Maga Micro Cap Fund

Supplement to the Prospectus of the Davy Opportunity Trust

22 July 2021

This Supplement contains specific information in relation to the Units of Maga Micro Cap Fund (the "**Portfolio**"), an open-ended limited liquidity portfolio of the Davy Opportunity Trust (the "**Fund**"), an umbrella unit trust with segregated liability between sub-funds authorised in Ireland by the Central Bank of Ireland (the "**Central Bank**") pursuant to the provisions of the Unit Trusts Act, 1990, as amended.

1. **Structure**

This Supplement dated 22 July 2021 forms part of and should be read in conjunction with the prospectus dated 6 August 2014 as amended by addendum dated 8 March 2021 (the "Prospectus") and in conjunction with the general description of:

- **the Fund and its management and administration;**
- **general management and Fund charges;**
- **taxation of the Fund and its Unitholders; and**
- **risk factors**

which are contained in the Prospectus. Save as disclosed herein, there has been no significant change and no significant new matter has arisen since publication of the Prospectus. The Prospectus is available from the Manager at Davy House, 49 Dawson Street, Dublin 2, Ireland. To the extent that there is any inconsistency between the terms of this Supplement and the Prospectus, this Supplement shall prevail with respect to the Portfolio. Words and terms defined in the Prospectus have the same meaning in this Supplement unless otherwise stated herein.

The directors of the Manager of the Fund (the "Directors") 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.

2. **Portfolios**

Details of the other portfolios of the Fund are available on request from the Manager.

3. **Classes of Units**

The Portfolio has the following Unit Classes:

Unit Class	Currency Denomination	Initial Offer Period	Initial Offer Price
Maga Micro Cap Euro Units	Euro	Ended	N/A
Maga Micro Cap US Dollar Units	US Dollar	Ended	N/A
Maga Micro Cap Sterling Units	Sterling	Ended	N/A
Maga Micro Cap Euro LR Units	Euro	23 July 2021 to 21 January 2022	€100
Maga Micro Cap US Dollar LR Units	US Dollar	Ended	N/A

Maga Micro Cap Sterling LR Units	Sterling	Ended	N/A
Maga Micro Cap Euro LA Units	Euro	23 July 2021 to 21 January 2022	€100
Maga Micro Cap US Dollar LA Units	US Dollar	23 July 2021 to 21 January 2022	$100
Maga Micro Cap Sterling LA Units	Sterling	23 July 2021 to 21 January 2022	£100

The Maga Micro Cap Euro LR, Dollar LR, Sterling LR, Euro LA, Dollar LA and Sterling LA Units shall each be referred to as a "Lock Unit", and collectively as "Lock Units".

The Maga Micro Cap Euro, Dollar and Sterling Units shall each be referred to as a "Non-Lock Unit", and collectively as "Non-Lock Units".

The creation of further classes of Units will be notified to and cleared in advance with the Central Bank.

The Net Asset Value of the classes within the Portfolio will be determined by deducting that class' pro rata share of the liabilities of the Portfolio plus other applicable liabilities / expenses of such class from the class' pro rata share of the assets of the Portfolio, in all cases in accordance with the terms of the Trust Deed. Liabilities / expenses will only be allocated to a class when they are specifically attributable to that class.

4. Issue Price

During the initial offer period of the Lock Units, Units of the Portfolio will be offered to investors at an initial issue price as set out above under "**Classes of Units**".

Following the closure of the initial offer period, Units will be issued at a price equal to the Net Asset Value per Unit calculated by reference to the value of the assets at the Valuation Point.

The Manager may issue Units on terms providing for settlement of the applicant's interest in a portfolio of assets in which the Portfolio may invest. No Units may be issued on such terms unless the Manager is satisfied that:

(i) the number of Units issued will not be more than the number which would have been issued for settlement in cash having valued the investments to be exchanged in accordance with the valuation provisions set out in the Prospectus;

(ii) all Duties and Charges arising in connection with the vesting of such investments in the Trustee for the account of the Portfolio are paid out of the assets of the Portfolio; and

(iii) the investments have been vested in the Trustee or in the nominee or agent thereof. Units may not be issued in exchange for such investments unless title to such investments has been delivered.

5. Dealing Day

Dealing Days shall be the first Business Day of each month or such other Dealing Days as the Manager determines and notifies in advance to Unitholders, subject to the section headed "**Quarterly Redemptions**" below.

The terms set out in the section headed "**Lock Units Redemptions**" below shall apply in respect of Lock Units.

The Portfolio shall be valued on the Business Day immediately preceding the Dealing Day in accordance with the provisions of the Trust Deed.

6. **Base Currency**

Euro.

7. **Minimum Initial Investment Amount**

Applications for Units may be accepted in the currency of that Unit class. The Minimum Initial Investment Amount is €100,000 (or its foreign currency equivalent as at the time of the initial investment) or such lesser amount as the Manager may in its discretion determine, subject to the requirements of the Central Bank.

Other than for Knowledgeable Persons, the Manager shall not accept applications for Units unless the applicant's (who must be a Qualifying Investor) initial subscription to the Fund as a whole is equal to or greater than €100,000 (or its foreign currency equivalent as at the time of the initial investment).

8. **Minimum Additional Investment Amount**

The minimum amount of additional subscriptions per investor is €50,000 (or its foreign currency equivalent), as the case may be, or such lesser amount as the Manager may in any particular case determine.

9. **Investment Objective**

The objective of the Portfolio is to achieve positive returns primarily through investing and trading in equity securities issued by micro-cap companies in Europe.

10. **Investment Policies**

The Portfolio will seek to achieve its investment objective by investing principally in equity securities of companies in Europe and whose market capitalisation is less than €250 million at the time of purchase ("**European Micro-Cap Companies**") and in accordance with an active risk management strategy designed for this asset class. Once identified, the Portfolio intends to buy and hold equity securities for the long term (i.e. on average 3-5 years) and seeks to maintain a low level of portfolio turnover over time.

The Sub-Fund Investment Manager believes that positive returns may be achieved within the European Micro-Cap Companies universe by disciplined stock selection and by capitalising on the opportunities provided by the dynamics of the European Micro-Cap Companies asset class. The Portfolio has maximum flexibility to invest in a wide range of instruments including forwards, contracts for difference and other OTC derivatives. The Portfolio may take long positions over a variety of time periods and may also retain amounts in cash or cash equivalents, pending reinvestment, if this is considered appropriate to the objective of maximising returns. The Portfolio may seek opportunities to invest in European Micro-Cap Companies listed or traded on any markets and exchanges. There can be no assurance that the Portfolio will achieve its investment objective.

Although the majority of the Portfolio will have exposure to European Micro-Cap Companies and is subject to the investment restrictions set out below, the Portfolio is not restricted by issuer, jurisdictional or country concentration exposure. Accordingly, the Portfolio may take concentrated exposures to a small number of issuers or to one or a small number of jurisdictions or countries.

Stock selection

Disciplined stock selection drives the construction of the Portfolio. Stock selection is based on rigorous fundamental analysis. This analysis will include research into the market place in which the company operates, a detailed analysis of the companies operations and financial performance, and financial forecasting and valuation work to determine whether the company is an attractive investment proposition.

Companies at the lowest end of the market capitalisation scale will often be under-researched and therefore significant opportunities may exist.

11. **Risk Management**

Risk is managed at the stock level and at the asset class level.

Stock risk

The Portfolio's principal risks are stock specific risks and the main mitigation of those risks comes from the fundamental research carried out into the underlying investments. The Portfolio will be diversified by country and by sector.

Returns from smaller companies can be highly variable and these companies may be at an early stage of their corporate life cycle. This stock-specific risk is managed during the research process and is implemented in the Portfolio by (i) varying the holding sizes of positions in the Portfolio as deemed most appropriate with regard to their expected volatility and (ii) holding a diversified number of stocks across a variety of industries and geographic areas.

The Portfolio will not invest more than 10% of the assets of the Portfolio in the equity securities of a single issuer at time of investment and will not purchase more than 10% of the outstanding equity of a single issuer.

Asset class risk

Distinct cycles exist within the European Micro-Cap Companies asset class that may depend on the economic cycle as well as flows of capital and changes in the risk premium of the equity markets. The Sub-Fund Investment Manager seeks to take into account its assessment of the prospects for this asset class through active management of the levels of cash or cash equivalents and the weightings to thematic, geographic and sector exposure may also be used to take advantage of the Sub-Fund Investment Manager's view of the asset class.

Other Liquid Assets

Where the assets of the Portfolio are not fully invested, the Portfolio may keep surplus assets on deposit with authorised credit institutions, or with the Trustee. The Portfolio may also invest in money market instruments such as investment grade, non-investment grade and unrated short term-debt securities issued by supranational, government and corporate issuers, discount notes, deposits, certificates of deposit, bankers acceptances, commercial paper and treasury bills.

Any change to the investment objective of the Portfolio, or material change to the investment policy of the Portfolio, will be subject to the prior approval of a majority of Unitholders. In the event of a change of investment objective and/or investment policy a reasonable notification period will be provided to enable Unitholders redeem their Units prior to implementation of these changes, should they so wish.

In the event of a non-material change to the investment policy of the Portfolio, Unitholders shall be notified of such change in the next periodic report of the Portfolio.

12. **Borrowing**

When deemed appropriate, the Portfolio may borrow up to 10 per cent of Net Asset Value. Borrowing will typically be on a temporary basis and for the purpose of funding redemptions or to meet the Portfolio's obligations relating to the settlement of buying or sale transactions. The Manager proposes to authorise the use of such borrowing powers on the advice of and in consultation with the Sub-Fund Investment Manager, who will prudently exercise its professional judgement as to when it is in the best interests of the Portfolio to borrow or redeem borrowings in the light of the prevailing conditions.

The maximum level of leverage of the Portfolio shall be 200% of Net Asset Value as calculated using the commitment method and 300% of Net Asset Value as calculated using the gross method. In this context, leverage refers to the ratio between the exposure of the Portfolio, calculated in accordance with both the gross method and the commitment method as defined in the Commission Delegated Regulation (EU) No 231/2013, and the Net Asset Value of the Portfolio.

The Trustee and Manager may charge or pledge or mortgage the assets of the Portfolio as security for such borrowings.

13. Issue of Units

Any person applying for Units of the Portfolio shall complete an application form in such form as the Manager may from time to time prescribe and shall comply with such conditions as may be prescribed by the Manager. The Manager requires the relevant application form to be submitted for initial subscriptions and subsequent applications may be made by fax or such other form as the Manager may prescribe. All applications and subscription monies (in cleared funds) must be received by the Manager at its registered office up to 5pm on the Business Day preceding the relevant Dealing Day. Any application received after this time will be deemed to be made in respect of the Dealing Day next following such relevant Dealing Day.

Further subscription details are disclosed in the Prospectus.

14. Redemption of Units

Units will be redeemed at the relevant Net Asset Value. No redemption fee is payable on Units held by the redeeming Unitholder for more than twelve months.

Non-Lock Units Redemptions

A redeeming Unitholder may also receive additional redemption proceeds if an Equalisation Factor (as further explained below under the heading "**Performance Fee Equalisation**") is applied. A redemption fee of 5 per cent of redemption proceeds is payable on Units redeemed within twelve months of issue. The Manager may waive the payment of a redemption fee or permit a lower redemption fee, at its discretion. The redemption fee will be retained by the Portfolio.

Subject to the section headed "**Quarterly Redemptions**" below, Units shall be redeemed on a Dealing Day at the applicable Net Asset Value per Unit. Settlement proceeds in respect of any repurchase of Units shall generally be paid within 14 Business Days after the relevant Dealing Day. Unless otherwise directed by the Manager, a request for repurchase must be made by facsimile, or by electronic means in accordance with the requirements of the Central Bank and as advised by the Administrator or the Manager, to the Administrator which must be received by the Administrator by the relevant Dealing Deadline specifying the number of Units to be redeemed with such evidence of ownership as the Manager may require.

No repurchase payment may be made from the holding until the relevant application form has been received from the Unitholder along with all documentation required by the Manager and the Administrator, including any documents required in connection with the obligation to prevent money laundering. Repurchase payments will not be processed on accounts that are not cleared or that are unverified for anti-money laundering purposes. Repurchase requests received by fax will only be processed where payment is to be made to the account of record.

Repurchase requests will be processed on the Dealing Day following receipt of the repurchase request but not earlier than 90 calendar days after receipt of the repurchase request. Repurchase requests not received by the relevant Dealing Deadline will be cancelled and affected Unitholders shall be informed of any such cancelled repurchase request.

If aggregate redemption requests for the Dealing Day exceeds 25% of the total Net Asset Value of Units of the Portfolio in issue, redemptions will be reduced proportionately so the aggregate amount of redemption requests on each Dealing Day does not exceed 25% of the total Net Asset Value of Units of the Portfolio in issue.

Payment of repurchase monies, net of any repurchase charge, will normally be made by electronic transfer to the account of the redeeming Unitholder at the risk and expense of the Unitholder within 14 Business Days of the relevant Dealing Day on which the repurchase was processed.

The Manager, in its sole discretion, may from time to time waive in whole or in part any of the above conditions regarding repurchases for one or more Unitholders.

These limitations on repurchase enable the Sub-Fund Investment Manager to manage the liquidity of the Portfolio.

In respect of Non-Lock Units, it is the Manager's intention that Units will be redeemable monthly, i.e. on each Dealing Day. Unitholders should note that, in certain circumstances, as further set out in the section headed "**Quarterly Redemptions**" below, certain Units will only be redeemable quarterly and redemption quotas will apply.

Units are redeemable at the option of the Unitholder on each Dealing Day, upon at least 90 calendar days' prior written notice to the Administrator (the "**Dealing Deadline**").

Quarterly Redemptions

Any existing or future Unitholder of Non-Lock Units whose aggregate subscriptions equal or exceed US$10,000,000 (or its foreign currency equivalent, as calculated at the time of subscription) will be permitted to redeem such Units on the first Dealing Day of each calendar quarter only, subject to a maximum redemption of 25% of Units on any such Dealing Day.

Any Unitholder who switches Units from Lock Units to Non-Lock Units following the expiry of a Lock Period (irrespective of the value of such Units) will be permitted to redeem Units on a quarterly basis from the date of the switch, subject always to a maximum redemption of 25% of Units at any one time.

No redemption fee is payable in respect of Units subject to quarterly redemptions.

For so long as the aggregate subscriptions of a Unitholder of Non-Lock Units are less than US$10,000,000 (or its foreign currency equivalent, as calculated at the time of subscription) that Unitholder can continue to redeem Units on each Dealing Day. For the avoidance of doubt, Lock Units which have been switched into Non-Lock Units will always be subject to redemption on a quarterly basis.

The redemption terms set out under this section are subject to the "**Loss of Key Person**" terms below.

Lock Units Redemptions

Redemptions are generally not permitted in respect of any Lock Unit, which is subject to a three year lock period from the date on which that Unit was issued (the "**Lock Period**"). However, on a single occasion in each calendar year, each Lock Unit Unitholder shall have the opportunity to redeem a maximum of 5% of the Net Asset Value of their Lock Units as held at the beginning of that calendar year (the "**Redemption Limit**"), having given at least 90 calendar days' prior written notice to the Manager. No unused portion of the Redemption Limit may be applied during, or apportioned to, any other calendar year.

After the Lock Period ends, the Unitholder, having given at least 180 calendar days' written notice to the Manager and/or Sub-Fund Investment Manager prior to the expiry of the relevant Lock Period and subject always to the Manager's discretion, may: (a) maintain its subscription in the relevant Lock Unit for a further Lock Period; (b) redeem a maximum of 25% of the Net Asset Value of the Units originally subscribed and switch the remaining Units to Non-Lock Units; or (c) switch all Units originally subscribed to Non-Lock Units. In the event a Unitholder switches any Units from Lock Units to Non-Lock Units, such Units will be subject to the terms set out in the “**Quarterly Redemptions**” section above.

In the absence of adequate prior notice being received by the Manager, Lock Units will automatically be switched to Non-Lock Units denominated in the same currency on the expiry of the Lock Period.

The redemption terms set out under this section are subject to the "**Loss of Key Person**" terms below.

Redemption in Specie

The Manager or Sub-Fund Investment Manager at their discretion may repurchase Units of any Class by way of exchange for investments provided that:-

(a) a redemption form is completed and delivered to the Manager as required by the Prospectus and the redemption request otherwise satisfies all the requirements of the Manager or Sub-Fund Investment Manager as to such request and the Unitholder seeking redemption of Units agrees to such course of action (save where the Unitholder requests redemption of 5% or more of the Net Asset Value of the Portfolio in which case a determination to provide redemption in specie may be made solely at the determination of the Manager or Sub-Fund Investment Manager).

(b) the Trustee is satisfied that the terms of any exchange would not be such as would be likely to result in any material prejudice to the remaining Unitholders, and elects that instead of the Units being repurchased in cash, the redemption shall be satisfied in specie by the transfer to the Unitholder of investments provided that the value thereof shall not exceed the amount which otherwise would have been payable on a cash redemption and provided that the transfer of investments (and all liabilities attached thereto) is carried out in consultation with the Trustee and the allocation of the investments used to satisfy the redemption is subject to the approval of the Trustee. Such value may be reduced by such amount as the Manager or Sub-Fund Investment Manager may consider represents any Duties and Charges to be paid to the Portfolio as a result of the direct transfer by the Portfolio of the investments (and all liabilities attached thereto) or increased by such amount as the Manager or Sub-Fund Investment Manager may consider represents any appropriate provision for Duties and Charges which would have been incurred by the Portfolio in the disposition of the investments (and all liabilities attached thereto) to be transferred. The shortfall (if any) between the value of the investments (and all liabilities attached thereto) transferred on a redemption in specie and the redemption proceeds which would have been payable on a cash redemption shall be satisfied in cash. Any decline in the value of the investment to be transferred in settlement of a redemption between the relevant Dealing Day and the day on which investments are delivered to the Unitholder, shall be borne by the Unitholder.

At the request and expense of the Unitholder, the Sub-Fund Investment Manager shall arrange for the sale of any investments (and the discharge of all liabilities attached thereto) to which a Unitholder becomes entitled on an “in specie” redemption.

The investments (and any liabilities attached thereto) used to satisfy the “in specie” redemption will not be part of the Portfolio, or be subject to the terms of the Trust Deed.

Redemption Pro Rata

Where total requests for redemption on any Dealing Day exceed 10% of the Net Asset Value of the Portfolio, the Sub-Fund Investment Manager shall endeavour, on a best-efforts basis and subject always to the ability to realise investments in a timely manner to satisfy redemption requests, to liquidate underlying investments on a pro-rata basis across the Portfolio, to maintain consistent liquidity across the underlying investments and prevent depletion of the most liquid investments in the Portfolio.

Loss of Key Person

If, for any reason, Jonathan Sharpe is unable to perform his portfolio management duties in respect of the Portfolio on behalf of the Sub-Fund Investment Manager for a period of greater than 90 consecutive days, Unitholders of all Units of the Portfolio may, upon providing at least 90 calendar days’ prior written notice to the Administrator, request that their Units become redeemable on a monthly basis, subject to the above Redemption in Specie and Redemption Pro Rata provisions. All other existing redemption terms will continue to apply in respect of such Units.

15. **Switching of Units**

Unitholders may, in respect of Units held in one or more Classes of Units (the "**Original Units**") for any Dealing Day for such Units, by notice in writing to the Manager or Sub-Fund Investment Manager request the Manager or Sub-Fund Investment Manager to redesignate some or all of such Original Units as Units in one or more other Classes of Units in the Portfolio (the "Redesignated Units"). Any such redesignation may be made subject to the terms set out in the "**Quarterly Redemptions**" and "**Lock Units Redemptions**" sections above and at the discretion of the Manager or Sub-Fund Investment Manager.

Subject to the notice periods set out in the "**Quarterly Redemptions**" and "**Lock Units Redemptions**" sections above, Unitholders must provide at least 10 Business Days' written notice to the Manager prior to the relevant Dealing Day of any switching request. On the Dealing Day next following the receipt of the request, the Original Units to be redesignated shall, at the discretion of the Manager or Sub-Fund Investment Manager ipso facto be redesignated as the appropriate number of Redesignated Units. The Original Units shall on that Dealing Day have the same value (the "**Redesignation Amount**") as if they were being purchased by the Manager from the Unitholder. The appropriate number of Redesignated Units shall be equal to the number of units in that Class or Classes that would be issued on that Dealing Day if the Redesignation Amount were invested in that Class or Classes.

Upon any such redesignation, there shall be reallocated from the Class or Classes to which the Original Units belonged, assets or cash equal in value to the Redesignation Amount to the Class or Classes to which the Redesignated Units belong.

There shall be no charge incurred by Unitholders upon switching Classes. However, the Unitholder may be required to reimburse the Manager or Sub-Fund Investment Manager for any charges arising out of such redesignation. In addition, any Performance Fee accrual will crystallise as a result, and on the date, of any such redesignation and any loss carryover or (in respect of LR Units) underperformance carryover, as further described below, will be lost at that point.

Upon any such redesignation the Manager shall procure that the relevant registers are amended accordingly.

16. **Investment Restrictions:**

The Portfolio is subject to the following investment restrictions:

1. The Portfolio may not invest more than 20% of its Net Asset Value in securities issued by the same issuer. This restriction does not apply to investments in securities issued or guaranteed by a Member State of the OECD, or by its local or regional authorities or by EU, regional or global supranational institutions and bodies.

2. The Portfolio may not invest, in aggregate, more than 15% of its Net Asset Value in units of collective investment schemes.

3. When using financial derivative instruments, the Portfolio shall ensure, via appropriate diversification of the underlying assets that no more than 30% of its Net Asset Value has exposure to securities issued by the same issuer.

4. Other than in respect of deposits with the Trustee, the Portfolio may not place more than 30% of its Net Asset Value on deposit with the same credit institution.

5. For the purposes of effective management, the Portfolio, may lend securities from its portfolio.

6. The Portfolio may not invest more than 10% of its Net Asset Value in unlisted securities.

7. The Portfolio may not enter into repo transactions.

8. The Portfolio may not invest directly in real estate, commodities or precious metals.

9. The Portfolio shall not carry out short sales of securities or money market instruments.

10. The Portfolio may not take legal or management control of any issuer in which it invests.

The Portfolio adheres to the principle of risk diversification in respect of its assets.

Other than the restriction referred to in number 10 above (which applies at all times), the above restrictions apply as at the date of the relevant transaction or commitment to invest. Changes in the investment portfolio of the Portfolio will not have to be effected merely because any of the limits contained in such restrictions would be breached as a result of any appreciation or depreciation in value, or by reason of the receipt of any right, bonus or benefit in the nature of capital or of any scheme or arrangement for amalgamation, reconstruction or exchange or by reason of any other action affecting every holder of the relevant investment. However, no further relevant securities will be acquired until the limits are again complied with. In the event that any of the investment restrictions are inadvertently breached, the Sub-Fund Investment Manager will take corrective action to rectify the breach taking due account of the interests of the Unitholders.

Currency Hedging Policy

The Sub-Fund Investment Manager may employ strategies aimed at hedging against currency risk in order to hedge against certain currency risks, for example, where the currency of denomination of a class of Units differs from the base currency of the Portfolio. However, there can be no assurance that such hedging transactions will be effective. The costs and related liabilities/benefits arising from instruments entered into for the purposes of hedging the currency exposure for the benefit of any particular class of Units shall be attributable exclusively to that class.

17. **Distributions**

It is not anticipated that distributions will be paid. Income and profits, if any, will be accumulated, and reinvested in the Portfolio on behalf of Unitholders and will be reflected in the Net Asset Value.

18. **Risk Factors**

The general 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 Portfolio.

General Risk

An investment in the Units of the Portfolio is speculative and involves a degree of risk. Accordingly, prospective investors should consider the following risk factors carefully. These risk factors may not be a complete list of all risk factors associated with an investment in the Portfolio.

The nature of the Portfolio's investments involves certain risks and is suitable only for persons who can assume the risk of losing their entire investment. Prospective investors should consider, among others, the following factors before subscribing for Units:

Market Capitalisation Risk

The securities of micro capitalisation companies may have a more limited market than the securities of larger companies and may involve greater risks and volatility than investments in larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of micro cap companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports.

Companies with smaller market capitalisations may be at an earlier stage of development, may be subject to greater business risks, may have limited product lines, limited financial resources and less depth in management than more established companies. In addition, these companies may have difficulty withstanding competition from larger more established companies in their industries. The securities of companies with smaller market capitalisations may be thinly traded (and therefore have to be sold at a discount from current market prices or sold in small lots over an extended period of time), may be followed by fewer investment research analysts and may be subject to wider price swings and thus may create a greater chance of loss than investing in securities of larger capitalisation companies. In addition, transaction costs in smaller capitalisation stocks may be higher than those of larger capitalisation companies.

Business Risk

There can be no assurance that the Portfolio will achieve its investment objective. The investment results of the Portfolio are reliant upon the success of the Sub-Fund Investment Manager.

Securities Lending Risk

The Portfolio will have a credit risk on a counterparty to any securities-lending contract. As with any extensions of credit, there are risks of delay and recovery. The risks associated with lending Portfolio securities include the possible loss of rights against the securities should the borrower fail financially. Should the borrower of securities fail financially or default on any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. There is a risk that the value of the collateral may fall below the value of the securities transferred. The Portfolio could thus lose money in the event of a decline in the value of the collateral provided for the loaned securities or of the investments made with cash collateral. The Portfolio may invest cash collateral received and will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security. For example, the Portfolio may invest cash collateral received in certain money market funds, and it will therefore be exposed to the risk associated with investing in a money market fund such as financial services industry risk.

Concentration of Investments

Although it is the policy of the Portfolio to diversify its investment portfolio, the Portfolio may at certain times hold relatively few investments. The Portfolio could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

Counterparty Risk

The Portfolio is subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

Net Asset Value Considerations

The Net Asset Value per Unit is expected to fluctuate over time with the performance of the Portfolio's investments. A Unitholder may not fully recover his initial investment when he chooses to redeem his Units or upon compulsory redemption if the Net Asset Value per Unit at the time of such redemption is less than the price at which each Unit was issued and paid by such Unitholder (plus any Equalisation Factor).

Currency Exposure

The Units are denominated in Euro and US Dollars and Units are issued and redeemed in those currencies. Certain of the assets of the Portfolio may, however, be invested in securities and other investments which are denominated in currencies other than Euro or US Dollars. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Sub-Fund Investment Manager may seek to hedge the foreign currency exposure of each of the Euro and US Dollar classes of Units. However, the Portfolio is necessarily subject to foreign exchange risks. In addition, prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between the Euro or the US Dollar, as the case may be, and such other currencies.

Derivatives

The Portfolio may have credit exposure to counterparties by virtue of an investment position in OTC derivatives. To the extent that a counterparty defaults on its obligation and the Portfolio is delayed or prevented from exercising its rights with respect to its investments, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights.

Use of forward currency contracts as a method of protecting the value of Portfolio's assets against a decline in a value of a currency, establishes a rate of exchange which can be achieved at some future point in time, but does not eliminate fluctuations in the underlying prices of securities. Use of forward currency contracts may also reduce any potential gain which may have otherwise occurred had the currency value increased more above the settlement price of the contract. Successful use of forward contracts depends on the Sub-Fund Investment Manager's skill in analysing and predicting relevant currency values. Forward contracts alter the Portfolio's exposure to currency exchange activity and could result in losses to the Portfolio in the event that the currencies do not perform in the manner anticipated. The Portfolio may also incur significant cost from converting assets from one currency to another.

Contracts for difference (CFDs) are derivative securities, where their price is derived from the price of the underlying reference instruments. It is not currently intended that such securities will be traded synthetically but should they be traded in such a manner, "gearing" or "leverage" may arise. This stems from the margining system applicable to such trades, which generally involves a comparatively modest deposit in terms of the overall contract value, so that a relatively small movement in the underlying market can have a disproportionate effect on the trade. If the underlying instrument movement is in the Portfolio's favour, a profit may be achieved, but an equally small adverse market movement can result in the loss of the Portfolio's deposit plus additional commissions and other expenses. The prices of CFDs will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programmes and policies, national and international political and economic events and the prevailing characteristics of the relevant marketplace.

Hedging Transactions

The Sub-Fund Investment Manager may employ currency hedging techniques. Where an investment is made in a currency other than the base currency of the Portfolio, the Sub-Fund Investment Manager may attempt to minimise the effect of currency fluctuations between that currency and the base currency through the use of currency hedging; however the result cannot be guaranteed.

Sub-Fund Investment Management Risk

The investment performance of the Portfolio is dependent on the services of the Sub-Fund Investment Manager who is responsible for managing the investment of the assets of the Portfolio. In the event of the resignation, termination, retirement or insolvency of the Sub-Fund Investment Manager, the performance of the Portfolio may be adversely affected.

Limited Liquidity Risk

There is no secondary market in the Units. An investment in the Portfolio is relatively illiquid and is not suitable for an investor who needs liquidity. There is no guarantee that purchase or sale transactions can be carried out in respect of Units of the Portfolio in a timely manner. The Portfolio's investments, as a result of their very nature, involve uncertainty (and therefore risk) as to their effective realisation value and timing. Investments may have very low liquidity, and there is no certainty that the Portfolio will be able to realise its position at the planned time. Investors should note that payment of repurchases may be delayed or suspended until such time as the Portfolio is in a position to liquidate its underlying investments.

Unit Prices and Income

It should be remembered that the value of Units and the income (if any) derived from them can go down as well as up.

Transaction Costs

The Portfolio's investment approach may involve a high level of trading and turnover of the Portfolio's investments which may generate substantial transaction costs which will be borne by the Portfolio.

Tax Considerations

The Portfolio may be subject to withholding, capital gains or other taxes on income and/or gains arising from its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by the Portfolio is incorporated, established or resident for tax purposes. Where the Portfolio invests in securities that are not subject to withholding or other taxes at the time of acquisition, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Portfolio may not be able to recover such tax and so any change may have an adverse effect on the Net Asset Value of the Units. Where the Portfolio chooses or is required to pay taxation liabilities and/or account for reserves in respect of taxes that are or may be payable in respect of current or prior periods by the Portfolio (whether in accordance with current or future accounting standards), this would have an adverse effect on the Net Asset Value of the Units. This could cause benefits or detriments to certain Unitholders, depending on the timing of their acquisition or sale of Units. All prospective investors should consult their own tax advisers prior to investment in the Portfolio.

Market Crisis and Governmental Intervention

The global financial markets may undergo pervasive and fundamental disruptions which may lead to extensive and unprecedented governmental intervention. Such intervention may in certain cases be implemented on an "emergency" basis without much or any notice with the consequence that some market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions may be suddenly and/or substantially eliminated. In addition, as one would expect given the complexities of the global financial markets and the limited timeframe within which governments may be able to take action, such interventions may sometimes be unclear in scope and application, resulting in confusion and uncertainty which in itself may be materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies. The United States Federal Reserve and certain non-US governments have previously taken significant steps to intervene in the financial markets. Future government interventions may lead to a change in valuations of securities that is detrimental to the Portfolio's investments. Government intervention is subject to inherent uncertainties relating to prevailing economic conditions and political considerations. It is impossible to predict with certainty what interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Sub-Fund Investment Manager's ability to fulfil the Portfolio's investment objective.

Market Disruptions

The Portfolio may incur major losses in the event of disrupted markets and other extraordinary events which may affect markets in a way that is not consistent with historical pricing relationships. The risk of loss from a disconnect with historical prices is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Portfolio from its banks, dealers and other counterparties will typically be reduced in disrupted markets. Such a reduction may result in substantial losses to the Portfolio. In 1994, in 1998 and again in the so-called "credit crunch" of 2007-2009 a sudden restriction of credit by the dealer community resulted in forced liquidations and major losses for a number of investment vehicles. The "credit crunch" of 2007-2009 has particularly affected investment vehicles focused on credit-related investments. However, because market disruptions and losses in one sector can cause ripple effects in other sectors, during the "credit crunch" of 2007-2009 many investment vehicles suffered heavy losses even though they were not necessarily heavily invested in credit-related investments. In addition, market disruptions caused by unexpected political, military and terrorist events may from time to time cause dramatic losses for the Portfolio and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk. A financial exchange may from time to time suspend or limit trading. Such a suspension could render it difficult or impossible for the Portfolio to liquidate affected positions and thereby expose it to losses. There is also no assurance that off-exchange markets will remain liquid enough for the Portfolio to close out positions. Global financial markets continue to experience volatility and uncertainty, as a result of the credit crises, the downgrades of credit ratings, as well as other factors. This volatility and uncertainty may adversely affect the Portfolio.

*Over-the-Counter ("**OTC**") Transactions*

OTC derivative transactions in Europe are regulated in accordance with a Regulation of the European Parliament and the European Council on OTC derivatives, central counterparties and trade repositories ("**EMIR**") entered into force. Some of the main obligations under EMIR are the requirement for certain classes of OTC derivatives to be cleared through an authorised central counterparty ("**CCP**"); reporting to trade repositories; and application of risk mitigation techniques for non-centrally cleared OTC derivatives (i.e. OTC derivative contracts not cleared by a CCP). For non-centrally cleared OTC derivatives, EMIR requires the "timely confirmation, where available, by electronic means, of the terms of the relevant OTC derivative contract". The obligation is one that falls on the financial counterparty (i.e. the Portfolio) to the relevant contract. Most of the specifics of this obligation are subject to separate regulatory technical standards which provide, inter alia, that financial counterparties must have procedures in place to report on a monthly basis the number of unconfirmed, relevant OTC derivative transactions that have been outstanding for more than 5 Business Days.

Valuation Risk

The Net Asset Value of the Portfolio is calculated by the Administrator based, to the extent possible, on prices obtained from independent third-party sources including exchanges. The fair value of those assets of the Portfolio for which a third-party price is not available will be valued based on other sources deemed reliable by the Manager. Investors should note that there is a risk that a Unitholder which redeems its Units while the Portfolio holds particular assets may be paid an amount less or more than it would otherwise be paid if the actual value of such assets is higher or lower than the value provided to the Administrator. In addition, there is a risk that a subscription for Units could dilute the underlying value of such assets for the other Unitholders if the actual value of such assets is higher than the value provided to the Administrator. There is also a risk that greater Sub-Fund Investment Manager Fees and/or Performance Fees may be paid by the Portfolio in respect of certain assets or liabilities than would have been paid if the actual value of such assets or liabilities is lower or higher than the value determined for the purposes of calculating those fees. None of the Manager, the Sub-Fund Investment Manager, or the Administrator is under any liability (including any obligation to remit excess Sub-Fund Investment Manager Fees or Performance Fees to the Portfolio or any of the Unitholders) if a price reasonably believed to be an accurate valuation of a particular asset of the Portfolio is found not to be such.

Nature of Investments

An investment in the Portfolio will require a long-term commitment, with no certainty of return. The Portfolio intends to make investments which the Sub-Fund Investment Manager perceives as having the potential for substantial return, but which may also involve substantial risks. Many of the Portfolio's investments will be illiquid and there can be no assurance that the Portfolio will be able to realise such investments in a timely manner. Since the Portfolio may only make a limited number of investments and since such investments may involve a high degree of risk, poor performance by such investments could severely affect the total return to investors.

Asset 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.

In some circumstances, investments (such as unlisted securities) may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. Accordingly, the Portfolio’s ability to respond to market movements may be impaired and the Portfolio may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

Market Risk

The investments of the Portfolio are subject to normal market fluctuations and the risk inherent in investment in equity securities and similar instruments and there can be no assurances that appreciation will occur.

Default Risk

As the Portfolio may invest in securities which have low credit status, it may represent a higher credit risk than funds which do not invest in such securities. It should also be noted that investment in securities issued by corporations may represent a higher credit risk than investment in securities issued by governments.

Use of Borrowing

The attention of the investors is drawn to the Section headed “**Borrowing**” above. The Portfolio may borrow and such borrowing may be up to 10% of the Net Asset Value of the Portfolio. Borrowings may be secured by pledging, mortgaging or charging of the assets of the Portfolio.

Performance Fee

In addition to receiving a Sub-Fund Investment Management Fee, the Sub-Fund Investment Manager may also receive a Performance Fee based on the appreciation in the Net Asset Value per Unit above a specified hurdle rate and accordingly the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. Accordingly, a Performance Fee may be paid on unrealised gains which may subsequently never be realised. The Performance Fee may create an incentive for the Sub-Fund Investment Manager to make investments for the Portfolio which are riskier than would be the case in the absence of a fee based on the performance of the Portfolio.

Reliance on Management

Investors will not be entitled to participate in the management of the Portfolio. Accordingly, investors must be prepared to entrust management (including pricing) of the Portfolio to the Sub-Fund Investment Manager. The attention of investors is drawn to the fact that the valuation of unlisted securities depends on subjective factors and can be difficult to establish with accuracy. The Administrator may be relying on valuations of unlisted securities provided by the Sub-Fund Investment Manager. This could lead to potential conflicts of interest on the part of the Sub-Fund Investment Manager whose fees will, as will the return to investors, increase as the value of the Portfolio increases. However, the Sub-Fund Investment Manager will endeavour to resolve such conflict by valuing such unlisted securities based on their probable realisation value with prudence and good faith.

When calculating the Net Asset Value of the Units in accordance with any of the provisions of the Prospectus and the Trust Deed, or approving any methods of valuation determined by the Manager, the Administrator and Trustee shall not be liable to any person for any loss, liability, claim, cost or expense suffered by any person as a result of the Administrator or the Trustee having relied upon any information, or the accuracy or completeness of information, supplied to it either by the Manager or the Sub-Fund Investment Manager, its directors, officers, employees or agents, or should the availability of the pricing information be delayed or not be provided by the Sub-Fund Investment Manager or any third parties.

Sustainability Risk

“Sustainability Risk” is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The Sub-Fund Investment Manager integrates Sustainability Risks into its investment decision-making process, which facilitates the Sub-Fund Investment Manager in assessing the extent to which such risks might impact the Portfolio's investments and manage such risks accordingly.

The Sub-Fund Investment Manager has determined that environmental, social and governance ("**ESG**") factors may impact the financial returns and sustainability of the companies in which the Portfolio invests, and accordingly on the value of the Portfolio. The occurrence of a Sustainability Risk could lead to a sudden and negative impact on, or entire loss of, the value of an investment, which would negatively impact the returns of the Portfolio. A Sustainability Risk could result in financial or business risk to investments, including through a negative impact on the reputation, credit worthiness or financial value of investee companies.

Sustainability Risks may arise where environmental, social or governance factors have a negative impact on investments. Environmental risks are the financial risks arising from the Portfolio's potential exposure to assets that may contribute to or be affected by climate change and other forms of environmental degradation such as air or water pollution. Governance factors cover governance practices of investee companies and Portfolio counterparties, including the inclusion of ESG factors in such entities' or issuers' policies and procedures. Governance factors can lead to governance risks in several ways including a poor code of conduct or failure to take action on anti-money laundering which could hamper both its financial and non-financial resources, thus affecting its potential to perform and generate returns. Social factors are related to the rights, well-being and interests of people and communities, which may have an impact on the activities of investee companies and Portfolio counterparties. Social factors may give rise to financial risks. For example, various policy actions have been taken in response to social movements demanding equal pay, equal representation and workplace diversity. Such social changes can constitute a risk for entities unable or unwilling to adapt, for example due to a poor corporate culture. Such companies may be the target of complaints and lawsuits, market pressure and/or reputational damages.

The Sub-Fund Investment Manager monitors the anticipated impact of Sustainability Risks on the returns of the Portfolio on an ongoing basis and engages in processes designed with a view to identifying, monitoring and managing such risks.

The Sub-Fund Investment Manager considers various factors during the initial investment appraisal phase and on an ongoing basis to identify and manage Sustainability Risks throughout investment activities. The Sub-Fund Investment Manager focuses on various broad categories of responsible investment in its efforts to identify and mitigate Sustainability Risks which it believes could impact the Portfolio's returns, most notably:

> Investments are screened via a range of screening tools and may be excluded based on non-financial considerations including moral worth and environmental impact. The screening may be used to exclude individual investments or entire industries or geographic regions. Each investment jurisdiction's scoring on the Transparency International’s Corruption Perception Index is considered on an annual basis or when a new investee jurisdiction is proposed. Directors and majority shareholders of investee companies are also screened regularly.
>
> ESG due diligence is embedded into the Sub-Fund Investment Manager's pre-investment appraisal and further enhanced ESG screening is conducted depending on the inherent ESG characteristics which could have a material negative impact on the value of the investee company. The Sub-Fund Investment Manager categorises investments based on a traffic light system and the identification of Sustainability Risks may impact on the relative size of an investment and also form an integral part of the detailed financial analysis that the Sub-Fund Investment Manager will undertake as part of its ongoing investment appraisals. Full audit trails are maintained on an ongoing basis and key Sustainability Risks identified are regularly addressed during investee company engagements.

The Sub-Fund Investment Manager engages regularly with investee companies as part of the initial pre-investment risk assessment analysis and ongoing due diligence, which facilitates monitoring of investments. Investee companies are encouraged to be pro-active and transparent in the management of ESG and other risks, to protect the value of the investments. The Sub-Fund Investment Manager also registers proxy votes with investee companies whenever possible.

Investors are referred to the Sub-Fund Investment Manager for further details on the integration of Sustainability Risks into the investment decision-making process.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Portfolio. Prospective investors should read this Supplement and the Prospectus and consult with their own advisers before deciding to invest in the Portfolio.

19. Management and Fund Charges

General Expenses

Details of general expenses of the Portfolio are set out in the "**Management and Fund Charges**" section of the Prospectus.

The Sub-Fund Investment Manager may operate a research payment account for the discharge of research expenses in respect of the Portfolio in accordance with the European Union (Markets in Financial Instruments) Regulation 2017 and will agree an annual budget for this expense with the Directors in advance.

Organisational Expenses

The organisational expenses of the Portfolio have been fully amortised.

Manager

The Manager shall be entitled to an annual fee (plus VAT, if any), payable out of the assets of the Portfolio, of 0.10% of the Net Asset Value of the Portfolio subject to a minimum of €60,000 per annum. The Manager's annual fee will accrue weekly and be payable monthly in arrears.

The Manager shall be entitled to be repaid out of the assets of the Portfolio its reasonably incurred out of pocket expenses.

Trustee

The Trustee is entitled to receive out of the assets of the Portfolio an annual fee of 0.025% of the Net Asset Value of the Portfolio (plus VAT, if any), subject to a minimum trustee fee of €10,860 per annum in respect of the Portfolio (plus VAT, if any). Such fee shall accrue and be payable quarterly in arrears.

The Trustee will also be entitled to receive transaction charges at normal commercial rates and/or will be entitled to be reimbursed for its properly vouched reasonable out-of-pocket expenses. The fees of any sub-custodians appointed by the Trustee will be at normal commercial rates and paid out of the assets of the Portfolio.

Administrator

The Administrator is entitled to receive out of the assets of the Portfolio an annual fee of 0.055% of the Net Asset Value of the Portfolio (plus VAT, if any), subject to a minimum quarterly fee of €7,000 (i.e. €28,000 per annum) in respect of the Portfolio (plus VAT, if any). Such fee shall accrue and be calculated and payable quarterly in arrears.

The Administrator is also entitled to receive out of the assets of the Portfolio an AIFMD reporting fee of €625 per quarter (plus VAT, if any).

The Administrator will also be entitled to receive transaction charges and any agreed ancillary fees at normal commercial rates and/or to be reimbursed for its properly vouched reasonable out-of-pocket expenses.

Sub-Fund Investment Manager

The Sub-Fund Investment Manager receives a Sub-Fund Investment Management Fee for Non-Lock Units of 1/12 of 1.5%, and for Lock Units of 1/12 of 1.25%, per month of the Net Asset Value of the Portfolio (before deduction of that month's Manager's Fee and before deduction for any accrued Performance Fees) as at each Valuation Point, payable monthly in arrears. The Sub-Fund Investment Management Fee is deemed to accrue on a weekly basis.

<u>Performance Fee</u>

The Sub-Fund Investment Manager is also entitled to receive a Performance Fee from the Portfolio calculated on a Unit-by-Unit basis so that each Unit is charged a Performance Fee which equates precisely with that Unit's performance. This method of calculation ensures that (i) any Performance Fee paid to the Sub-Fund Investment Manager is charged only to those Units which have appreciated in value or (in respect of LR Units) exceeded the Relative Performance Fee Benchmark, (ii) all holders of Units of the same Class have the same amount of capital per Unit at risk in the Portfolio, and (iii) all Units of the same Class have the same Net Asset Value per Unit.

Other than in respect of the first Calculation Period, the Performance Fee is calculated in respect of each period of twelve months ending on 31 December in each year (a "**Calculation Period**"). The first Calculation Period for each class of Units shall commence on the closure of the initial offer period for that class and shall end on the following 31 December. The Performance Fee is deemed to accrue on a monthly basis as at each Valuation Point.

At the end of each Calculation Period, the Performance Fee per Unit will be calculated in respect of all Units subscribed for on each Dealing Day during that Calculation Period. The Performance Fee in respect of each Unit in any Calculation Period will be equal to the relevant percentage (%) of the appreciation in the Net Asset Value per Unit of the relevant Class (before deduction for any accrued Performance Fees, but after deduction of accrued Sub-Fund Investment Management Fees) during that Calculation Period (or part thereof during which the relevant Unit was in issue) above a performance fee benchmark for that Unit (as set out below) in respect of that Calculation Period (or part thereof).The Performance Fee will be adjusted by an equalisation factor (details of which are set out below) or Unit redemption proceeds that may be applied pursuant to performance fee equalisation methods.

If the Sub-Investment Management Agreement is terminated before the end of any Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant period.

In the event of a partial redemption, whether during or at the end of a Calculation Period, Units will be treated (unless otherwise agreed with the Manager and Sub-Investment Manager) as redeemed on a first in, first out ("fifo") basis for the purpose of calculating the Performance Fee.

Performance Fee Benchmark

The “Performance Fee Benchmark” is the value at the end of each Calculation Period that the Net Asset Value per Unit of the relevant Class on the same day must exceed or (in respect of LR Units) outperform in order for a Performance Fee to be paid.

If the Net Asset Value (before deducting the amount of any accrued liability for Performance Fee, but after deducting the amount of any accrued liability for Sub-Investment Management fee) at the end of a Calculation Period exceeds or (in respect of LR Units) outperforms the Performance Fee Benchmark, a Performance Fee of 15% of that excess amount is payable.

Absolute Performance Fee Units

In respect of Non-Lock Units and for Maga Micro Cap Euro LA, Dollar LA, Sterling LA Units (the "**LA Units**"), an absolute performance fee calculation methodology shall apply.

The Performance Fee Benchmark for the end of the first Calculation Period will be the subscription price during the initial offer as increased by applying to it a hurdle rate of 3 month euro short-term rate (€STR) (Bloomberg ticker "ESTR3M Index") (considered to be zero in the event that the €STR rate is negative) plus 2 per cent (the “**Hurdle Rate**”) (the "**Absolute Performance Fee Benchmark**").

When a performance fee is payable the Absolute Performance Fee Benchmark for Non-Lock Units and for LA Units for the next Calculation Period will be the final Net Asset Value per Unit of the relevant Class at the end of the previous Calculation Period as increased by applying to it the Hurdle Rate.

If the Net Asset Value per Unit at the end of a Calculation Period is equal to or lower than the Absolute Performance Fee Benchmark, no Performance Fee is payable. The Absolute Performance Fee Benchmark for the next Calculation Period is calculated by applying the Hurdle Rate to the previous Absolute Performance Fee Benchmark.

Loss Carryover

Where the Net Asset Value per Unit at the end of a Calculation Period is equal to or lower than the Absolute Performance Fee Benchmark, the difference between the Absolute Performance Fee Benchmark and the Net Asset Value per Unit for that Calculation Period (a ‘**loss carryover**’) shall be carried over to the next Calculation Period. For example, if during the first Calculation Period the Hurdle Rate was 102 per cent. and the subscription price was USD100, the Absolute Performance Fee Benchmark for the first Calculation Period would be USD102. The Absolute Performance Fee Benchmark increases by the 2% over each calculation period on a pro-rata basis at each Valuation Point. If the Net Asset Value per Unit of the relevant Class only reached USD101 at the end of the first Calculation Period then the Absolute Performance Fee Benchmark would not have been reached and no Performance Fee would be payable.

Assuming the new Hurdle Rate was again 102 per cent., the new Absolute Performance Fee Benchmark for the next Calculation Period would be USD102 (i.e. the previous unattained Absolute Performance Fee Benchmark) x 102%, i.e. USD104.04. Thus the performance shortfall is carried over into the next Absolute Performance Fee Benchmark figure and is not written off.

Relative Performance Fee Units

The Performance Fee Benchmark for Maga Micro Cap Euro LR, Dollar LR, Sterling LR Units (the "**LR Units**") is the MSCI Europe Micro Cap Index (Bloomberg ticker "MSEIEMLN Index") (the "**Relative Performance Fee Benchmark**")

The Performance Fee for LR Units shall be payable in the event that the Portfolio has outperformed the Relative Performance Fee Benchmark, even in circumstances where the value of Units has declined.

MSCI Limited is listed as an authorised benchmarks administrator on the public register maintained by the European Securities and Markets Authority (ESMA) under Regulation (EU) 2016/1011 of the European Parliament and of the Council.

Underperformance Carryover

The use of the Relative Performance Fee Benchmark ensures that investors will not be charged a Performance Fee until any previous shortfalls relative to the Relative Performance Fee Benchmark are recovered.

Any underperformance of the Relative Performance Fee Benchmark in a given Calculation Period will be cleared before any Performance Fee becomes payable in the following Calculation Period.

Performance Fee Equalisation

The Performance Fee calculation is computed by operating an equalisation accounting system which ensures that each Unit is charged a Performance Fee or is treated as having a loss carryover or (in respect of LR Units) underperformance carryover (to be set against future appreciation in the value of that Unit) which equates precisely with that Unit's performance.

When Units are subscribed during the course of a Calculation Period ("**Interim Purchases**") or at the beginning of the Calculation Period, certain adjustments to the subscription price of the Units may be necessary. This is done so that (i) the Performance Fee paid to the Sub-Fund Investment Manager is charged only to those Units which have appreciated in value, or (in respect of LR Units) exceeded the Relative Performance Fee Benchmark, since their acquisition (ii) Unitholders will have the same amount per Unit at risk and (iii) all Units of the same Class will have the same Net Asset Value per Unit.

The number of Units to be subscribed and the amount of redemption proceeds paid will be based on the price per Unit (the "**Adjusted Price**") as defined below. The Adjusted Price for each Unit is calculated in the following manner:-

For Units purchased at the beginning of the Calculation Period ("**Period Beginning**"), the Adjusted Price is the Period Beginning Net Asset Value per Unit.

For Interim Purchases or redemptions (any purchases or redemptions respectively made after the period of the initial offer or after the beginning of a Calculation Period):

(a) where Units are purchased at a time when the Net Asset Value of the Class in question is above the accrued prevailing Performance Fee Benchmark:

the Adjusted Price is the sum of the Net Asset Value per Unit plus the "**Equalisation Factor**" as defined below. The Equalisation Factor is initially an amount which the Units outstanding since the last Calculation Period should be charged (i.e. 15% of the increase in Net Asset Value since the last Calculation Period in excess or (in respect of LR Units) outperformance of the prevailing Performance Fee Benchmark), and which the Units subscribed for at the date of the Interim Purchase should not be charged. The Equalisation Factor is payable to account for the fact that the Net Asset Value per Unit of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing Unitholders and serves as a credit against Performance Fees that might otherwise be payable by the Portfolio but that should not, in equity, be charged against the Unitholder making the subscription because, as to such Units, no favourable performance has yet occurred. The Equalisation Factor ensures that all holders of Units of the same Class in the Portfolio have the same amount of capital at risk per Unit.

The Equalisation Factor becomes part of the Portfolio's assets and will be at risk in the Portfolio and will therefore appreciate and depreciate based on the performance of the Portfolio subsequent to the issue of the relevant Units. To the extent that the increase in value of the Units that causes the payment of the Equalisation Factor is not lost in the current Calculation Period, the Equalisation Factor attributable to such increase (as adjusted to take into consideration the Units' own Performance Fee Benchmark) becomes payable to the Unitholder at the end of the current Calculation Period. To the extent that the increase in value of the Units that causes the payment of the Equalisation Factor is lost in the Calculation Period the Units are purchased but is recovered in a subsequent Calculation Period, the Equalisation Factor attributable to such recovery (as adjusted to take into consideration the Units' own Performance Fee Benchmark) will become payable to the Unitholder at the end of the Calculation Period in which the recovery occurs. Upon redemption by a Unitholder of his Units, the same amount of the Equalisation Factor will be paid to him as if the date of redemption were the last day of the Calculation Period in which the Units are redeemed taking into account the length of time that the Units have been held. Any Equalisation Factor (as adjusted to take into consideration the Units' own Performance Fee Benchmark), or portion thereof, which is due to a Unitholder not redeeming his Units will be used to purchase additional Units on behalf of such Unitholder, at the relevant subscription price as on the Valuation Point on the last day of the relevant Calculation Period.

Units are subject to an independent calculation of a Performance Fee Benchmark by the Administrator and therefore Performance Fee is based on the length of time the Units are held and the original purchase price of those Units. Upon redemption or at the end of a Calculation Period, Equalisation is used to adjust the amount of Performance Fee paid by those Units. As a result of this calculation, the amount of Equalisation ultimately refunded on redemption or at the end of a Calculation Period may vary from the amount of Equalisation paid at the time of purchase.

Additional Units of the relevant Class will continue to be so subscribed for at the end of each Calculation Period until the Equalisation Factor (as adjusted to take into consideration the Units' own Performance Fee Benchmark) has been fully applied, as it may have appreciated or depreciated in the Portfolio after the original subscription for Units of that Class was made. If the Unitholder redeems his Units of the relevant Class before such Equalisation Factor has been fully applied, the Unitholder will receive additional redemption proceeds equal to the relevant Equalisation Factor then remaining multiplied by a fraction, the numerator of which is the number of Units of the relevant Class being redeemed and the denominator of which is the number of Units of the relevant Class held by the Unitholder immediately prior to the redemption in respect of which an Equalisation Factor (as adjusted to take into consideration the Units' own Performance Fee Benchmark) was paid on subscription.

(b) where Units are purchased at a time when the Net Asset Value of the Class in question is below the accrued prevailing Performance Fee Benchmark:

the Adjusted Price will be the Net Asset Value per Unit. If at the end of any Calculation Period (or at any time during the Calculation Period when Units are redeemed), the Net Asset Value per Unit exceeds the Net Asset Value per Unit as at the date of purchase so that holders of these Units will be charged a Performance Fee, these Units will be subject to a compulsory redemption adjustment ("**Redemption Adjustment**") charged at 15% of any increase in Net Asset Value up to the prevailing Performance Fee Benchmark. Adjustments will be effected by redeeming a sufficient number of these Units at the end of the Calculation Period so that the particular Unitholder will be charged the appropriate Performance Fee based upon the Unit's own Performance Fee Benchmark calculation. A holder of Units which are redeemed to pay the appropriate Performance Fee will not receive any proceeds on redemption. The proceeds of this compulsory Unit redemption will be used by the Portfolio as an accrual of Performance Fee with respect to the increase in Net Asset Value. If the Net Asset Value per Unit does not exceed or (in respect of LR Units) outperform the prevailing Performance Fee Benchmark, the Redemption Adjustment (described above) will be made at the end of the Calculation Period in which the increase occurs.

Verification

The calculation of the Performance Fee will be verified by the Trustee at the end of each Calculation Period.

In the event of a dispute arising as to the amount of the Performance Fee payable, the same shall be referred to the Auditors for settlement, who shall be entitled to make such future or other adjustments as may in the circumstances appear to them to be appropriate and whose decision shall be regarded as the decision of an expert and not of an arbitrator and shall be final and binding upon the parties. The costs of such audit, if required, will be borne by the Unitholder.

Where Performance Fees are payable by the Portfolio these will be based on net realised and net unrealised gains and losses at each Performance Period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

Auditors Fees

The Portfolio will bear the audit fees of the Portfolio which will be charged at normal commercial rates and will be detailed in the annual and semi-annual reports of the Portfolio.

20. **Sub-Fund Investment Manager**

The Manager has appointed Otus Capital Management L.P. as Sub-Fund Investment Manager to the Portfolio. The Sub-Fund Investment Manager is an English limited partnership registered on 2 November 2000 and which acts through its general partner Otus Capital Management Limited, which was incorporated in England on 19 October 2000 and is authorised and regulated by the Financial Conduct Authority. Otus Capital Management Limited, as the general partner of the Sub-Fund Investment Manager, is a signatory to the Hedge Fund Standards Board's Best Practice Standards. The address of the Sub-Fund Investment Manager is 29 Queen Anne's Gate, London SW1H 9BU, UK.

General

The Sub-Fund Investment Manager was appointed by the Manager pursuant to a Sub-Investment Management and Distribution Agreement dated 12 November 2013, as amended and restated and as subsequently novated on 21 July 2021 (the "**Sub-Investment Management Agreement**"). Under the Sub-Investment Management Agreement, the Sub-Fund Investment Manager has full discretion, subject to the control of, and review by, the Trustee, to invest the assets of the Portfolio in a manner consistent with the investment objective, policy, process and restrictions described in this Supplement. Either party may terminate the Sub-Investment Management Agreement by giving not less than 90 days notice to the other party at any time.

The Sub-Fund Investment Manager has also been appointed by the Manager to solicit subscriptions for Units with power to appoint sales agents pursuant to the Sub-Investment Management Agreement.

The Sub-Fund Investment Manager (and/or its directors, employees, related entities and connected persons) may subscribe, directly or indirectly, for Units.

Risk management is an integral component of the Sub-Fund Investment Manager's role. A structured risk management framework has been established which is designed to identify, measure, monitor, report, and where appropriate, mitigate risk. Amongst other things, the framework covers those risks which impact the Portfolio, including portfolio risks (such as market, credit, liquidity, counterparty and funding risks), operational risks and outsourcing risks as well as the identification and management thereof. Portfolio risks are monitored at the level of the Portfolio by the risk management team using appropriate analyses of liquidity, gross and net exposures, value at risk, leverage, stress tests and scenario analyses, with a view to identifying and mitigating the potential impact of extreme market occurrences and/or fluctuations. Counterparty risk in an OTC transaction must, where applicable, be limited having regard to the quality and standing of the relevant counterparty. The risk management framework is based on a number of key principles, including the segregation of functions and duties in order to mitigate potential conflicts of interest, active management and review by senior management, and independent challenge by control functions. A summary of the procedures and controls applying to the management of operational risk is available from the Sub-Fund Investment Manager upon request.

21. **Material Contracts**

The Seventh Supplemental Trust Deed between the Manager and the Trustee makes certain changes to the Trust Deed in respect of the Portfolio.

22. Miscellaneous

Any suspension of repurchases and the calculation of the Net Asset Value will be notified immediately to the Central Bank and, where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Additional information concerning the distribution of the Portfolio in Switzerland and information to Swiss based investors

Units can be distributed in Switzerland exclusively to qualified investors as defined by Article 10 § 3 of the Collective Investment Scheme Act (CISA) and Article 6 of the Collective Investment Scheme Ordinance (CISO) (Qualified Investors). The Portfolio has not been and will not be registered with the Swiss Financial Market Supervisory Authority (FINMA). This Prospectus and/or any other offering materials relating to the Units may be made available in Switzerland solely to Qualified Investors.

The Representative of the Portfolio in Switzerland is Reyl & Cie Ltd, 62 rue du Rhône, 1204 Geneva, Switzerland, +41 22 816 80 00, email: frs@reyl.com. The Trust Deed, the Prospectus, the annual or semi-annual reports of the Portfolio can be obtained free of charge from the Representative. The place of performance for Units offered or distributed in or from Switzerland are the registered office of the Representative. The courts of the canton of Geneva shall have jurisdiction in relation to any disputes arising out of the duties of the Representative. Any dispute related to the distribution of Units of the Portfolio in and from Switzerland shall be subject to the jurisdiction of the registered office of the distributor.

The Paying Agent in Switzerland is Reyl & Cie Ltd, 62 rue du Rhône, 1204 Geneva, Switzerland, +41 22 816 80 00, email: frs@reyl.com. Units may be subscribed and/or redeemed with the Paying Agent. A handling commission will be charged by the Paying Agent and deducted from the subscription or redemption amount paid or received. If a subscription or redemption is made through the Paying Agent, instructions and money must be received by the paying agent at least 24 hours before the appropriate Cut-Off Time.

The fees and expenses associated with the representation, paying agency and other distribution items may be charged to the Portfolio. As applicable, the actual amount of such fees and expenses will be disclosed in the audited annual report.

In distributing Units in Switzerland, the Portfolio is authorised to pass distribution fees to the following distributors and sales partners: 1) distributors subject to authorisation as defined in Article 19 al. 1 of the CISA (Swiss or foreign distributors regulated in their home jurisdiction); 2) Distributors that are not required to obtain an authorisation as defined under Article 19 al 1 of the CISA and article 8 of CISO (financial intermediaries regulated by FINMA, banks, insurance companies, fund managers, representatives; 3) Sales partners who places Units in funds/sub-funds with their customers exclusively through a written commission-based investment management or advisory mandate (e.g. independent asset managers or advisors).

The Portfolio does not pay retrocessions for distribution and does not grant rebates to investors.