

## OAKS Emerging Umbrella Fund Plc

### Third Addendum

This third addendum (the “Addendum”) forms part of and should be read in conjunction with the prospectus in respect of OAKS Emerging Umbrella Fund Plc (the “Company”) dated 16 November, 2018, the first addendum dated 31 January, 2020, the second addendum dated 14 May, 2020 (the “Addenda”), the supplement in respect of the sub-funds of the Company (the “Sub-Funds”), namely OAKS Emerging and Frontier Opportunities Fund dated 16 November, 2018 and Smaller Emerging Markets Opportunities Fund dated 22 December, 2020 (the “Supplements” and together hereinafter referred to as the “Prospectus”). All capitalised terms herein contained shall have the same meaning in this Addendum as in the Prospectus unless otherwise indicated.

The directors of the Company (the “Directors”) accept responsibility for the information contained in this Addendum and the Prospectus. 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.

Prospective investors should not construe the contents of this document as legal, investment, tax or other advice. Each prospective investor must rely upon his or her own representatives, including his or her own legal counsel and accountants, as to legal, economic, tax and related aspects of the investment described herein and as to its suitability for such investor.

The Directors wish to advise Shareholders and prospective investors of the following changes to the Prospectus and Supplements (where relevant):

#### **1. AMENDMENTS TO THE SECTION OF THE PROSPECTUS ENTITLED “RISK FACTORS”**

The Prospectus shall be amended by the insertion of the following paragraph entitled “Sustainability Risks” before the last paragraph in the section entitled “Risk Factors” on page 52 of the Prospectus:

***“Integration of Sustainability Risk into Investment Decision Making.***

*The management of sustainability risk forms an important part of the due diligence process implemented by the Investment Manager.*

*The Investment Manager considers that sustainability risks are relevant to the returns of each Fund. A sustainability risk is an environmental, social or governance event or condition (“ESG Event”) that, if it occurs, could cause an actual or potential material negative impact on the value of an investment, and hence the Net Asset Value of a Fund.*

*Assessment of sustainability risks is complex and requires subjective judgements, which may be based on data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that the Investment Manager’s models or process will correctly assess the impact of sustainability risks on a Fund’s investments.*

*Using both quantitative and qualitative processes, sustainability risk is identified, monitored and managed by the Investment Manager.*

*Prior to acquiring investments on behalf of a Fund, the Investment Manager evaluates the relevant investment against a set of sustainability risk factors, which may include those provided through third party data providers (“**Data Providers**”), in order to identify whether it is vulnerable to such risk. Potential investments may be removed from the investment universe on the basis that they pose too great a sustainability risk to a Fund. Once initial analysis of the investment universe has been performed, the Investment Manager conducts fundamental analysis on each potential investment. As part of the fundamental analysis, the Investment Manager will consider the adequacy of ESG programmes and practices to manage the sustainability risk it faces.*

*During the life of the investment, sustainability risk is monitored periodically through review of ESG data published or otherwise disclosed by the issuer (where relevant) or selected Data Providers to determine whether the level of sustainability risk has changed since the initial assessment has been conducted. Where the sustainability risk associated with a particular investment has increased beyond the ESG risk appetite for the relevant Fund, the Investment Manager will consider selling or reducing a Fund’s exposure to the relevant investment, taking into account the best interests of the Shareholders.*

*Further information on the manner in which sustainability risks are integrated into the investment-decision making process by the Investment Manager is available at [www.fieracapital.com](http://www.fieracapital.com).*

#### ***Impact of sustainability risks on returns of a Fund***

*To the extent that a sustainability risk occurs, or occurs in a manner that is not anticipated by the Investment Manager’s models there may be a sudden, material negative impact on the value of an investment and of the Net Asset Value of a Fund.*

*The impacts following the occurrence of a sustainability risk may be numerous and vary depending on the specific risk and asset class. In general, where a sustainability risk occurs in respect of an asset, there will be a negative impact on, and may be an entire loss of, its value. For a corporate, this may be because of damage to its reputation with a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital. A corporate may also suffer the impact of fines and other regulatory sanctions. The time and resources of the corporate’s management team may be diverted from furthering its business and be absorbed seeking to deal with the sustainability risk, including changes to business practices and dealing with investigations and litigation. Sustainability risks may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and value of assets held by businesses to which a Fund is exposed may also be adversely impacted by a sustainability risk.*

*Sustainability risks are relevant as both standalone risks, and also as cross-cutting risks which manifest through many other risk types which are relevant to the assets of a Fund. For example, the occurrence of a sustainability risk can give rise to financial and business risk, including through a negative impact on the credit worthiness of other businesses. The increasing importance given to sustainability considerations by both businesses and consumers means that the occurrence of a sustainability risk may result in significant reputational damage to affected businesses. The occurrence of a sustainability*

*risk may also give rise to enforcement risk by governments and regulators, and also litigation risk.*

*A sustainability risk may arise and impact a specific investment or may have a broader impact on an economic sector, geographical regions and/or jurisdictions and political regions.*

*Many economic sectors, regions and/or jurisdictions, including those in which a Fund may invest, are currently and/or in the future may be, subject to a general transition to a greener, lower carbon and less polluting economic model. Drivers of this transition include governmental and/or regulatory intervention, evolving consumer preferences and/or the influence of non-governmental organisations and special interest groups.*

*Laws, regulations and industry norms play a significant role in controlling the impact on sustainability factors of many industries, particularly in respect of environmental and social factors. Any changes in such measures, such as increasingly stringent environmental or health and safety laws, can have a material impact on the operations, costs and profitability of businesses. Further, businesses which are in compliance with current measures may suffer claims, penalties and other liabilities in respect of alleged prior failings. Any of the foregoing may result in a material loss in value of an investment linked to such businesses.*

*Further, certain industries face considerable scrutiny from regulatory authorities, non-governmental organisations and special interest groups in respect of their impact on sustainability factors, such as compliance with minimum wage or living wage requirements and working conditions for personnel in the supply chain. The influence of such authorities, organizations and groups along with the public attention they may bring can cause affected industries to make material changes to their business practices which can increase costs and result in a material negative impact on the profitability of businesses. Such external influence can also materially impact the consumer demand for a business's products and services which may result in a material loss in value of an investment linked to such businesses.*

*Sectors, regions, businesses and technologies which are carbon-intensive, higher polluting or otherwise cause a material adverse impact on sustainability factors may suffer from a significant fall in demand and/or obsolescence, resulting in stranded assets the value of which is significantly reduced or entirely lost ahead of their anticipated useful life. Attempts by sectors, regions, businesses and technologies to adapt so as to reduce their impact on sustainability factors may not be successful, may result in significant costs being incurred, and future ongoing profitability may be materially reduced.*

*In the event that a sustainability risk arises this may cause investors, including the Investment Manager in respect of a Fund, to determine that a particular investment is no longer suitable and to divest of it (or not make an investment in it), further exacerbating the downward pressure on the value of the investment.*

*In addition to the above, a description of certain other sustainability risks identified by the Investment Manager as being potentially relevant to the investments made by a Fund and hence its returns is set out below. This description is not exhaustive.*

### Environmental

Environmental risks are associated with environmental events or conditions and their effect on the value of assets to which a Fund may have exposure. Such risks may arise in respect of a company itself, its affiliates or in its supply chain and/or apply to a particular economic sector, geographical or political region. Environmental risks include:

**Climate change:** risks arising from climate change, including the occurrence of extreme weather events (for example major droughts, floods, or storms) may adversely impact the operations, revenue and expenses of certain industries and may result in physical loss or damage of, or otherwise loss in value of, assets, and in particular physical assets such as real estate and infrastructure. Global warming may result in extreme heat waves, increased localised or widespread flooding and rising sea levels, compromising infrastructure, agriculture and ecosystems, increasing operational risk and the cost of insurance, which may affect the utility and value of investments. To the extent that companies in which a Fund invests have historically contributed to climate change, they could face enforcement action by regulators and/or be subject to fines or other sanctions. The likelihood and extent of any such action might be unknown at the time of investment.

**Natural resources:** the relationship between businesses and natural resources is becoming increasingly important due to the scarcity of fresh water, loss of biodiversity and risks arising from land use. Water is critical to agricultural, industrial, domestic, energy generation, recreational and environmental activities. Reduced supply or allocation of water and/or increased cost in supply and controls over its use may adversely impact the operations, revenue and expenses of certain industries in which a Fund may invest. Biodiversity underpins ecosystem services such as food, clean water, genetic resources, flood protection, nutrient cycling and climate regulation. A continued loss of biodiversity may adversely affect the operations, revenue and expenses of certain industries in which a Fund may invest, such as land users and marine industries, agriculture, the extractives industries (cement and aggregates, oil, gas and mining) forestry and tourism. Land use and land use management practices have a major impact on natural resources. In particular, industries dependant on commodities linked to deforestation such as soy, palm oil, cattle and timber may suffer an adverse impact on their operations, revenue and expenses as a result of measures taken to manage land use.

**Pollution and waste:** pollution adversely affects the environment and may for example, result in negative impact on human health, damage to ecosystems and biodiversity and reduced crop harvests. Measures introduced by governments or regulators to transition to a low-carbon economy and more broadly reduce pollution and control and reduce waste may adversely impact the operations, revenue and expenses of industries in which a Fund may invest. Technologies linked to environmentally harmful materials or practices may become obsolete, resulting in a decrease in value of investments.

### Social

Social risks may be internal or external to a business and are associated with employees, local communities and customers of companies in which a Fund may invest or otherwise have exposure. Social risks also relate to the vulnerability of a business to, and its ability to take advantage of, broader social “megatrends”. Such risks may arise in respect of prospective company itself, its affiliates or in its supply chain. Social risks include:

**Internal social factors:** human capital considerations such as human rights violations, lack of access to clean water, food and sanitary living environment, human trafficking, modern slavery / forced labour, inadequate health and safety, discrimination, breaches of employee rights and use of child labour which may, in particular, give rise to negative consumer sentiment, fines and other regulatory sanctions and/or investigations and litigation. The profitability of a business reliant on adverse treatment of human capital may appear materially higher than if appropriate practices were followed.

**External social factors:** for example, restrictions on or abuse of the rights of consumers including consumer personal data, management of product safety, quality and liability, relationships with and infringements of rights of local communities and indigenous populations may, in particular, give rise to negative consumer sentiment, fines and other regulatory sanctions and/or investigations and litigation.

**Social “megatrends”:** trends such as globalisation, automation and the use of artificial intelligence in manufacturing and service sectors, inequality and wealth creation, digital disruption and social media, changes to work, leisure time and education, changes to family structures and individual rights and responsibilities of family members, changing demographics including through health and longevity and urbanisation are all examples of social trends that can have a material impact on businesses, sectors, geographical regions and the vulnerability and inability to adapt or take advantage of such trends may result in a material negative impact on a Fund’s investments.

**The absence of appropriate and effective safeguards for employment related risks:** discriminatory employment practices, workplace harassment, discrimination and bullying, respect for rights of collective bargaining or trade unions, the health and safety of the workforce, protection for whistleblowers and non-compliance with minimum wage or (where appropriate) living wage requirements may ultimately reduce the talent pool available to the company, the wellbeing, productivity and overall quality of its workforce and may lead to increased employment and other business costs.

#### Governance

Governance risks are associated with the quality, effectiveness and process for the oversight of day to day management of companies in which a Fund may invest or otherwise have exposure. Such risks may arise in respect of the prospective company itself, its affiliates or in its supply chain. These risks include:

**Lack of diversity at board or governing body level:** the absence of a diverse and relevant skillset within a board or governing body may result in less well informed decisions being made without appropriate debate and an increased risk of “group think”. Further, the absence of an independent chairperson of the board, particularly where such role is combined with the role of chief executive officer, may lead to a concentration of powers and hamper the board’s ability to exercise its oversight responsibilities, challenge and discuss strategic planning and performance, input on issues such as succession planning and executive remuneration and otherwise set the board’s agenda.

**Inadequate external or internal audit:** ineffective or otherwise inadequate internal and external audit functions may increase the likelihood that fraud and other issues within a company are not detected and/or that material information used as part of a company’s valuation and/or the Investment Manager’s investment decision making is inaccurate.

***Infringement or curtailment of rights of (minority) shareholders:*** the extent to which rights of shareholders, and in particular minority shareholders (which may include a Fund) are appropriately respected within an company's formal decision making process may have an impact on the extent to which the company is managed in the best interest of its shareholders as a whole (rather than, for example, a small number of dominant shareholders) and therefore the value of an investment in it.

***Bribery and corruption:*** the effectiveness of a company's controls to detect and prevent bribery and corruption both within the company and its governing body and also its suppliers, contractors and sub-contractors may have an impact on the extent to which a company is operated in furtherance of its business objectives.

***Lack of scrutiny of executive pay:*** failure to align levels of executive pay with performance and long-term corporate strategy in order to protect and create value may result in executives failing to act in the long-term interest of the company.

***Poor safeguards on personal data / IT security (of employees and/or customers):*** the effectiveness of measures taken to protect personal data of employees and customers and, more broadly, IT and cyber security will affect a company's susceptibility to inadvertent data breaches and its resilience to "hacking".

## **2. AMENDMENTS TO THE SUPPLEMENTS IN RESPECT OF THE OAKS EMERGING AND FRONTIER OPPORTUNITIES FUND AND THE SMALLER EMERGING MARKETS OPPORTUNITIES FUND**

The following wording shall be included in the Supplements as a new section in advance of the section entitled "Investment and Borrowing Restrictions":

### ***"Promotion of ESG Criteria***

*The Investment Manager has categorised the Fund as meeting the provisions set out in Article 8 of Regulation (EU) 2019/2088 (the "**Sustainable Finance Disclosure Regulation**", "**SFDR**").*

*Environmental, social and governance ("**ESG**") factors are integrated into the fundamental investment decision-making process of the Fund. The Investment Manager is of the view that well-governed companies are generally those that demonstrate high environmental and social standards such as respect for their employees, for human rights and for the communities in which they do business.*

*Material ESG factors that can positively or negatively impact the intrinsic value of a company are taken into consideration in the Investment Manager's fundamental investment analysis. In conjunction with pursuing the Fund's investment policy and strategy, the Investment Manager seeks to identify and promote various environmental and social characteristics. Such characteristics are reflected in the binding ESG investment criteria as detailed below, and include, but are not limited to energy use and general carbon emissions, in particular the reduction of the use of coal, and the principles of the United Nation's Global Compact ([www.unglobalcompact.org](http://www.unglobalcompact.org)), including the support of and protection of human rights, the elimination of all forms of forced and compulsory labour, and the elimination of discrimination and all forms of corruption. Other environmental and/or social factors may also be promoted, as*

*assessed and determined on a per investment basis depending on various factors such as industry sector and geography.*

*Whilst the ESG characteristics of companies in Global Emerging Countries and Global Frontier Countries can sometimes lag equivalent companies in more developed markets, the Investment Manager believes that the allocation of the Fund's assets in accordance with the Fund's ESG exclusions and limitations as detailed below, and the Investment Manager's general engagement with such companies on ESG issues, can be used as a catalyst for a greater positive change, whilst also having a corresponding positive impact on financial returns.*

*The Investment Manager applies the following ESG exclusions and limitations in selecting companies for potential investment by the Fund:*

*Tobacco producers (being those companies that derive at least 15% of their revenue from the production of tobacco) will be ineligible for investment by the Fund. Distributors of tobacco (being those companies that derive at least 20% of their revenue from the distribution or sale of tobacco) will generally be limited to 10% of the portfolio, however any tobacco distributor may not be counted in such threshold limitation if it can demonstrate to the Investment Manager's satisfaction that it has particularly strong environmental or social characteristics in other areas, for example in its use of clean energy or in its supply chain management.*

*A company will be deemed ineligible for investment if it derives any of its revenue directly from the manufacture or sale of controversial weapons. Controversial weapons are those that are either prohibited under international conventions or are deemed particularly controversial because of their humanitarian impact. They include weapons of mass destruction such as nuclear, chemical and biological weapons, and weapons that fail to discriminate between civilians or combatants or cause disproportionate harm, such as cluster munitions or anti-personnel mines.*

*Companies which violate one or more of the United Nations Global Compact principles are generally excluded from the investments of the Fund, unless the Investment Manager determines that either positive engagement with the implicated company can correct the issue, or that there are other positive environmental or social reasons which justifies an investment. Companies which are at risk of non-compliance are closely monitored, or otherwise excluded. The United Nations Global Compact ([www.unglobalcompact.org](http://www.unglobalcompact.org)) is a globally recognized common framework that applies to all industrial sectors. This initiative is based on international conventions in the areas of human rights, labour standards, the environment and the fight against corruption. Similarly, any identification of possible 'controversies' by a company (being an instance or ongoing situation in which a company may allegedly have a negative environmental, social or governance impact) are considered further investigated and the Investment Manager will either engage with the implicated companies or divest from companies if no reasonable efforts are made to correct the issue.*

*The Investment Manager will not invest in companies that derive 25% or more of their revenues from the mining of thermal coal. Moreover, companies that generate the majority of their own power from coal and which are looking to increase this, will also be fully excluded.*

*The Investment Manager will only invest in companies that follow good governance practices. The good governance practices of investee companies are assessed prior to making an investment and periodically thereafter in accordance with minimum standards against which investee companies will be assessed and monitored by the Investment Manager. Such standards may include, but are not limited to, sound management structures, employee relations, remuneration of staff and tax compliance.*

*In assessing the ESG characteristics of its investments, the Investment Manager may use data sources provided by the company which it is considering for investment and/or data sources provided by external research providers. Given the evolving nature of ESG, these data sources may, for the time being, be incomplete, inaccurate or unavailable. The Investment Manager may choose not to rely on the external data providers' research findings if the Investment Manager has good reason to believe that its own research justifies doing so.*

*The Investment Manager supports the view that companies should maintain policies and procedures with respect to ESG issues that materially affect long-term shareholder value. The Investment Manager, through engagement with investee companies, and in exercising its voting rights, encourages the adoption of good ESG practices and promotes the adoption of high standards of behaviour as a means to maximize shareholder value over time."*

**Dated: 9 March, 2021**