

**SANLAM FOUR US DIVIDEND INCOME FUND**  
**Supplement to the Prospectus dated 1 September 2014**  
**for Sanlam Universal Funds plc**

This Supplement contains specific information in relation to Sanlam FOUR US Dividend Income Fund (the "**Fund**"), a Fund of Sanlam Universal Funds plc (the "**Company**"), an open-ended umbrella type investment company with segregated liability between its Funds authorised by the Central Bank of Ireland (the "**Central Bank**") as an undertaking for collective investment in transferable securities pursuant to the Regulations. There are forty other Funds of the Company in existence, namely:

Sanlam World Equity Tracker Fund  
Sanlam World Equity Fund  
Sanlam Global Financial Fund  
Sanlam Global Best Ideas Fund  
Sanlam Global Bond Fund  
Sanlam Strategic Cash Fund  
Sanlam Centre Global Select Equity Fund  
P-Solve Inflation Plus Fund  
Sanlam African Frontier Markets Fund  
SIIP India Opportunities Fund  
Grindrod Global Property Income Fund  
Sanlam Global Property Fund  
SIM Global Equity Income Fund  
Sanlam Private Wealth Strategic Investment Grade Bond Fund  
Sanlam Fund of Alternative UCITS Fund  
Sanlam Accel Income Fund  
Sanlam Private Wealth Global High Quality Fund  
Sanlam Equity Allocation Fund  
Sanlam Europe excluding UK Equity Tracker Fund  
Sanlam Emerging Markets Equity Tracker Fund  
Sanlam North America Equity Tracker Fund  
Sanlam UK Equity Tracker Fund  
Sanlam P2strategies Global Fund  
Sanlam P2strategies UK Fund  
Sanlam P2strategies North America Fund  
Sanlam P2strategies Emerging Market Fund  
Sanlam P2strategies Europe excluding UK Fund  
Sanlam S&P Africa Tracker Fund  
Sanlam FOUR European L/S Fund  
Anchor Global Capital Plus Fund  
Anchor Global Equity Fund  
High Street Global Balanced Fund  
Sanlam FOUR Active European Ex-UK Equity Fund  
Sanlam FOUR Global Equity Fund  
Sanlam FOUR Active UK Equity Fund  
Sanlam FOUR Stable Global Equity Fund  
Sanlam FOUR Multi-Strategy Fund  
Grindrod Global Equity Income Growth Fund  
Grindrod Global Managed Growth Fund  
SIM Global Emerging Markets Fund

**This Supplement forms part of and should be read in conjunction with the Prospectus dated 1 September 2014 (the "Prospectus") and the latest audited financial statements of the Company. The Fund will invest in financial derivative instruments ("FDIs") for efficient portfolio management and hedging purposes. It is not the intention for the Fund to be leveraged by its use of derivative instruments.**

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

**Shareholders should note that dividends may be paid out of the capital of the Fund in order to preserve cash flow to Shareholders. Therefore, there is greater risk that capital may be eroded and distribution will be achieved by forgoing the potential for future capital growth of your investment. This cycle may continue until all capital is depleted. Distributions out of capital may have different tax consequences to distributions of income and it is recommended that you seek appropriate advice in this regard.**

**Shareholders should also note that fees and expenses of the distributing share classes will be charged to the capital of the Fund. Therefore, there is a greater risk that capital may be eroded and paying expenses out of capital may result in forgoing the potential for future capital growth of your investment. This will have the effect of lowering the capital value of your investment. The Fund will charge fees and expenses of the distributing share classes to the capital of the Fund in order to maximise distributions made to Shareholders.**

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

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

Save as disclosed herein there has been no significant change and no significant new matter has arisen since the Prospectus.

Date: 01 September 2015

## DIRECTORY

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## **Investment Objective and Policies**

### **Investment Objective**

The investment objective of the Fund is to target capital growth over the longer term.

### **Policy and Guidelines**

The Fund's investment objective will be achieved by gaining exposure to listed companies in the United States. The Fund may also invest in listed companies in Canada to the value of 25% of the Net Asset Value of the Fund. The securities will primarily be common stocks and other securities with equity characteristics, including but not limited to preferred stocks, warrants (not more than 5% of the Fund's Net Asset Value), rights (which are issued by a company to allow holders to subscribe for additional securities issued by that company), as well as depository receipts, for such securities all of which are listed or traded on Recognised Markets (as set out in Appendix I of the Prospectus). The Fund will invest primarily in dividend yielding securities and the securities will not be selected on the basis of a particular industry/sector or capitalisation bias.

The Fund may also pending reinvestment invest on a short term basis in cash, cash deposits and money market instruments (including, but not limited to commercial paper and certificates of deposit), or collective investment schemes. Any investment in collective investment schemes shall not exceed in aggregate 10% of the Net Asset Value of the Fund.

The Fund may, for efficient portfolio management and hedging purposes also use the financial derivative instruments set out under the "Efficient Portfolio Management" section below.

### **Risk Management**

The Manager on behalf of the Fund has filed with the Central Bank its risk management policy which enables it to accurately measure, monitor and manage the various risks associated with the use of financial derivative instruments. The Manager will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. As set out in the risk management policy, the Manager will use the commitment approach for the purposes of calculating global exposure.

### **Investment Philosophy and Approach**

The Investment Manager believes a company's fundamental strengths and weaknesses will be reflected in its market valuation over time. It therefore focuses its attention on identifying companies which are trading significantly below their intrinsic value. The Investment Manager considers intrinsic value to be the value which the company is really worth and which is defined by the calculation of the future discounted cash flows of a company. The aim is to capture the excess returns when these stocks eventually converge to their intrinsic value. These undervalued opportunities are often mispriced in the market due to short-term inefficiencies in quoted share prices. These anomalies can often be caused by the excessive market reactions, and by a tendency to view stocks as short term trading instruments, rather than part ownership of a business. This will often lead the Investment Manager to explore investments in parts of the market that have fallen out of fashion with investors, and where sentiment towards it is unduly depressed. The Investment Manager also believes that a key determinant of excess returns is the price initially paid for stocks. It therefore invests using a disciplined investment framework to ensure that stocks are purchased at attractive initial prices.

The Investment Manager's process of stock selection begins with an initial internal quantitative screen which is used to identify stocks which may be suitable by focussing on the level of dividends payable by such stocks and how long such dividends payments are likely to continue. An extensive fundamentals and valuation analysis is then undertaken to identify the companies with the most significant discounts to their intrinsic value. The most relevant financial criteria analysed include: the earnings statement, the cash flow statement, the composition of the balance sheet, the allocation of capital, and the returns on capital. The

most relevant fundamentals criteria analysed include: market size and potential, demand, products' positioning, competition and barriers to entry. The aforementioned criteria will form part of the Investment Manager's final decision making process. Company meetings are of significant importance, to evaluate the strength of management and shareholder friendliness.

The Investment Manager will seek to invest in those companies where it sees considerable (>20%) upside in the stock price. The core of the Fund's holdings is held on the basis that the Investment Manager believes the stocks of these companies will converge to their intrinsic value over time. Portfolio construction is led by the Investment Manager's conviction levels on each stock, and its position relative to the original selection criteria.

The vast majority of the Investment Manager's time is spent ensuring that the Fund is holding the most attractive possible stocks, with the most superior risk/reward profiles, to meet the Fund's objectives. This means a continuous and rigorous examination of new information and data as it relates to the Fund's holdings and set of new opportunities.

Risk is measured in both absolute and relative terms. The most influential risk control is applied in conviction stock selection procedures, and in ensuring the price paid for each investment is significantly below intrinsic value. The presence of a strong and sustainable dividend yield generally acts as a risk buffer. The Investment Manager complements this with quantitative risk analysis tools, and a robust compliance regime comprising pre and post-trade checking. The Investment Manager further takes care to ensure that the portfolio offers a good level of diversification across different industries, and does not become overly exposed to particular macroeconomic outcomes.

### **Profile of a Typical Investor**

A typical investor is an institutional investor, multi-manager, fund of funds or professional investor, being a corporate, pension fund, insurance company, public sector body such as a government, supranational agency or a local authority, bank, other investment firm, or any other intermediary. The Fund may also accept retail investors. The typical investor will invest over a long-term and will expect the higher levels of volatility that accompany equity investments. Tax implications will vary by investor and each is encouraged to take its own tax advice.

### **Investment Restrictions**

The general investment restrictions contained in the "Investment Restrictions" section of the Prospectus shall apply. In addition, the following investment restrictions shall apply to the Fund:

1. Short selling of securities is not permitted.
2. The Fund may not be geared or leveraged through investment in any security, including but not limited to warrants.
3. Over the counter derivative instruments (except for forward currency contracts) are not permitted.
4. The Fund may not invest in money market instruments or debt securities.

### **Efficient Portfolio Management**

The Fund may also use financial derivative instruments for the purposes of efficient portfolio management only and accordingly to achieve one or more of the following, the reduction of risk, the reduction of costs, and the generation of additional capital or income for the Fund with no, or with an acceptably low level of, risk. Subject to the Investment Restrictions, the Fund may use the following instruments namely: spot and forward currency contracts, exchange traded futures and options (subject to the investment and borrowing limits (10% of the Fund's Net Asset Value) set out herein).

**Spot foreign exchange transactions:** The Fund may enter into spot foreign exchange transactions which involve the purchase of one currency with another, a fixed amount of the first currency being paid to receive a fixed amount of the second currency. "Spot" settlement means that delivery of the currency amounts normally takes place two business days in both relevant centres after the trade is executed.

**Forwards:** A forward contract locks-in the price at which an index or asset may be purchased or sold on a future date. In currency forward contracts, the contract holders are obligated to buy or sell the currency at a specified price, at a specified quantity and on a specified future date, whereas an interest rate forward determines an interest rate to be paid or received on an obligation beginning at a start date sometime in the future. Forward contracts may be cash settled between the parties. These contracts cannot be transferred. The Funds' use of forward foreign exchange contracts may include, but is not be limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency, shifting exposure to currency fluctuations from one currency to another and hedging classes denominated in a currency (other than the Base Currency) to the Base Currency.

**Futures:** Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. Futures contracts may be used by the Investment Manager to hedge against the movements of a particular market. Since these contracts are marked-to-market daily, the Investment Manager may, by closing out its position, exit from its obligation to buy or sell the underlying assets prior to the contract's delivery date. Futures may be also be used by the Investment Manager to equitise cash balances, both pending investment of a cash flow and with respect to fixed cash targets. Frequently, using futures to achieve a particular strategy instead of using the underlying or related security or index results in lower transaction costs being incurred.

**Options:** 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) of 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. Options may also be cash settled. The Investment Manager on behalf of the Fund may be a seller or buyer of put and call options. The Fund may use such instruments to hedge against the movements of a particular market.

The Investment Manager may hedge the foreign currency exposure of Share classes denominated in a currency other than the Base Currency in order that investors in this Share class receive a return in the currency of that Share class substantially in line with the investment objective of the Company. As foreign exchange hedging may be utilised for the benefit of a particular Share class, its cost and related liabilities and/or benefits shall be for the account of the Share class only. Accordingly, such costs and related liabilities and/or benefits will be reflected in the Net Asset Value per Share for Shares of any such class. It may not be possible to hedge against certain events or changes, or the Investment Manager may choose not to hedge all or any of the Fund's exposure. It is expected that the extent to which such currency exposure will be hedged will range from 0% to 100% of the Net Asset Value of the relevant class. Such hedge will in no case exceed 105% of the Net Asset Value of the relevant class. The Investment Manager will keep that position under review and will ensure over hedged positions do not exceed 105% of the Net Asset Value of the relevant Share class and that positions in excess of 100% will not be carried forward from month to month.

Currency hedging may be undertaken to reduce the Funds' exposure to the fluctuations of the currencies in which the Funds' assets may be denominated against the Base Currency of the Fund. The Fund may employ techniques and instruments for protection against exchange risks (including foreign exchange transactions which alter the currency characteristics of transferable securities held by the Fund) and to alter the currency exposure characteristics of transferable securities in accordance with the conditions and limits set down by the Central Bank. The purpose of investing in these instruments is to hedge against exchange rate risk/interest rate risk to which the Fund may otherwise be exposed or, in the case of securities lending arrangements, to generate additional income for the Fund with an acceptably low level of risk.

Further detail on the requirements relating to such transactions and the Collateral Policy for the Fund is contained in the Prospectus.

## **Listing**

The Accumulation B USD Shares of the Fund were admitted to listing on the Official List and traded on the Main Securities Market of the Irish Stock Exchange on 17 December 2014. The Distribution A Sterling Shares and Accumulation A Sterling Shares of the Fund were admitted to listing on the Official List and traded on the Main Securities Market of the Irish Stock Exchange on 30 December 2014. The Distribution A USD Shares and Distribution A Euro Shares were admitted to listing on the Official List and traded on the Main Securities Market of the Irish Stock Exchange on 05 March 2015. The Accumulation A USD Shares of the Fund were admitted to listing on the Official List and traded on the Main Securities Market of the Irish Stock Exchange on 11 June 2015.

Application has been made to the Irish Stock Exchange for the Accumulation B Sterling Shares and Accumulation A Euro Shares to be admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange and will list following the closing of its Initial Offer Period.

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

As at the date of this document the Fund does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptance (other than normal trade bills) or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities which are material in nature.

The Directors confirm that there has been no significant change in the financial or trading position of the Fund since the date of the audited financial statements as at 31 December 2014.

As at the date of this Supplement, no Director nor their spouses nor their infant children or any connected persons have any interest in the Shares of the Fund or any options in respect of such capital.

## **Investment Manager**

The investment manager currently appointed to the Fund is:

### **Sanlam FOUR Investments UK Limited**

Sanlam FOUR Investments UK Limited (the "**Investment Manager**") is a company incorporated under the laws of the United Kingdom having its registered office at 1 Ely Place, London, EC1N 6RY, United Kingdom. The Investment Manager is regulated by the Financial Conduct Authority.

## **Borrowings**

In accordance with the general provisions contained in the "Borrowing and Lending Powers" section of the Prospectus, the Fund may borrow up to 10% of its net assets on a temporary basis. Such borrowings are permitted only to meet the Fund's obligations in relation to (i) the administration of the Fund relating to purchase or sale transactions; and/or (ii) the redemption or cancellation of Shares in the Fund. Borrowings in relation to (i) above are only permitted for a period of up to 8 calendar days, and 61 calendar days in respect of (ii) in order to comply with the South African Financial Services Board and to allow for the Fund to be distributed to South African retail investors. However, at all times borrowings on behalf of the Fund will be in accordance with the Regulations and the requirements of the Central Bank.

## **Risk Factors**

The risk factors set out in the "Risk Factors" section of the Prospectus apply to the Fund. In addition, the following risk factors apply to the Fund:

## *Segregated Liability between the Funds*

Liabilities of one sub-fund of the Company will not impact on nor be paid out of the assets of another sub-fund of the Company. While the provisions of the Companies Acts 1963-2013 provide for segregated liability between sub-funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditors' claims. Accordingly it is not free from doubt that the assets of any sub-fund may be exposed to the liabilities of other sub-funds of the Company. As of the date of the Prospectus the Directors are not aware of any existing or contingent liability of any sub-fund of the Company.

## *Legal Risk*

Legal risk is the risk of loss due to unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly in the context of financial derivative instruments.

## **Dividend Policy**

It is the intention of the Directors to declare a dividend in relation to the Distribution A Sterling Shares, Distribution A USD Shares and Distribution A Euro Shares on a quarterly basis on or around 31 March, 30 June, 30 September and 31 December of each year

It is the intention of the Company to seek UK "reporting fund" status in respect of Accumulation A Sterling Shares, Accumulation B Sterling Shares and Distribution A Sterling Shares. In broad terms, a "reporting fund" is a non-UK domiciled fund that meets certain upfront and annual reporting requirements to the HM Revenue & Customs and its Shareholders. Once reporting fund status is obtained from HM Revenue & Customs for the relevant classes it will remain in place permanently, provided the annual requirements are complied with. UK Shareholders who hold their interests in the Accumulation A Sterling Shares, Accumulation B Sterling Shares and Distribution A Sterling Shares at the end of the reporting period to which the reported income relates, subject to their personal circumstances, will normally be liable to either income tax or corporation tax on the higher of any cash distribution paid and the full reported amount. The reported income will be deemed to arise to UK Shareholders on the date the report is issued by the Company.

The Directors reserve the right to change the dividend policy of the Fund to reflect changes that may occur from time to time in the requirements for qualifying as a reporting fund or otherwise for the purposes of UK taxation and will notify Shareholders of any changes to the Dividend Policy.

**Investors should refer to their tax advisors in relation to the implications of these Share classes obtaining such status and any payment of dividends. Please see the section entitled United Kingdom under the Taxation section of the Prospectus of the Company for further details.**

As at the date of this Supplement, no dividends have been declared.

## **Key Information for Buying and Selling**

### **Initial Offer Period**

The Initial Offer Period for the Accumulation A Euro Shares and Accumulation B Sterling Shares is currently open and will remain open until 5.00 p.m. on 10 December 2015 (as may be shortened or extended by the Directors in accordance with the Central Bank's requirements).

Accumulation A USD Shares, Accumulation A Sterling Shares, Accumulation B USD Shares, Distribution A Euro Shares, Distribution A Sterling Shares and Distribution A USD Shares are currently available for subscription on each Dealing Day.

### **Initial Issue Price**

Accumulation A Euro	€10
Accumulation B Sterling	£10

**Base Currency**

GBP

**Business Day**

Any day (except Saturday or Sunday) on which the banks in both Ireland and UK are open for business and such other days as the Directors may, with the consent of the Custodian, determine and notify in advance to Shareholders.

**Dealing Day**

Any Business Day.

**Dealing Deadline**

In respect of a Dealing Day, the Dealing Deadline is defined as 11.00 a.m. in Ireland on the relevant Business Day.

**Minimum Shareholding, Minimum Initial Investment Amount and Minimum Additional Investment Amount**

Accumulation A Sterling	£1,000
Accumulation A USD	US\$1,000
Accumulation A Euro	€1,000
Accumulation B USD	US\$10,000
Accumulation B Sterling	£10,000
Distribution A Sterling	£1,000
Distribution A USD	US\$1,000
Distribution A Euro	€1,000

The Manager may, in its absolute discretion, waive or reduce the amounts set out above under Minimum Shareholding, Minimum Initial Investment Amount and Minimum Additional Investment Amount.

**Preliminary Charge**

Accumulation A Sterling	up to 5%
Accumulation A USD	up to 5%
Accumulation A Euro	up to 5%
Distribution A Sterling	up to 5%
Distribution A USD	up to 5%
Distribution A Euro	up to 5%
Accumulation B USD	none
Accumulation B Sterling	none

**Settlement Date**

In the case of subscriptions payment must be received no later than three Business Days after the relevant Dealing Day. However, the Directors may, at their discretion, allow investors to make payment for subscriptions after these periods. In such circumstances, the provisions which are set out under the "Application for Shares" section of the Prospectus shall apply. Furthermore, the completed subscription documentation must have been received by the relevant Dealing Deadline.

If payment in full has not been received by the Settlement Date, or in the event of non-clearance of funds, the Directors may treat the application as an application for such number of Shares as may be purchased with such payment on the next Dealing Day following receipt of payment in full or of cleared funds.

If cleared funds are not received on the Settlement Date then any interest costs and/or directly related charges will be reimbursed by the subscriber unless otherwise agreed by the Directors at their absolute discretion.

In the case of repurchases three Business Days after the relevant Dealing Day (assuming the receipt of the relevant duly signed repurchase documentation).

### **Valuation Point**

12 noon (Irish time) on the relevant Dealing Day.

### **Charges and Expenses**

#### **Fees of the Manager, the Investment Manager, the Custodian, the Registrar and Transfer Agent, the Administrator and the Distributors.**

The total annual investment management charges and expenses of the Fund are based on a percentage of the NAV of the Fund prior to the deduction of any fees or other expenses.

The total annual investment management charges and expenses of the Fund differ for the various classes of Shares. The total annual management charges and expenses of each class of Shares in the Fund will be as follows:-

Accumulation A Sterling Share.	0.75% per annum of the NAV of the Fund attributable to that class of Share.
Accumulation A USD Share.	0.75% per annum of the NAV of the Fund attributable to that class of Share.
Accumulation A Euro Share.	0.75% per annum of the NAV of the Fund attributable to that class of Share.
Accumulation B USD Share as the Shareholders in this class have entered into a separate investment management agreement with the Investment Manager.	0% per annum of the NAV of the Fund attributable to that class of Share
Accumulation B Sterling Share as the Shareholders in this class have entered into a separate investment management agreement with the Investment Manager.	0% per annum of the NAV of the Fund attributable to that class of Share
Distribution A Sterling Share.	0.75% per annum of the NAV of the Fund attributable to that class of Share.
Distribution A Euro Share.	0.75% per annum of the NAV of the Fund attributable to that class of Share.
Distribution A USD Share.	0.75% per annum of the NAV of the Fund attributable to that class of Share.

The above fees shall accrue and be calculated with reference to the daily NAV of the Fund on each Dealing Day and will be payable monthly in arrears.

The Manager will be entitled to receive out of the assets of the Fund an annual aggregate fee of up to 0.15% of the net assets of the Fund (plus VAT, if any) subject to a minimum fee of up to \$20,000. These fees will accrue and be calculated on each Dealing Day and be payable monthly in arrears. The Manager will be responsible for all its own out of pocket costs and expenses.

The Manager will pay out of its fees, the fees and expenses of the Administrator.

The Registrar and Transfer Agent will be entitled to receive from the Company out of the assets of the Fund an annual fee which will not exceed US\$2,500 plus \$1,000 for each additional share class greater than four, together with reasonable costs and expenses incurred by the Registrar and Transfer Agent in the performance of its duties as Registrar and Transfer Agent of the Fund. These fees shall accrue and be calculated on each Dealing Day and shall be payable monthly in arrears. The Registrar and Transfer Agent shall also be entitled to be reimbursed out of the assets of the Fund all agreed transaction charges (which will be charged at normal commercial rates).

The Custodian will be entitled to receive from the Company out of the assets of the Fund an annual fee which will not exceed 0.012% of the net assets of the Fund (plus VAT, if any) together with reasonable costs and expenses incurred by the Custodian in the performance of its duties as Custodian of the Fund. These fees shall accrue and be calculated on each Dealing Day and shall be payable monthly in arrears. The Custodian shall also be entitled to be reimbursed out of the assets of the Fund all agreed safekeeping fees, expenses and transaction charges (which will be charged at normal commercial rates).

The cost of establishing the Fund, obtaining authorisation from any authority, regulatory or other body, listing the Shares on the Irish Stock Exchange, filing fees and the preparation and printing of this Supplement, marketing costs and the fees of all professionals relating to it, is not expected to exceed €15,000 and are being borne by the Fund and amortised over the five years following the first issue of Shares in the Fund.

This section should read in conjunction with the section entitled "Charges and Expenses" in the Prospectus.

## **Material Contracts**

### **Investment Management Agreement**

The Investment Management Agreement dated 03 March 2010 between the Manager and the Investment Manager (the "**Agreement**") provides that the appointment of the Investment Manager will continue in force unless and until terminated by the Manager on giving not less than 30 days' written notice to the Investment Manager or the Investment Manager giving not less than 90 days' written notice to the Manager. However, in certain circumstances the Agreement may be terminated without a minimum period of notice by either party. The Agreement limits the liability of the Investment Manager to the Manager to losses arising by reason of the fraud, bad faith, negligence, wilful default or wilful misfeasance of the Investment Manager in the performance or non-performance of its duties. The Agreement also provides that the Investment Manager shall indemnify the Manager to the extent that any claims, costs, direct damages, direct losses or expenses are attributable to the fraud, bad faith, negligence, wilful default or wilful misfeasance by the Investment Manager in the performance or non-performance of its duties.