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## RAMS Investment Unit Trust – India Equities Portfolio Fund II

OPEN-ENDED UMBRELLA TYPE UNIT TRUST AUTHORISED BY THE CENTRAL BANK OF IRELAND  
PURSUANT TO THE UCITS REGULATIONS

### INVESTMENT MANAGER AND PROMOTER:

NIPPON LIFE INDIA ASSET MANAGEMENT (SINGAPORE) PTE. LTD.  
9 RAFFLES PLACE, #18-05  
REPUBLIC PLAZA  
SINGAPORE 048619

13 May, 2022

## SECOND SUPPLEMENT TO THE PROSPECTUS

THIS IS NOT AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE UNITS DESCRIBED HEREIN IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SALE.

**IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SECOND SUPPLEMENT, THE RISKS INVOLVED IN INVESTING IN THE SUB-FUND OR THE SUITABILITY FOR YOU OF INVESTMENT IN THE SUB-FUND, YOU SHOULD CONSULT YOUR STOCKBROKER OR OTHER INDEPENDENT FINANCIAL ADVISER.**

THE DIRECTORS OF THE MANAGER OF THE FUND WHOSE NAMES APPEAR UNDER THE HEADING "MANAGEMENT AND ADMINISTRATION" OF THE PROSPECTUS ACCEPT RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS SECOND 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) THE INFORMATION CONTAINED IN THIS SECOND SUPPLEMENT IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. THE DIRECTORS ACCEPT RESPONSIBILITY ACCORDINGLY.

**AN INVESTMENT IN THE SUB-FUND SHOULD NOT CONSTITUTE A SUBSTANTIAL PROPORTION OF AN INVESTMENT PORTFOLIO AND MAY NOT BE APPROPRIATE FOR ALL INVESTORS.**

THE SUB-FUND MAY MAKE DISTRIBUTIONS FROM CAPITAL AS WELL AS FROM NET REVENUE, AND MAY PURSUE INVESTMENT STRATEGIES, IN ORDER TO GENERATE INCOME AND THEREBY PROVIDE INCREASED DISTRIBUTIONS TO THE UNITHOLDERS. WHILST THIS MIGHT ALLOW MORE INCOME TO BE DISTRIBUTED, IT MAY ALSO HAVE THE EFFECT OF REDUCING CAPITAL AND THE POTENTIAL FOR LONG-TERM CAPITAL GROWTH, POTENTIALLY DEPLETING ALL CAPITAL. AS A RESULT, PAYMENT OF INCOME ON THIS BASIS MAY REDUCE CAPITAL GROWTH OR REDUCE THE CAPITAL OF THE SUB-FUND. DUE TO CAPITAL EROSION, THE VALUE OF FUTURE RETURNS WOULD BE DIMINISHED. DISTRIBUTIONS PAID OUT OF CAPITAL MAY HAVE DIFFERENT TAX IMPLICATIONS TO DISTRIBUTIONS PAID OUT OF NET REVENUE AND IT IS RECOMMENDED THAT INVESTORS SEEK ADVICE IN THIS REGARD.

## DIRECTORY

### TRUSTEE

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**SECOND SUPPLEMENT:****SUPPLEMENT FOR "INDIA EQUITIES PORTFOLIO FUND II"**

Second Supplement dated 13 May 2022 to the Prospectus dated 13 May 2022  
(an umbrella unit trust with segregated liability between sub-funds)

## IMPORTANT NOTE

This Supplement contains specific information in relation to India Equities Portfolio Fund II (the “**Sub-Fund**”), a sub-fund of RAMS Investment Unit Trust (the “**Fund**”). The Fund is an umbrella Unit Trust with segregated liability between sub-funds authorized by the Central Bank. The Fund is an open-ended fund.

Capitalised terms used, but not defined, in this Supplement have the meanings given to them in the Fund's prospectus (the “**Prospectus**”). **This Supplement forms part of and should be read together with and in the context of the Prospectus.** The Prospectus is available from the Manager at its registered office. The Fund may establish additional sub-funds with the prior approval of the Central Bank and details of such other sub-funds shall be made available upon request. 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 Sub-Fund. **An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

The Directors of the Manager of the Fund, whose names appear under the heading “**MANAGEMENT AND ADMINISTRATION**” in the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors of the Manager of the Fund (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 of the Manager of the Fund accept responsibility accordingly.

Under the Act, the Sub-Fund is a segregated and separate portfolio of assets maintained by the Fund. As a result, unless stated to the contrary, references herein to actions taken by the Fund are to be construed as actions taken by the Fund or its delegates (including but not limited to the Manager, Investment Manager in respect of the Sub-Fund). The Fund is an umbrella fund with segregated liability between its sub-funds. Pursuant to the Act any liability incurred on behalf of or attributable to any one sub-fund may only be discharged solely out of the assets of that sub-fund and the assets of other sub-funds may not be used to satisfy the liability.

## SUMMARY OF OFFERING AND SUB-FUND TERMS

The following summary is qualified in its entirety by other information contained elsewhere in this Supplement, the Prospectus and the Trust Deed. You should read this entire Supplement, the Prospectus and the Trust Deed carefully before making any investment decision regarding the Sub-Fund and should pay particular attention to the information under the heading “**RISK FACTORS**” and “**ADDITIONAL RISK FACTORS**.” In addition, you should consult your own advisors in order to understand fully the consequences of an investment in the Sub-Fund.

### INTERPRETATIONS

**The Sub-Fund** India Equities Portfolio Fund II is a Sub-Fund of RAMS Investment Unit Trust (the “**Fund**”), an open-ended umbrella unit trust and with segregated liability between sub-funds and authorised by the Central Bank of Ireland on 10 December 2020 in Ireland pursuant to the UCITS Regulations and registered pursuant to the Act.

The Sub-Fund has designated:

1. USD Class A Units (the “**USD Class A Units**”)
2. USD Class B Units (the “**USD Class B Units**”)
3. USD Class F Units (the “**USD Class F Units**”)
4. USD Class I Units (the “**USD Class I Units**”)
5. USD Class J Units (the “**USD Class J Units**”)
6. USD Class RDR Units (the “**USD Class RDR Units**”)
7. GBP Class A Units (the “**GBP Class A Units**”)
8. GBP Class I Units (the “**GBP Class I Units**”)
9. GBP Class J Units (the “**GBP Class J Units**”)
10. GBP Class RDR Units (the “**GBP Class RDR Units**”)
11. EUR Class RDR Units (the “**EUR Class RDR Units**”)
12. SGD Class A Units (the “**SGD Class A Units**”)
13. EUR Class A Units (the “**EUR Class A Units**”) and
14. EUR Class I Units (the “**EUR Class I Units**”)

for the purpose of investing in companies established in or operating in India. This Supplement pertains to an offering of the Sub-Fund's Class A Units, Class B Units, Class F Units, Class I Units, Class J Units and Class RDR Units. The creation of any further Unit Classes will be notified to, and cleared, in advance with the Central Bank.

Following the coming in force of the SEBI (Foreign Portfolio Investors) Regulations, 2019 (the “**FPI Regulations**”), the Sub-Fund has been re-categorised as a Category I Foreign Portfolio Investor (“**FPI**”) with the designated depositary participant (“**DDP**”).

**Profile of the  
typical investor**

The Sub-Fund may be suitable for those investors with a medium to long term time horizon who wish to gain exposure to Indian equity markets and who recognise the risks of investing in a single emerging market country and who can tolerate the high degree of volatility of returns typical of such an investment.

**Investment Management** Nippon Life India Asset Management (Singapore) Pte. Ltd., a private company with limited liability incorporated in Singapore, is the investment manager of the Sub-Fund ("**Investment Manager**") pursuant to an investment management agreement between the Manager and the Investment Manager ("**Investment Management Agreement**"). Pursuant to an investment advisory agreement, Nippon Life India Asset Management Limited, a company incorporated in India and listed on the Indian stock exchanges, will be engaged as the investment advisor to the Investment Manager ("**Investment Advisor**").

**The Offering** The Sub-Fund is offering Class A Units, Class B Units, Class F Units, Class I Units, Class J Units and Class RDR Units to persons and entities outside of the United States that are not U.S. Persons, subject to certain exceptions, as more fully described under section headed "**ELIGIBILITY**" below.

Subscriptions for Class A Units, Class B Units, Class F Units, Class I Units, Class J Units and Class RDR Units generally will be accepted and processed on every Dealing Day.

The Class F Units are being offered exclusively to Unitholders whose initial subscription is not less than US\$20,000,000.

The minimum initial subscription is:

- US\$10,000 for USD Class A Units or GBP10,000 for GBP Class A Units and the minimum amount for subsequent investments by existing USD Class A Unitholders is US\$2,000 for USD Class A Units or GBP2,000 for GBP Class A Units.
- US\$10,000 for USD Class B Units and the minimum amount for subsequent investments by existing USD Class B Unitholders is US\$2,000 for USD Class B Units.
- US\$20,000,000 for USD Class F Units and the minimum amount for subsequent investments by existing USD Class F Unitholders is US\$1,000,000 for USD Class F Units.
- US\$250,000 for USD Class I Units or GBP250,000 for GBP Class I Units and the minimum amount for subsequent investments by existing USD Class I Unitholders is US\$50,000 for USD Class I Units or GBP50,000 for GBP Class I Units.
- US\$5,000,000 for USD Class J Units or GBP25,000,000 for GBP Class J Units and the minimum amount for subsequent investments by existing USD Class J Unitholders is US\$1,000,000 for USD Class J Units or GBP1,000,000 for GBP Class J Units.
- US\$10,000 for USD Class RDR Units or GBP10,000 for GBP Class RDR Units or EUR10,000 for EUR Class RDR Units and the minimum amount for subsequent investments by existing Unitholders is US\$2,000 for USD Class RDR Units or GBP2,000 for GBP Class RDR Units or EUR2,000 for EUR Class RDR Units.
- S\$500 for SGD Class A Units and there is no minimum amount for subsequent investments by existing SGD Class A Unitholders.
- EUR10,000 for EUR Class A Units and the minimum amount for subsequent investments by existing EUR Class A Unitholders is EUR2,000.
- EUR250,000 for EUR Class I Units and the minimum amount for subsequent investments by existing EUR Class I Unitholders is EUR50,000.

**Initial Offer Price** EUR100 per Unit for EUR Class A Units and EUR Class I Units and S\$100 for SGD Class A Units.

**Initial Offer Period** SGD Class A Units, EUR Class A Units and EUR Class I Units in the Sub-Fund will be offered from 9.00am (Irish time) on Monday, 16 May 2022 to 5.00pm (Irish time) on Wednesday, 16 November 2022 at the Initial Offer Price and subject to acceptance of applications for Units by the Fund, will be issued for the first time on the first Dealing Day after expiry of the initial offer period.

The Initial Offer Period in relation to all other Unit Classes has closed.



The Initial Offer Period may be shortened or extended by the Manager. After the closing of the Initial Offer Period, Units in the Sub-Fund will be issued at the Net Asset Value per Unit.

**How to Subscribe** In order to subscribe for the Class A Units, Class B Units, Class F Units, Class I Units, Class J Units and Class RDR Units, investors must complete the Application Form and return it to the Administrator. Investors must pay 100 percent of their investment so as to be received by the Administrator within 4 (four) Business Day following the Dealing Day. Payments must be made by wire transfer of immediately available funds. To ensure compliance with applicable laws, regulations and other requirements relating to money laundering, the Manager may require additional information to verify the identity of any person who subscribes for Class A Units, Class B Units, Class F Units, Class I Units, Class J Units and Class RDR Units in the Sub-Fund.

**Different Classes of Units** The Class A Units, Class B Units, Class F Units, Class I Units and Class RDR Units are accumulating (as defined in the “**Dividend policy**” Section of the Prospectus). The Class J Units are distributing Units (as also defined in the “**Dividend policy**” Section of the Prospectus). The Directors have the option, to propose to the Unitholders the payment of a dividend in regard to the Class A Units, Class B Units, Class F Units, Class I Units and/or Class RDR Units, if the Directors think it appropriate to make such a proposal and full details will be provided in an updated Prospectus or Supplement and all Unitholders will be notified in advance.

In regard to the Class J Units, the Directors may recommend a payment of dividend to the Unitholders periodically when profits are available in the Class J Units. The Class J Unitholders will have the option to also accept the dividend payment or leave the amount invested in the Sub-Fund.

The amount to be distributed to Unitholders may include, in the determination of the Directors, all of the net income of each Sub-Fund for the relevant period and accumulated income (if any) together with such net accumulated realised capital gains and accumulated realised capital losses forming a part of the capital of the relevant Sub-Fund as the Directors may determine. In the event that there shall be inadequate income or net realised capital gains and capital losses as aforesaid to maintain the dividend distribution in accordance with the policy from time to time in effect then the Directors may determine to have resort to capital of the relevant Sub-Fund in such amount or amounts as it may determine provided that any distribution by the relevant Sub-Fund will also be made in compliance with any applicable rules and regulations in effect at the time of such distribution. The Directors may declare annual distributions after the financial year end for each year and the Directors may also declare interim distributions from time to time.

**Business Day** Any day (except Saturdays, Sundays, public holidays and such other day as the Directors may determine) on which banks in Ireland and such other places as may be decided by the Manager from time to time, are open for normal business.

**Valuation Day** means every day of the week which falls on a Business Day.

**Valuation Point** means 5pm (Ireland Time) on the relevant Valuation Day.

**Dealing Day** means one (1) Business Day following the Valuation Day.

**Deadline for Subscriptions** means no later than 12 noon (Ireland time) on the Valuation Day preceding the Dealing Day or such shorter period determined by the Directors, provided it is prior to the Valuation Point, notified to Unitholders and only in exceptional circumstances.

**Deadline for Redemptions** means no later than 12 noon (Ireland time) on the Valuation Day preceding the Dealing Day or such shorter period determined by the Directors provided it is prior to the Valuation Point, notified to Unitholders and only in exceptional circumstances.

**Investment Advisor** The Investment Advisor to the Investment Manager is Nippon Life India Asset Management Limited, a company incorporated in India and which is located at 4th Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg, Lower Parel (W), Mumbai – 400 013, India. The Investment Advisor is regulated by the Securities and Exchange Board of India (“**SEBI**”). The Investment Advisor will act in a non-discretionary capacity and will provide non-exclusive, non-binding advice and recommendations to the Investment Manager with respect to the Sub-Fund under an Investment Advisory Agreement.

Nippon Life India Asset Management Limited is the largest asset manager in India, managing and advising on assets under management of approximately US\$37bn as of September, 2020, which includes Mutual Funds, PMS, Pension Funds and Offshore strategies.

**Indian Public Sector Undertakings** means government-owned corporations, termed as Public Sector Undertakings in India. In a Public Sector Undertaking the majority (51% or more) of the paid up share capital is held by the central government or by any state government or partly by the central governments and partly by one or more state governments.

**Qualified Holder** Any Person (being over the age of 18), corporation or entity who is an “accredited investor or an investor in an equivalent class under the laws of the country or territory in which the offer or invitation is made” or an institutional investor, or both, as such terms are defined under the Securities and Futures Act (Cap. 289) of Singapore (“SFA”) other than (i) a United States Person as per the applicable laws; (ii) any person, corporation or entity which cannot acquire or hold Units without violating laws or regulations applicable to it; (iii) any person, corporation or entity resident in India or who is controlled by a person resident in India. (for the purposes of this certification, a “controller” means any person or group of persons (acting pursuant to any agreement or understanding (whether formal or informal, written or otherwise)) who: (a) is/are entitled to exercise, or control the exercise of a majority or more of the voting power of an entity; (b) holds or is otherwise entitled to a majority or more of the economic interest in an entity; or (c) who in fact exercises control over an entity and “control” means the ability to appoint a majority or more of the directors of an entity, or the capacity to control decision-making, directly or indirectly, in relation to the financial, investment and/or operating policies of an entity in any manner. Provided that, in the case only where an entity’s investments are being managed on a discretionary basis by an investment manager, such investment manager shall not be deemed to be such entity’s controller for the purposes of this representation by reason only of it being able to control decision-making in relation to the entity’s financial, investment and/or operating policies); (iv) any person, corporation or entity whose holding of Units, in the opinion of the Directors, may result in the Sub-Fund incurring any tax liability or suffering any other pecuniary disadvantage which the Sub-Fund might not otherwise have incurred or suffered; (v) any person, corporation or entity whose holding of Units, in the opinion of the Directors, does not conform to the requirements of this Supplement, the Prospectus and the Trust Deed and; or (vi) a depositary, nominee or trustee for any person or entity described in (i) to (v) above.

**Reference Currency** US\$

**INR** means Indian rupee, the lawful currency of the Republic of India.

**Settlement Day** means the day of receipt by the Administrator of subscription proceeds from an investor.

## BASE CURRENCY

The Base Currency of the Sub-Fund is US\$.

## SUBSCRIPTIONS AND REDEMPTIONS

### INITIAL AND SUBSEQUENT ISSUES

SGD Class A Units, EUR Class A Units and EUR Class I Units will be issued at the Initial Offer Price during the Initial Offer Period.

Thereafter SGD Class A Units, EUR Class A Units and EUR Class I Units may be issued on any Dealing Day at a price equal to the Net Asset Value per SGD Class A Units, EUR Class A Units and EUR Class I Units respectively, on the Valuation Day falling prior to the relevant Dealing Day.

USD Class A Units, USD Class B Units, USD Class F Units, USD Class I Units, USD Class J Units, USD Class RDR Units, GBP Class A Units, GBP Class I Units, GBP Class J Units, GBP Class RDR Units and EUR Class RDR Units are issued on any Dealing Day at a price equal to the Net Asset Value per USD Class A Units, USD Class B Units, USD Class F Units, USD Class I Units, USD Class J Units, USD Class RDR Units, GBP Class A Units, GBP Class I Units, GBP Class J Units, GBP Class RDR Units and EUR Class RDR Units respectively, on the Valuation Day falling prior to the relevant Dealing Day.

### APPLICATION PROCEDURE

Applicants for Class A Units, Class B Units, Class F Units, Class I Units, Class J Units and Class RDR Units should complete and send the Application Form to the Administrator by fax or by email as a PDF attachment with the original to follow promptly by post at the address provided in the Application Form (for each applicant's initial subscription only) (together with supporting information and documentation to verify the identity of the relevant applicant and the source of subscription monies if requested by the Administrator) so that it is received by the Administrator by the Deadline for Subscriptions.

Applicants should be aware of the risks associated with sending faxed applications or by email as a PDF attachment and that the Administrator accepts no responsibility for any loss caused due to the non-receipt of any fax or email.

Class A Units, Class B Units, Class F Units, Class I Units, Class J Units and Class RDR Units will not be issued unless the Administrator is satisfied that complete Know Your Customer ("**KYC**") documents listed in the Application Form have been received. Cleared funds should be received within 4 (four) business day following the Dealing Day. Subject to the decision of the Directors, if KYC documents are not received by the Deadline for Subscriptions then the application will be held over to the Dealing Day by which the documents are received and Class A Units, Class B Units, Class F Units, Class I Units, Class J Units and Class RDR Units will then be issued at the relevant subscription price on that Dealing Day.

No redemption payment may be made from any holding until the Application Form has been received from the investor and all documentation required by the Fund or the Manager (including any documents in connection with anti-money laundering procedures) and the anti-money laundering procedures have been completed.

Upon acceptance by the Sub-Fund of the application during the initial offer, the Unitholder shall be allotted such number of fully paid up Class A Units, Class B Units, Class F Units, Class I Units, Class J Units and Class RDR Units respectively, that shall be equal to the Unitholder's investment, net of all bank charges, divided by the initial offer price per Unit of the relevant Class. Units will be issued to three decimal places rounded naturally.

For applications for Units of any Class after the initial offer, the Unitholder shall be allotted such number of fully paid up Units of the relevant Class that shall be equal to the Unitholder's investment, net of all bank charges, divided by the Net Asset Value per Unit of the Valuation Day preceding the relevant Dealing Day.

Each potential investor will be required to represent and warrant in its application that, among other things, it is purchasing Units for its own account and that it is able to acquire Units without violating applicable laws and regulations (including anti-money laundering provisions), and failure to do so may

result in the suspension of the processing of such application or any subsequent repurchase requests. Measures aimed at the prevention of money laundering may require an applicant to provide proof of identity of itself and (if an institution) its directors, direct and indirect Unitholders and other beneficial owners to the Manager and the Administrator, or any of their appointees, delegates or agents.

The Manager reserve the right to decline to accept applications, either generally in relation to any Dealing Day or in relation to a specific application, in whole or in part without providing an explanation to the applicant. The Sub-Fund may also scale down any or all applications. Any monies paid in respect of rejected or scaled down applications will be returned to applicants without interest at their risk and cost.

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## PAYMENT

Cleared payment should be received for the account of the Sub-Fund as provided in the Application Form within 4 (four) Business Day following the Dealing Day.

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## REDEMPTIONS

Units may be redeemed on any Dealing Day (the "**Redemption Day**") by sending a completed redemption request by facsimile or email (in the form of a signed PDF file), together with such other information and documentation as may be required by the Administrator, so as to be received by the Administrator by the Deadline for Redemptions.

Redemption requests shall be irrevocable (save as agreed by the Sub-Fund) and should state the Unitholder's registered name, personal account number (if any) and the number of Units proposed to be redeemed or the amount of redemption proceeds requested. The processing of redemption requests is subject to compliance with applicable laws and regulations and if a redeeming Unitholder fails to comply with such applicable laws and regulations the Administrator may defer payment of redemption monies until such Unitholder complies with such applicable laws and regulations. Any redemption request which would reduce the value of a Unitholder's holding in the Sub-Fund below US\$10,000 for USD Class A Units, US\$10,000 for USD Class B Units and USD Class RDR Units or GBP10,000 for GBP Class A Units and GBP Class RDR Units, US\$ 250,000 for USD Class I Units or GBP250,000 for GBP Class I Units or EUR250,000 for EUR Class RDR Units, US\$3,000,000 for USD Class F Units, US\$ 10,000,000 for USD Class J Units and GBP10,000,000 for GBP Class J Units, S\$500 for SGD Class A Units or EUR10,000 for EUR Class A Units and EUR250,000 for EUR Class I Units (determined with reference to the Net Asset Value of each Class of Units respectively as on the latest Valuation Day preceding the Redemption Day) may be treated, at the discretion of the Manager, as a request for redeeming that Unitholder's entire holding.

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## REDEMPTION PROCEDURE

Any redemption notice received after the Deadline for Redemption will be held over until the next Redemption Day and Units will then be redeemed at the redemption price applicable on that day.

Investors requesting for redeeming of Units of any Sub-Fund should complete and send the redemption request, as required by the Fund from time to time, to the Administrator by facsimile transmission or via email as a PDF attachment with the original signed redemption request to follow promptly by post directly to the Administrator.

The redemption of Units of any Sub-Fund is subject to the receipt of Application Form by the Administrator (including any documents in connection with anti-money laundering procedures) and the completion of the anti-money laundering procedures.

Redemption requests must state the number of Units and/or value to be redeemed and give payment instructions for the redemption proceeds.

Redemption orders can be processed on receipt of electronic instructions only where payment is made to the account of record.

Investors are reminded that if they choose to send redemption notices by email as a PDF attachment or facsimile, they bear their own risk of such notices not being received. The Administrator accepts no responsibility for any loss caused as a result of non-receipt of any email or facsimile notice.

Units will be redeemed at prices calculated by reference to the Net Asset Value per respective Class of Unit calculated as at the relevant Redemption Day.

Remittance of redemption amounts will be made as soon as is reasonably practicable following the Redemption Day concerned normally on the fourth Business Day after the Redemption Day and generally no later than the tenth Business Day, except that no redemption proceeds will be paid out until the Administrator is in receipt of a faxed or emailed redemption request.

In exceptional circumstances the remittance of redemption amounts may be delayed but paid by no later than 10 (ten) Business Days, if the repatriation of funds to or from India is delayed due to any delay in the issue of tax certificates or if certain overseas banks are closed on Dealing Days.

Redemption proceeds will not be paid to third parties.

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### **CALCULATION OF NET ASSET VALUE AND SUBSCRIPTION AND REDEMPTION PRICES**

The Net Asset Value and subscription and redemption prices are calculated by the Administrator for each Class of Units at the Valuation Point and released by 6:00pm Ireland time on the same Valuation Day. The Net Asset Value so ascertained forms the basis for determining subscription and redemption prices. Details of the subscription and redemption prices of Class of Units and of the Net Asset Value are available on request from the Administrator. In addition, Unitholders will be sent an investor holding statement and a brief report on the Sub-Fund's performance on a monthly basis.

Trades will be sent to the Administrator daily by the Investment Manager. Any trades received after the agreed cut-off for receipt of trades will be held until the next daily dealing valuation.

The valuation of the Sub Fund's assets and liabilities expressed in foreign currencies will be converted into the currency of the Sub-Fund concerned on the relevant Valuation Day using RBI (Reserve Bank of India) rate published at 1:30 pm India time.

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### **VALUATION CUT-OFF**

The Net Asset Value will be calculated as at the Valuation Point on the Valuation Day and released by latest 6:00pm Ireland time on the same Valuation Day. All trades for the Sub-Fund received by the Administrator from the Investment Manager before 11:00am (Ireland Time) will be included in such calculation by the Administrator for the same Valuation Day. For example, if the trade date is T, its valuation will be reflected on Valuation Day T. Any trade received by the Administrator after 11:00am (Ireland time) on the trade date will be included in Net Asset Value calculated for the following Valuation Day (that is, Valuation Day T+1).

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### **SUBSCRIPTION PRICE**

The initial subscription price per Class A Unit, Class B Units, Class F Units, Class I Unit, Class J Units and Class RDR Units will be US\$100 or GBP100 or EUR100 or SG\$100 or as may be fixed by the Directors. For the initial offer, the Sub-Fund does not levy any subscription charge.

The subscription price per Unit for each Dealing Day following the initial offer will equal the Net Asset Value per respective Class of Units on the Valuation Day preceding that Dealing Day.

All prices are rounded to the nearest multiple of US\$0.01 or GBP0.01 or EUR0.01 or SG\$0.01, with US\$0.005 or GBP0.005 or EUR 0.005 SG\$0.005 being rounded up.

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### **REDEMPTION PRICE**

The redemption price per Unit for each Redemption Day will equal the Net Asset Value per Unit of the relevant Class as at the Valuation Day preceding that Redemption Day.

All prices are rounded to the nearest multiple of US\$0.01 or GBP0.01 or EUR0.01 or SG\$0.01, with US\$0.005 or GBP0.005 or EUR 0.005 SG\$0.005 being rounded up.

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### **COMPULSORY TRANSFER OR REDEMPTION**

The Manager may by written notice require that a Unitholder transfer or redeem the whole or a specified percentage of his unitholding if the Unitholder determine that such Unitholder is not a Qualified Holder. If such Unitholder does not within 20 days after such notice transfer such Units or give a redemption notice in respect thereof he shall be deemed forthwith upon the expiration of such 20 days period to have given a redemption notice in respect of all his Units the subject of such notice and the Manager shall be entitled to appoint any person to sign on his behalf such documents as may be required for the purposes of the redemption.

In order to give effect to the foregoing, the Sub-Fund may request such declarations and information from any potential Unitholders as the Manager or the Investment Manager may consider appropriate and the Units of Unitholders failing to supply any such declarations or information may also be compulsorily redeemed.

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### **TRANSFER OF UNITS**

The Units are transferable with the consent of the Manager. They are issued in registered form and may be transferred by an instrument in usual or common use in Ireland. The Manager may decline to consent to any transfer of Units if the transferee is not a Qualified Holder and for the other reasons set out in this Supplement, the Prospectus or the Trust Deed.

Prior to processing or accepting such transfer form for registration, the Administrator or the Investment Manager may require a transferee to provide such representations, warranties and undertakings as may be necessary to establish the suitability of the transferee as a Unitholder in the Sub-Fund and to comply with relevant laws and regulations (including anti-money laundering provisions). It is expected that proposed transferees will have to fill out an Application Form in the same manner as new subscribers.

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### **ELIGIBILITY**

Each holder of Units must represent and warrant to the Sub-Fund that, inter alia, he/it is a Qualified Holder and has the full power and authority to acquire Units without violating applicable laws. The Sub-Fund will not knowingly offer or sell Units to any investor who is not a Qualified Holder or an investor who is a resident of India or an investor who uses monies sourced from India for the purpose of its investment in the Sub-Fund or to whom such offer or sale would be unlawful, or to any investor whom, by investing in the Sub-Fund, would commit a breach of the laws and regulations relating to the prevention of money laundering in his jurisdiction, or in Ireland or in any other applicable jurisdiction.

Each Qualified Holder must also satisfy the requirements for an "accredited investor or an investor in an equivalent class under the laws of the country or territory in which the offer or invitation is made" or an "institutional investor", or both, as such terms are defined under the Securities and Futures Act, Chapter 289 of Singapore ("SFA").

## FEES AND EXPENSES

The fees and operating expenses of the Sub-Fund are set out below in detail.

### ESTABLISHMENT COSTS

The costs of establishing the Sub-Fund and of the initial offer of Units, including the costs of preparing this document, the cost of issuing the Units and all legal costs associated with establishing the portfolio attributable to Units, initial set up costs incurred to ensure that the Fund's administrative, depositary, investment management operational arrangements and disbursements by the Investment Manager in its capacity as promoter are in place are expected to amount to approximately US\$75,000. For the purposes of determining Net Asset Value, the establishment costs will be amortised over a period of up to five years from the date of establishment of the Sub-Fund or such other period as the Directors may determine from time to time.

### MANAGER'S FEE

The Manager will be paid a fee as follows:

- 0.075% per annum of the portion of Net Asset Value of the Sub-Fund that is less than or equal to € 50m.
- 0.06% per annum of the portion of the Net Asset Value of the Sub-Fund that is greater than € 50m and less than or equal to € 100m.
- 0.05% per annum of the portion of the Net Asset Value of the Sub-Fund that is greater than € 100m.

The Manager's fee will be calculated on the basis of the Net Asset Value of each Class of Units of the Sub-Fund as at each Valuation Day and payable monthly in arrears. The fee is subject to a minimum annual fee of € 25,000 per annum for Net Asset Value of the Sub-Fund. The Manager will also be refunded all properly vouched disbursements and out-of-pocket expenses reasonably incurred by the Manager in the performance of its duties. Such out-of-pocket expenses shall not exceed 2% of the annual fees paid to the Manager.

### INVESTMENT MANAGEMENT FEE, ADVISORY FEE AND PERFORMANCE FEE

The Investment Manager will be paid a maximum fee ("**Investment Management Fee**") as follows:

- 1.50% per annum of the Net Asset Value of each Class A Unit of the Sub-Fund (prior to deduction for that month's Management Fee).
- 2.50% per annum of the Net Asset Value of each Class B Unit of the Sub-Fund (prior to deduction for that month's Management Fee).
- 0.40% per annum of the Net Asset Value of each Class F Unit of the Sub-Fund (prior to deduction for that month's Management Fee).
- 1.25% per annum of the Net Asset Value of each Class I Unit of the Sub-Fund (prior to deduction for that month's Management Fee).
- 0.80% per annum of the Net Asset Value of each Class J Unit of the Sub-Fund (prior to deduction for that month's Management Fee).
- 1.25% per annum of the Net Asset Value of each Class RDR Unit of the Sub-Fund (prior to deduction for that month's Management Fee).

The Investment Manager in its capacity as promoter has incurred legal costs during the establishment of the Fund. These legal establishment costs will be refunded to the Investment Manager by the Fund after the launch of the Fund and amortised as set out in the Supplement. Following the launch of the Sub-Fund, the Investment Manager will be paid Investment Management Fees only.

The Investment Management Fee will be calculated on the basis of the Net Asset Value of each Class of Units of the Sub-Fund as at each Valuation Day and payable monthly in arrears.

A pro rata Investment Management Fee will be charged on any amounts (i) accepted by the Sub-Fund as investments in the midst of any month, or (ii) redeemed by a Unitholder in the midst of any month. The Investment Manager may, in its sole and absolute discretion, waive or reduce the Investment Management Fee charged to any Class of Units.

The Investment Manager will also be refunded all properly vouched disbursements and out-of-pocket expenses reasonably incurred by the Investment Manager in the performance of its duties. Such out-of-pocket expenses shall not exceed 2% of the annual fees paid to the Investment Manager.

It is not currently intended that the Investment Manager will be paid a Performance Fee.

The Investment Advisor will be paid any fee due to it directly by the Investment Manager out of its Investment Management Fees.

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#### **ADMINISTRATOR'S FEES**

The Administrator will be entitled to receive out of the assets of the Sub-Fund the following fees:

- 0.06% per annum of the portion of Net Asset Value of the Sub-Fund that is less than or equal to € 100m.
- 0.05% per annum of the portion of the Net Asset Value of the Sub-Fund that is greater than € 100m.

The Administrator's Fee will be calculated on the basis of the Net Asset Value of each Class of Units of the Sub-Fund as at each Valuation Day and payable monthly in arrears. The fee is subject to a minimum annual fee of € 36,000 and the maximum fee payable will be dependent on the assets under management at any time. The Administrator will also be refunded all properly vouched disbursements and out-of-pocket expenses reasonably incurred by the Administrator in the performance of its duties. Such out-of-pocket expenses shall not exceed 2% of the annual fees paid to the Administrator.

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#### **DEPOSITARY FEES**

The Depositary will be entitled to receive out of the assets of the Sub-Fund, a fee of 0.02% per annum of the portion of the Net Asset Value of the Sub-Fund.

The Depositary's Fee will be calculated on the basis of the Net Asset Value of each Class of Units of the Sub-Fund as at each Valuation Day and payable monthly in arrears. The fee is subject to a minimum annual fee of USD 24,000 and the maximum fee payable will be dependent on the assets under management at any time. Any sub-custodian fees and transaction charges of the Depositary and sub-custodians, if any, will be at normal commercial rates.

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#### **SUBSCRIPTION CHARGE**

The Sub-Fund will initially not impose any subscription/sales charge on the Units.

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#### **EXIT CHARGE**

Each subscription for Class B Units is subject to a twenty-four month lock-up period during which Class B Units may be redeemed from the Sub-Fund only upon payment of a redemption fee equal to 2% and 1% of the Net Asset Value of the Class B Units redeemed if respectively redeemed during the first twelve months and second twelve months. The redemption fee shall be payable to the Manager and will be deducted from the redemption proceeds. The redemption fee shall be charged only at the Sub-Fund's level. If a Unitholder purchases Class B Units on multiple dates, each tranche of Class B Units will be tracked separately for purposes of determining the lock-up period and calculating the redemption fee, and redemptions will be deemed made from the Class B Units purchased on the earliest date. The Directors may agree to waive or establish a different lock-up period and/or redemption fee for any Unitholder, but will treat all Unitholders fairly and equally when deciding whether to waive or establish a different lock-up period and/or redemption fee for any Unitholder.



The Class A, Class I, Class RDR, Class J and Class F Units will not be subject to any redemption fee at any time.

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#### **TOTAL EXPENSE RATIO**

The Total Expense Ratio ("**TER**") of each Unit Class of the Sub-Fund, **INCLUSIVE** of the Investment Management Fee, all Sub-Fund expenses (excluding brokerage fees, ticket fees (which are the fees charged by the custodian to settle a trade) and any capital gains tax incurred on the sale of investments in India) and the amortisation of the set-up costs is expected to be below 2.5% based on an asset under management ("**AUM**") of US\$ 100m. It is the intention of the Investment Manager to place a cap on the TER of each Unit Class irrespective of the AUM level, to protect initial investors. Any expenses in excess of the TER cap will be deducted from the Investment Management Fees and borne by the Investment Manager. Where the investors are investing via another UCITS feeder fund managed by the same Investment Manager, there will not be any double charge of fees. The Investment Manager will ensure that the fees are either charged at the UCITS feeder fund level or the Sub-Fund level but not both.

The TER of the Class B Units will be capped at 2.5%, **INCLUSIVE** of Investment Management Fee and UCITS feeder fund fees and expenses if applicable.

The TER of the Class A Units, Class I Units and Class RDR Units will be capped at 2%, **INCLUSIVE** of Investment Management Fee and UCITS feeder fund fees and expenses if applicable.

The TER of Class J Units and Class F Units are fixed at 0.80% and 0.40% respectively **INCLUSIVE** of the Investment Management Fee and any UCITS feeder fund fees and expenses if applicable.

## INVESTMENT OBJECTIVE &amp; POLICY

**Investment Objective.** The principle objective of the Sub-Fund is to provide a long-term capital appreciation primarily through investment in equity and equity-related investments such as futures and options of companies established in or operating, in India.

The Directors believe that companies established or operating in India currently provide attractive investment opportunities.

Whilst there is no *de minimis* threshold with regards to market capitalization of the companies in which the Sub-Fund may invest, it is anticipated that the Sub-Fund will seek to invest across a range of market capitalizations including large caps, mid-caps and small caps companies as defined by SEBI. SEBI categorizes companies as large caps, mid-caps and small caps companies by their market average market capitalization over a 6 month period. The top 100 stocks of BSE 500 index are considered as large caps, the next 150 stocks are considered as mid-caps and the last 250 stocks are considered as small caps. This list is revised every 6 months and put up on the website [www.amfiindia.com](http://www.amfiindia.com). Typically the range is as follows - large caps have a market capitalization exceeding USD 4.5bn; mid-caps have a market capitalization between USD1.5bn and USD 4.5bn, and small caps have a market capitalization of less than USD 1.5bn.

The Investment Manager will be utilizing extensive on-the-ground expertise, large presence and research capabilities of the Investment Advisor in India to identify unique ideas in emerging sectors (sectors which are identified to be in the early stages of their growth cycle in India. These sectors are continually evolving as emerging sectors mature over the years and their position is taken by other newer emerging sectors. Current examples of emerging sectors in India are hospitals, microfinance, software as a service companies (SaAS) and original equipment manufacturing for consumer goods) in India and also benefit from the rich and diverse experience of the affiliate's research and investment teams covering Indian markets from Mumbai.

**Investment Strategy of the Sub-Fund.** The Sub-Fund seeks long-term capital growth through a well-diversified portfolio of investments in shares of companies listed on a major stock exchange or any other regulated market in India, as well as companies which carry out a substantial part of their business activities in India. The investment strategy shall focus on:

- Value stocks which are fundamentally under-priced with reasonable growth expectations. The Investment Manager will identify such stocks through a multi-faceted approach involving discussions with potential investee companies' management, review of broker research and information provided by independent consultants. The independent consultants shall have no discretion over the investment policy of the Sub-Fund.
- Companies with good earnings growth trajectory, high ROE's, good quality management and high operating leverage.
- Companies benefiting from the strong GDP growth in India and elsewhere, managed by passionate and dynamic management.

The Sub-Fund will not borrow to invest funds and shall not write any options contracts.

Within the limits mentioned in the Section "INVESTMENT RESTRICTIONS" of the Prospectus, the Sub-Fund's exposure into other UCITS or UCIs (undertaking for collective investment), which will constitute AIFs, will not exceed 20% of the Net Asset Value.

The Sub-Fund may also invest, within the limits mentioned in the Section "INVESTMENT RESTRICTIONS" of the Prospectus, in financial derivative instruments for the purposes of efficient portfolio management or hedging.

The global exposure of the Sub-Fund will be computed using the commitment approach ("**Commitment Approach**").

The Sub-Fund does not make use of a benchmark as defined by Regulation 2016/1011 ("**Benchmark Regulation**" or "**BMR**").

In accordance with the Sub-Fund's investment policy and at the full discretion of the Directors, the Sub-Fund shall make use of appropriate financial derivative instruments, being currency forwards, equity and index based derivative instruments, for the exclusive purpose of hedging currency risk and efficient portfolio management.

**Investment Selection Process of the Sub-Fund.** The Investment Manager determines whether stocks are fundamentally under-priced through detailed research which utilises a wide variety of different sources, including but not limited to: 1) regular interaction with the proposed investee companies management, 2) broker research and 3) information provided by independent consultants.

The Investment Manager will firstly examine the quality of the management of proposed investee companies and then carry out detailed analysis of their financial statement, taking into consideration factors such as the strength of the profit and loss account, balance sheet and their cash flow statement.

After the Investment Manager is satisfied with the results of the review of the investee company's financial statements and management, the Investment Manager will then analyse the growth profile of the investee company and the potential future valuation of such companies. Based on the growth profile and the fundamental valuations like Price/Earnings, Price/Books, EV/EBITDA the investee companies are finally identified.

Companies in the portfolio are continually reviewed by the Investment Manager based on:

- the monitoring of updated company information
- updated research on the company
- updated sector-specific research
- meetings conducted with management at investee companies
- participation in earnings calls

If over time metrics such as the price/earnings ratio do not meet the target set by the Investment Manager, the Investment Manager will review the relevant holding and decide whether to retain the holding or dispose of it.

The Investment Manager is supported by the Investment Advisor, who also utilizes a "bottom-up" approach in identifying investment opportunities to present to the Investment Manager for their consideration and review.

**SFDR Information.** The investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities. The classification of the Sub-Fund as an Article 6 Fund means that the Sub-Fund does not promote environmental or social characteristics in a way that meets the specific criteria contained in Article 8 of SFDR or have sustainable investment as its objective in a way that meets the specific criteria contained in Article 9 of SFDR. The Sub-Fund does not deem Sustainability Risk to be relevant and does not consider (i) Sustainability Risk in its investment decisions; and (ii) adverse impacts of investment decisions on Sustainability Factors due to the investment strategy of the Sub-Fund. The Investment Manager does not expect that Sustainability Risks will materially impact the expected risk or return characteristics of the Sub-Fund. Please refer to the section of the Prospectus entitled "Sustainable Finance Disclosure" for further information.

**Taxonomy Regulation.** Given the Sub-Fund's investment focus and the asset classes/sectors in which it invests, the Investment Manager does not integrate a consideration of environmentally sustainable economic activities (as prescribed in the Taxonomy Regulation) into the investment process for the Sub-Fund. Therefore, for the purpose of the Taxonomy Regulation, the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

In accordance with the Taxonomy Regulation, an underlying investment of the Sub-Fund shall be considered as environmentally sustainable where its economic activity:

1. contributes substantially to one or more of the environmental objectives, as prescribed in the Taxonomy Regulation (the "**Environmental Objectives**");
2. does not significantly harm any of the Environmental Objectives, in accordance with the Taxonomy Regulation;
3. is carried out in compliance with minimum safeguards, prescribed in the Taxonomy Regulation; and
4. complies with technical screening criteria established by the European Commission in accordance with the Taxonomy Regulation.

**Changes to the Investment Objective and the Investment Policy of the Sub-Fund.** The investment objective of the Sub-Fund may not be altered or material changes to the investment policy of the Fund made without the prior written approval of all Unitholders or on the basis of at least 75% of votes cast at meeting of Unitholders. In the event of such changes a reasonable notification period will be provided by the Fund to enable Unitholders to redeem their Units prior to implementation of the changes.

Where non-material changes are made to the investment policy of the Sub-Fund, Unitholders shall be notified of such changes via appropriate disclosure being included in the next annual report of the Fund.

A material change to the investment policy of the Sub-Fund is a change that will alter the asset type, geographic focus or risk profile of the Sub-Fund.

## INVESTMENT RESTRICTIONS APPLICABLE TO FPIs

As the Sub-Fund will be categorized as an FPI, the investment policy of the Sub-Fund will also need to comply with the restrictions for investments by FPIs under the FPI Regulations as established by SEBI and the RBI which are set out below, in addition to the investment restrictions set out in the Prospectus.

Foreign investments in India were governed by the Foreign Exchange Management (Transfer or Issue of Security by A Person Resident Outside India) Regulations, 2017 ("**TISPRO**"). In October 2019, the Reserve Bank of India issued separate set of regulations for debt investments and non-debt investments in India i.e. Foreign Exchange Management (Debt Instruments) Regulations, 2019 and Foreign Exchange Management (Non-debt Instruments) Rules, 2019. A person resident outside India is permitted to make debt investments in accordance with the conditions prescribed under the Debt Instruments Regulations. A person resident outside India is permitted to make investments other than debt investments (i.e. equity investments, investment in partnership interest, investment vehicles, etc.) in accordance with the conditions prescribed under the Non-debt Instruments Regulations. An FPI desiring to invest into India must be granted a certificate of registration by a designated depository participant ("**DDP**") on behalf of SEBI, and must comply with the provisions of the FPI Regulations. When it receives the initial registration, the FPI also obtains general permission from the RBI to engage in transactions regulated under the Foreign Exchange Management Act, 1999.

The Sub-Fund may invest up to a maximum of 20% of the Net Asset Value of the Sub-Fund in other collective investment schemes in accordance with the requirements of the Central Bank and the investment restrictions set out under the Section titled "**INVESTMENT RESTRICTIONS**" in the Prospectus, where the investment policies of such collective investment schemes are consistent with those of the Sub-Fund.

The Sub-Fund has the ability to hold cash from time to time if the Investment Manager believes it is appropriate and is not obliged to be fully invested.

## MANAGEMENT OF THE SUB-FUND

### INVESTMENT MANAGER

The Investment Manager's expertise lies in analysing and selecting Indian companies which are either value companies, companies with good earnings, or companies with good growth trajectory or with the potential to benefit from strong growth in India.

The Investment Manager's expertise is supplemented by the resources of almost 20 brokers such as Bernstein, JP Morgan, Citi, and Morgan Stanley, who provide the Investment Manager with financial models, access to potential investee companies, investment consultants and their research reports.

The Investment Manager also has access to industry experts through Gerson Lehrman Group (Asia) Limited ("GLG") who provide access to leading industry experts across multiple industrial sectors. Neither GLG nor any industry experts will have any discretion over the investment policy of the Sub-Fund.

The Investment Manager's work is overseen by an investment committee which comprises the equity and fixed income portfolio managers, and also includes the CEO, Head of Compliance & Head of Business Development. This committee meets periodically to consider and analyse all aspects of the Sub-Fund's investments and investment decision-making processes.

### INVESTMENT ADVISOR

The ongoing role of the Investment Advisor is restricted purely to providing non-binding recommendations and advice to the Investment Manager to assist with enabling the Investment Manager to make investment decisions. Nippon Life India Asset Management Limited will be appointed as Investment Advisor based on the due diligence of the Investment Manager, taking into consideration parameters, including but not limiting to those specified below:

- Geographical location - Being located in India, the Investment Advisor can provide research and recommendations to the Investment Manager based on its large on-the-ground presence in India.
- AUM – The Investment Advisor manages approximately USD 37bn across equities, fixed income and exchange-traded funds in September 2020 and is considered amongst the top advisory and asset management firms in India.
- Team – The Investment Advisor's 30-member investment advisory team for tracking Indian stocks is the largest amongst Indian firms. The Investment Advisor also provides a strong mid and small cap 4-member tracking team.
- Investment Universe – The Investment Advisor tracks 540 stocks which represents almost 85% of the value of companies listed on India's stock market, which is the highest of its peer group.
- Reputation – The Investment Advisor has a track record of being selected, appointed and re-appointed to prestigious Indian mandates such as the Employee Provident Fund.
- Robust and time-tested research capabilities – The Investment Advisor has a substantial track record of providing such research.

## ADDITIONAL RISK FACTORS

Investing in the Sub-Fund involves certain considerations in addition to the risks normally associated with making investments in securities. There can be no assurance that the Sub-Fund will achieve its investment objectives. The value of the Class A Units, Class B Units, Class F Units, Class I Units, Class J Units and Class RDR Units may go down as well as up and there can be no assurance that on a redemption, or otherwise, investors will receive the amount originally invested. Accordingly, the Sub-Fund is only suitable for investment by investors who understand the risks involved and who are willing and able to withstand the total loss of their investment. Unless the context requires otherwise, references herein to the “Sub-Fund” shall refer to the Sub-Fund in respect of its Class A Units, Class B Units, Class F Units, Class I Units, Class J Units and Class RDR Units.

Where appropriate, references in this “**ADDITIONAL RISK FACTORS**” Section to the Investment Manager shall also refer to the Investment Advisor, who is providing investment advisory services to the Investment Manager pursuant to an Investment Advisory Agreement.

**Dependence Upon the Investment Manager.** The Sub-Fund’s success will depend on the management of the Investment Manager. As a Unitholder, you should be aware that you will have no right to participate in the management of the Sub-Fund, and you will have no opportunity to select or evaluate any of the Sub-Fund’s investments or strategies. Accordingly, you should not invest in the Sub-Fund unless you are willing to entrust all aspects of the management of the Sub-Fund and its investments to the discretion of the Investment Manager.

**New Enterprise: Potential of Loss.** The Sub-Fund is an enterprise with a limited operating history. The Sub-Fund has limited prior track record. It may not be able to achieve the desired returns, accordingly, an investment in the Sub-Fund entails a high degree of risk. There can be no assurance that the Sub-Fund will achieve its investment objective or that the strategies described herein will be successful. Given the factors that are described below, there exists a possibility that an investor could suffer a substantial loss as a result of an investment in the Sub-Fund and could lose all of its investments.

**Limited Liquidity of Units.** An investment in the Sub-Fund involves substantial restrictions on liquidity and while they can be redeemed on any Dealing Day Units of the Fund are not freely transferable. There is no active secondary market for the Units in the Sub-Fund, and no market is expected to develop. Consequently, Unitholders will be unable to liquidate their Units except by redeeming from the Sub-Fund. Additionally, transfers may be subject to the consent of the Manager, which consent may be granted or withheld in the Manager’s sole discretion in circumstances which might prejudice the Sub-Fund or its Unitholders such as creating a tax, legal or regulatory exposure for either the Sub-Fund or its Unitholders.

Unitholders may be unable to immediately liquidate their Units promptly in the event of significant number of redemption requests, unusual market activity or a combination of both.

In such circumstances the Manager may delay payment of redemption proceeds in accordance with the provisions set out in the Prospectus under the heading Redemption of Units.

Although a Unitholder may attempt to increase its liquidity by borrowing from a bank or other institution, Units may not readily be accepted as collateral for a loan. In addition, the transfer of a Unit as collateral or otherwise to achieve liquidity may result in adverse tax consequences to the transferor.

**Redemptions.** Redemptions are subject to various restrictions, as more fully described under “**SUBSCRIPTIONS AND REDEMPTIONS**”. Under certain limited circumstances, the Sub-Fund may suspend the payment of redemptions.

Substantial redemptions by Unitholders within a short period of time could require the Sub-Fund to liquidate securities positions and other investments more rapidly than would otherwise be desirable, possibly reducing the value of the Sub-Fund’s assets and/or disrupting the Sub-Fund’s investment strategy with respect to the Units’ portfolio. Reduction in the size of the Units’ portfolio could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the Sub-Fund’s ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

The Manager may, in its sole discretion at any time, require a Unitholder to redeem all or some of the Units held by such Unitholder. Such mandatory redemption could result in adverse tax and/or economic consequences to such Unitholder.

**Investment Expenses.** The investment expenses (e.g., expenses related to the investment and custody of the assets of the Sub-Fund, such as brokerage commissions, custodial fees and other trading and investment charges and fees) as well as other Sub-Fund fees may, in the aggregate, constitute a high percentage relative to other investment entities. The Sub-Fund will bear these costs regardless of its profitability.

**No Participation in Management.** Except as provided in the Prospectus and the Trust Deed, the management of the Sub-Fund's operations is vested solely in the Manager. The Unitholders have no right to take part in the conduct or control of the business of the Sub-Fund. In connection with the management of the Sub-Fund's business, the Manager will devote only such time to the Sub-Fund matters as it, in its sole discretion, deems appropriate.

**Conditions in the Indian Securities Market.** The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities, and no assurance can be given that such fluctuations will not occur in the future.

Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies. These problems have included temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, from time to time, disputes have occurred between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. Similar problems could occur in the future and, if they do, they could harm the market price and liquidity of the equity shares held by the Sub-Fund.

**Economic Developments and Volatility in the Indian Securities Markets.** The Indian capital markets are volatile and may decline significantly in response to adverse issuer, political, regulatory, market or economic developments. Different parts of the market and different types of equity and debt securities may react differently to these developments. For example, small cap stocks may react differently from large cap stocks. Issuer, political or economic developments may affect a single issuer, issuers within an industry, sector or geographic region, or the market as a whole. Monetary policy/guidelines from Reserve Bank of India/Government of India may decrease the investment universe or create liquidity constraints or may result in higher settlement costs.

Securities listed on Indian stock exchanges may have low market capitalization and trading volume. There can be no assurance that sales on the Indian stock exchanges will provide a viable exit mechanism for the Sub-Fund's investments.

**Indian Governmental, Economic and Political Considerations.** The value of the Sub-Fund's investments may be adversely affected by potential political and social uncertainties in India. Certain developments are beyond the control of the Sub-Fund, such as the possibility of nationalization, expropriations, confiscatory taxation, political changes, government regulation, social instability, diplomatic disputes or other similar developments, could adversely affect the Sub-Fund's investments.

India is a country which comprises diverse religions and ethnic groups. It is the world's most populous democracy and has a well-developed and stable political system. Ethnic issues and border disputes have, however, given rise to ongoing tension in the relations between India and its neighbouring countries, particularly over the North and North-East regions of the country, and between certain segments of the Indian population. Any exacerbation of such tensions could adversely affect economic conditions in India and consequently the Sub-Fund's investments.

While fiscal and legislative reforms have led to economic liberalization and stabilization in India over the past ten years, the possibility that these reforms may be halted or reversed could significantly and adversely affect the value of investments in India. The Sub-Fund's investments could also be adversely affected by changes in laws and regulations or the interpretation thereof, including those



governing foreign investment, anti-inflationary measures, rates and methods of taxation, and restrictions on currency conversion, imports and sources of supplies.

Although India has experienced significant growth in the past, there can be no assurance that such growth will occur over the next few years. For example, the relocation trend may decelerate by reason of a general economic downturn in one or more industrialized nations, by the promulgation of governmental policies in those nations discouraging the relocation of labour or by a voluntary reduction in relocation by companies in response to negative popular opinion or customer dissatisfaction. Adverse economic conditions or stagnant economic development in India could adversely affect the value of the Sub-Fund's investments.

**Competition.** The Investment Manager's industry is extremely competitive and the investment policy to be followed will involve a degree of risk. The Investment Manager will compete with other firms, including many the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

**Market Volatility.** The profitability of the Sub-Fund substantially depends upon the Investment Manager correctly assessing the future price movements of bond and the movements of interest rates. The Investment Manager cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

**Sub-Fund's Investment Activities.** The Sub-Fund's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Investment Manager. Such factors include a wide range of economic, political, competitive and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The securities markets are volatile, which may adversely affect the ability of the Sub-Fund to realize profits. As a result of the nature of the Sub-Fund's investing activities, it is possible that the Sub-Fund's financial performance may fluctuate substantially from period to period.

**Accuracy of Public Information.** The Investment Manager selects investments for the Sub-Fund, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Investment Manager by the issuers or through sources other than the issuers. Although the Investment Manager evaluates all such information and data and sometimes seeks independent corroboration when the Investment Manager considers it is appropriate and when it is reasonably available, the Investment Manager is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available. Investments may not perform as expected if information is inaccurate.

**Volatility of Currency Prices.** The profitability of the Sub-Fund depends, in part, upon the Investment Manager correctly assessing the future price movements of currencies. However, price movements of currencies are difficult to predict accurately because they are influenced by, among other things, changing supply and demand relationships; governmental, trade, fiscal, monetary and exchange control programs and policies; national and international political and economic events; and changes in interest rates. Governments from time to time intervene in certain markets in order to influence prices directly. The Sub-Fund cannot guarantee that the Investment Manager will be successful in accurately predicting currency price and interest rate movements.

**Risk of Default or Bankruptcy of Third Parties.** With respect to the Sub-Fund, the Investment may engage in transactions in securities and financial instruments that involve counterparties. Under certain conditions, the Sub-Fund could suffer losses if a counterparty to a transaction were to default or if the market for certain securities and/or financial instruments were to become illiquid. In addition, the Sub-Fund could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Sub-Fund does business, or to which such securities have been entrusted for custodial purposes. For example, if the Sub-Fund's sub-custodian were to become insolvent or file for bankruptcy, the Sub-Fund could suffer significant losses with respect to any securities held by such firm.

**Loss of FPI Registration.** The Sub-Fund shall be registered with SEBI as a foreign portfolio investor under the FPI Regulations. There is no assurance that continued registration will be allowed. If for any reason, the Sub-Fund's registration as an FPI is cancelled, the Sub-Fund could be forced to

redeem its investments, and such forced redemption could adversely impact the investments made by the Sub-Fund and thereby the interests of the investors in the Sub-Fund.

**Sub-Fund Currency Risk.** Assets of the Sub-Fund may be designated in a currency other than the Base Currency of the Sub-Fund and changes in currency exchange rates or interest rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions may lead to a depreciation of the value of the Sub-Fund's assets as expressed in the Base Currency.

**FATCA.** The Investment Manager may also be subject to requirements under FATCA. On 9 December, 2014, Singapore concluded a Model 1 IGA with the U.S Government (the "**Singapore IGA**"). Under the Singapore IGA, Singapore financial institutions subject to the reporting obligations will be required to report the requisite information (potentially including information on the investors, its subscriptions and its beneficial owner) to the Singapore Comptroller of Income Tax, being the Singapore Inland Revenue Authority of Singapore ("**IRAS**"), which may then pass on the information to the IRS. To the extent the Investment Manager may be subject to the reporting obligations pursuant to FATCA, the Investment Manager or its delegate or agent may require the provision of additional information to comply with FATCA generally. Any information pertaining to an investor may in certain circumstances be passed on to the IRAS and ultimately to the IRS.

**Derivatives.** The Sub-Fund's investments may include derivatives such as futures. The risk of investing in derivatives, for example or futures depends on the terms attached to them and on the volatility of the financial markets on which they are traded. Separately, in relation to over-the-counter derivatives, because over-the-counter derivatives—such as forwards—are customized transactions, they often assemble risks in complex ways. This can make the measurement and control of these risks more difficult and create the possibility of unexpected loss. The prices of futures and other derivatives contracts are volatile and may be influenced, among other things, by actual and expected changes in the underlying security or securities index or in interest rates and currency exchange rates, which are in turn affected by fiscal and monetary policies and national and international political and economic events. Due to the relatively low margin deposits required, futures trading involves an extremely high degree of leverage. As a result, a relatively small price movement in a futures or derivatives contract may result in an immediate and substantial loss, or gain, to the Sub-Fund.

The primary risk with derivative investments is that their use may amplify a gain or loss, potentially earning or losing substantially more money than the actual cost of the derivative instrument. Derivatives involve special risks, including: (1) the risk that interest rates, securities prices, futures markets and currency markets will not move in the direction that the Investment Manager anticipates; (2) imperfect correlation between the price of derivative instruments and movements in the prices of the securities, interest rates or currencies being hedged; (3) the skills needed to use these strategies are different than those needed to select portfolio securities; (4) the possible absence of a liquid secondary market for any particular instrument and possible exchange imposed price fluctuation limits, either of which may make it difficult or impossible to close out a position when desired; (5) the risk that adverse price movements in an instrument can result in a loss substantially greater than the Sub-Fund's initial investment in that instrument (in some cases, the potential loss is unlimited); (6) particularly in the case of privately negotiated instruments, the risk that the counterparty will not perform its obligations; and (7) the inability to close out certain hedged positions to avoid adverse tax consequences.

**Operational Risk / Derivatives.** Operational risk is the risk of losses occurring because of inadequate systems and control, human error, or management failure. The complexity of derivatives requires special emphasis on maintaining adequate human and systems controls to validate and monitor the transactions and positions of dealers.

**No Obligation of Full-Time Service.** The Directors do not have any obligation to devote its full time to the business of the Sub-Fund. It is only required to devote such time and attention to the affairs of the Sub-Fund as it decides is appropriate, and it may engage in other activities or ventures, including competing ventures and/or unrelated employment, which result in various conflicts of interest between itself and the Sub-Fund.

**Other Activities of the Investment Manager the Investment Advisor and Affiliates.** None of the Investment Manager, the Investment Advisor or their respective affiliates is required to manage or advise the Sub-Fund as its sole and exclusive function. Each of them may engage in other business activities, including competing ventures and/or other unrelated employment, and are only required to

devote such time to the Sub-Fund as each deems necessary to accomplish the purposes of the Sub-Fund. Similarly, although the Investment Manager, the Investment Advisor and their affiliates expect to devote a significant amount of their time to the business of the Sub-Fund, they are only required to devote so much of their time to the Sub-Fund as they determine in their sole discretion. In addition to managing the Sub-Fund's investments the Investment Manager may provide investment management and other services to other parties in the future (both domestic and offshore), which may or may not employ an investment strategy similar to that of the Sub-Fund. The Investment Advisor and its respective affiliates may provide investment advice and other services to other parties and may establish other private investment funds in the future (both domestic and offshore), which may or may not employ an investment strategy similar to that of the Sub-Fund.

**Advisory Services to Others.** In addition to managing the Sub-Fund's investments, the Investment Manager, the Investment Advisor and their respective affiliates may provide investment management services to other persons, including other private investment funds, which may or may not employ an investment program and strategy substantially similar to that used by the Sub-Fund with respect to the Sub-Fund ("**Affiliated Funds**"). The trades made by Affiliated Funds or other client accounts that may be managed by the Investment Manager, the Investment Advisor or their respective principals or affiliates in the future may compete with trades for the Sub-Fund's account, and the Investment Manager, the Investment Advisor or their respective principals or affiliates may decide to invest the funds of these accounts or clients rather than the assets of the Sub-Fund in a particular security or strategy. In addition, the Investment Manager, the Investment Advisor and/or such other persons will determine the allocation of funds from the Sub-Fund and such other accounts and clients to investment strategies and techniques on whatever basis they decide is appropriate. The records of these accounts and clients will not be made available to Unitholders. Nonetheless, in the event that certain securities, instruments and other assets are suitable for acquisition by the Sub-Fund and by other accounts managed by the Investment Manager, the Investment Advisor or their respective principals and affiliates, and the Investment Manager, the Investment Advisor or their respective principals or affiliates are not able to acquire the desired aggregate amount of such securities, instruments and other assets on terms and conditions which they deem advisable, the Investment Manager, the Investment Advisor and their respective principals and affiliates will endeavour in good faith to allocate the limited amount of such investment opportunities acquired among the various accounts for which they consider such investments to be suitable. In addition, the Investment Manager, the Investment Advisor and such other persons will determine the allocation of funds from the Sub-Fund and such other accounts or clients to investment strategies and techniques on whatever basis they consider appropriate or desirable in their sole and absolute discretion.

**Diverse Unitholders.** The Unitholders may include taxable and tax-exempt entities and persons or entities resident of or organized in various jurisdictions. As a result, conflicts of interest may arise in connection with decisions made by the Manager that may be more beneficial for one type of Unitholder than for another. In making such decisions, the Manager intends to consider the investment objectives of the Sub-Fund as a whole, not the investment objectives of any Unitholder individually.

**Use of Third-Party Marketers.** The Investment Manager may enter into fee sharing arrangements with third party marketers or solicitors who refer investors to the Sub-Fund. Such third-party marketers may have a conflict of interest in advising prospective investors whether to purchase or redeem Units.

**Personal Trading by the Investment Manager and Affiliates.** The Investment Manager and its principals and affiliates may make trades and investments for their own accounts. In these accounts, any such person may use trading and investment methods that are similar to, or substantially different from, the methods used by them to direct the Sub-Fund's account.

**Lack of Separate Representation.** Neither the Prospectus, the Investment Management Agreement nor any of the agreements, contracts and arrangements between the Sub-Fund and the Manager, on the one hand, and the Investment Manager on the other hand, were or will be the result of arm's-length negotiations. The attorneys, accountants and others who have performed services for the Sub-Fund in connection with this offering, and who will perform services for the Sub-Fund in the future, have been and will be selected by the Investment Manager and/or the Manager. No independent counsel has been or will be retained to represent the interests of prospective investors or Unitholders, and neither the Prospectus nor any other document has been reviewed by any attorney on their behalf. You are therefore urged to consult your own counsel as to the terms and provisions of the Prospectus and all subscription and other related documents.

ANYONE CONTEMPLATING AN INVESTMENT IN THE SUB-FUND IS STRONGLY ADVISED TO SEEK THE ADVICE OF A QUALIFIED EXPERT ON MATTERS OF TAXATION OF INVESTMENTS IN A SUB-FUND INVESTING AS AN FPI.

TAX TREATMENT DEPENDS ON THE INDIVIDUAL CIRCUMSTANCES OF EACH INVESTOR AND MAY BE SUBJECT TO TAX TREATMENT CHANGE FROM TIME TO TIME.

The Section titled “**TAXATION**” is a summary of taxation law and practice in force in the relevant countries at the date of this Supplement and is subject to changes therein and is not exhaustive. Investors will be subject to risks and uncertainties associated with tax, which can be complex for all types of investors, including tax exempt entities. Levels and bases of taxation in the relevant countries may change. The Sub-Fund’s investment as an FPI, will be made with an intention to achieve the Sub-Fund’s investment objectives, and notwithstanding anything contained herein to the contrary, there can be no assurance that the structure of any investment will be tax efficient for any particular investor, that any particular tax result will be achieved or that distributions may not be subject to withholding or other taxes. Prospective investors should consult their own professional advisors with respect to the specific tax consequences of any investment in the Sub-Fund.

**Exposure to Place of Effective Management (“POEM”).** The Finance Act, 2015 has changed the criteria for determining tax residence of companies incorporated outside India. As per the amended criteria, to ensure that the FPI is not construed to be a tax resident of India in a particular financial year, the FPI’s POEM in that financial year should not be located in India. POEM has been defined to mean “a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made”.

**Exposure to Permanent Establishment (“PE”).** While the Sub-Fund believes that the activities of the Sub-Fund and Investment Manager described in this Supplement should not create a PE of the Sub-Fund or the Investment Manager in India, there may be a risk that the Indian tax authorities will claim that these activities have resulted in a PE of the Sub-Fund and/or the Investment Manager in India. If for any reason the activities are held to be a PE of the Sub-Fund and/or the Investment Manager in India, then the profits to the extent attributable to the PE would be subject to taxation in India.

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 Sub-Fund. Prospective investors should read this entire Prospectus and the Trust Deed of the Fund and consult with their own advisors before purchasing Class A Units, Class B Units, Class F Units, Class I Units, Class J Units and Class RDR Units.

## INTRODUCTION

The taxation of income and capital gains of the Sub-Fund and the Unitholders is subject to the fiscal law and practice of Ireland, India and of any jurisdiction in which the Sub-Fund invests or in which Unitholders are resident or otherwise subject to tax. The following is a summary only of some of the anticipated tax treatment and exchange controls affecting the Sub-Fund. It does not constitute legal or tax advice and is based on taxation and exchange control law and practice in force at the date of this Supplement.

The summary does not consider all aspects of taxation and exchange control which may be relevant to a particular Unitholder in light of that Unitholder's particular circumstances, such as tax or exchange control consequences in the Unitholder's jurisdiction of residence. Investors should consult their own professional advisors on the taxation and exchange control implications of their acquiring, holding or disposing of Units under the laws of any jurisdiction in which they are resident or liable to taxation.

While this summary is considered to be a correct interpretation of existing laws in force on the date of this Supplement, no assurance can be given that courts or other authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws will not occur.

## IRELAND

Please refer to the relevant "TAXATION" Section in the Prospectus.

## INDIA

**Taxation of the Sub-Fund in India.** The tax implications in this Section are based on the current provisions of the Indian tax laws, and the regulations thereunder, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. No assurance can be given that future legislation, administrative ruling or court decisions will not significantly modify the conclusion set forth in this summary, possibly with retrospective effect. Any such changes could have different tax implications.

The taxation of the Sub-Fund in India is governed by the provisions of the Income Tax Act ("ITA"), read with the provisions of the double taxation avoidance agreement between India and Ireland ("Treaty"). As per Section 90(2) of the ITA, the provisions of the ITA applies to the extent they are more beneficial than the provisions of the Treaty.

The Sub-Fund is expected to have income in the form of gains on sale of capital assets and income from interest. The Sub-Fund will be registered as a category 1 FPI. The tax consequences for the Sub-Fund on account of the application of the Treaty, read with the provisions of the ITA and the Finance Act, 2020 are summarised below:

**Capital gains**

With effect from 1 April, 2014, securities held by an FPI pursuant to the FPI Regulations are regarded as "capital assets" and, as a corollary, gains derived from their transfer should be considered as capital gains. As a result of this amendment, gains arising on disposal/transfer of a range of listed securities including shares, debentures and eligible derivative instruments as may have been acquired under applicable laws, shall be characterised as capital gains (and not business income) under the ITA. In such event, the taxation of capital gains should be as set out below:

- (a) Capital gains from the sale of listed equity shares or units of equity oriented mutual funds made off the floor of the stock exchange, held for twelve months or less are taxable as short-term capital gains at the rate of 30% (excluding the applicable surcharge and cess) and for those held for more than twelve months shall be taxed at the rate of 10% (excluding the applicable surcharge cess). Indexation benefit shall not be available since the Sub-Fund will qualify as a non-resident under provisions of the ITA;

- (b) Capital gains from the sale of listed equity shares or units of equity oriented mutual fund made off the floor of the stock exchange, subject to STT, held for twelve months or less are taxable as short-term capital gains at the rate of 15% (excluding the applicable surcharge and cess) and for those held for more than twelve months and subject to STT shall be taxed at the rate of 10% exceeding capital gains of INR 100,000 arising from transfer of equity shares, where the purchase and sale transaction is chargeable to the STT, in each case excluding the applicable surcharge cess; and
- (c) Capital gains arising from the transfer of Foreign Currency Convertible Bonds, Depository Receipts outside India between non-resident investors, should not be subject to tax in India.

Under the Treaty, there is no concessional tax treatment accorded to capital gains earned from India i.e. such capital would be taxable in the hands of the Sub-Fund in accordance with the provisions of the ITA.

#### **Buyback of shares**

The investee company (both listed and unlisted) is liable to pay additional income tax on an amount of distributed income (difference between buyback price and the issue price) on buyback of shares from shareholders. The investee company is liable to pay tax at 20% (plus surcharge and applicable cess). The income received pursuant to buyback shall not be taxable in the hands of the Sub-Fund.

#### **Dividend**

In addition, dividends on shares received from an Indian company shall be taxable in the hands of the non-resident investors at the rate of 20% (excluding the applicable surcharge and cess).

Under the Treaty, dividends earned by the Sub-Fund from an Indian company shall be taxable at a concessional rate of 10% provided the Sub-Fund is the beneficial owner of such dividend income.

#### **Interest**

Under the ITA, interest income earned by FPIs in relation to investment in government securities ("G-Secs") and bonds issued by an Indian company shall be taxable at a concessional rate of 5% provided such interest is paid before July 1, 2023 and is within the prescribed ceilings (i.e. does not exceed 500 basis points over the Base rate of State Bank of India (current base rate is 7.40%) prevailing on the date of issue of such bonds.

Under the Treaty, interest earned by the Sub-Fund from an Indian company shall be taxable at a concessional rate of 10% provided the Sub-Fund is the beneficial owner of such dividend income. Further, interest shall not be taxable in India in case it is earned by Central Bank of Ireland in relation to loan accorded to an Indian concern,

#### **Multi-Lateral Instruments ('MLI')**

The provisions of the Treaty will now need to be read along with the MLI provisions. The conditions prescribed under MLI will also need to be complied in order to avail the beneficial provisions of the Treaty. Both India and Ireland have notified Treaty as Covered Tax Agreement and deposited the ratification instrument with the OECD. Accordingly, the provisions of MLI will also need to be complied with in order to avail the beneficial provisions of the Treaty. The most significant aspect of MLI is the introduction of the Principal Purpose Test (PPT) which would need to be satisfied in order to avail the tax treaty benefit. PPT has been introduced as a default test which provides that no benefit shall be granted under the Treaty if it is reasonable to conclude that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit. However, there is a carve out wherein the benefits from the Treaty shall not be denied if availing such benefits was in accordance with the objective of the Treaty.

#### **Securities Transaction Tax ('STT')**

All transactions entered on a recognised stock exchange in India will be subject to the STT in accordance with the ITA.

The reduced rate of short term capital gains is applicable only if the sale or transfer of the equity shares takes place on a recognised stock exchange in India and the STT, is collected by the respective stock exchanges, at the applicable rates on the transaction value.

The FPI will be liable to pay STT in respect of dealings in Indian securities purchased or sold on the Indian stock exchanges. The applicable rates of STT are set out below:

<b><u>Nature of Transaction</u></b>	<b><u>Payable by</u></b>	<b><u>Applicable STT Rates (%)</u></b>
Delivery based purchase transaction in equity shares entered into in a recognised stock exchange	Purchaser	0.1
Delivery based sale transaction in equity shares entered in a recognised stock exchange	Seller	0.1
Delivery based sale of a unit of an equity oriented mutual fund entered in a recognised stock exchange	Seller	0.001
Non-delivery based sale transaction in equity shares or units of an equity oriented mutual fund entered in a recognised stock exchange	Seller	0.025
Transaction for sale of futures in securities	Seller	0.01
Transaction for sale of an option in securities	Seller	0.017
Transaction for sale of an option in securities, where the option is exercised	Purchaser	0.125
Sale of unlisted equity shares by any holder of such shares under an offer for sale to the public included in an IPO and where such shares are subsequently listed on a recognised stock exchange	Seller	0.2

In view of the particularised nature of tax consequences, each prospective investor is advised to consult its own tax adviser with respect to the specific tax consequences of purchasing Units in the Sub-Fund.

**General Anti-Avoidance Rules ("GAAR")**. The Finance Act, 2012 had introduced the GAAR into the ITA, which, subsequent to the amendments introduced by the Finance Act, 2015, has come into effect from 1 April 2017. Further, it has been announced that GAAR would be applicable only to income earned or received from transfer of investments made after 1 April 2017.

As per the provisions of ITA, the Indian tax authorities have been granted wide powers to tax 'impermissible avoidance arrangements' including the power to disregard entities in a structure, reallocate income and expenditure between parties to the arrangement, alter the tax residence of such entities and the legal situs of assets involved, treat debt as equity and vice versa. The GAAR provisions are potentially applicable to any transaction or any part thereof.

The "impermissible avoidance arrangements" has been defined to mean an arrangement where the main purpose is to obtain a tax benefit and which

- (a) creates rights or obligations which are not ordinarily created between persons dealing at arm's length;
- (b) results directly or indirectly in the misuse or abuse of the provisions of ITA;
- (c) lacks commercial substance or is deemed to lack commercial substance in whole or in part; or



(d) is entered into or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes.

Further an arrangement shall be presumed, unless it is proved to the contrary by the taxpayer, to have been entered into, or carried out, for the main purpose of obtaining a tax benefit, if the main purpose of a step in, or a part of, the arrangement is to obtain a tax benefit, notwithstanding the fact that the main purpose of the whole arrangement is not to obtain a tax benefit.

An arrangement shall be deemed to lack commercial substance (amongst other factors) if (a) the substance or effect of the arrangement as a whole, is inconsistent with, or differs significantly from, the form of its individual steps or a part; (b) it involves or includes (i) round trip financing, or (ii) an accommodating party, or (iii) elements that have effect of offsetting or cancelling each other, or (iv) a transaction which is conducted through one or more persons and disguises the value, location, source, ownership or control of funds which is the subject matter of such transaction; or (c) it involves the location of an asset or of a transaction or of the place of residence of any party which is without any substantial commercial purpose other than obtaining a tax benefit for a party.

In case GAAR is applied to any transaction pertaining to the FPI, it could have an adverse impact on the taxability of the FPI and the accordingly the returns to the investors of the FPI entity may also be adversely affected.

Further, the Central Board of Direct Taxes on 27 January 2017 vide Circular No. 7 of 2017, inter alia, clarified that if the jurisdiction of an FPI is finalised based on non-tax commercial considerations, and the main purpose is not to obtain tax benefit, GAAR would not apply.

**Taxation of Indirect Transfer of Indian Assets.** The Finance Act, 2012 introduced a provision for the levy of capital gains tax on income arising from the transfer of shares/interest in a company/entity registered outside India which derives, directly or indirectly, its value substantially from the assets located in India.

Thereafter, the Finance Act, 2015 introduced the criteria to determine when the share or interest of a foreign company or entity shall be deemed to derive its value 'substantially' from the assets (whether tangible or intangible) located in India.

However, the Finance Act, 2017 has, with effect from 1 April 2011 (i.e. in respect of income received or derived in the financial year 2011-12) provided that the indirect transfer provisions (described in the foregoing paragraph) shall not apply to assets or capital assets held by non-residents by way of investment, directly or indirectly, in a Category I or Category II FPI. In Finance Act 2020, it was provided that the indirect transfer provisions shall not apply to assets or capital assets held by non-residents by way of investment, directly or indirectly, in a Category I FPI under the SEBI (FPI) Regulations, 2019. Considering the registration of the FPI as a Category I FPI, the indirect transfer provisions should not apply to investors in the FPI.

Taxation under indirect transfer provisions (if and as applicable) should also be subject to relief under an applicable tax treaty, subject to compliance with the applicable requirements under the treaty and the furnishing of requisite documents to the Indian income tax authorities, including a TRC.

The levels and bases of taxation and any relevant reliefs from taxation referred to in this Supplement may change, any reliefs referred to are the ones which currently apply and their value may differ from investor to investor.



**Anti-Money Laundering.** The Prevention of Money Laundering Act, 2002 (the "**PMLA**"), which came into force on July 1, 2005, which was further amended in 2012 embodies India's legislative commitment to the elimination and prevention of money laundering. The main objects of PMLA are (i) the prevention and control of activities concerning money laundering and (ii) the confiscation of property derived or involved in money laundering.

Under the PMLA, a person is guilty of an offence of "money laundering" if that person "directly or indirectly attempts or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property". The term "proceeds of crime" has been defined under the PMLA to mean property derived or obtained, directly or indirectly, by any person as a result of criminal activity relating to an offence listed in the schedule to the PMLA.

The PMLA mandates certain entities such as banks, financial institutions and intermediaries (dealing in securities) to maintain record of all transactions above a certain value or of a suspicious nature, as prescribed in the rules framed under the PMLA. The transactions so prescribed may be a single transaction or a series of inter-connected transactions which take place within one month ("**Transactions**"). The institution must provide information relating to such Transactions to the director appointed under the PMLA within the prescribed time limit. These institutions also must verify and maintain the records of identity of their clients in the manner prescribed in the rules under the PMLA. The PMLA also confers discretionary powers on the principal officers of a bank, financial institution or intermediary to report Transactions that have been valued below the prescribed limits to escape scrutiny.

The Sub-Fund would fall under the definition of "intermediary" under the PMLA and accordingly it would be obligated to furnish such information as may be required by it to meet its obligation under the PMLA and the rules made thereunder or as may be prescribed by SEBI from time to time.

Pursuant to the coming into force of the PMLA and the rules enacted thereunder, an FPI is required to maintain a record of all transactions having value of more than Rupees one million. An FPI is also required to appoint a principal officer who is obligated to report suspicious transactions and cash transactions above Rupees one million to the director of the Financial Intelligence Unit set up by the Ministry of Finance. Further, in terms of the relevant rules, FPIs are required to formulate and put in place an anti-money laundering policy based on the guidelines issued by SEBI in this regard. Accordingly, the Sub-Fund may furnish such information to SEBI or RBI as may be necessary for it to fulfil its obligations under the PMLA and rules including provision of any information as may be sought by the Financial Intelligence Unit. By subscribing to the Sub-Fund, the investors consent to the disclosure by the Sub-Fund and/or the Investment Manager of any information about them, to the Financial Intelligence Unit and regulators in India including SEBI and RBI, upon request, in connection with money laundering and similar matters under PMLA.

#### **Foreign Portfolio Investors.**

This section of the Supplement describes the law in India as respect of Foreign Portfolio Investors such as the Sub-Fund. While the law in India sets out the investment conditions and restrictions in India which apply to the Sub-Fund, the Sub-Fund can only invest in such instruments as are permitted by the Central Bank and described in the section of this Supplement headed "Investment Program".

***Investment Conditions and Restrictions.*** Under the FPI Regulations, the Sub-Fund is permitted to invest in the instruments listed below. However, the Sub-Fund will only invest in those instruments listed below which are: i) permitted by the UCITS Regulations, and ii) in accordance with the investment objective and strategy of the Sub-Fund, as described in this Supplement;

- shares, debentures and warrants of companies, listed or to be listed on a recognised stock exchange in India, through primary or secondary markets;
- units of schemes floated by domestic mutual funds, whether listed on a recognised stock exchange in India or not;

- units of schemes floated by a collective investment scheme;
- derivatives traded on a recognised stock exchange;
- treasury bills and dated government securities;
- commercial papers issued by an Indian company;
- units of real estate investment trusts, infrastructure investment trusts and units of Category III Alternative Investment Funds (“AIFs”) registered with SEBI (pursuant to SEBI (AIF) Regulations, Category III AIFs are defined as funds registered as AIFs which employ diverse or complex trading strategies and may employ leverage including through investments in listed or unlisted derivatives. Category III AIFs are permitted to invest in securities of listed or unlisted investee companies, hedge funds, derivatives or complex or structured products);
- security receipts issued by asset reconstruction companies;
- rupee-denominated credit enhanced bonds;
- perpetual debt instruments and debt capital instruments, as specified by the RBI from time to time;
- non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where ‘infrastructure’ is defined in terms of the extant External Commercial Borrowings guidelines of India;
- non-convertible debentures issued by non-banking finance companies categorised as ‘Infrastructure Finance Companies’ by the RBI;
- rupee-denominated bonds or units issued by infrastructure debt funds;
- securitised debt instruments, including (i) any certificate or instrument issued by a special purpose vehicle (SPV) set up for securitisation of asset/s with banks, Financial Institutions or NBFCs as originators;
- Indian depository receipts;
- debt instruments issued by banks, eligible for inclusion in regulatory capital;
- Listed non-convertible redeemable preference shares or debentures issued pursuant to scheme of arrangement approved by Company Law Tribunal
- such other instruments as may be prescribed by SEBI from time to time, subject to the prior approval of the Central Bank and Unitholders and as disclosed in an updated Supplement.

Further, FPIs are allowed to engage in delivery-based trading, short selling and transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 including execution of trades involving derivatives on a recognised stock exchange. FPIs are allowed to tender their shares in case of an open offer following the takeover bid by an acquirer. FPIs are also permitted to take forward cover on their equity and debt exposure to mitigate against currency fluctuations.

**Ownership Restrictions.** The ownership restrictions applicable to FII/sub-accounts/FPIs are as follows:

- Under the FPI Regulations, the purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall collectively be below 10% (ten percent) of the total issued capital of the company. An investor group is constituted where the same set of beneficial owners invest through multiple entities in which case the investment limits of all such entities shall be clubbed at the investment limit applicable to a single FPI.
- Further, FPI holding in any Indian company cannot exceed the sectoral cap/statutory ceiling, as applicable, under the Indian exchange control regulations. The aggregate limit with respect to an Indian company in a sector where FDI is prohibited shall be 24 %.
- As per the FPI Regulations, offshore derivative instruments (“**ODIs**”) can be issued only by a Category I FPI and only to a person eligible to be registered as a Category I FPI.
- In case of an ultimate beneficial owner who has direct or indirect common shareholding/beneficial ownership/beneficial interest, of more than 50% in an FPI and an ODI subscriber entity or 2 or more ODI subscribers, the participation through ODIs would be aggregated with the direct holding of FPIs or the other concerned ODI subscriber(s) when determining whether the above investment cap in an Indian company has been triggered.

- Pursuant to circulars introduced by SEBI in late September 2018, participation by a single non-resident Indian ("**NRI**"), overseas citizen of Indian ("**OCI**") or resident Indian ("**RI**") (including those of an NRI/OCI/RI controlled investment manager) in an FPI are to be restricted to 25% and in aggregate to below 50%. Such circulars also stipulate that an NRI/OCI/RI should not be in control of FPIs (except for FPIs for which no-objection certificate has been provided by SEBI). However, an FPI can be controlled by an investment manager which is owned and controlled by NRIs/OCIs/RIs if (i) the investment manager is appropriately regulated in its home jurisdiction (such as an investment manager registered with the Monetary Authority of Singapore) and registers itself with SEBI as a non-investing FPI; or (ii) the investment manager is incorporated or set up in India and appropriately registered with SEBI.

Investments into the units of a debt oriented mutual fund would be classified as debt investment. Investments into the units of any other mutual fund shall be classified as equity related investment.

Further, FPIs are allowed to participate in the exchange traded currency derivative segment to the extent of their Indian rupee exposure in India, subject to conditions and restrictions under applicable law.

**SEBI Regulations on Initial Public Offerings.** In the event the portfolio companies in which funds have invested, make an initial public offering ("**IPO**") or if fund exits from its investment through an IPO, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "**ICDR Regulations**") could have a significant impact on the ability of the Sub-Fund as an investor in such company or on its exit strategy.

#### Securities Legislation

Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Takeover Regulations**"). Under the provisions of the Takeover Regulations, any acquirer who holds, together with persons acting in concert with him, 5% or more of the shares or voting rights of a listed public Indian company, is required to notify the company and the stock exchanges on which the shares of such company are listed about its holding within the prescribed time period. Furthermore, any acquirer who holds, together with persons acting in concert with him, 5% or more of shares or voting rights is required to inform the company and the stock exchange about any change in its holding by 2% or more of the shares or voting rights in the target company.

Upon the acquisition of 25% or more of shares or voting rights or an acquisition of control of the company, whether directly or indirectly, the purchaser/acquirer is required to make an open offer to the other shareholders offering to purchase at least 26% of all the outstanding shares of the company at an offer price as determined pursuant to the provisions of the Takeover Regulations. Further, under the provisions of the Takeover Regulations, any existing shareholder of a listed public Indian company, holding 25% or more but less than 75% of the shares of the company, is entitled to acquire up to 5% voting rights of the company, in any financial year ending 31 March without making a public offer for such an acquisition.

There are certain exemptions under the Takeover Regulations from the public offer provisions in certain specific instances such as an inter se transfer of shares amongst the persons named as promoters in the shareholding pattern filed by the target company in terms of the listing agreement or the Takeover Regulations for not less than three years prior to the proposed acquisition and transfer of shares pursuant to arrangement involving the target company as a transferor company or as a transferee company, or reconstruction of the target company, including amalgamation, merger or demerger, pursuant to an order of a court or a competent authority under any law or regulation, Indian or foreign.

**Insider Trading.** Pursuant to the new SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**Insider Trading Regulations**"), which came into effect May 15, 2015, disclosure filing is now required only for promoters, key managerial personnel and directors of a company whose securities are listed or proposed to be listed on stock exchanges. Prohibition on insider trading consists of the following key components: (i) prohibition on communicating unpublished price sensitive information ("**UPSI**") by an insider; (ii) prohibition on other persons on procurement of UPSI; and (iii) prohibition on trading by an insider while in possession of UPSI.

Under the Insider Trading Regulations, an 'insider' has been defined to mean any person who is (i) a connected person; or (ii) in possession of or having access to UPSI. Every connected person is an 'insider' under the Insider Trading Regulations. An outsider i.e. a person who is not a 'connected person' would qualify as an 'insider' if such person was 'in possession of' or 'having access to' UPSI.

**Exchange Controls.** The Sub-Fund has been authorised by the RBI to open a foreign currency denominated account and a special non-resident rupee account in India. This authorisation is valid till the continuation of the FPI registration. Consequently, a change in the operation or terms of the authorization would affect the Sub-Fund's operations in this regard.

Income, net of withholding tax, if any, may be credited to the special non-resident rupee account. Transfers from the special non-resident rupee account to the foreign currency denominated account are permitted, subject to payment of taxes wherever applicable and obtaining of appropriate tax clearance certification. Transfers of sums between the foreign currency denominated account and the special non-resident rupee account must be made at the market rates of exchange. Currency held in the foreign currency denominated account may be freely remitted outside India.

The above is only a brief and general summary of various legal and regulatory considerations and consequences in India and is not a comprehensive disclosure regarding all applicable laws and regulations. The legal and regulatory provisions summarised above may undergo changes from the time this Supplement is printed. Investors are urged to consult their own advisors in this regard before investing in the Sub-Fund.