

## The Balanced Real Return Fund

### Supplement to the Prospectus dated 15 November 2011 for Devonshire Assets Managed Funds plc

This Supplement contains specific information in relation to The Balanced Real Return Fund (the **Fund**), a Fund of Devonshire Assets Managed Funds plc (the **Company**) an umbrella fund with segregated liability between sub-funds and an open-ended investment company with variable capital governed by the laws of Ireland and authorised by the Central Bank of Ireland (the **Authority**).

**This Supplement forms part of and should be read in conjunction with the Prospectus dated 15 November 2011.**

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

Shares of the Fund issued were admitted to the Official List of the Irish Stock Exchange on or about 2 February 2005. No application has been made to list the Shares on any other exchange.

This Fund may invest in Financial Derivative Instruments principally for investment purposes and for hedging.

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

Dated: 15 November 2011

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## **Investment Objective and Policies**

### **Investment Objective**

The objective of the Fund is to provide long term capital growth from a diversified portfolio of investments.

### **Investment Policies**

The Fund's investment objective will be achieved through investment in a global portfolio of equity securities that are freely transferable, fixed income securities, cash and money market instruments. The Fund may, where the Investment Manager considers it in the best interest of the Fund, invest all of its assets solely in equity securities.

Forward currency contracts and Financial Derivative Instruments (FDI's) including traded index options, put options, call options and listed index futures may be held either with the purpose of reducing risks, costs, or of seeking to enhance prospective returns.

Typical fixed income investments (which may or may not be investment grade) and money market instruments include government and corporate debt securities including, but not limited to, bonds and notes (fixed and floating), treasury bills, certificates of deposit, commercial paper, asset backed securities and mortgage backed securities, listed or dealt in on the stock exchanges or regulated markets set out in Appendix I of the Prospectus and cash deposits.

The Fund may also invest in transferable securities primarily of companies listed or traded on a regulated stock exchange or market set out in Appendix I of the Prospectus. The securities will primarily be common stocks and other securities with equity characteristics, including but not limited to preferred stocks, warrants (not more than 10% 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) and convertible securities, as well as depository receipts, for such securities all of which are traded on securities exchanges or regulated markets listed in Appendix I of the Prospectus.

The Fund may invest up to 10% of its assets in emerging market countries.

Subject to the Regulations, the Fund may also invest up to 100% of its Net Asset Value indirectly in such securities through holdings in CIS that satisfy the requirements of the Authority, which are UCITS, Irish retail non-UCITS, Guernsey Class A Schemes, Jersey Recognised Funds and Isle of Man Authorised Schemes, including other schemes managed by the Investment Manager or its affiliates.

Where the Fund utilises FDIs and/or enters into repurchase and reverse repurchase agreements or stocklending arrangements, it will at all times comply with the requirements of UCITS Notices 10 and 12 respectively. Before utilising a FDI, the Company on behalf of the Fund will file a risk management process report with the Authority. The Company on behalf of the Fund employs a Risk Management Process which enables it to measure, monitor and manage the various risks associated with FDI's. Any FDI not covered by the Risk Management Process will not be utilised until such time as a revised submission has been provided to the Authority. The aim of utilising FDIs will be to reduce costs, manage risks or to enhance returns by utilising FDIs referencing assets referred to above. The Company on behalf of the Fund, 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. The Fund will not have greater than 100% global exposure to FDI's.

### **Financial Derivative Instruments**

The Fund may invest in financial derivative instruments for the purposes of Efficient Portfolio Management (EPM). The Fund may also invest in financial derivative instruments for investment purposes. Permitted EPM transactions (excluding stock lending transactions) are transactions in derivatives (including traded index options, put options, call options and listed index futures dealt in or traded on an Eligible Derivatives Market; off-exchange futures, options, contracts for differences, swaps or forward currency transactions. For example, the Fund may use forward currency transactions and interest rate swaps to hedge foreign exchange and interest rate risk.

Any forward transactions must be with an approved counterparty (eligible institutions, money market institutions or other counterparty with which a UCITS may contract etc.) and in accordance with the requirements of the Authority.

There is no limit on the amount of the assets which may be used for EPM, subject to the Fund's global exposure limit including leverage (as prescribed in the Authority's Notices) not exceeding 100% of the Fund's total Net Asset Value and this will be measured using the commitment approach. In addition to the foregoing, the transactions must satisfy three broadly-based requirements:

1. EPM may not include speculative transactions. Transactions for EPM purposes must be economically appropriate.
2. The purpose of an EPM transaction for the Fund must be to achieve one of the following in respect of the fund:
  - (a) Reduction of risk
  - (b) Reduction of cost
  - (c) The generation of additional capital or income for the Fund with no, or an acceptably low level of, risk.
3. Each EPM transaction must be covered globally i.e. there must be adequate cover from within the assets held by the Fund to meet the Fund's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movements, counterparty risk and the time available to liquidate any positions. The global exposure may not exceed the Net Asset Value of the Fund. Assets and cash can be used only once for cover.

The use of derivatives for the purposes of EPM is not otherwise expected to raise the risk profile of the Fund or result in higher volatility.

The Fund may use derivatives for investment purposes. The Fund may use derivatives (i) as a substitute for taking a position in an underlying asset, (ii) to tailor the Fund's interest rate exposure to the Investment Manager's outlook for interest rates, and/or (iii) to gain an exposure to the composition and performance of a particular index (including a financial index). For example, the Fund may make use of index and credit default swaps to control the risk of loss due to market movements and to reduce the risk of credit risk with individual stock holdings or to gain exposure to an index or individual stocks.

Derivatives may also be used in order to take tactical decisions. Futures, forwards or swaps (including credit default swaps) and contracts for difference may be used to gain or reduce the Fund's exposure to credit spreads or a particular security or market for periods of time to be determined by the Investment Manager, either in advance of a longer term allocation or reappraisal of the Fund's commitment to the asset or market in question, or purely on a temporary basis where it is more efficient to use derivative for this purpose.

The Investment Manager may use futures, forwards or swaps (including credit default swaps) and contracts for difference to increase or reduce the beta, interest rate duration or spread duration of all or part of the Fund's portfolio to take account of changing levels of volatility in the market while at the same time maintaining exposure to the market.

Transactions in OTC derivatives will be undertaken with an approved counterparty (as described above) on approved terms and will be capable of valuation, as specified in the Regulations.

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

Investment in the Fund is suitable for investors who are able to sustain a loss on their investment and who seek long term capital growth from a diversified portfolio of investments.

### **Investment Restrictions**

The general investment restrictions set out under the heading **FUNDS - Investment Restrictions** in the Prospectus shall apply.

### **Borrowings**

In accordance with the general provisions set out in the Prospectus under the heading **FUNDS - Borrowing and Lending Powers** the Fund may borrow up to 10% of its net assets on a temporary basis.

## **Risk Factors**

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

### *High Yield Non-Investment Grade Securities*

There may be significant delays in disposing of illiquid securities, and transactions in illiquid securities may entail registration expenses and other transaction costs that are higher than transactions in liquid securities. **Due to the higher than average degree of risk attached to investment in this Fund, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

The Fund may invest in securities which may be regarded as predominantly speculative with respect to the issuer's continuing ability to meet principal and interest payments. High yield security prices may be more susceptible to real or perceived adverse economic and industry conditions than higher rated securities. Historically, the prices of high yield securities have been found to be less sensitive to interest rate changes than more highly rated investments, but more sensitive to adverse economic and/or industry conditions, or corporate developments. If the issuer of high yield securities defaults, the Fund may incur additional expenses to seek recovery.

### *Investment in Financial Derivative Instruments*

The prices of FDIs, including futures and options, are volatile. In addition, the Fund is subject to the risk of the failure of any of the exchanges on which it trades or of their clearing houses and in certain cases the counterparties with whom the trades are carried out.

The Fund may purchase and sell (**write**) options on securities and currencies on a variety of securities exchanges and over-the-counter markets. The seller (**writer**) of a put option which is covered (i.e., the writer has a short position in the underlying security or currency while being short the put option) assumes the risk of an increase in the market price of the underlying security or currency above the sales price (in establishing the short position) of the underlying security or currency plus the premium received, and gives up the opportunity for gain on the underlying security or currency below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is **fully hedged** if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security or currency below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option. If the buyer of the put holds the underlying security or currency, the loss on the put will be offset in whole or in part by any gain on the underlying security or currency.

The writer of a call option which is covered (e.g., the writer holds the underlying security or currency) assumes the risk of decline in the market price of the underlying security or currency below the value of the underlying security or currency less the premium received, and gives up the opportunity for gain on the underlying security or currency above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security or currency above the exercise price of the option. The buyer of the call option assumes the risk of losing its entire investment in the call option. If the buyer of the call sells short the underlying security or currency, the loss on the call will be offset, in whole or in part, by any gain on the short sale of the underlying security or currency. In entering into a closing purchase transaction, the company may be subject to the risk of loss to the extent that the premium paid for entering into a closing purchase transaction exceeds the premium received when the option was written.

Due to the nature of futures, cash to meet margin monies will be held by a broker with whom the Fund has an open position. In the event of the insolvency or bankruptcy of the broker, there can be no guarantee that such monies will be returned to the Fund.

Where the Funds enter into swap arrangements and derivative techniques, they will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Fund could experience delays in liquidating the position and may incur significant losses. There is also a possibility that ongoing derivative transactions will be terminated

unexpectedly as a result of events outside the control of the Investment Manager, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated. In accordance with standard industry practice, it is the Investment Manager's policy to net exposures of each Fund against its counterparties.

Since many FDIs have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain FDIs have the potential for unlimited loss regardless of the size of the initial investment. The Fund will nonetheless endeavour to limit such risk by maintaining their global exposure (including leverage) at or below 100% of NAV (as prescribed in the Authority's Notices). If there is a default by the other party to any such transaction, there will be contractual remedies; however, exercising such contractual rights may involve delays or costs which could result in the value of the total assets of the related portfolio being less than if the transaction had not been entered. The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and as agents utilising standardised swap documentation. As a result, the swap market has become liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap. Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the Investment Manager's use of derivative techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective. An adverse price movement in a derivative position may require cash payments of variation margin by the Investment Manager that might in turn require, if there is insufficient cash available in the portfolio, the sale of the relevant Fund's investments under disadvantageous conditions.

The Company will, on request, provide supplementary information to Shareholders in relation to the risk management methods employed by the relevant Fund including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

## **Warrants**

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

## **Dividend Policy**

The Directors intend to declare at least 85% of the net income (i.e., revenue accrued in the period including dividend and interest, less expenses accrued in the period) of the Fund attributable to Class A, Class B, Class C, Class D, Class E Shares and Class K Shares annually on or about 31 December in each year as a dividend to the Shareholders of each Class A, Class B, Class C, Class D, Class E Shares and Class K Shares on the register of members as at the close of business on the relevant Dealing Day. A Shareholder may, by ticking the appropriate box in the application form elect to receive all dividends in cash. If the Shareholder does not so elect all dividends will be automatically reinvested in the purchase of new Shares in the relevant Fund.

Class F, Class G, Class H, Class I, Class J Shares and Class L Shares are accumulation shares; thus any net income attributable to Class F, Class G, Class H, Class I, Class J Shares and Class L Shares respectively shall be retained within the Fund and the value of Shares of such classes shall rise accordingly.

Where dividends are paid to Shareholders, they will be paid by cheque or telegraphic transfer to the bank account designated by the Shareholder in which case the dividend will be paid with the expense being paid out of the assets of the Fund and will be paid within four months of the date the Directors declare the dividend.

## **Tax**

The impact that tax may have on an investment in the Fund may vary between investors and may change in the future. The attention of investors is specifically drawn to the section in the Prospectus entitled "Taxation". Shareholders and potential investors are advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

## **Investment Manager**

Armstrong Investment Managers LLP, details of which are set out at page 24 of the Prospectus, or any successor thereto duly appointed in accordance with the requirements of the Authority;

**Investment Management Agreement** dated 13 July 2010 between the Company and the Investment Manager

(the **Agreement**); this Agreement provides for the appointment of Armstrong Investment Managers LLP as Investment Manager of the Fund with effect from 00.01 am on 13 July 2010 and that the appointment of the Investment Manager will continue unless and until terminated by the Investment Manager giving not less than 90 days' written notice to the Company or by the Company giving not less than 90 days' written notice to the Investment Manager although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other; this Agreement contains certain indemnities in favour of the Investment Manager which are restricted to exclude matters resulting from the wilful misfeasance, bad faith, fraud, wilful default or negligence of the Investment Manager in the performance or non-performance of its obligations and duties;

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

### **Base Currency**

£

### **Business Day**

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

### **Dealing Day**

Each Business Day.

### **Dealing Deadline**

In respect of a Dealing Day, the Dealing Deadline is 12pm Irish time on the Dealing Day.

### **Settlement Date**

In the case of applications, four Business Days after the relevant Dealing Day.

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

### **Valuation Point**

12pm Irish time on the Dealing Day.

### **Share Class Currency Hedging**

The Base Currency of the Fund is Sterling. There are Shares available in the Fund, which are denominated in Euro, namely Class B Shares and Class G Shares, denominated in Japanese Yen, namely Class C Shares and Class H Shares, denominated in United States Dollar, namely Class D Shares and Class I Shares, denominated in Swiss Franc, namely Class E Shares and Class J Shares and denominated in Swedish Krona, namely Class K Shares and Class L Shares (together the **Hedged Share Classes**). The Fund aims to provide currency hedges with respect to the Hedged Share Classes. While not the intention, over-hedged and under-hedged positions may arise due to factors outside the control of the Fund. To the extent that these hedging strategies are successful the performance of the Hedged Share Classes are likely to move in line with the performance of the underlying assets. The adoption of these strategies may substantially limit holders of the Hedged Share Classes from benefiting if the currency of that class falls against Sterling and/or the currency in which the assets of the Fund are denominated, but it is also designed to substantially protect holders of the Hedged Share Classes if the currency of the relevant class rises against Sterling. All costs and gains or losses of such hedging transactions will be borne by the relevant Hedged Share Class and shall not form part of the assets of the Fund as a whole and should not constitute a general liability of the Fund. Any such hedging is not permitted to exceed 105% of the net assets of the relevant class of shares on any Dealing Day. Hedged positions will be kept under review to ensure over-hedged positions do not exceed 105% of the net assets of the relevant class and to further ensure that positions materially in excess of 100% will not be carried forward from month to month.

Investors in Hedged Share Classes should be aware that hedging transactions will be attributable to the specific

class, therefore any currency exposures of different currency classes may not be combined or offset and currency exposures of assets of the Fund may not be allocated to separate share classes. Furthermore, the exchange rate used for the purpose of converting the proceeds of trades to or from Sterling is likely to be the rate prevailing at the time the necessary currency hedging contracts are put in place which means that this exchange rate risk is borne by those transacting investors in Hedged Share Classes rather than by the investors based in Sterling denominated share classes.

**CLASSES**

	“A”	“B”	“C”	“D”	“E”	“F”	“G”	“H”	“I”	“J”	“K”	“L”
<b>Initial Issue Price</b>		€1	¥1	\$1	CHF 1	£1	€1	¥1	\$1	CHF 1	Kr 1	Kr1
<b>Initial Offer Period</b>		9:00a.m. (Irish time) on 17 November 2010 to 5:30 p.m. (Irish time) on 9 February 2011 or such earlier or later date as the Directors may agree.	9:00a.m. (Irish time) on 17 November 2010 to 5:30 p.m. (Irish time) on 9 February 2011 or such earlier or later date as the Directors may agree.	9:00a.m. (Irish time) on 17 November 2010 to 5:30 p.m. (Irish time) on 9 February 2011 or such earlier or later date as the Directors may agree.	9:00a.m. (Irish time) on 17 November 2010 to 5:30 p.m. (Irish time) on 9 February 2011 or such earlier or later date as the Directors may agree.	9:00a.m. (Irish time) on 17 November 2010 to 5:30 p.m. (Irish time) on 9 February 2011 or such earlier or later date as the Directors may agree.	9:00a.m. (Irish time) on 17 November 2010 to 5:30 p.m. (Irish time) on 9 February 2011 or such earlier or later date as the Directors may agree.	9:00a.m. (Irish time) on 17 November 2010 to 5:30 p.m. (Irish time) on 9 February 2011 or such earlier or later date as the Directors may agree.	9:00a.m. (Irish time) on 17 November 2010 to 5:30 p.m. (Irish time) on 9 February 2011 or such earlier or later date as the Directors may agree.	9:00a.m. (Irish time) on 17 November 2010 to 5:30 p.m. (Irish time) on 9 February 2011 or such earlier or later date as the Directors may agree.	9:00a.m. (Irish time) on 17 November 2010 to 5:30 p.m. (Irish time) on 9 February 2011 or such earlier or later date as the Directors may agree.	9:00a.m. (Irish time) on 17 November 2010 to 5:30 p.m. (Irish time) on 9 February 2011 or such earlier or later date as the Directors may agree.
<b>Min. Share holding*</b>	£10,000	€12,500	¥1,300,000	\$15,000	CHF 15,000	£10,000	€12,500	¥1,300,000	\$15,000	CHF 15,000	Kr 106,000	Kr 106,000
<b>Min. Initial Investment *</b>	£10,000	€12,500	¥1,300,000	\$15,000	CHF 15,000	£10,000	€12,500	¥1,300,000	\$15,000	CHF 15,000	Kr 106,000	Kr 106,000
<b>Min Additional Investment Amount *</b>	£10,000	€12,500	¥1,300,000	\$15,000	CHF 15,000	£10,000	€12,500	¥1,300,000	\$15,000	CHF 15,000	Kr 106,000	Kr 106,000
<b>Minimum Repurchase Amount *</b>	£5,000	€6,250	¥650,000	\$7,500	CHF 7,500	£5,000	€6,250	¥650,000	\$7,500	CHF 7,500	Kr 53,000	Kr 53,000
<b>Subscription Charge</b>	Up to 5.00% of the value	Up to 5.00% of the value	Up to 5.00% of the value of the	Up to 5.00% of the value of the	Up to 5.00% of the value of the	Up to 5.00% of the value of the	Up to 5.00% of the value of the	Up to 5.00% of the value of the	Up to 5.00% of the value of the	Up to 5.00% of the value of the	Up to 5.00% of the value of the	Up to 5.00% of the value of the

	of the subscription.	of the subscription.	subscription.	subscription.	subscription.	of the subscription.	subscription.	of the subscription.	of the subscription.	value of the subscription.	of the subscription.	value of the subscription.
<b>Exchange Charge</b>	Up to 5.00% of the value of the Shares being exchanged	Up to 5.00% of the value of the Shares being exchanged	Up to 5.00% of the value of the Shares being exchanged	Up to 5.00% of the value of the Shares being exchanged	Up to 5.00% of the value of the Shares being exchanged	Up to 5.00% of the value of the Shares being exchanged	Up to 5.00% of the value of the Shares being exchanged	Up to 5.00% of the value of the Shares being exchanged	Up to 5.00% of the value of the Shares being exchanged	Up to 5.00% of the value of the Shares being exchanged	Up to 5.00% of the value of the Shares being exchanged	Up to 5.00% of the value of the Shares being exchanged
<b>Repurchase Charge</b>	None	None	None	None	None	None	None	None	None	None	None	None

**Note:** \* (Subject to the discretion of the Directors in each case to allow lesser amounts).

## Fees and Expenses

### Fees of the Investment Manager, the Custodian, any sub-custodian and the Administrator, the Promoter and any Distributor

The Investment Manager is entitled to receive from the Company out of the net assets of the Fund the following fees:

**Class A Shares:** an annual fee not exceeding 1.5% (plus VAT, if any) of the net assets of the Fund attributable to Class A Shares;

**Class B Shares:** an annual fee not exceeding 1.5% (plus VAT, if any) of the net assets of the Fund attributable to Class B Shares;

**Class C Shares:** an annual fee not exceeding 1.5% (plus VAT, if any) of the net assets of the Fund attributable to Class C Shares;

**Class D Shares:** an annual fee not exceeding 1.5% (plus VAT, if any) of the net assets of the Fund attributable to Class D Shares;

**Class E Shares:** an annual fee not exceeding 1.5% (plus VAT, if any) of the net assets of the Fund attributable to Class E Shares;

**Class F Shares:** an annual fee not exceeding 1.5% (plus VAT, if any) of the net assets of the Fund attributable to Class F Shares;

**Class G Shares:** an annual fee not exceeding 1.5% (plus VAT, if any) of the net assets of the Fund attributable to Class G Shares;

**Class H Shares:** an annual fee not exceeding 1.5% (plus VAT, if any) of the net assets of the Fund attributable to Class H Shares;

**Class I Shares:** an annual fee not exceeding 1.5% (plus VAT, if any) of the net assets of the Fund attributable to Class I Shares;

**Class J Shares:** an annual fee not exceeding 1.5% (plus VAT, if any) of the net assets of the Fund attributable to Class J Shares;

**Class K Shares:** an annual fee not exceeding 1.5% (plus VAT, if any) of the net assets of the Fund attributable to Class K Shares; and

**Class L Shares:** an annual fee not exceeding 1.5% (plus VAT, if any) of the net assets of the Fund attributable to Class L Shares.

Such fee shall accrue and be calculated on each Dealing Day and be payable monthly in arrears. The annual fee payable to the Investment Manager may be increased to 2.5% (plus VAT, if any) of the net assets of the Fund without the prior approval of the Shareholders. The Investment Manager shall not be entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket costs and expenses incurred by the Investment Manager in the performance of its duties.

The Administrator shall be entitled to receive out of the net assets of the Fund an annual fee of 0.10% of the Net Asset Value of the Fund accrued and calculated on each Dealing Day and payable monthly in arrears subject to a monthly minimum fee of GBP1,500 for the first six months, GBP2,000 for the next six months and GBP2,500 thereafter (plus VAT, if any). The Administrator is 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 out of the assets of the Fund (plus VAT thereon, if any).

The Custodian shall be entitled to receive out of the net assets of the Fund an annual fee of 0.05% of the Net Asset Value of the Fund accrued and calculated on each Dealing Day and payable monthly in arrears (plus VAT thereon, if any) subject to a monthly minimum fee of GBP750 for the first six months, GBP1,000 for the next six months and GBP1,250 thereafter.

The Custodian is also entitled to sub-custodian's fees which will be charged at normal commercial rates as well as agreed upon transaction charges (which will be at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

The Promoter in its capacity as promoter and distributor shall be entitled to receive out of the net assets of the Fund an annual fee of up to 0.05% of the Net Asset Value of the Fund (plus VAT if any), subject to a minimum annual fee of €100,000, in aggregate across all the funds of the Company, accrued and calculated on each Dealing Day and payable monthly in arrears.

The Promoter is 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 out of the assets of the Fund (plus VAT

thereon, if any).

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

#### **Appointment of Sub-Investment Managers and Sub-Distributor**

The Investment Manager may delegate the investment management functions of the Fund to sub-investment managers. The fees of any sub-investment managers shall be paid by the Investment Manager out of the Investment Managers fees and not out of the assets of the Fund.

Details of the sub-investment manager will be contained in the periodic reports of the Company and such details will be furnished to the Shareholders on request to the Company.

The Investment Manager may appoint sub-distributors, details of which are available upon request. The Investment Manager shall discharge the fees of the sub-distributors out of its own fees and not out of the assets of the Fund.