

Antipodes Global Fund - UCITS

Supplement to the Prospectus dated 5 May 2017 for Pinnacle ICAV

An umbrella fund with segregated liability between sub-funds

This Supplement contains specific information in relation to Antipodes Global Fund - UCITS (the **Fund**), an open-ended sub-fund of Pinnacle ICAV (the **ICAV**) an Irish collective asset-management vehicle umbrella fund with segregated liability between sub-funds which is registered in Ireland by the Central Bank of Ireland and authorised under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended).

This Supplement forms part of and should be read in conjunction with the Prospectus dated 5 May 2017.

The Directors of Pinnacle ICAV, whose names appear in the **Directors of the ICAV** 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.

Date: 29 September 2017

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1. INVESTMENT OBJECTIVE

The aim of the Fund is to achieve absolute returns in excess of the MSCI All Country World Net Index in USD (the **Index**) over the investment cycle (typically 3-5 years).

2. THE INVESTMENT MANAGER'S INVESTMENT METHODOLOGY

The Investment Manager will adopt an active investment strategy in order to take advantage of attractive opportunities where the possible or expected return outweighs the identified risks involved in such investment. The Investment Manager is of the belief that, in the long term, prices of securities it believes to be undervalued tend to revert to their true value. The Investment Manager uses fundamental research to identify securities where prices do not reflect this value by a significant margin of safety.

In order to direct research efforts, the Investment Manager seeks to identify opportunities such as the following:

- Cyclical opportunities, caused by changes in the demand for goods or services as a result of competition and other economic impacts through a business cycle;
- Structural opportunities, caused by fundamental structural change or disruption to the operating environment of a company, for example the introduction of a new competitor or technology; and
- Socio/Macroeconomic opportunities caused by slow, pervasive general economic or social change, generally over an extended investment horizon.

Quantitative (such as robust balance sheets) and qualitative (such as quality of management, including factors such as experience and expertise) filters are used to screen and shortlist opportunities.

Significant research resource is allocated to opportunities that exhibit:

- A margin of safety, where the intrinsic investment value is materially different to the market valuation;
- Multiple ways of winning, where the investment has multiple factors that contribute to an expected outcome;
- Context within the portfolio, such that the portfolio comprises clusters of non-correlated return opportunities and is constructed in accordance with investment guidelines.

This detailed analysis will incorporate information from a wide variety of sources including management interaction, specialist third party research, and competitor and product analysis. This research will assist in constructing a diversified and tightly monitored portfolio.

International investments create foreign currency exposure and hence exposure to fluctuations in the value of investments when measured in the Fund's Base Currency. As a general step, the Investment Manager will assess the indirect impact of currencies on the companies it intends to invest in and the potential for exchange rate movements to amplify or diminish the Fund's returns.

A key component of the Investment Manager's investment process is the assessment of potential returns and risks created by currency exposure with the aim of positioning the Fund to capture those returns while minimising the risks. The aim is to be exposed to the greatest extent possible to currencies considered by the Investment Manager to be appreciating and to a minimum to currencies considered to be depreciating. Accordingly the Fund may not necessarily hedge back into its Base Currency and the level of such hedging back will depend on the view of the Investment Manager.

The Investment Manager may seek to manage the Fund's currency exposure using forward foreign exchange contracts, swaps, 'non-deliverable' forward contracts and currency options as well as cash foreign exchange trades.

The income earnings of most investments are sensitive to interest rate risk. As a general part of the investment process the Investment Manager will review the company capital structure. A less than optimal capital structure may lead to a reduction in cash flow and increased leverage. Bond yield spreads and credit default swap prices indicate market participants' assessment of credit risk and may be used as a reference point to evaluate credit risk with a view to identifying investment opportunities.

As part of the investment process the Investment Manager assesses the indirect impact of the currency, interest rate and credit risks on the companies and financial instruments (including cash) that it intends to invest in and the potential for these factors to amplify or diminish Base Currency returns for a holding. The Fund may use the FDI described below for the purposes of hedging and to take exposure to such equity, currency, interest rate and credit risks.

3. INVESTMENT POLICIES

The Fund aims to achieve its investment objective by primarily investing in a select number (usually between 30 and 150) of attractively valued companies listed on the Regulated Markets.

The Fund may also invest up to 10% of its Net Asset Value in unlisted securities in accordance with the requirements of the Central Bank.

The Fund may invest in equity equivalents such as preference shares, warrants, rights, convertible securities (which may embed leverage), participation notes (which will not embed leverage), American Depository Receipts (**ADRs**), Global Depository Receipts (**GDRs**) and European Depository Receipt (**EDRs**) which are certificates issued by a depository bank or investment bank (usually by a branch or in the country of issue of the shares), representing shares held by the bank and which trade independently from the shares, as an alternative to directly purchasing the underlying securities in jurisdictions where it would not be possible or practical for the Fund to hold the underlying securities directly and to gain exposure to such underlying securities without directly investing in those securities. The equity securities that the Fund may acquire also includes closed-ended funds that trade as and qualify as transferable securities for the purposes of the Regulations.

The Fund may have exposure to China-A Shares indirectly via investment in collective investment schemes (as referred to below) that invest directly in China-A Shares or participation notes. The Fund may also invest and have direct exposure to China-A Shares via the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect.

3.1. Ancillary Asset Classes

Although the Fund primarily invests in equities and equity equivalents, in order to achieve its objective, the Fund may invest in a number of other asset classes as detailed below.

Collective Investment Schemes

The Fund may invest in CIS (including exchange traded funds). Any investment in CIS will be in accordance with the Central Bank UCITS Regulations.

Debt Securities

The Fund may invest in and have exposure to debt securities of various types and maturities issued by government or corporate entities, including, for example, fixed rate, floating rate and variable rate notes, bonds, index linked debt securities and, in addition, preferred stock, coupon-bearing and deferred interest instruments (such as zero coupon bonds). Such debt securities may be fixed or floating rate and rated investment grade or below investment grade by a recognised rating agency such as Moody's or Standard & Poor's or unrated.

Commodities

The Fund may seek indirect exposure to commodities through investment in exchange traded commodities (**ETCs**) that are listed or traded on the Regulated Markets. ETCs are transferable securities issued by any issuer globally (including, for example, corporations and trusts) which reflect the performance of an underlying commodity or commodity index. ETCs enable investors to gain

exposure to commodities without trading futures or taking physical delivery. The Fund may invest in ETCs providing indirect exposure to commodities and commodity indices in the energy, agriculture, livestock, industrial metals and precious metals sectors. The ETCs will not embed any derivatives. The Fund's investment in ETCs will be limited to ETCs which are eligible under the UCITS Regulations (i.e., amongst other things, ETCs will be transferable, sufficiently liquid and negotiable, can be reliably valued and have risks which can be assessed on an on-going basis by the Fund). The Fund may seek exposure to commodities by investing in FDI (as more specifically described under Section 6 (**Financial Derivative Instruments and Efficient Portfolio Management (EPM)**)) on UCITS compliant indices. Investment in commodities may be made to gain exposure to non-correlated assets and improve portfolio diversification.

Liquid Assets

The Fund may hold and invest in ancillary liquid assets such as cash, bank deposits, money market instruments including but not limited to commercial paper and certificates of deposit, money market funds or equivalent short term paper including treasury bills. Such assets may be held: (i) in the absence of finding individual securities which the Investment Manager considers the possible or expected return to outweigh any risks involved in such investment; (ii) to protect the value of the Fund and maintain liquidity at times in falling or volatile markets; or (iii) as otherwise deemed appropriate by the Investment Manager.

There is no maximum or minimum amount of liquid assets that the Fund may hold at any one time though in normal market conditions the Investment Manager would not expect this to be more than 50% of the Fund's Net Asset Value.

There is no geographical focus in respect of any category of investment by the Fund and the Fund may invest in excess of 20% of its Net Asset Value in emerging market countries (including Russia). To the extent that the Fund will invest in Russian securities, investment will only be in securities that are listed on the Moscow Exchange MICEX-RTS. Exposure to Russian securities may also be obtained through ADRs, GDRs and EDRs listed on other recognised exchanges.

Investments will not be made by reference to any benchmark or index or limited to any particular industry or sector and will be chosen based on the investment methodology described in the section above.

The Fund may employ exchange-traded or over-the-counter FDI, as more specifically described under Section 6 (**Financial Derivative Instruments and Efficient Portfolio Management (EPM)**) for the reasons detailed therein and in accordance with the requirements of the Central Bank.

Given the nature of the Fund, an investment in the Fund should only be made by those persons who could sustain a loss on their investment, should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors.

Attention is drawn to the difference between the nature of a deposit and the nature of an investment in the Fund. Please note that the principal invested in the Fund is capable of fluctuation.

4. THE INDEX

The Index is a free float-adjusted market capitalisation weighted index that is designed to measure equity-market performance throughout the world. The Index is maintained by Morgan Stanley Capital International and consists of developed and emerging market country indexes.

5. RISK MANAGEMENT PROCESS

The ICAV on behalf of the Fund employs a risk management process which helps it to accurately measure, monitor and manage the various risks associated with its investment in FDI (as detailed further below).

The Fund will use the commitment approach to measure global exposure. While the Fund may be leveraged through the use of FDIs, any such leverage will not exceed 100% of its Net Asset Value.

Therefore, the total exposure of the Fund will not exceed 200% of Net Asset Value (i.e. the Net Asset Value plus global exposure through FDI of 100% of Net Asset Value).

The Fund may take both long and, through the use of FDI, short positions, and is typically expected to be within the range of 50%-150% long and 0%-50% short of the Fund's Net Asset Value.

The ICAV 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 investment.

The Fund will only utilise FDI which have been included in the risk management process report that has been cleared by the Central Bank.

6. FINANCIAL DERIVATIVE INSTRUMENTS AND EFFICIENT PORTFOLIO MANAGEMENT (EPM)

The FDI in which the Fund may utilise (for hedging, EPM and/or investment purposes), within the conditions and limits set out in the Central Bank UCITS Regulations, comprise exchange-traded and over the counter derivative instruments as described herein, including various types of swaps (currency swaps, equity and equity index swaps, Total Return Swaps, credit default swaps (**CDS**)), currency and forward foreign exchange contracts, contracts for differences, participation notes, futures, swaptions, options, caps/floors, convertible securities and combinations thereof, provided that the underlying risks represent permitted assets. The Fund may hold subscription rights received as a result of a corporate action by an entity in which the portfolio holds equity securities.

The Fund may use EPM techniques and instruments such as repurchase agreements, reverse repurchase agreements and stocklending agreements in respect of the assets addressed in the Investment Policies above. Further detail on the use of EPM techniques and instruments is available in the Prospectus.

The Fund invests in FDI for one or more of the following reasons:

- for risk management purposes to either increase or decrease the Fund's exposure to markets and establish currency positions;
- to take opportunities that may increase the returns of the Fund;
- with a view to reducing transaction and administrative costs (e.g. the use of an equity swap to establish a short position in a security);
- to take up positions in securities that may otherwise not be readily available (e.g. access to a stock market where foreign investors face restrictions); and
- to assist in the management of the Fund's cash flows (e.g. certain stock markets may require pre-funding of stock purchases that may be avoided through the use of derivatives).

The Fund may take synthetic short positions (through the use of FDI) to manage risk and exposure and to capitalise on attractive risk/reward opportunities. If the shorted asset falls in price, then the value of the position increases, and vice-versa. Short positions may be held synthetically in order to hedge long exposure or to express positional views on the direction or volatility of a market, asset class or individual issuer to which the Fund may be exposed (for example, looking to benefit from adverse movements in the value thereof).

The following is a description of the types of FDI which may be used by the Fund:

• Swaps

In a standard swap transaction, two parties agree to exchange returns (or differentials in rates of return) calculated with respect to a notional amount, e.g. the return on or increase in value of a particular dollar amount invested at a particular interest rate, in a particular foreign currency, or in a basket of securities representing a particular index. Swaps in which the Fund may invest may include cross currency, equity, equity index, interest rate, total return and credit default swaps.

Cross Currency Swaps

A cross currency swap is an agreement between parties to exchange sequences of cash flows over a period in the future. The cash flows that the counterparties make are tied to the value of foreign currencies.

Equity Swaps

An equity swap contract which gives the holder the economic benefits of a notional holding of an underlying security or basket of securities, in exchange for an interest stream representing the financing cost for the notional value of that security or basket of securities. A swap can be a 'long' exposure, where the holder is receiving the economic benefits of the underlying security from the other party or a 'short' exposure where the holder is paying the economic benefits of the underlying security to the other party. The Fund may enter into equity swaps to achieve both long and short exposure.

Equity swaps may include equity index swaps.

Interest Rate Swaps

An interest rate swap is an agreement negotiated between two parties to exchange LIBOR and/or other similarly recognised interest rate cash flows, calculated on a notional amount, at specified dates during the life of the swap. The notional amount is used only to determine the payments under the swap and is not exchanged. The payment obligation of each party is calculated using a different interest rate, typically with one party paying a floating interest rate in return for receiving a fixed interest rate, either at regular intervals during the life of the swap or at the maturity of the swap. Interest rate swaps may be used to take long or short positions or to manage interest rate risk and duration exposure.

Total Return Swaps

A Total Return Swap is a contract whereby one party (e.g. the total return payer) agrees to make a series of payments to another party (e.g. the receiver) based on the change in the market value of the assets underlying such contract (which can include a security or baskets thereof or eligible index) during the specified period. In exchange, the other party to the contract agrees to make a series of payments calculated by reference to an interest rate and/or some other agreed-upon amount (including the change in market value of other underlying assets).

The Fund may use Total Return Swaps to gain exposure to reference assets addressed in the Investment Policies above without owning it or taking physical custody of the underlying asset. Total Return Swaps may be used to gain/reduce exposure in a cost effective manner.

Credit Default Swaps

High and increasing company leverage implies increasing interest payments, potentially lowering earnings expectations and/or increasing the risk of a credit event. The Fund may invest in CDS to take advantage of such opportunities.

CDS provide a measure of protection against or exposure to defaults of debt issuers. The Fund's use of CDS does not assure their use will be effective or will have the desired result. The Fund may at the discretion of the Investment Manager be the buyer and/or seller in CDS transactions to which the Fund is a party. CDS are transactions under which the parties' obligations depend on whether a credit event has occurred in relation to the reference asset. The credit events are specified in the contract and are intended to identify the occurrence of a significant change in the creditworthiness of the reference asset. On settlement, credit default products may be cash settled or involve the physical delivery of an obligation of the reference entity following a default. The buyer in a CDS contract is obligated to pay the seller a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference asset has occurred. If a credit event occurs, the seller must pay the buyer the full notional value of the reference asset that may have little or no value. If the Fund is a buyer and no credit event occurs the Fund's losses will be limited to the periodic stream of payments over the term of the contract. As a seller, the Fund will receive a fixed rate of income throughout the term of the contract, provided that there is no credit event. If a credit event occurs, the seller must pay the buyer the full notional value of the reference obligation. The Fund may also use CDS to take synthetic long or short directional positions and/or to protect against the risk of default of an issuer.

- **Futures**

Futures in which the Fund may invest may include equity, index, currency, interest rate and bond futures. Futures may be used to increase or reduce equity, currency, interest rate or credit exposures.

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. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. Frequently using futures to achieve a particular strategy instead of using the underlying or related security or index, or index sector or basket of debt securities results in lower transaction costs being incurred. Futures may also be used to equitise cash balances, both pending investment of a cash flow and with respect to fixed cash targets.

- **Options**

Options may be used as an efficient method to increase or reduce equity, currency, interest rate or credit exposures.

There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) to the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option at a specified price. Options may also be cash settled.

The Fund may be a seller or buyer of put and call options (including options on single equities, equity indices, equity exchange traded funds, swaps, currencies, bonds and futures). The Fund may purchase or sell these instruments either individually or in combinations. This would allow the Fund to benefit from any upside in the performance or to hedge against downside risk, while limiting its overall exposure to the original premium paid by the Fund.

The Investment Manager may write put options and covered call options to generate additional revenues for the Fund.

- **Caps/Floors**

The purchase of a cap entitles the purchaser, to the extent that a specified index exceeds a predetermined value, to receive payments on a notional principal amount from the party selling the cap. The purchase of a floor entitles the purchaser, to the extent that a specified index falls below a predetermined value, to receive payments on a notional principal amount from the party selling the floor. Swap agreements, including caps and floors can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Caps and floors have an effect similar to buying or writing options.

- **Swaptions**

A swaption is an option on a swap. It gives the holder the right but not the obligation to enter into a swap at a specific date in the future, at a particular fixed rate and for a specified term.

- **Forward Foreign Exchange Contracts**

A forward foreign exchange contract locks-in the price at which an index or asset may be purchased or sold on a future date. In forward foreign exchange 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 foreign exchange contracts may be used to hedge, at the discretion of the Investment Manager, any currency exposure back to the Base Currency. They may also be used to change the currency compositions of all or part of the Fund without necessarily hedging back to the Base Currency.

- **Participation Notes**

The Fund may invest in participation notes which are issued by banks or broker-dealers and are designed to replicate the performance of certain issuers and markets and may be used to gain access to markets where it may be difficult to invest in the underlying asset directly, such as India and China. Participation notes are subject to counterparty risk, which is the risk that the broker-dealer or bank that issues them will not fulfil its contractual obligation to complete the transaction with the Fund.

- **Contracts for Differences (CFD)**

The Fund may enter into 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.

- **Warrants**

A warrant is a company-issued certificate that represents an option to buy a certain number of stock shares at a specific price before a predetermined date. A warrant has a value of its own and can be traded on the open market. Equity-linked warrants provide an easy way for investors to gain access to markets where entry is difficult and time consuming due to regulatory issues. Each warrant issued represents one share of the underlying security. Price, performance and liquidity are all directly linked to the underlying security. The warrants are redeemable at 100% of the value of the underlying security (less transaction costs). Although warrant holders have no voting rights, they would benefit from all corporate actions (i.e. cash and stock dividends, splits, rights issuance etc.). Warrants are issued as American and European style. American style warrants can be exercised at any time. European style warrants cannot be exercised before maturity date, but the investor may elect to sell the warrant back to the issuer, with an early redemption penalty. In these cases, the issuer is under no obligations to buy the warrant back from the investor.

Warrants may be used to gain exposure to an underlying security as a more efficient and cheaper alternative to direct investment in that security.

- **Rights**

Rights give a pre-emptive right to purchase shares of the same company at a specified price and in proportion to the existing shareholding in that company. The Fund may acquire rights in furtherance of its investment objective.

- **Convertible Securities**

A convertible security is a bond that can be converted into a predetermined amount of shares of common stock in the issuing company at certain times during its life, usually at the discretion of the bond holder. A convertible bond may be viewed as a bond with an embedded option to exchange the bond for equity. Before conversion, convertible bonds ordinarily provide a stream of income, which generate higher yields than those of common stocks of the same or similar issuers but lower than the yield on non-convertible debt.

7. PROFILE OF A TYPICAL INVESTOR

The Fund may be suitable for investors with an investment horizon of over three to five years that seek capital growth and income primarily via exposure to global stocks and who are willing to accept the shorter term fluctuations in price typically associated with such investments. Investors should have an understanding of investments in the above securities and note that there is a high risk of short-term capital loss compared to other investment types but with the potential to deliver higher investment returns over the minimum suggested timeframe. Investors should be aware that emerging market securities may be subject to higher volatility and lower liquidity than non-emerging market securities and investors are referred to the "Emerging Markets Risks" section of the Risk Factors set out below.

8. INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the section of the Prospectus entitled **Investment Restrictions** shall apply.

In addition, the Fund shall not invest more than 10% in aggregate of net assets in shares of other open-ended collective investment schemes.

9. **BORROWING**

The Fund may borrow up to 10% of its total Net Asset Value on a temporary basis as further described in the section **Borrowing, Leverage, Lending Powers and Restrictions** in the Prospectus.

10. **RISK FACTORS**

Risk can be managed but cannot be completely eliminated and it is important to understand that:

- The value of your investment will go up and down;
- Investment returns will vary and future returns may be different from past returns;
- Returns are not guaranteed and there is always the chance that you may lose money on any investment you make; and
- Laws affecting your investment may change over time.

The general risk factors set out under the heading **Risk Factors** in the Prospectus apply to the Fund.

In addition, the following risk factors apply to the Fund:

10.1. **Investment Risk**

The investments of the Fund in securities are subject to normal market fluctuations and other risks inherent in investing in securities. Security prices may decline over short or extended periods due to general market conditions (e.g. economic, technological or political). Equities as a class have historically outperformed other types of investments over the long term. Individual stock prices, however, tend to go up and down more dramatically over the short term. These price movements may result from factors affecting individual companies or industries, or the securities market as a whole. Those assets with potentially higher long term returns may also have a higher risk of losing money in the shorter term.

The Investment Manager's careful analysis of each company it invests in, as well as maintaining a diversified portfolio of companies, aims to minimise this risk.

10.2. **Interest Rate Risk**

As further described in the Prospectus, changes in interest rates can influence the value and returns of investments. The Investment Manager's careful analysis of detailed research in combination with diversified holdings, aims to reduce this risk.

10.3. **Liquidity Risk**

The Fund may not be able to purchase or sell a security in a timely manner or at desired prices or achieve its desired weighting in a security. The risk management guidelines adopted by the Investment Manager are designed to minimise liquidity risk through;

- Ensuring that there is no significant exposure to illiquid or thinly traded financial instruments; and
- Applying limits to ensure there is no undue concentration of liquidity risk to a particular counterparty or market.

10.4. **Currency Risk**

Investing in assets denominated in a currency other than the Fund's Base Currency may cause losses resulting from exchange rate fluctuations. Foreign governments may impose currency exchange restrictions, which could limit the Fund's ability to buy and sell certain foreign investments and could reduce the value of the foreign securities such Fund holds.

10.5. Foreign Investment Risk

Investments in foreign companies may decline in value because of sovereign, political, economic or market instability; the absence of accurate information about the companies; risks of unfavourable government actions such as expropriation and nationalisation. Some countries may have different legal systems, taxation regimes, auditing and accounting standards with less governmental regulation and transparency and certain financial markets may be less liquid. In general, securities issued by companies in more developed markets, such as the U.S. and Western Europe, have lower foreign market risk. Securities issued in emerging or developing markets, such as Southeast Asia or Latin America, tend to have a higher foreign market risk.

Some foreign exchanges are "principals' markets" in which performance with respect to a contract is the responsibility only of the individual member with whom the trader has entered into a contract and not of the exchange or clearinghouse, if any. In the case of trading on such foreign exchanges, the Fund will be subject to the risk of the inability of, or refusal by, the counterparty, to perform with respect to such contracts. The Fund also may not have the same access to certain trades as do various other participants in foreign markets. Due to the absence of a clearinghouse system on certain foreign markets, such markets are significantly more susceptible to disruptions.

These risks may be higher when investing in emerging markets as set out further below under "Emerging Markets Risks".

10.6. Small Company Risk

Investing in securities of smaller companies may be riskier than investing in larger, more established companies. Smaller companies may have limited financial resources, a less established market for their shares and fewer shares issued. This can cause the share prices of smaller companies to fluctuate more than those of larger companies. The market for the shares of small companies may be less liquid.

10.7. Leverage Risk

Leverage may be incorporated through derivatives and it has the potential to magnify losses as well as the potential to magnify gains.

10.8. Market Risk

Some of the recognised exchanges on which the Fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which the Fund may liquidate positions to meet redemption requests or other funding requirements.

10.9. Emerging Markets Risks

The Fund's investment policy allows the Fund to invest in emerging market countries and investors should be aware of risks attached to investing in such markets which could have a limited impact on the performance of the Fund.

(a) Political Risks

The performance of the Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements. The Fund may also be exposed to risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership.

(b) Settlement, Credit and Counterparty Risks

Settlement risk occurs when a transaction is not completed as duly agreed between the parties. This may be due to an error or omission in the necessary settlement, clearing or registration processes or due to the lack of creditworthiness of one of the parties to the transaction.

Settlement systems in emerging markets may be less well organised than in developed markets. Thus there may be a risk that settlement may be delayed and that cash or securities of the Fund may be in jeopardy because of failures of or defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security which is being purchased, or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank through whom the relevant transaction is effected might result in a loss being suffered by the Fund investing in or exposed to the performance of emerging market securities. Where the Fund invests in markets where custodial and/or settlement systems are not fully developed, the assets of the Fund which are traded in such markets and which have been entrusted to sub-custodians, in the circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the Depository will have no liability.

Counterparty risk occurs when a party to a contract fails to honour and defaults on its obligations thereunder. Funds which are party to these risks can incur considerable losses. The Investment Manager aims to keep this risk to a minimum by regularly monitoring the counterparties. The Fund will seek, where possible, to use counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that the Fund will be successful in eliminating this risk for the Fund, particularly as counterparties operating in emerging markets frequently lack the substance or financial resources of those in developed countries.

There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by or to be transferred to the Funds. Furthermore, compensation schemes may be non-existent or limited or inadequate to meet the Fund's claims in any of these events.

(c) **Liquidity Risk**

Certain securities may be difficult or impossible to sell at the time and the price that the seller would like. The seller may have to lower the price to effect a secondary market sale, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on fund management or performance.

(d) **Currency Risk**

The Net Asset Value per Share will be computed in the Base Currency of the Fund, whereas the Fund's investments may be acquired in a wide range of currencies, some of which may be affected by currency movements of a more volatile nature than those of developed countries and some of which may not be freely convertible. It may not be possible or practical to hedge against the consequent currency risk exposure and in certain instances the Investment Manager may consider it desirable not to hedge against such risk. Cross currency hedging transactions may be entered into solely for the purpose of efficient portfolio management.

(e) **Regulatory Risks and Accounting Standards**

Disclosure and regulatory standards may be less stringent in certain securities markets than they are in developed countries and there may be less publicly available information on the issuers than is published by or about issuers in such developed countries. Consequently, some of the publicly available information may be incomplete and/or inaccurate. In some countries the legal infrastructure and accounting and reporting standards do not provide the same degree of shareholder protection or information to investors as would generally apply in many developed countries. In particular, greater reliance may be placed by the auditors on representations from the management of a company and there may be less independent verification of information than would apply in many developed countries. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently from international accounting standards.

(f) **Custody Risks**

Local custody services may be underdeveloped in the emerging market countries in which the Fund may invest and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances the Fund may not be able to recover or may encounter delays in the recovery of some of its assets. Such circumstances may include uncertainty relating to, or the retroactive application of legislation, the imposition of exchange controls or improper registration of title. In some emerging market countries evidence of title to shares is maintained in "book-entry" form by an independent registrar who may not be subject to effective government supervision, which increases the risk of the registration of the Fund's holdings of shares in such markets being lost through fraud, negligence or mere oversight on the part of such independent registrars. The costs borne by the Fund in investing and holding investments in such markets will generally be higher than in organised securities markets.

(g) **Increased Risk of Fluctuation in Value**

The value of the Fund may fluctuate more than those that invest predominantly in developed markets.

10.10. Risks linked with dealing in securities in China via Stock Connect

Definitions:

"CAAPs" means China A Shares Access Products, being transferable securities generally listed on Recognised Exchanges, or occasionally unlisted, and issued by a third party CAAP issuer in respect of China A Shares which themselves are listed or traded on the Shanghai Securities Exchange or the Shenzhen Stock Exchange and which represent an obligation of the CAAP issuer to pay to the Fund an economic return equivalent to holding the underlying China A Shares.

"China A Shares" means domestic shares in PRC incorporated companies listed on either the Shanghai Stock Exchange or the Shenzhen Stock Exchange, the prices of which are quoted in Renminbi and which are available to domestic investors and foreign strategic investors approved by the China Securities Regulatory Commission.

"CSRC" means the China Securities Regulatory Commission.

"Mainland China" means all customs territory of the PRC.

"PRC" means the People's Republic of China.

"RMB" means Renminbi, the lawful currency of Mainland China for the time being.

"RQFII or RQFII Holder" means a Renminbi qualified foreign institutional investor approved pursuant to the relevant PRC laws and regulations, as may be promulgated and/or amended from time to time.

"Stock Connect" means a securities trading and clearing linked program with an aim to achieve mutual stock market access between the PRC (Shanghai and Shenzhen respectively) and Hong Kong and enables the company to trade eligible China A Shares listed on the relevant stock exchange(s) in the PRC.

The Fund may seek exposure to stocks issued by companies listed on China stock exchanges via Stock Connect. Stock Connect is a new trading programme that links the stock markets in PRC (Shanghai and Shenzhen respectively) and Hong Kong and may be subject to additional risk factors. The relevant regulations are untested and subject to change. The programme is subject to quota limitations which may restrict the Fund's ability to invest in China A Shares through the programme on a timely basis and as a result, the Fund's ability to access the China A Shares market (and hence to pursue its investment strategy) will be adversely affected. Where a suspension in the trading through the Stock Connect is effected, the Fund's ability to access the PRC market will be adversely affected. The PRC regulations impose certain restrictions on selling and buying. Hence the Fund may not be able to dispose of holdings of China A Shares in a timely manner. Also, a stock may be recalled from the scope of eligible stocks for trading via the Stock Connect. This may adversely affect the investment portfolio or strategies of the Fund, for example, when the Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks. Investors (including the Fund) are only allowed to trade via Stock Connect on days where both Mainland China and Hong Kong stock markets are open for trading and banking services are available in both markets on the corresponding settlement days. Due to the differences in trading days, the Fund may be subject to a risk of price fluctuations in China A Shares on a day that the PRC stock market is open for trading but the Hong Kong stock market is closed.

Under the current Mainland China rules, once an investor holds up to 5% of the shares of a company listed on the either the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect, the investor is required to disclose his interest within three working days and during which he cannot trade the shares of that company. After that, the investor is also required to make disclosure within three working days every time a change in their shareholding reaches 5%. From the day the disclosure obligation arises to two working days after the disclosure is made, the investor may not trade the shares of that company. Overseas investors holding China A Shares via Stock Connect are subject to the following restrictions (i) shares held by a single foreign investor investing in a listed company must not exceed 10% of the total issued shares of such listed company; and (ii) total A shares held by all foreign investors (i.e. Hong Kong and overseas investors) who make investments in a listed company must not exceed 30% of the total issued shares of such listed company. If the aggregate foreign shareholding exceeds the 30% restriction, the foreign investors would be required to unwind their positions on the excessive shareholding according to a last-in-first-out basis within five trading days.

Trading in securities through the Stock Connect may be subject to clearing and settlement risk. If the PRC clearing house defaults on its obligation to deliver securities / make payment, the Fund may suffer delays in recovering its losses or may not be able to fully recover its losses.

According to existing Mainland China practices, the Fund as a beneficial owner of China A Shares traded via Stock Connect cannot appoint proxies to attend shareholders' meetings on its behalf.

Eligible Securities

(i) Shanghai-Hong Kong Stock Connect

Under the Shanghai-Hong Kong Stock Connect, Hong Kong and overseas investors (including the Fund) are able to trade certain stocks listed on the Shanghai Stock Exchange (SSE) market (i.e. "**SSE Securities**"). These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on the Stock Exchange of Hong Kong Limited, except the following:

- SSE-listed shares which are not traded in RMB; and
- SSE-listed shares which are included in the "risk alert board".

It is expected that the list of eligible securities will be subject to review.

(ii) Shenzhen-Hong Kong Stock Connect

Under the Shenzhen-Hong Kong Stock Connect, Hong Kong and overseas investors (including the Fund) are able to trade certain eligible shares listed on the Shenzhen Stock Exchange (SZSE) market

(i.e. “**SZSE Securities**”). These include all the constituent stocks of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of not less than RMB 6 billion, and all the SZSE-listed China A shares which have corresponding China H Shares listed on SEHK, except the following:

- SZSE-listed shares which are not traded in RMB; and
- SZSE-listed shares which are included in the “risk alert board” or under delisting arrangement.

At the initial stage of the Shenzhen-Hong Kong Stock Connect, investors eligible to trade shares that are listed on the ChiNext Board under Northbound trading will be limited to institutional professional investors (which the Fund will qualify as such) as defined in the relevant Hong Kong rules and regulations. It is expected that the list of eligible securities will be subject to review.

PRC Tax Status

In connection with investment in PRC securities, various PRC taxes may be imposed on the Fund. The following statements do not constitute tax advice and are intended only as a general guide to current PRC law as at the date of this document. PRC law and PRC taxes are subject to change at any time, possibly with retrospective effect. These statements relate only to certain limited aspects of the PRC taxation treatment of the Fund. Investors should consult their own tax advisor with regard to PRC tax implications associated with an investment in the Company.

Equity and debt securities except China A Shares via Stock Connect

By investing in i) China A Shares via CAAPs; ii) RMB-denominated debt securities issued by non-PRC issuers; and iii) RMB-denominated debt securities issued or listed offshore by PRC issuers, the Fund may be subject to PRC taxes.

RMB-denominated debt securities issued by non-PRC issuers

The income (including interest income and capital gains) derived from the Fund’s investments in RMB denominated debt securities issued by non-PRC issuers outside China should not be subject to PRC taxes.

PRC Corporate Income Tax (“CIT”)

If the Fund is considered as a tax resident enterprise of the PRC, it should be subject to CIT at 25% on its worldwide taxable income. If the Fund is considered a non-tax resident enterprise with a PE in the PRC, the profits and gains attributable to that PE should also be subject to CIT at 25%.

The Investment Manager intends to manage and operate the Fund in such a manner that the Fund should not be treated as a tax resident enterprise of the PRC or a non-tax resident enterprise with a PE in the PRC for CIT purposes, although this cannot be guaranteed.

Dividend income or interest income

Interests derived from government bonds issued by the in-charge Finance Bureau of the State Council and/or local government bonds approved by the State Council are exempt from PRC income tax under the CIT law.

- (i) RMB-denominated debt securities issued or listed offshore by PRC issuers

Unless a specific exemption or reduction is available under current CIT law and regulations or relevant tax treaties, non-tax resident enterprises without PE in the PRC are subject to withholding income tax (“WIT”), generally at a rate of 10%, on dividend income or interest income arising from investments in the PRC securities including RMB-denominated debt securities issued or listed offshore by PRC issuers. The entity distributing such dividends or interest is required to withhold such tax on behalf of the recipients.

- (ii) China A Shares via CAAPs

Under current regulations in the PRC, foreign investors (such as the Fund) may invest in China A Shares through a qualified foreign institutional ("QFII") or a RQFII or Stock Connect. Since only the relevant QFII's or RQFII's interests in China A Shares are recognised under PRC laws, any tax liability would, if it arises, be payable by the relevant QFII or RQFII, subject to further interpretations and rules that may be issued in the future. However under the terms of the arrangement between the relevant RQFII or QFII (i.e. the CAAP Issuers) and the Fund, the relevant QFII or RQFII will pass on any tax liability to the Fund. As such, the Fund is the ultimate party which bears the risks relating to any PRC taxes which are so levied by the relevant PRC tax authority. Under current PRC tax laws and regulations, the relevant QFII or RQFII (if without a PE in China) is subject to WIT of 10% on dividends from China A Shares unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties.

Capital gains

(i) RMB-denominated debt securities issued or listed offshore by PRC issuers

For capital gains derived by an investor on the disposal of these securities, there are currently no specific rules or regulations under CIT. As a result, such gains are technically subject to the 10% WIT under the CIT law. However, as a matter of practice, such 10% WIT on capital gains realised by non-PRC tax resident enterprises from the trading of these securities has not been strictly enforced by the PRC tax authorities.

Having consulted professional and independent tax advisor, the Investment Manager will not make provisions for any WIT payable by the Fund on PRC sourced capital gains from RMB-denominated debt securities issued or listed offshore by PRC issuers. The implication of this is that if the Fund is liable to pay such withholding and other taxes, this may result in an unfavourable impact on the Net Asset Value of the Fund.

(ii) China A Shares via CAAPs

The Ministry of Finance of the PRC ("MoF"), the State Administration of Taxation of the PRC ("SAT") and CSRC issued the Notice No. 79 on 14 November 2014. Notice No. 79 states that (a) CIT will be imposed on gains obtained by QFIIs and RQFIIs from the transfer of PRC equity investment assets (including PRC domestic stocks) realised prior to 17 November 2014 in accordance with laws, and (b) QFIIs and RQFIIs (without an establishment or place in the PRC or having an establishment in the PRC but the income so derived in China is not effectively connected with such establishment) will be temporarily exempt from CIT on gains derived from the trading of PRC equity investment (including China A Shares) effective from 17 November 2014.

No withholding is made by the CAAP Issuers in respect of any realized gains on the actual sale of the underlying China A Shares linked to the CAAPs issued to the Fund effective from 17 November 2014.

Having consulted professional and independent tax advisor, the Investment Manager will not make any tax provision for realized and unrealized capital gains derived from indirect China A Shares investments through CAAPs from 17 November 2014 onwards.

The tax laws, regulations and practice in the PRC are constantly changing, and they may be changed with retrospective effect. As such, any provision for taxation made by the Investment Manager may be excessive or inadequate to meet final PRC tax liabilities on capital gains derived from indirect China A Shares investments through CAAPs. Any excessive provision or inadequate provision for such taxation may impact on the performance and hence the Net Asset Value of the Fund during the period of such excessive or inadequate provision. Any shortfall between the provision and the actual tax liabilities, which will be debited from the Fund's assets, will adversely affect the Fund's Net Asset Value. The actual tax liabilities may be lower than the tax provision made. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

If no provision for potential withholding income tax is made and in the event that the PRC tax authorities enforce the imposition of such withholding income tax in respect of the Fund's investment in the China A Shares via CAAPs, the Net Asset Value of the Fund may be adversely affected. As a result, redemption proceeds or distributions may be paid to the relevant Shareholders without taking full

account of the tax that may be suffered by the Fund, which tax will subsequently be borne by the Fund and affect the Net Asset Value of the Fund and the remaining Shares in the Fund.

If no tax provision is made or if the tax provisions made are excessive or inadequate, Shareholders may be advantaged or disadvantaged depending upon the final outcome of how capital gains from direct China A Shares investments and indirect China A Shares investments through CAAPs will be taxed, the level of tax provision and when the Shareholders subscribed and/or redeemed their Shares in/from the Fund.

Shareholders should refer to the latest financial report of the Fund for details of the amounts currently withheld as provision for taxation liabilities (if any) by the Investment Manager and CAAP Issuers with respect to the taxes on capital gains.

Value Added Tax (“VAT”) and other surtaxes

The MoF and SAT issued the “Notice on the Comprehensive Roll-out of the B2V Transformation Pilot Program (the “B2V Pilot Program”)” (Caishui [2016] No. 36) (the “Notice No. 36”) on 23 March 2016. The Notice No. 36 sets out that the B2V Pilot Program covers all the remaining industries of the program, including financial services. The Notice No. 36 has taken effect from 1 May 2016, unless otherwise stipulated therein.

The Notice No. 36 provides that VAT at 6% shall be levied on the difference between the selling and buying prices of those marketable securities, e.g. China A Shares. The Notice No. 36 also provides that gains derived by QFIIs from trading of marketable securities are exempt from VAT. Pursuant to the “Supplementary Notice on the VAT Policy on Interbank Transactions and Other Financial Institutions” (Caishui [2016] No. 70) jointly issued by MoF and SAT on 30 June 2016 and which took effect retrospectively on 1 May 2016, income derived by RQFIIs from the purchase and sale of marketable securities are also exempt from VAT. In addition, deposit interest income and interest received from government bonds and local government bonds are also exempt from VAT.

Based on the prevailing VAT regulations, capital gains derived by (i) QFIIs / RQFIIs on trading of marketable securities and (ii) investors via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are exempted from VAT. Therefore, to the extent that the Fund's investment (such as China A Shares through the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect, CAAPs, China A Shares CIS) are conducted through these channels, either by the Fund directly or via CAAP / CIS issuers, the capital gains should be exempted from VAT.

The prevailing VAT regulations do not specifically exempt VAT on interest received by QFIIs and RQFIIs. Interest income on non-government bonds (including corporate bonds) should be subject to 6% VAT.

Dividend income or profit distributions on equity investment derived from Mainland China are not included in the taxable scope of VAT.

In addition, urban maintenance and construction tax (currently at the rate ranging from 1% to 7%), educational surcharge (currently at the rate of 3%) and local educational surcharge (currently at the rate of 2%) are imposed based on the VAT liabilities. The applicable levies depends on the location where VAT filing (if required) is done. For example, Shanghai imposes river maintenance levy at 1% on VAT payable; while Beijing does not currently impose any local levy.

China A Shares via Stock Connect

i) CIT

Dividends

Pursuant to the “Notice about the tax policies related to the Shanghai-Hong Kong Stock Connect” (Caishui [2014] No.81) (the “Notice No. 81”) and “Notice about the tax policies related to the Shenzhen-Hong Kong Stock Connect” (Caishui [2016] No. 127)) (“Notice No. 127”) promulgated by the MoF, the

SAT and the CSRC, the Fund is subject to WIT at 10% on dividends received from China A Shares traded via Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect.

Capital gains

Pursuant to Notice No. 81 and Notice No. 127, CIT will be temporarily exempted on capital gains derived by Hong Kong and overseas investors (including the Fund) on the trading of China A Shares through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. Based on Notice No. 81 and Notice No. 127 and having consulted professional and independent tax advisor, no provision for gross realised or unrealised capital gains derived from trading of China A Shares via Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect is made by the Investment Manager on behalf of the Fund.

10.11. Derivatives Risk

As further set out in the Prospectus, investment in derivatives may cause losses associated with changes in market conditions, such as fluctuation in interest rates, equity prices or exchange rates and changes in the value of a derivative may not correlate perfectly with the underlying asset. Derivative transactions may be highly volatile and can create investment leverage, which could cause the Fund to lose more than the amount of assets initially contributed to the transaction. As over the counter derivatives are customised instruments, the Fund may be unable to liquidate the derivative contract at a fair market price within a reasonable timeframe. Trading in over the counter derivatives generally requires the lodgment of collateral with the counterparty which gives rise to counterparty risk, further details of which are set out in the Prospectus. Financial transactions that are conducted over the counter generally carry greater counterparty risk than securities traded on a recognized exchange (where the other party to the transaction is the exchange's clearing house).

(a) Short selling risk

Short selling means that a person sells a derivative contract or currency exposure it does not own to try to profit from a decrease in the value of that investment. This may involve simply acquiring a short exposure via a market transaction. The short selling of a derivative or currency exposure may, but need not necessarily, involve a greater risk of investment than buying that same derivative or currency exposure. Short selling is designed to benefit portfolio value when markets are falling but may detract from portfolio value if markets rise. The risks associated with short selling are managed in the same way as the risks associated with holding a long security, that is, thorough research, daily reporting and ongoing monitoring of positions held.

(b) Forward Trading

Forward contracts are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and cash trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Fund.

(c) Foreign Exchange Transactions

Where a Fund utilises FDI which alter the currency exposure characteristics of transferable securities held by the Fund, the performance of the Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

(d) Hedging Costs relating to Foreign Exchange Risk

The value of certain of the Fund's investments may be expressed in a currency other than the currency of the Shares, creating a risk that movements in the exchange rate between the two currencies may adversely affect the value of the Fund's investments. The Fund may hedge this risk with the costs of

such hedging deducted from the assets of the Fund and so will affect the Net Asset Value of the Shares.

(e) **CDS Risk**

CDS carry specific risks including high levels of gearing, the possibility that premiums are paid for CDS which expire worthless, wide bid/offer spreads and documentation risks. In addition, there can be no assurance that the counterparty to a CDS will be able to fulfil its obligations to the Fund if a credit event occurs in respect of the reference entity. Further, the counterparty to a CDS may seek to avoid payment following an alleged credit event by claiming that there is a lack of clarity in, or an alternative meaning of, language used in the contract, most notably the language specifying what would amount to a credit event.

10.12. Commodities Risk

Exposure to the commodities markets may subject the Fund to greater volatility than investments in traditional securities. Prices of commodities may fluctuate significantly over short periods for a variety of factors, including: changes in supply and demand relationships, changes in interest or currency exchange rates, population growth and changing demographics and factors affecting a particular industry or commodity, such as drought, floods or other weather conditions, transportation bottlenecks or shortages, competition from substitute products, fiscal, monetary and exchange control programs, disease, pestilence, acts of terrorism, embargoes, tariffs and international economic, political, military, legal and regulatory developments. Further, a lack of liquidity, participation of speculators and government regulation and intervention, among other factors, may subject commodity markets to temporary distortions or other disruptions, which may, in turn, subject the Fund to losses.

11. INVESTMENT MANAGER

The ICAV has appointed Antipodes Partners Limited ('Antipodes Partners, 'Antipodes') as investment manager for the Fund (the **Investment Manager**) with a discretionary mandate pursuant to an investment management agreement dated 5 May 2017 between the ICAV and the Investment Manager (the **Investment Management Agreement**) described under the heading **Material Contracts** below.

The Investment Manager is an Australian public company limited by shares and registered with the Australian Securities & Investments Commission (Australian Business Number: 29 602 042 035) on 26 September 2014. The registered office of the Investment Manager is Level 19, 307 Queen Street, Brisbane, Queensland 4000. The Investment Manager is an Australian Financial Services Licence holder No 481580 that is permitted to deal in financial products on behalf of another and provide general financial product advice.

Antipodes is a global asset manager offering a global pragmatic approach. The Investment Manager seeks to take advantage of the market's tendency for irrational extrapolation, identify investments that offer a high margin of safety and build portfolios with a capital preservation focus.

12. MATERIAL CONTRACTS

The Investment Management Agreement provides that the appointment of the Investment Manager as investment manager will continue for an initial term of three years (the **Initial Term**) and then for successive periods of one year thereafter unless the ICAV or the Investment Manager terminate the Investment Management Agreement at the end of the Initial Term or at the end of or during a successive term by the giving of at least 6 months' notice in writing to the other party although in certain circumstances the agreement may be terminated forthwith by notice in writing by either party to the other. The Investment Management Agreement contains certain indemnities in favour of the Investment Manager which are restricted to exclude matters resulting from the fraud, negligence or wilful default of the Investment Manager in the performance or non-performance of its obligations or of its duties thereunder.

At the date of this Supplement, Andrew Findlay is a director of the Investment Manager. His biographical details are set out under the section entitled Directors of the ICAV in the Prospectus.

13. KEY INFORMATION FOR PURCHASING AND REPURCHASING

Base Currency of the Fund is USD.

Share Class	Initial Issue Price	Minimum Investment Amount*	Initial Investment Amount*	Minimum Additional Investment Amount*	Minimum Shareholding*
S Share Class USD (Accumulating Shares)**	US\$10	US\$10,000,000		US\$1,000,000	US\$10,000,000
F Share Class USD (Accumulating Shares)***	US\$10	US\$5,000,000		US\$500,000	US\$5,000,000
I Share Class USD (Accumulating Shares)	US\$10	US\$1,000,000		US\$100,000	US\$1,000,000

*or such greater or lesser amounts as the Directors may, in their sole discretion, decide.

**Shares in the S Share Class USD may be issued at the discretion of the Directors to the Investment Manager or individuals or entities that are associated with, or approved for the purposes of subscribing for the Shares by, the Investment Manager.

***Shares in the F Share Class USD are available to investors who subscribe within 60 days of the start date of the Initial Offer Period referred to below or such other date as may be determined at the discretion of the Directors.

The Shares in the S Share Class USD are Non-Voting Shares (as defined below) and in accordance with the Central Bank's requirements, the decision to subscribe for Shares in that class shall be made solely by the investor and Shareholders in that class of Shares may at any time request to exchange those Shares, without fee, for Shares in the I Share Class USD and/or the F Share Class USD, which are Voting Shares (as defined below).

Business Day means every calendar day except a Saturday or a Sunday on which banks in Ireland and Sydney, New South Wales, Australia are open for normal business or such other day(s) as the Directors may determine and notify to Shareholders in advance.

Dealing Day means every Business Day or such other day as the Directors may determine provided there is at least one per fortnight.

Dealing Deadline means 12:00pm (Irish time) on the Business Day prior to the relevant Dealing Day or such other time as the Directors may determine provided it is prior to the relevant Valuation Point.

Issue Price means, during the initial offer period for the Share Class in question, the Initial Issue Price for the Class in question, and thereafter, subject as hereinafter provided, the Net Asset Value per Share of the relevant Share Class.

Initial Offer Period means:

In respect of the S Share Class USD, the Initial Offer Period has closed.

In respect of the F Share Class USD, 9.00am (Irish time) on 2 October 2017 to 5.00pm (Irish time) on 30 March 2018.

In respect of the I Share Class USD, 9.00am (Irish time) on 2 October 2017 to 5.00pm (Irish time) on 30 March 2018.

The Initial Offer Period of any Share Class may be extended or shortened as the Directors may determine and in accordance with the requirements of the Central Bank. After the Initial Offer Period of each Share Class, such Share Class will be available for subscription at the Net Asset Value per Share.

Non-Voting Shares means a particular class of Shares that do not carry the right to notice of or to attend and vote at general meetings of the ICAV or the Fund (save in respect of resolutions to approve a change to the investment objective of the Fund, a material change to the investment policies of the Fund or an increase in the fee payable to the Investment Manager in respect of the Fund).

Voting Shares means a particular class of Shares that carry the right to vote at general meetings of the ICAV and the Fund.

Settlement Date means, in the case of subscriptions, within three Business Days after the Dealing Day in question or such other time as the Directors may agree provided that the Application Form is received by the Dealing Deadline. In the case of redemptions, provided all documentation required by the Administrator, including that required for anti-money laundering purposes, has been received by the Administrator, proceeds will usually be paid (by wire transfer to a specified account at the Shareholder's risk and expense or by negotiable instrument) within three Business Days or such other time as the Directors may agree after the later of (i) the Dealing Day in question; or (ii) the receipt of the relevant duly signed redemption documentation.

Valuation Point means 10.00pm (Irish time) using close of business prices in the relevant markets on the relevant Dealing Day or such other time as the Directors may determine from time to time and notify in advance to Shareholders.

Notification of Prices

The Net Asset Value per Share of each Class of Shares in each Fund will be available from the office of the Administrator and on the following website: www.antipodespartners.com/UCITS and such other place as the Directors may decide from time to time and as notified to Shareholders in advance.

14. FEES AND EXPENSES

Administration Fee

The Administrator shall be entitled to receive an annual fee, accrued on each Dealing Day and calculated and payable monthly in arrears, at an annual rate of up to 0.004% of the Net Asset Value of the Fund (plus VAT thereon, if any) subject to an annual minimum fee of €27,300. The Administrator is also entitled to a fee of €24,000 for the provision of registrar and transfer agency services to the ICAV plus additional fees charged at normal commercial rates where the scope of the services exceeds the thresholds initially agreed. The Administrator is also entitled to be repaid all of its reasonable agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses (plus VAT thereon, if any).

Depository Fee

The Depository shall be entitled to receive an annual fee, accrued on each Dealing Day and calculated and payable monthly in arrears, at an annual rate of up to 0.03% of the Net Asset Value of the Fund (plus VAT thereon, if any) subject to a minimum oversight annual fee of €11,400. In addition, an annual fee of €6,000 shall be payable for cash flow monitoring and reconciliation services to the Fund.

The Depository is also entitled to receive out of the assets of the Fund, a safekeeping fee at a rate, depending on the custody markets, ranging from 0.0054% up to 1.08% on the Net Asset Value of the Fund, subject to a minimum safekeeping fee of €10,000 per annum of the Fund (plus VAT thereon, if any). These fees accrue and are calculated on each Dealing Day and payable monthly in arrears.

The Depository shall also be entitled to be reimbursed for the fees paid by the Depository to any sub-custodian (where not covered above) and agreed upon transactions charges (which in all cases shall be charged at normal commercial rates) and other out-of-pocket expenses (plus VAT thereon, if any).

Operating and Service Providers' Fees and Expenses

The preliminary expenses incurred in connection with the establishment and initial issue of Shares in the Fund will be borne by the Global Distributor.

The fees and out-of-pocket expenses of the Administrator (in its role as same and as registrar and transfer agent), the Depositary and any sub-custodians, the Global Distributor and any Sub-Distributors, auditors, tax and legal advisors, the company secretary of the ICAV, the fees and expenses of any other service provider, any costs incurred in respect of meetings of Shareholders, marketing and distribution costs and other costs as a result of registering the Fund in other jurisdictions, such as local regulatory fees, the Facilities Agent, Paying Agent fees and any other service providers appointed for such jurisdictions, the regulatory levy of the Fund and regulatory compliance costs, listing fees, all printing, publication, translation and communication costs (including reports, accounts and any explanatory memoranda), any costs incurred as a result of periodic updates of the Prospectus and/or this Supplement or the KIID of the Fund, or of a change in law or the introduction of any new law, the Directors' fees, expenses and payroll costs, directors' and officers' liability insurance cover and other insurance-related costs and any taxes related to the above fees and out-of-pocket expenses as applicable (**Covered Costs**) shall be payable out of the assets of the Fund up to an amount equal to 0.18% of the Net Asset Value of the Fund calculated on each Dealing Day.

Any Covered Costs in excess of this shall be paid/reimbursed to the ICAV in respect of the Fund by the Investment Manager (who has agreed to discharge the Covered Costs over 0.18% out of its own fee) and shall not be payable out of the assets of the Fund.

The Investment Manager reserves the right to determine that it shall no longer discharge all or part of the Covered Costs over 0.18% of the Net Asset Value and that some or all of the Covered Costs will be payable out of the assets of the Fund. In such case the Supplement will be updated to disclose the maximum fee payable by Shareholders in respect of the elements of Covered Costs (where disclosure of fee arrangements is required) and reasonable notice will be given to Shareholders prior to implementation of this change of policy.

The Fund will bear expenses incurred in connection with the acquisition, disposal or maintenance of investments including brokerage costs, clearing house fees, taxes and other transaction charges, if any, which will always be payable out of the assets of the Fund. In addition, other operating and service providers' fees, costs and expenses incurred in the operation of the Fund, other than those expressly included under Covered Costs as being payable by the Shareholders or the Investment Manager (as applicable) and described above, will be met out of the assets of the Fund. This includes the investment management fee referred to below as well as the performance fee (where applicable).

Investment Management Fee

The Investment Manager shall be entitled to receive out of the assets of the Fund an annual fee not exceeding 1.10% of the Net Asset Value of the I Share Class USD and 0.80% of the Net Asset Value of the F Share Class USD (plus VAT thereon, if any). There are no annual investment management fees on the S Share Class USD. The investment management fee shall accrue and be calculated on each Dealing Day and be payable monthly in arrears out of the relevant assets. The investment management fee shall be deemed to cover out of pocket costs and expenses of the Investment Manager.

Performance Fee

There will be no performance fee payable in respect of the S Share Class USD.

Depending on how well the Fund performs, the Investment Manager may be entitled to a performance fee (the **Performance Fee**) in respect of the F Share Class USD and the I Share Class USD calculated as set out below which will be paid out of the net assets of the relevant Share Class. Such Performance Fee will be calculated by the Administrator and verified by the Depositary.

The Performance Fee will be calculated daily in respect of a semi-annual performance period ending on 30 June and 31 December each year (or the immediately preceding Business Day if not a Business Day) (each a **Performance Period**). The Performance Fee will accrue on each Dealing Day and be payable within one month of the end of the relevant Performance Period. The first calculation period shall begin at the end of the Initial Offer Period for the relevant Share Class (using the Initial Issue Price) and shall finish on the next following 30 June or 31 December, whichever is sooner.

The Performance Fee is equal to 15% of the difference in the F Share Class USD's daily return and 20% of the difference in the I Share Class USD's daily return (net of management fees and all other fees other than performance fees) relative to the Index return multiplied by the Net Asset Value of the Fund attributable to the relevant Share Class accumulated on a day-to-day basis for the Performance Period taking account of net subscriptions or redemptions, as applicable. Index performance shall be expressed in the currency of the relevant Share Class.

If the Index ceases to be published, the Directors will nominate an equivalent replacement index and notify Shareholders.

The Investment Manager will only be paid the Performance Fee if the relevant Share Class' net daily performance fee accrual is positive. That is, any previous negative daily performance fee accruals generated when the Fund underperformed the benchmark must have been recovered.

The proceeds paid to investors for Shares withdrawn during a Calculation Period will be net of any payable Performance Fees accrued.

Where the accrued Performance Fee is negative and Shares are withdrawn, the accrued negative Performance Fee for the relevant Share Class which must be recovered will be proportionately reduced.

Where the accrued Performance Fee is positive and Shares are withdrawn, a proportion of the accrued positive Performance Fee for the relevant Share Class will crystallise and become payable to the Investment Manager at the end of the Performance Period.

In the case that the Investment Management Agreement terminates during a Performance Period, the relevant Performance Period will be deemed to have ended on the date of termination and the Investment Manager shall be entitled to receive any accrued Performance Fee.

Adjustments will further be made for any capital re-organisations such as unit divisions or consolidations.

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

The Investment Manager may, at its own discretion, rebate all or a portion of its fees to any Shareholder. Any such rebate will not entitle other Shareholders to a similar waiver.

Establishment Expenses

The preliminary expenses incurred in connection with the establishment and initial issue of Shares in the Fund will be borne by the Global Distributor.

Anti-Dilution Levy

When there are net subscriptions or net redemptions the Fund may add to the Subscription Price or deduct from the Redemption Proceeds respectively, an Anti-Dilution Levy. Any such levy shall be retained for the benefit of the Fund and the Directors reserve the right to waive such levy at any time.

Subscription Charge

No Subscription Charge will be payable.

Redemption Charge

No Redemption Charge will be payable.

Exchange Charge

No Exchange Charge will be payable.

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

15. **DIVIDEND POLICY**

Currently the Directors anticipate that there will be no dividend distributions in respect of the Share Classes. Shares in the Share Classes of the Fund are Accumulating Shares. Accordingly, income and capital gains arising in respect of the Share Classes will be re-invested in the Fund and reflected in the Net Asset Value per Share of the relevant Share Class.

Any change to the dividend policy of any of the Share Classes of the Fund will be notified to Shareholders of the relevant Share Class in advance.

The dividend distribution policy in respect of any future Share Classes created together with details of methods of payment of dividends and frequency of payments will be specified in an updated version of the Supplement reflecting the creation of the new Share Classes.

This section should be read in conjunction with the **Dividend Policy** section of the Prospectus.

16. **SUBSCRIPTION FOR SHARES**

Applications for Shares should be made on the Application Form and be submitted in accordance with the provisions set out in the Prospectus to be received by the Administrator on or before the Dealing Deadline for the relevant Dealing Day.

The Minimum Shareholding must be maintained by each Shareholder in the Fund (subject to the discretion of the Directors) following any partial redemption, exchange or transfer of Shares.

Payment in respect of the issue of Shares must be made by the relevant Settlement Date by electronic transfer in cleared funds in the currency of the relevant Share Class.

The Directors may issue Shares of any Class and, with the consent of the Central Bank and without notice to the Shareholders, create new Classes of Shares on such terms as they may from time to time determine in accordance with the requirements of the Central Bank. Shares of any particular Class may accommodate different subscriptions and/or redemption and/or dividend provisions and/or charges and/or fee arrangements.

This section should be read in conjunction with the section in the Prospectus entitled **Subscription for Shares**.

17. **REDEMPTION OF SHARES**

When the Fund meets a redemption request in cash, the amount due on the redemption of Shares on a particular Dealing Day will be paid by the relevant Settlement Date by electronic transfer to an account in the name of the Shareholder. Payment of any proceeds of redemption will only be paid after receipt by the Administrator of any relevant redemption documentation (including any anti-money laundering documentation requested).

No Shareholder shall be entitled to request redemption of part only of its holding of Shares of any Class in the Fund if such realisation would result in its holding of Shares of such Class after such realisation being below the applicable Minimum Shareholding (subject to the discretion of the Directors).

In the event that a Shareholder requires payment of redemption proceeds to an account other than that specified in the Application Form, the Shareholder must provide an original request in writing, executed by an authorised signatory of the Shareholder, to the Administrator on or prior to the receipt of the redemption request form. No third party payments will be made.

This section should be read in conjunction with the section in the Prospectus entitled **Redemption of Shares**.

18. **EXCHANGE OF SHARES**

As applicable, Shares may be exchanged whether for other shares in the Fund or for other shares in another sub-fund of the ICAV as set out under the heading **Exchange and Transfer of Shares** in the Prospectus.

19. MISCELLANEOUS

At the date of this Supplement, this is the only sub-fund of the ICAV in existence.