continue to work with non-UK counterparties and service providers, all of which could result in increased costs to the Company and/or the Fund. It may also result in volatility in the Fund in instances where it has exposure to the UK financial markets or the UK currency. The decision by the UK to leave the EU may destabilise some or all of the other 27 members of the EU and/or the Eurozone which may also have a material adverse effect on the Company, its service providers and counterparties.

### **Counterparty Risk**

The Fund will have a credit risk on the counterparties with which it trades. In the event of the insolvency, bankruptcy or default of any such counterparty the Fund bears the risk that the counterparty may not settle a transaction in accordance with market practice due to credit or liquidity problems of the counterparty, or due to the insolvency, fraud or regulatory sanction of the counterparty, thus causing the Fund to suffer a loss.

The Fund may have exposure to trading counterparties other than the Depository. The Sub-Investment Manager on account of the Fund may enter into transactions with financial institutions, such as brokerage firms, broker-dealers and banks. These financial institutions, being counterparty to the transactions, may also be issuers of other investments in which the Fund invests.

The Fund's transactions involve counterparty credit risk and will expose the Fund to unanticipated losses to the extent that counterparties are unable or unwilling to fulfil their contractual obligations. With respect to exchange traded derivatives and centrally cleared OTC derivatives, there is a risk of a potential default of the exchange, clearing house or the clearing broker. In certain circumstances, the Fund may encounter delays and difficulties with respect to court procedures in seeking recovery of the Fund's assets.

While the Sub-Investment Manager may have contractual remedies upon any default pursuant to the agreements related to the transactions, such remedies could be inadequate, however, to the extent that the collateral or other assets available are insufficient.

Deposits of securities or cash with a depository, bank or financial institution ("**depository**") will also carry counterparty risk as the depository may be unable to perform their obligations due to credit-related and other events like insolvency or default by them. In these circumstances, the Fund may be required to exit certain transactions, may encounter delays of some years, and may encounter difficulties with respect to court procedures in seeking recovery of the Fund's assets.

**These investment risks are not purported to be exhaustive and potential Shareholders should review the Prospectus and this Supplement carefully and consult with their professional advisers before making an application for Shares.** There can be no assurance that the Fund will achieve its investment objective.

**Dated: 8<sup>th</sup> December, 2020**