

**Mondrian Global Equity Fund**  
**which is an open-ended fund of**  
**Mondrian Funds plc**  
**(an umbrella fund with segregated liability between sub-funds)**

**Supplement to the Prospectus**  
**for Mondrian Funds plc**

This Supplement contains specific information in relation to **Mondrian Global Equity Fund** (the **Fund**), a fund of Mondrian Funds plc (the **Company**) an umbrella type investment company with variable capital and segregated liability between sub-funds, which is incorporated Ireland and authorised by the Central Bank of Ireland (the **Central Bank**) under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended).

**This Supplement forms part of and should be read in conjunction with the Prospectus dated 15 July 2024.**

The Directors of the Company, whose names appear under the section entitled **Directors of the Company** 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 (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

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

**Investors should note that redemption proceeds will be paid no later than 4 Business Days after the Dealing Deadline.**

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

This Fund is in scope of reporting pursuant to the European Market Infrastructure Regulation (EMIR).

**Dated:15 July 2024**

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## 1. INVESTMENT OBJECTIVE AND POLICIES

### 1.1. Investment Objective

The objective of the Fund is to achieve long-term total return (high current income and long-term capital growth).

### 1.2. Investment Policies

The Fund seeks to achieve its investment objective primarily by investing in equity securities of both U.S. and non-U.S. issuers, including up to 10% in the securities of emerging market companies, where, in the Investment Manager's opinion, securities are undervalued at the time of purchase based on fundamental value analysis.

The Fund is actively managed. The Investment Manager's approach in selecting investments for the Fund is primarily oriented to individual stock selection and is value driven. In selecting stocks for the Fund, the Investment Manager identifies those stocks that it believes will provide attractive real returns over a market cycle, taking into consideration movements in the price of the individual security and the impact of currency fluctuation on a US dollar denominated fund. The Investment Manager conducts fundamental research on a global basis in order to identify securities that, in the Investment Manager's opinion, have the potential for long-term total return. This research effort generally centres on a value-oriented dividend discount methodology with respect to individual securities and market analysis that isolates value across country boundaries. The approach focuses on future anticipated dividends and discounts the value of those forecasted dividends back to what they would be worth if they were being received today i.e. to take account of the time value of money. In addition, the analysis typically includes a comparison of the values and current market prices of different possible investments. The Investment Manager's general management strategy emphasises long-term holding of securities, although securities may be sold at the Investment Manager's discretion without regard to the length of time they have been held.

Investments will be made mainly in listed securities of companies located in developed countries which may include but are not limited to Australia, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The Fund may also invest up to 10% in the securities of emerging markets companies.

The Fund considers an "emerging country" (**Emerging Country**) to be any country except the United States, Canada, and those in the Morgan Stanley Capital International EAFE Index. In considering possible emerging countries in which the Fund may invest, the Investment Manager will place particular emphasis on factors such as economic conditions (including growth trends, inflation rates and trade balances), regulatory and currency controls, accounting standards, and political and social conditions.

The Investment Manager considers an Emerging Country security to be one that is issued by a company that exhibits one or more of the following characteristics: (1) its principal securities trading market is in an Emerging Country, as defined above; (2) while traded in any market, alone or on a consolidated basis, the company derives 50% or more of its annual revenues or annual profits from either goods produced, sales made or services performed in Emerging Countries; (3) the company has 50% or more of its assets located in an Emerging Country; or (4) it is organised under the laws of, and has a principal office in, an emerging country.

The Fund will invest primarily in listed equities. In addition, the Fund may invest in equity related securities in circumstances where direct exposure to securities is uneconomic, impractical or not possible. Equity related securities include: convertible preferred shares (being preferred shares that include an option to convert the preferred shares into a fixed number of common shares, usually any time after a predetermined date); warrants (being a derivative security that gives the holder the right to purchase securities (usually equity) from the issuer at a specific price within a certain time frame); securities of issuers directly or indirectly in the form of Global Depository Receipts (**GDRs**), American Depository receipts (**ADRs**), International depository receipts (**IDRs**) and European depository receipts (**EDRs**).

The Fund may invest up to 10% of Net Asset Value in ETFs. An ETF is an investment fund that trades on a public stock exchange and trades at approximately the same price as the net asset value of the

underlying assets. The Fund may purchase ETFs that track an individual stock when direct access to an emerging market is not possible and may purchase an MSCI Emerging Markets ETF to allow the Fund to gain immediate emerging markets exposure to a large subscription amount.

### Currency, Debt Securities and Cash

Currency considerations carry a special risk for a portfolio of international securities. The Fund may invest in securities issued in any currency and may hold foreign currency. Securities of issuers within a given country may be denominated in the currency of another country or in multinational currency units, including the Euro. The Investment Manager primarily uses a purchasing power parity approach to evaluate currency risk. In this regard, the Fund may carry out hedging activities, and may invest in forward foreign currency contracts to hedge currency risks associated with the purchase of individual securities denominated in a particular currency. The Investment Manager will only carry out such hedging if it is cost effective to do so. The Fund will not automatically hedge positions. Under normal circumstances, hedging is undertaken defensively back into the base currency of the Fund although the Investment Manager may cross hedge using forward foreign currency contracts.

Under normal circumstances, no more than 10% of the Fund's assets will be invested in debt securities issued by governments or by their agencies, instrumentalities or political subdivisions, or by corporate entities, all of which may be high-yield, high-risk fixed income securities rated no lower than BBB by S&P and Baa by Moody's or, if unrated, considered by the Investment Manager to be of equivalent quality. In addition, for temporary defensive purposes, the Fund may invest in high-quality debt instruments.

To facilitate investment activities, the Fund will generally hold a small portion of its assets in cash or cash equivalent instruments. In anticipation of a large redemption or for cash management or rebalancing purposes, the Fund may temporarily hold a significant portion of its assets in cash, or money market instruments. Money market instruments are short term assets and securities that are traded on money markets such as certificates of deposit, commercial paper and short-term money market funds. As a result, the Fund may not be fully invested in accordance with its fundamental investment objectives. The Fund may also invest part of its assets in cash in bank accounts held with the Depository paying interest at the Depository's prevailing rates.

### Benchmark

The investment performance of each Share Class will be measured, over a full market cycle of three-to-five years, by comparing the total return of each Share Class relative to the MSCI World (Net Dividends Reinvested) Index (**World Index**) hedged or unhedged in US Dollar or Sterling (**GBP**) terms. The MSCI World Index captures large and mid-cap representation across 23 developed market countries. With approximately 1,600 constituents, the index covers approximately 85% of the free float-adjusted market capitalisation in each country.

More details regarding the Index are available on the index provider's website at <https://www.msci.com>.

The World Index will not constrain the management of the Fund in any way and the Fund can invest in securities not included in the World Index.

## **2. PROFILE OF A TYPICAL INVESTOR**

The Fund is suitable for investors who seek a long term total return through exposure to the global equity market and can tolerate potentially frequent periods of high volatility of risk and have a long-term investment horizon.

## **3. SHARE CLASS HEDGING**

Share Classes denominated in a different currency to the Base Currency (**Currency Hedged Share Class**) are subject to currency hedging.

The Fund will seek to hedge against the currency exposures of the underlying securities in the portfolio, which differ from the currency of the Currency Hedged Share Classes in accordance with the "**Derivative Specific Share Classes and Share Class Hedging**" section of the Prospectus.

Currency exposures at Share Class level will generally be hedged by entering into currency forward

exchange contracts. The Company, the Manager and/or the Investment Manager may appoint a service provider to implement this Share Class level hedging on a non-discretionary basis. The Northern Trust Company have been appointed by the Company to provide the Share Class level hedging service.

Any costs relating to Share Class Hedging transactions will accrue solely in relation to the relevant Currency Hedged Share Classes.

Investors should note that the Currency Hedged Share Classes will not completely eliminate currency risk, or provide a precise hedge, and as such, investors may have exposures to currencies other than the currency of that Currency Hedged Share Class.

#### **4. FINANCIAL DERIVATIVE INSTRUMENTS & EFFICIENT PORTFOLIO MANAGEMENT**

The Fund may use FDI, including currency forwards, for investment and efficient portfolio management purposes in accordance with the section entitled **Utilisation of FDI and Efficient Portfolio Management** in the Prospectus and as further described below. The use of FDI for investment purposes may, lead to an increase in the Fund's risk profile or result in higher volatility.

##### **Currency Forwards**

The Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by the Central Bank from time to time, to reduce the risks of adverse changes in exchange rates, as well as to enhance the return of a Fund by gaining an exposure to a particular foreign currency. A forward currency exchange contract, which involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract, reduces the Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. The Fund may enter into these contracts to hedge against exchange risk, to increase exposure to a currency or to shift exposure to currency fluctuations from one currency to another. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time. Also, such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies. The Fund may use one currency (or a basket of currencies) to hedge against adverse changes in the value of another currency (or a basket of currencies) when exchange rates between the two currencies are positively correlated.

##### **Warrants**

A warrant is a security that entitles the holder to buy stock of the company that issued the warrant at future date at a specified price. Warrants have similar characteristics to call options, but are typically issued together with preferred stocks or bonds or in connection with corporate actions. Warrants are typically longer-dated options and are generally traded over-the-counter. The commercial purpose of warrants can be to hedge against the movements of a particular market or financial instrument or to gain exposure to a particular market or financial instrument instead of using a physical security.

#### **5. LEVERAGE**

In accordance with Central Bank requirements, the Fund will not be leveraged in excess of 100% of its Net Asset Value through the use of FDI and the Fund will use the commitment approach to calculate its daily global exposure, being the incremental exposure and leverage generated through the use of FDI in accordance with its risk management process.

#### **6. INVESTMENT RESTRICTIONS**

The general investment restrictions set out under the heading **Investment Restrictions** in the Prospectus apply to the Fund. In addition, the Fund may invest no more than 10% of Net Asset Value in any one CIS.

## 7. **BORROWING**

The Fund may borrow up to 10 per cent of its Net Asset Value for temporary purposes.

## 8. **DIVIDEND POLICY**

Both Distributing and Accumulating Shares are available for issue as further set out below. The Directors may determine in their sole discretion to declare dividends and to distribute any income on the Distributing Shares. Dividends, if any, will be declared out of net income (i.e. income less expenses).

Distributing Shares may declare a dividend on a monthly basis and, if so, it will be paid within two calendar weeks of the declaration date. Dividends will be paid in the currency of denomination of the relevant Share Class.

If the dividend policy of a Share Class should change, full details will be provided in an updated Supplement and Shareholders will be notified in advance of the change in policy.

## 9. **INVESTMENT MANAGER**

The Manager has appointed Mondrian Investment Partners Limited as Investment Manager of the Fund to provide investment management services to the Fund pursuant to an Investment Management Agreement described under the heading **Material Contracts** in the Prospectus.

## 10. **KEY INFORMATION FOR BUYING AND SELLING**

### 10.1. **Base Currency**

US Dollar

### 10.2. **Classes available**

US Dollar Class  
GBP Hedged Distributing Class  
GBP Hedged Distributing Class Z  
GBP Hedged Accumulating Class  
GBP Hedged Accumulating Class Z  
GBP Unhedged Distributing Class  
GBP Unhedged Distributing Class Z  
GBP Unhedged Accumulating Class  
GBP Unhedged Accumulating Class Z

Class Z Shares are only available to investors with separate arrangements with the Investment Manager with regard to investment management fees. The Directors may at their absolute discretion compulsorily redeem an investor's Class Z Shares where they no longer consider this to be the case.

Other classes may be established within the Fund which may be subject to higher or lower fees. Information in relation to the fees applicable to other classes is available on request.

### 10.3. **Minimum Initial Investment Amount**

USD5,000,000 for USD denominated Shares or GBP5,000,000 for GBP denominated Shares or such lesser amounts as the Directors may, in their absolute discretion, decide. Applicants may also pay in the currency equivalent in Euro. The Administrator shall be responsible for converting the subscription amount into the denominated currency of the relevant Class at the prevailing market rate at the close of business on the Dealing Day.

### 10.4. **Application for Shares**

Shares are available for subscription at the Net Asset Value per Share of the relevant class of the Fund

on the relevant Dealing Day.

The Net Asset Value per Share of each Class of Shares in each Fund is available from the Administrator following calculation on each Valuation Point and will be published on [www.bloomberg.com](http://www.bloomberg.com) or such other websites or places as the Directors may decide from time to time and as notified to the Shareholders in advance. Please refer to the Prospectus for details of notification of prices.

**10.5. Minimum Additional Investment Amount**

USD1,000,000 or GBP1,000,000 or the currency equivalent thereof subject to the discretion of the Directors to allow lesser amounts.

**10.6. Initial Offer Period**

The initial offer period in relation to the GBP Hedged Distributing Class, the GBP Hedged Distributing Class Z, the GBP Hedged Accumulating Class, the GBP Hedged Accumulating Class Z, the GBP Unhedged Distributing Class, the GBP Unhedged Distributing Class Z and the GBP Unhedged Accumulating Class will commence at 9.00am (Irish time) on 16 July 2024 and will run to 5.30pm (Irish time) on 16 January 2025 or such shorter or longer period as the Directors may determine on behalf of the Fund and notify to the Administrator. Where the initial offer period of the above Classes is shortened or extended, the Directors will notify the Central Bank in accordance with the Central Bank's requirements.

The Initial Offer Period for the following Share Classes has now closed:

US Dollar Class  
GBP Unhedged Accumulating Class Z

**10.7. Initial Issue Price**

In relation to the GBP denominated Classes, the Initial Issue Price per Share is GBP10.00 for GBP denominated Shares.

**10.8. Business Day**

Any day (except Saturday or Sunday) on which banks in Ireland and the United Kingdom are generally open for business or such other day or days as may be determined by the Directors, in consultation with the Manager.

**10.9. Dealing Day**

In respect of subscriptions and redemptions, the Dealing Day is every Business Day.

**10.10. Dealing Deadline**

In respect of subscriptions and redemptions, the Dealing Deadline is 10.00am (Irish time) on the relevant Dealing Day.

**10.11. Application Deadline**

Applicants making their initial investment should complete an irrevocable Application Form and send it to the Administrator along with all relevant documentation including anti-money laundering documentation on or before the Dealing Deadline. However, if the applicant wishes to apply for Shares in-specie, the applicant must notify the Investment Manager directly in respect of such an in-specie application on or before the 10<sup>th</sup> Business Day of the month preceding the Dealing Day. For all other applications written notice shall be received by the Administrator on or before the Dealing Deadline.

**10.12. Application Settlement Date**

Subscription monies must be received in cleared funds by close of business two Business Days after the relevant Dealing Day. Confirmation of each purchase of Shares will normally be made within 5 Business Days after the allotment of Shares.

**10.13. Valuation Point**

The point in time by reference to which the Net Asset Value of the Fund is calculated which, unless otherwise specified by the Directors (and notified in advance to Shareholders) with the approval of the Depository, shall be close of business in the relevant markets on the relevant Dealing Day (the **Valuation Day**).

**10.14. Minimum Shareholding**

USD3,000,000 or GBP 3,000,000 or such lesser amount as may be determined by the Directors.

**10.15. Subscription Charge**

Up to 0.25%. The Directors may in their discretion waive or reduce the amount of Subscription Charge where it is considered equitable to do so. The Subscription Charge is paid to the Fund and reflects the Investment Manager's estimate of the brokerage, taxes and spread costs in relation to buying the underlying investments. The Subscription Charge is reviewed periodically to ensure it reflects the Investment Manager's current best estimate of the costs of investing in emerging markets.

**10.16. Redemption Deadline**

Shares may be redeemed on a Dealing Day by providing written notice to the Administrator on or before the Dealing Deadline, provided however, such Shareholder redeems Shares with an aggregate Share value of at least USD1,000,000 or GBP1,000,000 and the aggregate Share value of held by the redeeming Shareholder after such redemption equals to or exceeds USD3,000,000 or GBP3,000,000 or the currency equivalent thereof (unless waived by the Directors). A redemption notice once made cannot be cancelled without the Directors' written consent. Redemptions may be permitted at such other times or with such shorter notice as the Directors, in their discretion may determine upon prior notification to all Shareholders provided always that the redemption deadline is prior to the relevant Valuation Point for that Dealing Day. Applications for redemption of Shares may only be accepted after the Dealing Deadline in exceptional circumstances. Redemption requests may be sent to the Administrator by facsimile. The Administrator will commence processing requests initially sent by facsimile but no redemption proceeds will be paid out until the Administrator has received the original Application Form in respect of the Shareholder's initial subscription for Shares in the Fund and all supporting documentation (including all relevant anti-money laundering documentation) is in order.

**10.17. Redemption Settlement Date**

Redemption proceeds will be paid no later than 4 Business Days after the Dealing Deadline in the currency of the relevant Share Class.

**10.18. Redemption Charge**

Up to 0.20%. The Directors may in their discretion waive or reduce the amount of Redemption Charge where it is considered equitable to do so. The Redemption Charge is paid to the Fund and reflects the Investment Manager's estimate of the brokerage, taxes and spread costs in relation to selling the underlying investments. The Redemption Charge is reviewed periodically to ensure it reflects the Investment Manager's current best estimate of the costs of disposing of investments in emerging markets.

**10.19. Minimum Net Asset Value**

USD25 million subject to the discretion of the Directors to allow a lesser amount.

**10.20. Anti-Dilution Levy**

There will be no Anti-Dilution Levy.

**11. NET ASSET VALUE**

The Administrator calculates the Net Asset Value per Share as at the Valuation Point of each Dealing



Day in accordance with the procedure provided for under the heading **Calculation of Net Asset Value/Valuation of Assets** in the Prospectus.

## 12. CHARGES AND EXPENSES

### 12.1. Management Fee

The Manager shall be paid a fee out of the assets of the Fund, calculated on each Dealing Day, of an amount up to 0.025% of the Net Asset Value of the Fund (plus VAT, if any). The management fee is based on a sliding scale applied to the aggregate assets across all sub-funds of the Company, subject to an annual minimum fee as disclosed in the section entitled **Fees and Expenses** in the Prospectus. The fees shall accrue and shall be payable quarterly in arrears at the end of each calendar quarter.

The Manager shall also be entitled to be reimbursed for all reasonable and properly vouched out-of-pocket costs and expenses incurred by it, payable out of the assets of the Fund (with VAT thereon, if applicable).

### 12.2. Investment Management Fee

The Investment Manager is entitled to a fee not exceeding 0.60% per annum of the Net Asset Value of the US Dollar Class, GBP Hedged Distributing Class, GBP Hedged Accumulating Class, GBP Unhedged Distributing Class and GBP Unhedged Accumulating Class. The Investment Management Fee accrues and is payable quarterly in arrears. There will be no Investment Management Fee payable in respect of the Class Z Shares.

The Directors are entitled to increase the Investment Management Fee up to a maximum of 1% per annum of the Net Asset Value of the Fund. Shareholders will be notified in advance of any proposed increase of such fees up to such maximum and the Supplement will be updated accordingly.

The Investment Manager may, at its discretion rebate part or all of its Investment Management Fee to any Shareholder on a case by case basis. Any such rebate will not entitle other Shareholders to a similar arrangement.

The Company may differentiate between Shareholders of the Fund by reducing the Investment Management Fee charged to certain Shareholders.

The Investment Manager shall discharge the fees payable to any service provider appointed to implement Share Class level hedging on a non-discretionary basis out of the Investment Management Fee and not, for the avoidance of doubt, out of the assets of the Fund.

### 12.3. Administrative Expenses

The maximum Administrative Expenses of the Fund will be capped at 0.15% of the average monthly Net Asset Value of the Fund in relation to the unhedged Share Classes and 0.195% of the average monthly Net Asset Value of the Fund in relation to the Currency Hedged Share Classes. The Company expects to evaluate this limitation on an annual basis. This limit does not apply to or include the Investment Management Fee, transaction related expenses and any non-recurring expenses. The Administrative Expenses accrue and are payable monthly in arrears. Shareholders will be notified in advance of any proposed increase of such fees and the Supplement will be updated accordingly.

All other ongoing charges and expenses which are described in the **Fees and Expenses** section of the Prospectus may be charged to the Fund.

### 12.4. Initial Expenses

Initial costs incurred in connection with the Fund's establishment, approval and initial offering were borne by the Investment Manager.

### 12.5. Other Fees and Expenses

Any other fees and expenses payable out of the assets of a Fund are set out in the Prospectus under the heading **Fees and Expenses**.

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

### 13. REPORTS

Unless requested otherwise, each Shareholder will be provided with audited financial statements of the Fund after the close of the Fund's financial year, 30 June and the semi-annual and unaudited accounts which will be made available within two months after the period ending on 31 December in each year. Each Shareholder will also receive such tax information as the Fund is required to furnish for UK tax reporting purposes if applicable. Monthly reports of the Fund's performance and quarterly reports including the Investment Manager's commentary will also be provided.

### 14. RISK FACTORS

The general risk factors set out in the **Risk Factors** section of the Prospectus apply to the Fund. In addition, the following risk factors apply to the Fund.

**AN INVESTMENT IN THE SHARES OF THE FUND IS SPECULATIVE AND INVOLVES A DEGREE OF RISK. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD CONSIDER THE FOLLOWING RISK FACTORS. THESE RISK FACTORS MAY NOT BE A COMPLETE LIST OF ALL RISK FACTORS ASSOCIATED WITH AN INVESTMENT IN THE FUND.**

#### 14.1. Equities and Securities Risk

As the Fund will invest primarily in equities and equity-related securities, it may be more volatile than a fund that invests in fixed income securities, but may also offer greater potential for growth. The value of the Fund's underlying investments may fluctuate in response to activities and results of individual companies, as well as in connection with general market conditions.

There is a risk that the stock price of one or more companies comprised within the assets of the Fund will fall or will fail to rise.

#### 14.2. Emerging Market Risk

The Fund will invest in emerging markets. The securities markets of emerging countries are substantially smaller, less developed, less liquid and more volatile than the securities markets of more developed countries. In particular, the securities markets of emerging countries have substantially less trading volumes, resulting in a lack of liquidity and high price volatility. There may be a high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of industry as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and pricing of a Fund's acquisition or disposal of securities, and it be difficult to assess the value of a Fund's investments.

Disclosure and regulatory standards in many respects are less stringent than in major markets. There also may be a lower level of monitoring and regulation of the markets and the activities of investors in certain less developed countries, and enforcement of existing regulations can be extremely limited.

The economics of emerging markets in which the Fund may invest may differ favourably or unfavourably from the economics of industrialised countries. The economies of developing countries are generally heavily dependent on international trade and have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. Investment in emerging markets entail risks which include the possibility of political or social instability, adverse changes in investment or exchange control regulations, expropriation and withholding of dividends at source. In addition, such securities may trade with less frequency and volume than securities of companies and governments of developed, stable nations.

Assets maintained in certain emerging countries also may be subject to other types of risks that either are not present or less pronounced in more established markets, including political and economic risks (including nationalization of foreign bank deposits or other assets, and poor political and economic

infrastructure and stability), commercial and credit risks (including poorly developed and regulated banks and financial systems), liquidity risks (including restrictions on repatriation and convertibility of currencies), legal and regulatory risks (including risks relating to evolving and/or undeveloped legal systems and regulatory frameworks) and operational risks (including risks relating to maintenance of shareholder title, clearing and settlement procedures and market transparency).

In addition, emerging markets may impose withholding taxes on investment income and emerging markets may impose different capital gains taxes on foreign investment.

#### 14.3. Emerging Market Custody Arrangements

The scope and range of custodial services offered in many emerging markets may be more limited than in more developed countries and, as a result, the Fund's assets may be maintained with banks, brokers, depositories and other financial institutions or organizations offering more limited custody services, and possessing less experience, less developed procedures for safekeeping of assets, poorer capitalization, and greater risks of bankruptcy, insolvency and fraud, than would typically be the case in more developed countries.

Assets which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary in emerging markets, may be exposed to risks including but not limited to the following:

- a non-true delivery versus payment settlement
- a physical market, and as a consequence the circulation of forged securities
- poor information about corporate actions
- registration process that impacts the availability of the securities
- lack of appropriate legal/fiscal infrastructure advices
- lack of compensation/risk fund with the central depository.

#### 14.4. Emerging Market Registration Risk

In some emerging market countries evidence of legal title to shares is maintained in "book-entry" form. In order to be recognised as the registered owner of the shares of a company, a purchaser or purchaser's representative must physically travel to a registrar and open an account with the registrar (which, in certain cases, requires the payment of an account opening fee). Thereafter, each time that the purchaser purchases additional shares of the company, the purchaser's representative must present to the registrar powers of attorney from the purchaser and the seller of such shares, along with evidence of such purchase, at which time the registrar will debit such purchased shares from the seller's account maintained on the register and credit such purchased shares to the purchaser's account to be maintained to the register.

The role of the registrar in such custodial and registration processes is crucial. Registrars may not be subject to effective government supervision and it is possible for the Fund to lose its registration through fraud, negligence or mere oversight on the part of the registrar. Furthermore, while companies in certain emerging market countries may be required to maintain independent registrars that meet certain statutory criteria, in practice, there can be no guarantee that this regulation has been strictly enforced. Because of this possible lack of independence, management of companies in such emerging market countries can potentially exert significant influence over the shareholding in such companies. If the company register were to be destroyed or mutilated, a holding of the relevant shares of the company could be substantially impaired, or in certain cases, deleted. Registrars often do not maintain insurance against such occurrences, nor are they likely to have assets sufficient to compensate investors as a result thereof. While the registrar and the company may be legally obliged to remedy such loss, there is no guarantee that either of them would do so, nor is there any guarantee that an investor would be able to successfully bring a claim against them as a result of such loss. Furthermore, the registrar or the relevant company could wilfully refuse to recognise the investor as the registered holder of shares previously purchased by the investor due to the destruction of the company's register.

#### 14.5. Investment and Repatriation Restrictions

A number of emerging markets restrict, to varying degrees, foreign investment in securities. Restrictions may include maximum amounts foreigners can hold of certain securities, and registration requirements for investment and repatriation of capital and income. New or additional restrictions may

be imposed subsequent to the Fund's investment in a given market.

#### 14.6. Investment Approach

All investments of the Fund risk the loss of capital. No guarantee or representation is made that the investment approach utilized on behalf of the Fund will be successful.

#### 14.7. Market Risks

The Investment Manager's trading and investment strategies are subject to market risk. Certain general market conditions - for example, a reduction in the volatility or pricing inefficiencies of the markets in which the Fund is active - could materially reduce the Fund's profit potential.

#### 14.8. Debt Securities

Debt securities are subject to credit risk. Credit risk relates to the ability of the issuer of a security to make interest and principal payments on the security as they become due. If the issuer fails to pay interest, the Fund's income might be reduced and if the issuer fails to repay principal, the value of that security and the Net Asset Value of the Fund might be reduced.

Debt securities also are subject to interest rate risk. Debt securities will increase or decrease in value based on changes in interest rates. If interest rates increase, the value of the Fund's investments generally declines. On the other hand, if interest rates fall, the value of the Fund's investments generally increases. Securities with greater interest rate sensitivity and longer maturities tend to produce higher yields, but are subject to greater fluctuations in value. Usually, changes in the value of fixed income securities will not affect cash generated, but may affect the performance of the Fund.

#### 14.9. Possible Concentration

Subject to the Company's obligation to spread investment risk in accordance with the Regulations and Central Bank requirements, the Fund has not adopted fixed guidelines for diversification of its investments among issuers, industries, instruments, currencies or markets and may be heavily concentrated, at any time, in a limited number of positions. In attempting to maximize the Fund's returns, the Investment Manager may concentrate the holdings of the Fund in those industries, companies, instruments, currencies or markets which, in the sole judgment of the Investment Manager, provide the best profit opportunity in view of the Fund's investment objectives.

#### 14.10. Currency Risks

The Fund invests a substantial amount of its assets in securities denominated in currencies other than the Base Currency and in other financial instruments, the price of which is determined with reference to currencies other than the Base Currency. However, the Fund's securities and other assets are valued in the Base Currency. To the extent unhedged, the value of the Fund's assets will fluctuate with U.S. Dollar exchange rates as well as with price changes of the Fund's investments in the various local markets and currencies. Thus, a change in the value of the U.S. Dollar compared to the other currencies in which the Fund makes its investments will affect the prices of the Fund's securities in their local markets.

#### 14.11. Forward Contracts on Foreign Currencies

The Fund may engage in interbank spot and forward contract markets for foreign currencies. There is relatively little regulation with respect to trading of forward contracts. There are generally no margin requirements and generally no limitation on price movements of forward contracts. Forward contracts are not traded on exchanges; rather, a bank or dealer will act as agent or as principal in order to make or take future delivery of a specified lot of a particular currency for the Fund's account. The Fund is subject to the risk of a principal's failure or inability or refusal to perform with respect to such contracts.

No assurance can be given that currency hedging policies if conducted will be successful. Currency hedging policies may substantially limit Shareholders from benefiting if the base currency falls against the currency in which the assets of the Fund are denominated. In addition over-hedged or under-hedged positions may arise due to market volatility which is outside the control of the Investment Manager.

#### 14.12. Reclamation of Foreign Withholding Tax

The Company, with the assistance of the Administrator and/or other third parties, may choose to attempt to reclaim withholding taxes in a limited number of markets. The Company and the Administrator are not obligated to pursue withholding tax reclaims in any market and there is no guarantee any amounts can or will be reclaimed. Changes in law, treaty rates, tax status of Shareholders, filing obligations, and deadlines for tax submission can all affect the amount of any taxes that can be reclaimed on behalf of the Fund and the Shareholders.

#### 14.13. Credit Ratings

Potential investors are advised that ratings applied to debt securities are not absolute measures of credit quality and do not reflect all potential market risks. Ratings agencies may fail to timely reflect changes in an issuer's underlying financial condition.

#### 14.14. Illiquidity in Certain Markets

The Fund may invest in securities that later become illiquid or otherwise restricted. The Fund might only be able to liquidate these positions at disadvantageous prices, should the Investment Manager determine, or it becomes necessary, to do so. For example, substantial withdrawals from the Fund could require the Fund to liquidate its positions more rapidly than otherwise desired in order to obtain the cash necessary to fund the withdrawals. Illiquidity in certain markets could make it difficult for the Fund to liquidate positions on favourable terms, thereby resulting in losses or a decrease in the Net Asset Value of the Fund.

#### 14.15. High Cash Position to Accommodate Subscriptions and Redemptions

In order to accommodate monthly subscriptions and redemptions by investors, the Fund may hold more cash than normal at the end and beginning of each month. During these periods, the Fund may not perform as the Investment Manager otherwise would have expected.

#### 14.16. Risks linked with dealing in securities in China via Stock Connect

Where the Fund seeks exposure to stocks issued by companies listed on China stock exchanges via Stock Connect, it may be subject to additional risk factors. Stock Connect is a trading programme that links the stock markets in mainland China and Hong Kong. Investors in Hong Kong and mainland China can trade and settle shares listed on the other market via the exchange and clearing house in their home market. Stock Connect is subject to quota limitations, which may restrict the Fund's ability to deal via Stock Connect on a timely basis. Investors should note that a security may be recalled from the scope of Stock Connect. This may adversely affect the Fund's ability to meet its investment objective, e.g. when it wishes to purchase a security which is recalled from the scope of Stock Connect.

Under Stock Connect, China A Shares listed companies and trading of China A Shares are subject to market rules and disclosure requirements of the China A Shares market. Any changes in laws, regulations and policies of the China A Shares market or rules in relation to Stock Connect may affect share prices. Foreign shareholding restrictions and disclosure obligations are also applicable to China A Shares.

The Investment Manager will be subject to restrictions on trading (including restriction on retention of proceeds) in China A Shares as a result of its interest in the China A Shares. The Investment Manager is solely responsible for compliance with all notifications, reports and relevant requirements in connection with their interests in China A Shares.

**PROSPECTIVE INVESTORS SHOULD READ THE ENTIRE PROSPECTUS, SUPPLEMENT AND KIID AND FULLY EVALUATE ALL OTHER INFORMATION THAT THEY DEEM TO BE NECESSARY BEFORE DETERMINING TO INVEST IN THE FUND.**

### 15. MISCELLANEOUS

At the date of this Supplement there are four other Funds of the Company in existence, the Mondrian Local Currency Emerging Market Debt Fund, the Mondrian Emerging Markets Equity Fund, the Mondrian Global Fixed Income Fund and the Mondrian Global Green Bond Fund.