

# **HSBC MSCI EMERGING MARKETS UCITS ETF Supplement**

**16 March 2016**

The Company and the Directors of HSBC ETFs PLC (the “**Directors**”) listed in the Prospectus in the “**Management and Administration**” section, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Company and the Directors accept responsibility accordingly.

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## **HSBC MSCI EMERGING MARKETS UCITS ETF**

**(A sub-fund of HSBC ETFs PLC, an umbrella fund with segregated liability between sub-funds authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011) (as amended)**

**16 March 2016**

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**This Supplement forms part of the Prospectus dated 16 March 2016 (the “Prospectus”) in relation to HSBC ETFs PLC (the “Company”) for the purposes of the UCITS Regulations. This Supplement should be read in the context of, and together with, the Prospectus and contains information relating to the HSBC MSCI EMERGING MARKETS UCITS ETF (the “Fund”) which is a separate sub-fund of the Company, represented by the HSBC MSCI EMERGING MARKETS UCITS ETF series of shares in the Company (the “Shares”). Please see Appendix A for a list of the other sub-funds of the Company and Appendix B for a list of the paying agents appointed by the Company.**

**Prospective investors should review this Supplement and the Prospectus carefully and in their entirety. Prospective investors should consult a stockbroker, bank manager, solicitor, accountant or other financial adviser for independent advice in relation to: (a) the legal requirements within their own countries for the purchase, holding, exchanging, redeeming or disposing of Shares; (b) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, exchanging, redeeming or disposing of Shares; (c) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Shares; and (d) the provisions of this Supplement and the Prospectus.**

**Potential investors should consider the risk factors set out in the Prospectus and in this Fund Supplement before investing in this Fund.**

**Investors should note that a Direct Dealing (Cash Transaction) Fee of up to 5% of subscription and redemption monies may be applicable when dealing directly with the Fund for Shares.**

**The Shares were admitted to the official list of the United Kingdom Listing Authority pursuant to Chapter 16 of the UK Listing Rules and admitted to trading on the main market of London Stock Exchange.**

The Fund is not sponsored, endorsed, sold or promoted by MSCI Inc. (“MSCI”), any of its affiliates, any of its information providers or any other third party involved in, or related to, compiling, computing or creating any MSCI index (collectively, the “MSCI Parties”). The MSCI indices are the exclusive property of MSCI. MSCI and the MSCI index names are service mark(s) of MSCI or its affiliates and have been licensed for use for certain purposes by HSBC ETFs PLC. None of the MSCI Parties makes any representation or warranty, express or implied, to the issuer or owners of this Fund or any other person or entity regarding the advisability of investing in funds generally or in this Fund particularly or the ability of any MSCI index to track corresponding stock market performance. MSCI or its affiliates are the licensors of certain trademarks, service marks and trade names and of the MSCI indexes which are determined, composed and calculated by MSCI without regard to this Fund or the issuer or owners of this Fund or any other person or entity. None of the MSCI Parties has any obligation to take the needs of the issuer or owners of this Fund or any other person or entity into consideration in determining, composing or calculating the MSCI indexes. None of the MSCI Parties is responsible for or has participated in the determination of the timing of, prices at, or quantities of this Fund to be issued or in the determination or calculation of the equation by or the consideration into which this Fund is redeemable. Further, none of the MSCI Parties has any obligation or liability to the issuer or owners of this Fund or any other person or entity in connection with the administration, marketing or offering of this Fund. Although MSCI shall obtain information for inclusion in or for use in the calculation of the MSCI indices from sources that MSCI considers reliable, none of the MSCI Parties warrants or guarantees the originality, accuracy and/or the completeness of any MSCI index or any data included therein. None of the MSCI Parties makes any warranty, express or implied, as to results to be obtained by the issuer of the Fund, owners of the Fund, or any other person or entity, from the use of any MSCI index or any data included therein. None of the MSCI Parties shall have any liability for any errors, omissions or interruptions of or in connection with any MSCI index or any data included therein. Further, none of the MSCI Parties makes any express or implied warranties of any kind, and the MSCI Parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to each MSCI index and any data included therein. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

No purchaser, seller or holder of this security, product or fund, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this security without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.

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## General

The following provisions shall be applicable to the Fund:

<b>Base Currency</b>	US Dollars (“USD”)
<b>Brazilian Tax</b>	Investors should note that there is a tax which may be applied to all foreign investors investing in Brazil. If this tax is applied it will be passed on to investors in the Fund and paid to the Brazilian tax authorities.
<b>Business Day</b>	A day on which the markets in London are open and/or such other day or days as the Directors may determine excluding days on which Significant Markets are closed and/or the Index is unavailable on the Business Day following the Dealing Day. This must be notified in advance to Shareholders. A <b>“Significant Market”</b> is any market and/or exchange or combination of markets and/or exchanges where the value of the Fund’s investments in those markets and/or exchanges exceeds 30% of the Net Asset Value of the Fund, calculated on a yearly basis and recorded in the Company’s financial statements unless the Investment Manager determines that a different percentage and/or date should apply which it believes to be more appropriate.
<b>Conversion Transaction Fee</b>	The maximum conversion fee that may be charged being up to 5% of the Net Asset Value per Share, such fee if any can be waived partially or totally by the Directors.
<b>Creation and Redemption Unit Size</b>	The Creation and Redemption Unit Size will be available upon request from the Investment Manager and will also be available on the Website.  The Directors reserve the right to change the size of one Creation and Redemption Unit in the future if they determine that such a change would materially enhance the attractiveness of the Fund to investors. Any such change will be notified in advance to the Authorised Participant(s).
<b>Dealing Day</b>	Every Business Day or such other day or days as the Directors may determine and notify to the Administrator and to Shareholders in advance provided there shall be at least one (1) Dealing Day per fortnight.
<b>Dealing Deadline</b>	16.00 (Irish time) on any Dealing Day (unless otherwise agreed by the Directors and notified in advance to Shareholders in the Fund and in any event prior to the Valuation Point). On the relevant Dealing Day of the Fund prior to 25 December and 1 January, subscription application forms must be received by 12.00 noon (Irish time). Any properly made application received by the Administrator after the Dealing Deadline will not be accepted until the next Dealing Day.
<b>Direct Dealing (Cash Transaction) Fee</b>	Up to 5%. Such fees may be waived by the Directors, in whole or in part, either generally or in any specific case, at their absolute discretion.
<b>Distribution Policy</b>	Distributions may be made at the discretion of the Directors. The Directors ordinarily intend to declare and pay dividends on the Shares of the Fund in respect of each financial year in which the total income of the Fund exceeds the fees and expenses by more than a de minimis amount determined by the Directors from time to time. Dividends will be declared in the Base Currency of the Fund. However, where Shares are held in CREST, Shareholders who wish to receive dividends in a currency other than the Base Currency of the Fund can do so by contacting Computershare Investor Services (Ireland) Limited (the <b>“Registrar and Transfer Agent”</b> ) in writing, or alternatively, elections can be submitted via the CREST Dividend Election Facility. For those Shareholders who elect to receive a dividend payment in a currency other than the Base Currency, the foreign exchange conversion will be executed at prevailing exchange rates by the Registrar and Transfer Agent at the cost and risk of the Shareholder. The currency options available will be Euro, US Dollar and Sterling if not already designated as the Base Currency. Dividends will ordinarily be paid 4 times per year in January/February, April/May, July/August and October/November. Dividends may be paid by bank transfer if the Shareholder has provided account details for this purpose. Dividends will be paid into the account of the Shareholder as notified to the Administrator.  The Company has UK <b>“reporting fund”</b> status for certain share classes for the accounting period beginning 1 January 2010 and beyond.
<b>Duties and Charges</b>	All stamp duties and other duties, taxes, governmental charges, imposts, levies, exchange costs and commissions (including foreign exchange spreads), custodian and sub-custodian charges, transfer fees and expenses, agents’ fees, brokerage fees, commissions, bank charges, registration fees or other duties and charges, whether payable in respect of the constitution, increase or reduction of the cash and other assets of the Company or the creation, acquisition, issue, conversion, exchange, purchase, holding, repurchase, redemption, sale or transfer of Shares or Investments by or on behalf of the Company and, if appropriate, any provision for the spread or difference between the price at which any Investment was valued for the purpose of calculation of the Net Asset Value per Share of any Fund and the estimated or actual price at which any such Investment may be purchased, in the case of subscriptions to the relevant Fund, or sold, in the case of redemptions from the relevant Fund, including, for the avoidance of doubt, any charges or costs arising from any adjustment to any swap or other derivative contract required as a result of a subscription or redemption, or in respect of the issue or cancellation of Share Certificates or otherwise which may have become or will become payable in respect of or prior to or upon the occasion of any transaction, dealing or valuation.

<b>Index</b>	MSCI Emerging Markets Index
<b>Index Provider</b>	MSCI Inc.
<b>In-Kind Transaction Fee</b>	As in-kind subscriptions and redemptions are not accepted for this Fund, there is no In-Kind Transaction Fee applicable.
<b>ISIN</b>	IE00B5SSQT16
<b>Listing Stock Exchange(s)</b>	London Stock Exchange and such other selected exchanges as the Directors may determine from time to time in respect of the Fund and which are specified in Appendix A.
<b>Minimum Subscription and Redemption (for cash) for a primary market investor</b>	<p>Subscription and redemption orders are accepted in multiples of the minimum size as determined by the Directors, provided that this may be waived by the Directors at their absolute discretion. The Directors may reduce the minimum subscription and redemption amount if it determines that such a change would materially enhance the attractiveness of the Fund to investors. Any such change will be notified in advance to the Authorised Participant(s).</p> <p>Authorised Participant(s) should refer to the HSBCnet ETF Online Portal or contact the Investment Manager for details of minimum subscription and redemption orders for the Fund.</p>
<b>Optimisation</b>	<p>The Fund will use optimisation techniques which take account of tracking error and trading costs when constructing a portfolio. Consequently the Fund may not hold each of the underlying Index constituents or hold Index constituents close to their Index weights.</p> <p>Furthermore, the Fund may hold securities which are not Index constituents but which are expected to provide similar performance and risk characteristics to certain Index constituents.</p>
<b>Portfolio Composition File</b>	The Portfolio Composition File will be available on the website. The securities comprised in the Portfolio Composition File will be consistent with the investment objective and policies of the Fund. See <b>"Investment Objective and Policies"</b> below.
<b>Price Per Creation Unit</b>	The Net Asset Value per Share multiplied by the number of Shares in a Creation Unit. The Net Asset Value per Share will be published on each Dealing Day on the Website.
<b>Profile of a Typical Investor</b>	<p>Investment in the Fund may be suitable for investors seeking capital appreciation with a five year time horizon through investments made primarily in equities that are listed or traded on Recognised Markets, as defined in the Prospectus. An investor should consider his/her personal tolerance for the daily fluctuations of the market before investing in the Fund, as the volatility of the Fund may be high.</p> <p>Shares in the Fund will be available to both retail and institutional investors.</p>
<b>Publication Time for Portfolio Composition File</b>	By 08.00 (Irish time) on each Business Day.
<b>Share Class(es)</b>	USD
<b>Total Expense Ratio or TER</b>	Until further notice, the Investment Manager has undertaken that the Total Expense Ratio for the Fund will be up to 0.40% per annum of the Net Asset Value of the Fund.
<b>Valuation Point</b>	23.00 (Irish time) on each Business Day following the Dealing Day. The closing price is the last traded price for equity securities based on the results of the closing auction or the mid price of the best bid and offer prices at the time the market closes.
<b>Website</b>	<a href="http://www.etf.hsbc.com">www.etf.hsbc.com</a>

## Investment objectives and policies

The investment objective of the Fund is to replicate the performance of the MSCI Emerging Markets Index (the “**Index**”), while minimising as far as possible the tracking error between the Fund’s performance and that of the Index. The Index is a market-capitalisation weighted index designed to measure the performance of the largest companies in Brazil, Chile, China (accessed via H Shares listed and traded on the Hong Kong Stock Exchange and B Shares listed and traded on the Shanghai and Shenzhen Stock Exchanges), Columbia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Qatar, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, Turkey and UAE, as defined by the Index Provider. The markets in which the issuers are based are considered to be emerging markets and accordingly, are subject to the risks described in the “**Investment Risks**” section below.

In seeking to achieve its investment objective, the Fund will use optimisation techniques which take account of tracking error and trading costs when constructing a portfolio. Consequently the Fund may not hold each of the underlying Index constituents or hold Index constituents close to their Index weights. Furthermore, the Fund may hold securities which are not Index constituents but which are expected to provide similar performance and risk characteristics to certain Index constituents. Most of the securities in which the Fund invests will be listed or traded on Recognised Markets, as defined in the Prospectus. Investments in securities listed or traded in Russia will only be made in securities that are listed or traded on the Moscow Interbank Currency Exchange (“**MICEX**”) and the Russian Trading System Stock Exchange (“**RTS**”). As of the end of November 2011, Russian securities made up approximately 3.4% of the Index’s market capitalisation. The Fund may also invest in American Depositary Receipts, European Depositary Receipts and Global Depositary Receipts which are certificates typically issued by a bank or trust company evidencing ownership of shares of a non-US issuer and are alternatives to directly purchasing the underlying securities included in the Index. Accordingly, the underlying exposure is to the issuers of equity securities included in the Index. The indicative net asset value per share for the Fund is available on the Website.

The Fund may use financial derivative instruments (“**FDI**”), including, but not limited to, futures, forwards, foreign exchange contracts (including spot and forward contracts), equity options, contracts for differences, certificates, notes and warrants which may be used to reduce tracking error between the Fund’s performance and that of the Index. These instruments may be used for efficient portfolio management and/or investment purposes. The Fund may not enter into funded swap transactions. The primary policy of the Fund is to acquire securities included in the Index, as described above, but FDI may be used where the direct holdings of securities may not be possible or where tracking error can be better minimised by using FDI. To the extent that the Fund uses FDI, there may be a risk that the volatility of the

Fund may increase. However, the Fund is not expected to have an above average risk profile as a result of its use of or investment in FDI. FDI will be used within the limits stipulated by the Central Bank of Ireland and as described in “**Use of Financial Derivative Instruments**” in the Prospectus. Accordingly, although FDI may be inherently leveraged, the primary purpose of the use of FDI is to reduce tracking error, and, although the Fund will be leveraged as a result of its investments in FDI, the Fund’s global exposure (as prescribed in the Central Bank’s Notices) relating to FDI, calculated using the commitment approach, must not exceed 100% of the Fund’s total Net Asset Value.

Where the Fund cannot invest directly in Indian equities, exposure to the Indian equity market may be achieved through futures (instruments which create an exposure to an underlying asset).

Efficient portfolio management refers to techniques and instruments which relate to transferable securities which fulfil the following criteria: They are economically appropriate in that they are realised in a cost-effective way and investment decisions involving transactions that are entered into for one or more of the following specific aims: (i) the reduction of risk (e.g. to perform an investment hedge on a portion of a portfolio); (ii) the reduction of cost (e.g. short term cash flow management or tactical asset allocation); and (iii) the generation of additional capital or income for the Company with an appropriate level of risk, taking into account the risk profile of the Fund as described in this Supplement and the Prospectus and the general provisions of the UCITS Regulations. In particular, FDI may be used for the purpose of minimising tracking error, i.e. the risk that the Fund return varies from the Index return. Equity futures, index futures and currency futures may be used to hedge against market risk or to gain exposure to an underlying market. Forward contracts may be used to hedge or to gain exposure to an increase in the value of an asset, currency or deposit. Foreign exchange contracts may be used to convert the currency of the underlying investments of each Fund into the Base Currency and to hedge the dividends received in a currency other than the Base Currency between the ex date and the pay date. Equity options may be used to hedge or achieve exposure to a particular market instead of using a physical security. Contracts for differences may be used to hedge or achieve exposure to a particular stock instead of using a physical security. Certificates may be used to achieve exposure to a stock or to a basket of stocks instead of using a physical security. Notes and warrants may be used to achieve exposure to a particular stock instead of using a physical security.

The Fund may also enter into repurchase and reverse repurchase agreements for efficient portfolio management purposes only under the conditions and within the limits stipulated by the Central Bank of Ireland and described in “**Portfolio Investment Techniques**” in the Prospectus.

The Directors may exercise all borrowing powers of the Company in accordance with the 'Borrowing Policy' section in the Prospectus. Such borrowing will be temporary and will not exceed 10% of the Net Asset Value of the Fund.

The tracking error is the annualised standard deviation of the difference between the monthly (or daily) returns of the Fund and the Index.

A series of factors may give rise to Tracking error:

- Transaction costs, operating expenses, custody costs, taxes, as a result of changes in the investments of the Fund and re-weightings of the Index, corporate actions, cash flows into and out of the Fund from dividend/reinvestments and any costs and expenses which are not taken into account in the calculation of the Index.
- Internal restrictions, which may result in screening for any company involved in cluster munitions and anti-personnel land-mines (as detailed in the Prospectus: INVESTMENT RESTRICTIONS – Other Restrictions) or other market or regulatory driven trading restrictions that apply to the Fund but not the Index.

Moreover, in the event of the temporary suspension or interruption of trading in the investments comprising the Index, or of market disruptions, rebalancing the Fund's investment portfolio may not be possible and may result in deviations from the returns of the Index.

There is no guarantee that the investment objective of the Fund will be achieved. In particular, no financial instrument enables the returns of the Index to be reproduced exactly.

The anticipated tracking error is the expected standard deviation of the differences between the returns of the Fund and the Index.

As at the date of this Supplement, the anticipated tracking error for the Fund is expected to be up to 0.70% in normal market conditions. Divergences between anticipated and realised tracking error will be explained in the annual report for the relevant period.

The anticipated tracking error for the Fund is not a guide to future performance.

The volatility level of the Fund will have a strong correlation to the volatility level of the Index.

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

## Investment risks

Investment in the Fund carries with it a degree of risk including the risks described under "**Risk Factors**" in the Prospectus and the specific risk factors set out below. These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisors before making an application for Shares. Investment in the Fund is not for investors who cannot afford to lose all or a significant part of their investment.

An investor should consider his/her personal tolerance for the daily fluctuations of the market before investing in the Fund.

### FDI

In the event the Fund uses FDI for efficient portfolio management or investment purposes, such use may increase the risk profile of the Fund.

For information in relation to the risks associated with the use of FDI, please refer to the "**Risk Factors – Particular Risks of Financial Derivative Instruments**" section of the Prospectus.

### The Index

An investment in the Fund exposes an investor to the market risks associated with fluctuations in the Index and the value of securities comprised in the Index. The value of the Index can increase as well as decrease and the value of an investment will fluctuate accordingly. There is no guarantee that the Fund's investment objective will be achieved. The Fund is subject to tracking error, as described in the Prospectus, which is the risk that its returns may not correlate accurately to those of the Index. Furthermore, any re-weighting of the Index may increase the risk of tracking error.

The past performance of the Index should not be seen as an indication of the future performance of the Index or the Fund.

### Optimisation

No assurance can be given that the strategy of Optimisation will achieve its objective of replicating the performance of the Index as the Fund may not hold each of the underlying Index constituents or hold Index constituents close their Index weights. As a result of employing the strategy of Optimisation the Fund could be exposed to losses disproportionate to market declines in the Index, if there are disproportionately greater adverse price movements in the specific securities held by the Fund. Whilst Optimisation may therefore result in higher tracking error, the Fund is likely to incur lower costs due to the lower number of securities held.



## Emerging Markets

The economies of emerging markets in which the Fund will invest may differ favourably or unfavourably from the economies of industrialised countries. Investments in emerging markets entail risks which include the possibility of political or social instability, adverse changes in investment or exchange control regulations, expropriation and withholding of dividends at source. In addition, such securities may trade with less frequency and volume than securities of companies and governments of developed, stable nations. Investments in these markets may also be adversely affected by laws, stock exchange practices or regulatory supervision not comparable with those in more developed markets.

As a result of its investment in emerging market countries, therefore, the Fund may be subject to political, settlement, liquidity, currency accounting standards and custodial risks. Please refer to the **“Political and/or Regulatory Risks”** and **“Custodial Risk”** sections of the Prospectus for details of political, currency and custodial risks associated with investment in these countries. Risks in connection with settlement, liquidity and accounting standards are addressed below.

### Settlement and Liquidity Risks

Shareholders should note that settlement mechanisms in emerging markets are generally less developed and reliable than those in more developed countries and that this therefore increases the risk of settlement default, which could result in substantial losses for the Fund in respect to investments in emerging markets. In addition, the settlement mechanisms in certain emerging markets may be untested. Some emerging markets use physical share delivery settlement procedures and in such circumstances, there may be share registration and delivery delays and it may not be possible to ensure delivery against payment.

Shareholders should also note that the securities of companies domiciled in emerging markets are less liquid and more volatile than more developed stock markets and this may result in fluctuations in the price of the Shares of the Fund.

### Accounting Standards

The legal infrastructure and accounting, auditing and reporting standards in emerging markets in which the Fund may invest may not provide the same degree of information to investors as would generally apply internationally. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from international accounting standards.

This document does not include detailed information on the political, economic and legal environment of the emerging markets in which the Fund may invest. Prospective investors should consult a stockbroker, bank manager, solicitor, accountant or other financial adviser for independent advice in relation to the relevant conditions and risk in investing in emerging markets generally.

## Investment in Russia

There are significant risks inherent in investing in Russia including: (a) delays in settling transactions and the risk of loss arising out of Russia’s system of securities registration and custody; (b) the lack of corporate governance provisions or general rules or regulations relating to investor protection; (c) pervasiveness of corruption, insider trading, and lack of law enforcement in the Russian economic system; (d) difficulties associated in obtaining accurate market valuations of many Russian securities, based partly on the limited amount of publicly available information; (e) tax regulations are ambiguous and unclear and there is a risk of imposition of arbitrary or onerous taxes; (f) the general financial condition of Russian companies, which may involve particularly large amounts of inter-company debt; (g) banks and other financial systems are not well developed or regulated and as a result tend to be untested and have low credit ratings; and (h) the risk that the government of Russia or other executive or legislative bodies may decide not to continue to support the economic reform programs implemented since the dissolution of the Soviet Union.

The concept of fiduciary duty on the part of a company’s management is generally non-existent. Local laws and regulations may not prohibit or restrict a company’s management from materially changing the company’s structure without shareholder consent. Foreign investors cannot be guaranteed redress in a court of law for breach of local laws, regulations or contracts. Regulations governing securities investment may not exist or may be applied in an arbitrary and inconsistent manner.

Securities in Russia are issued only in book entry form and ownership records are maintained by registrars who are under contract with the issuers. The registrars are neither agents of, nor responsible to, the Custodian or its local agents in Russia. Transferees of securities have no proprietary rights in respect of securities until their name appears in the register of holders of the securities of the issuer. The law and practice relating to registration of holders of securities are not well developed in Russia and registration delays and failures to register securities can occur. Although Russian sub-custodians will maintain copies of the registrar’s records (**“Extracts”**) on its premises, such Extracts may not, however, be legally sufficient to establish ownership of securities. Furthermore, fraudulent securities, Extracts or other documents are in circulation in the Russian markets and there is therefore a risk that the Fund’s purchases may be settled with such securities. In common with other emerging markets, Russia has no central source for the issuance or publication of corporate actions information. The Custodian therefore cannot guarantee the completeness or timeliness of the distribution of corporate actions notifications. To mitigate the above perceived risks, investments in securities listed or traded in Russia will only be made in securities that are listed or traded on the MICEX and the RTS.



## Subscriptions

Shares in the Fund will be issued at the Net Asset Value per Share plus an appropriate provision for Duties and Charges and in accordance with the provisions set out in the Prospectus and this Supplement.

### Dealing Timetable

<b>Deadline for Application Form for all subscriptions</b>	16.00 (Irish time) on any Dealing Day
<b>Cash Subscriptions – cut-off for receipt of cash:</b>	By 15.00 (Irish time) within two Business Days after the Dealing Day.
<b>In-Kind Subscriptions:</b>	In-kind subscriptions are not accepted for this Fund. 100% cash subscriptions are accepted only.
<b>Settlement of Shares subscribed for</b>	Within two Business Days following the Dealing Day or such earlier day as the Directors may determine provided that appropriate cleared subscription monies for cash subscriptions have been received no later than the settlement deadline of the relevant clearing platform or, no later than 15.00 (Irish time) for wire transfers. Subscriptions through either process must be effected on the same Business Day after the Dealing Day on which settlement is sought unless this falls on a USD Foreign Exchange Market holiday, in which case they will settle on the Business Day after the USD Foreign Exchange Market holiday.

All payments should be clearly referenced with one payment per subscription trade.

On the relevant Dealing Day of the Fund prior to 25 December and 1 January, subscription application forms must be received by 12.00 noon (Irish time). Where a subscription application form is received after 12.00 noon (Irish time), the subscription shall be held over until the next Dealing Day.

### USD Foreign Exchange Market Holiday

The above cut-off times for receipt of cash are to apply unless a Dealing Day falls on a USD Foreign Exchange Market holiday, in which case cash should be received by the respective cut-off time on the Business Day after the USD Foreign Exchange Market holiday. Any cash received after 15.00 (Irish time) will be deemed as late settlement and will not be moved to the Fund account until the following Business Day. In such an event the investor shall indemnify the Company and the Administrator for any loss suffered as a result of the investor's failure to transmit subscription monies in a timely fashion. The Custodian is not liable for any loss suffered due to the late payment of subscription proceeds to the Fund.

## Conversions

A conversion request will be treated as a cash redemption request in respect of the original Class of Shares and as a cash subscription application in respect of the new Class of Shares in the new Fund. On this basis and provided the original Class of Shares and the new Class of Shares have the same base currency, Shareholders will be entitled on any Dealing Day to convert any or all of their Shares of any Class in the Fund into Shares of the same Class in any other Fund of the Company except where dealings in the relevant Shares have been temporarily suspended in the circumstances described in the Prospectus and where the Dealing Deadlines are different for the Class of Shares in the Funds being converted. Please refer to the terms and conditions regarding subscriptions and redemptions of the relevant Fund Supplements.

When requesting the conversion of Shares as an initial investment in a Fund, Shareholders should ensure that the aggregate Net Asset Value per Share of the Shares converted is equal to or exceeds any minimum holding for the relevant Fund. In the case of a conversion of a partial holding only, the value of the remaining holding must also be at least equal to any minimum holding for the relevant Fund. If the number of Shares of the new Class to be issued on conversion is not an integral number of Shares, the Company may issue fractional Shares of the new Class or return the surplus arising to the Shareholder seeking to convert the Shares of the original Class.

Conversions will attract a Conversion Transaction Fee, being the fee payable to the Administrator as agent for the Company where, as part of a conversion of Shares, Shares are redeemed for cash and subsequently invested for cash in a different Fund. The fee payable is deducted from the redemption proceeds at the same rate as the Conversion Transaction Fee as specified in the relevant Fund Supplement of the subscribed for Fund.

## Redemptions

Shareholders in the Fund may effect a redemption of Shares at the Net Asset Value per Share less an appropriate provision for Duties and Charges on any Dealing Day, provided that a written redemption request is signed by the Shareholder and received by the Administrator no later than the Dealing Deadline on the relevant Dealing Day in accordance with the provisions of the **“Subscriptions, Valuations and Redemptions”** section of the Prospectus. Settlement for cash transactions will take place within 10 Business Days of the relevant Dealing Day. Redemptions in-kind are not available for this Fund.

As per the provisions set out in the Prospectus, redemptions proceeds (in cash) will only be released where the Administrator holds full original anti-money laundering documentation.

## Fees and expenses

The total annual fees and operating expenses of the Fund (except for transaction charges and taxes or duty charges for portfolio re-balancing, all of which are paid separately out of the assets of the Fund) will be up to 0.40% per annum of the Net Asset Value of the Fund (the **“Total Expense Ratio”** or **“TER”**). Such fee shall accrue daily and be payable monthly in arrears. The Investment Manager will absorb (by reimbursement to the account of the Fund) any additional fees, costs or expenses over the Total Expense Ratio. The fees, costs and expenses which the Total Expense Ratio covers are set out in the next paragraph.

Fees, costs and expenses paid from the TER may include, but are not limited to, fees and expenses paid to the Investment Manager, regulators, auditors and certain legal costs of the Company, including establishment expenses.

A Direct Dealing (Cash Transaction) Fee of up to 5% of subscription and redemption monies may be applicable when dealing directly with the Fund for Shares.

Investors should note that there is a tax which may be applied to all foreign investors investing in Brazil and is payable to the Brazilian tax authorities and so long as the tax remains in force, this tax will be passed on to investors in the Fund.

## The Shares

The Fund has one class of Shares and as at the date of this document there are no other classes of Shares in the Fund. Additional classes of Shares may be added in the future in accordance with the requirements of the Central Bank of Ireland.

The ISIN for the Shares of the Fund is IE00B5SSQT16.

Shares are freely transferable subject to and in accordance with the provisions of the Articles and as set out in the Prospectus.

All Shares issued will be in registered form. Written confirmation of ownership will be sent to investors that have subscribed for Shares within two Business Days of the Dealing Day. Shares may only be issued as fully paid in whole units. Generally, Shares will be issued in Dematerialised Form in one or more Recognised Clearing and Settlement Systems, subject to the issue of a global certificate where required by a clearing system in which Shares are held. Where Shares are issued in Dematerialised Form in one or more Recognised Clearing and Settlement Systems, redemption of these Shares can only be completed by the delivery of those Shares back through that Recognised Clearing and Settlement Systems. No individual certificates for Shares will be issued by the Company. The Directors may, in their absolute discretion, refuse to accept any subscription for Shares, in whole or in part.

The Shares were admitted to the official list of the UK Listing Authority and admitted to trading on the main market of the London Stock Exchange on 7 September 2011.

The Company is a recognised scheme in the UK for the purposes of Section 264 of the Financial Services and Markets Act 2000, as amended or re-enacted from time to time.

## Index description

*This section is a summary of the principal features of the MSCI Emerging Markets Index (the “**Index**”) and is not a complete description of the Index.*

### General

The Fund will aim to replicate the performance of the MSCI Emerging Markets Index.

The Index offers a representation of the emerging equity markets of Brazil, Chile, China (accessed via H Shares listed and traded on the Hong Kong Stock Exchange and B Shares listed and traded on the Shanghai and Shenzhen Stock Exchanges), Columbia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Qatar, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, Turkey and UAE by targeting all companies with a market capitalization within the top 85% of their investable equity universe, subject to a global minimum size requirement. It is based on MSCI's Global Investable Market Indices methodology.

The composition of the Index is rebalanced on a quarterly basis and carried out according to the published rules governing the management of the Index as set out by MSCI Inc.

### Publication of the Index

The Index is calculated on a daily basis at closing prices using the official closing stock market prices for the constituent stocks. Further information about the Index, its components, its rebalancing frequency and its performance is available at: [www.msci.com](http://www.msci.com).

The Index methodology may be amended from time to time by the Index Provider. Information on the Index methodology is available on the website above.