

India Dynamic Fixed Income Fund (the Fund)

a sub-fund of

India Opportunities Fund

Supplement to the Prospectus

This Supplement contains specific information in relation to India Dynamic Fixed Income Fund (the **Fund**), a sub-fund of India Opportunities Fund (the **Trust**), an open-ended umbrella unit trust with segregated liability between sub-funds governed by the laws of Ireland and authorised by the Central Bank of Ireland (the **Central Bank**) under the European Communities (Undertakings for Investment in Transferable Securities) Regulations, 2011 (as amended).

This Supplement forms part of the Prospectus of the Trust dated 18 May 2021 (the Prospectus) and should be read in the context of and together with the Prospectus.

An investment in the Fund should only be made by those persons who could sustain a loss on their investment. It should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors.

The Directors of the Manager, whose names appear under the section entitled "**Directors of the Manager**" 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.

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

Dated: 18 May 2021

TABLE OF CONTENTS

1	INVESTMENT OBJECTIVE AND POLICIES	3
2	FINANCIAL DERIVATIVE INSTRUMENTS & EFFICIENT PORTFOLIO MANAGEMENT	5
3	BORROWING	5
4	INVESTMENT RESTRICTIONS	5
5	PROFILE OF A TYPICAL INVESTOR	5
6	RISK FACTORS	5
7	DIVIDEND POLICY	9
8	KEY INFORMATION FOR SUBSCRIPTIONS AND REDEMPTIONS	9
9	HOW TO SUBSCRIBE FOR SHARES	11
10	HOW TO REDEEM SHARES	11
11	FEES AND EXPENSES	11
12	MISCELLANEOUS	12

1 INVESTMENT OBJECTIVE AND POLICIES

Investment Objective

The investment objective of the Fund is to generate total returns with moderate levels of credit risk by investing primarily in a portfolio of debt securities issued (a) in India or (b) by companies operating in India or (c) by companies deriving a significant portion of their business from India.

Investment Policy

The Fund will seek to achieve its investment objective by investing primarily in a portfolio of debt securities issued by Central Government of India, State Governments of India, Indian public sector undertakings, banks and financial institutions and companies operating in India or companies deriving a significant portion of their business from India.

The Investment Manager aims to adopt a disciplined and a process oriented approach to fixed income investing, guided by the principle of achieving optimised returns over a long time horizon. The Investment Manager will seek to invest in high rated debt securities and will aim to identify securities which offer an optimal level of yields/returns, taking into account the relevant risk-reward ratio.

It is expected that the Fund will primarily invest in the following securities and instruments in accordance with the applicable investment restrictions set out in this document and may be fully invested in any one of these types of securities: -

- (a) debt, or debt related securities issued by the State Governments and Central Government of India, such as fixed or floating rate instruments, obligations, bonds and debentures;
- (b) perpetual bonds and debt capital instruments, such as fixed or floating rate bonds and non-convertible debentures, issued by banks and financial institutions;
- (c) corporate debt securities such as non-convertible debentures, zero coupon bonds and fixed or floating rate bonds issued by companies; and
- (d) debt and debt related securities and instruments listed above issued in international markets, such as Singapore, London, Hong Kong etc. Issuers would include companies and financial institutions or entities related to companies and financial institutions of Indian origin, including but not limited to its subsidiaries associates, branches, and divisions etc. which issue debt outside of India and denominated in Indian rupees or foreign currencies.

The Fund may undertake investments in corporate debt securities, as described above, with credit enhancement (CE) features which may provide higher yield than other securities and are in the form of non-convertible debenture (NCD) investments, backed by a guarantee or secured by pledge of listed shares. Investment in such securities will not exceed 20% of the Fund's assets. Investments in NCDs which are not listed on a recognised exchange will not exceed 10% of the Fund's assets provided that this limit will not apply where such NCDs are traded on a Regulated Market referred to in Schedule 2 to the Prospectus (including the over-the-counter market in Indian bonds) and are recently issued NCDs which will be admitted to official listing on a recognised exchange within a year. The CE securities will be issued by banks and financial institutions and companies operating in India or companies deriving a significant portion of their business from India. The credit rating of the instrument is enhanced by means of the guarantee or pledge of listed shares. Such investments will not be bespoke to the Fund.

For cash management purposes, liquidity and pending investment or re-investment of the assets, the Fund may invest, directly or indirectly, in ancillary liquid assets such as money market instruments including treasury or government securities, fixed deposits held with offshore branches of Indian banks or fixed deposits held in any foreign banks outside India, or hold cash. Indirect exposure to such assets may be obtained by investing in collective investment schemes including money market funds and ETFs.

The Fund may use FDI, in particular interest rate futures and interest rate swaps, as further described in the Prospectus, for hedging purposes and efficient portfolio management. However, it is not the current intention to use such FDI and, in addition to updating this Supplement in advance, a Risk Management Process will be submitted to the Central Bank in accordance with the Central Bank UCITS Regulations prior to any such FDI being used for the Fund.

With the exception of permitted investments in unlisted securities and over the counter derivatives, investments will be listed or traded on the Regulated Markets referred to in Schedule 2 to the Prospectus.

The Investment Manager will endeavour to invest in securities with the following credit quality and will make its own assessment of the relevant securities credit rating:

Securities issued in India:

For securities issued in India, the minimum credit rating at the point of purchase will be AA-, in each case rated by a recognized credit rating agency in India such as Credit Rating Information Services of India Limited (Crisil), Investment Information and Credit Rating Agency of India Limited (ICRA), India Rating and Research Private Ltd (IRR) and Credit Analysis & Research Limited (CARE) or any other recognized credit rating agencies. When there is a split rating on one issue by two or more rating agencies, the lower rating will apply.

Securities issued outside India:

For securities issued outside of India, the minimum credit rating at the point of purchase will be Baa3 or BBB- rated by S&P, Moody's or Fitch or any other internationally recognized rating agencies. When there is a split rating on one issue by two or more rating agencies, the lower rating will apply.

Investment Process

The Investment Manager aims to adopt an investment process that shall be research-oriented and that will rely on qualitative as well as quantitative approaches. The Investment Manager shall take macroeconomic calls based on potential interest rate directions by analysing various factors including factors such as inflation, money supply, private sector borrowing, government borrowing, currency market movements, central bank policy, fiscal policy, global interest-rate scenario and market sentiment. The Investment Manager will analyse the yield curve and historical spreads of proposed investments with the aim of selecting an appropriate portfolio mix to achieve optimised returns over a long time horizon and taking into account the risk/reward ratio of each investment as determined in accordance with the investment process and in accordance with the overall investment objective of the Fund. Yields of individual securities are considered prior to investment as part of the portfolio construction process. An optimum level of return with the relevant risk-reward is endeavoured to be achieved by analysing the yield curve and historical spreads of each security against appropriate comparators considering the securities:

- (a) asset class (i.e. government, state or corporate securities etc);
- (b) tenure; and
- (c) credit rating.

For example, if the historical spreads between a security rated AAA and the comparable sovereign bond benchmarks, is 30 basis points, and the spreads have now expanded to 70 basis points, the Fund may seek to increase its investment in the same, assuming all other factors being unchanged, as it provides higher return for same risk.

Before making a corporate debt investment, the Investment Manager carries out due diligence research and analysis of the target investee company to be able to make an informed investment decision, taking into account factors such as safety, liquidity and returns. Such due diligence shall include an internal analysis of the investee company's latest available financial statements, any rating rationale and other inputs from external rating agencies

or the market. The Investment Manager shall also undertake credit research with an aim to minimize the risk of rating downgrade. The Investment Manager proposes to adopt the following process for security selection:

Origination: The investment team of the Investment Manager may identify new target investments for the Fund in accordance with the Fund's investment policy through engaging directly with issuers for sourcing investments and through market intermediaries, such as brokers/arrangers.

Credit Risk analysis: The investment team of the Investment Manager shall appraise the target investee, if a non-Government issuer, by conducting credit due diligence. The credit due diligence will include a study of the credit rating agency's rationale for the target's particular credit rating. The Investment Manager shall undertake an evaluation of the rating rationale and, if need be, might discuss the rationale with the rating agency. The Investment Manager shall evaluate the issuer's ability and willingness to service the debt on time, based on an analysis of the business and financial risks involved. The business risk is determined, amongst other things, by one or more of the following factors:

- Industry outlook for major product segments of the company;
- Competitive position based on scale of operations, technology, locational advantage, operating efficiency, market share, etc. and
- Management quality.

The financial risk shall be determined through an analysis of the financial statements of the issuer. The analysis will include (wherever applicable) assessment of the operating profitability, capital structure, gearing, debt-service coverage, working capital intensity, etc. Where applicable, such evaluation shall also highlight the analysis of accounting policies, off-balance sheet exposures, notes to the accounts, auditors' comments and disclosure standards. For all CE securities, in addition to conducting the risk analysis outlined above, the credit analyst shall evaluate the specific features of the relevant type of CE including the following:

Analysis for investments backed by a guarantee

A NCD backed by a guarantee is a sub-set of corporate bond that has had its credit enhanced by the provision of a guarantee to assure repayment of the instrument issued by the issuer by another entity (the **Guarantor**), typically the parent company of the issuer. The Guarantor has a better credit profile compared to the issuer. This provides additional support and enhances the credit profile of the debt instrument of the issuer. The guarantee is required to be unconditional and irrevocable which would ensure that the guarantee continues until the obligations under the NCD have been repaid. Additionally, the Fund, as the holder of the NCD, would be entitled to pursue repayment from the Guarantor without waiting to exercise all its remedies against the issuer to further assure repayment. Any default under such NCDs would also be considered as default of the Guarantor. Therefore, the credit risk profile of such NCDs which are guaranteed can be construed to be similar to that of credit risk profile of the Guarantor. The guarantee is taken into account by the rating agencies in their provision of a credit rating of an NCD guaranteed by a Guarantor by including a suffix of "CE" (Credit Enhancement) in the rating issued. As part of the investment process, the Investment Manager assesses the NCD to ascertain the timeliness of receipt of payment from the Guarantor. The Investment Manager seeks to identify NCDs for investment by the Fund where the Guarantor is required to meet the entire payment obligation towards the principal and interest prior to the due date of the NCD.

The credit risk profile of the Guarantor is analysed for exposures backed by a guarantee. Detailed analysis of business risk and financial risk of the Guarantor is undertaken. The financial analysis includes analysis of profitability, balance sheet and cash flows and trend of financial parameters and credit ratios. This analysis is done in addition to credit due diligence of the issuer as further described throughout this Investment Process detailed herein.

Analysis for investments secured by pledge of listed shares

A NCD secured by a pledge of listed shares is a sub-set of corporate bond which has had its credit enhanced by a pledge of listed shares in favour of the lender, or trustee on behalf of the lender (the **Pledge**). Reliance is placed on the security of the shares pledged to ensure timely repayment of the debt obligations per its pre-defined terms. The NCD is structured in a manner, in which the investors or trustee would be allowed to sell shares prior to the principal or coupon payment date if an adequate cash balance, as defined by reference to the offering documents of the NCD, is not maintained in a specified account. This is designed to ensure timely servicing of debt instruments by the issuer. This structure provides additional security and enhances the credit profile of the instrument further assuring repayment. The Pledge is required to be unconditional and irrevocable which would ensure that the Pledge continues until the obligations under the NCD have been repaid. The Pledge is taken into account by the rating agencies in their provision of a credit rating of an NCD secured by the Pledge by including a suffix of "CE" (Credit Enhancement) in the rating issued.

Business and financial risk analysis of underlying company whose shares are offered as security is undertaken. Exposure is typically secured by pledge of shares of an underlying company having a relatively higher market capitalization. The investments have top-up mechanisms to maintain stipulated cover of the listed shares which is monitored and enforced by the trustee of the NCD. The issuer is required to pledge additional shares within stipulated timelines in case of decrease in price of the shares of the underlying company leading to a reduction in security cover below a stipulated threshold. The financial strength of the promoter group is also analysed, including analysis of any encumbrance on the shares pledged by them.

Benchmark

The Fund will be an actively managed Fund. The Fund's performance is measured against the Nifty Composite Debt Index (the **Index**). The Index measures the performance of various Indian fixed income portfolios covering government securities, corporate bonds of different credit rating categories, commercial papers, certificate of deposits, T-Bills and overnight rate. The Fund's investments may be components of, and have similar weightings to, the Index. The Fund may also invest in debt securities which are not included in the Benchmark in order to take advantage of specific investment opportunities.

Disclosure under Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the SFDR)

Article 6 of the SFDR requires that the Manager disclose the manner in which sustainability risks are integrated into the investment decisions of the Investment Manager with respect to the Fund and the results of the assessment of the likely impacts of sustainability risks on the returns of the Fund. The Fund does not promote environmental or social characteristics pursuant to article 8 of the SFDR or have sustainable investment as its objective pursuant to article 9 of SFDR.

A sustainability risk in this context means an environmental, social or governance (**ESG**) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Details of certain sustainability risks which may be applicable to the Fund's investments are set out in the section entitled "**Risk Factors**" in the Prospectus.

The Investment Manager seeks to give due consideration to all applicable risks which may include sustainability risks, and in particular risks which may arise out of governance factors, when making investment decisions on behalf of the Fund. The consideration of sustainability risks and ESG factors may inform the Investment Manager's research-oriented approach used to understand the issuers in which the Fund will invest and the risks inherent in the relevant debt security offerings. Integrating the consideration of sustainability risks into the Investment Manager's research process may influence the Investment Manager's analysis of individual issuers and assists it in identifying ESG issues, and ultimately reducing risk within and preventing losses to the Fund. Apart from internal research, for assessing sustainability risk, the Investment Manager may also subscribe to third party research reports or scores which would provide guidance on assessing the risks. The Investment Manager believes that well defined and sound corporate governance structures in its investee companies is essential for delivering a superior and sustained shareholder return.

Where the Investment Manager has concerns over the ESG practices of an issuer or its industry or market sector, or considers that there is a higher likelihood of a sustainability risk materialising during the period where the Fund might be exposed to an investment than in other potential investments being considered for investment by the Fund, this may impact upon the Investment Manager's decision of whether to pursue a particular proposed investment opportunity. As part of its risk assessment, the Investment Manager may, where possible, consider factors such as management structures, track-record of the investee companies in consistent implementation of their stated policies, remuneration and employee practices, disclosures when considering any potential investment through reviewing published sustainability reports or management interaction.

While ESG factors and sustainability risks may form part of the credit risk analysis as described above, they may not be determinative in the final investment decisions of the Investment Manager as it will take into account a broad range of factors with the aim of achieving the best outcomes for the Fund.

If an investment of the Fund experiences an ESG event, it could result in a negative impact on the issuer including but not limited to rating downgrade, business loss, reputational risks, capital restrictions, diminished market appetite for future lending and may negatively impact the returns of the Fund.

The Manager and the Investment Manager do not currently consider the principal adverse impacts of their investment decisions regarding this Fund on sustainability factors. A sustainability factor in this context means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. The Manager and Investment Manager have opted against doing so, primarily as the regulatory technical standards supplementing SFDR (the **RTS**) which will set out the content, methodology and information required in the principal adverse sustainability impact statement remain in draft form and have been delayed. However, this will be kept under review and the Manager or Investment Manager may determine whether to consider the principal adverse impacts of investment decisions on Sustainability Factors once the RTS come into effect.

2 FINANCIAL DERIVATIVE INSTRUMENTS & EFFICIENT PORTFOLIO MANAGEMENT

The Fund may use FDI for efficient portfolio management purposes and for investment purposes in accordance with the section entitled "**Financial Derivative Instruments (FDIs)**" in the Prospectus and as further described below. However, it is not the current intention to use such FDI and, in addition to updating this Supplement in advance, a Risk Management Process will be submitted to the Central Bank in accordance with the Central Bank UCITS Regulations prior to any such FDI being used for the Fund. The Investment Manager will use the commitment approach to calculate daily global exposure, being the incremental exposure and leverage generated through the use of FDI, in accordance with the requirements of the Central Bank and the Fund will not be leveraged in excess of 100% of its total Net Asset Value through the use of FDI.

Interest Rate Futures

Interest rate futures (either exchange-traded or OTC) may be used for the purposes for hedging purposes and efficient portfolio management. The underlying assets of the futures contracts will be the bonds described in the Fund's Investment Policy.

Interest Rate Swaps

Interest rate swaps, which are traded OTC, may be used for the purposes for hedging purposes and efficient portfolio management. They involve exchange of a fixed interest rate for floating interest rate and vice versa, where the floating interest rate is linked to daily overnight interest rate index. Interest rate swap transactions are primarily used to hedge the Fund against the interest rate risk, by converting cash flow of a fixed coupon bond into floating rate one and vice-versa, effectively converting a fixed rate bond into floating rate bond and a floating rate bond into a fixed rate bond.

3 BORROWING

In accordance with the general provisions set out in the Prospectus under the heading Borrowing and Lending Powers and Restrictions, the Fund may borrow up to 10% of the total Net Asset Value of the Fund on a temporary basis and not for speculative purposes. The Fund may charge its assets as security for such borrowings.

4 INVESTMENT RESTRICTIONS

The general investment restrictions applicable under the UCITS Regulations and as set out in the section of the Prospectus entitled "**Investment Restrictions**" shall apply. In addition, the below investment restrictions will also apply to the Fund in respect of such investments:

1. The Fund shall not invest more than 10% of its net assets in units of other CIS.
2. Any synthetic short selling of money market instruments by the Fund is prohibited.

With respect to investments in Indian securities, the Fund will invest in accordance with the FPI Regulations and shall comply with the applicable FPI Investment Limits for FPI, as further described in the Schedule below. It should be noted that the current available FPI Investment Limits for investments in corporate bonds can be viewed on the website of National Securities and Depository Limited and for Government securities can be viewed on Clearing Corporation of India for Government securities. The website links to these sites is referred below for reference:

- a) <https://www.fpi.nsdl.co.in/web/Reports/ReportDetail.aspx?RepID=1>
- b) <https://www.ccilindia.com/FPIHome.aspx>

5 PROFILE OF A TYPICAL INVESTOR

The investments in the Fund may be appropriate for professional or retail investors who have knowledge of, and investment experience in, this particular financial product and understand and can evaluate the strategy, characteristics and risks in order to make an informed investment decision. Potential investors with a medium to long term horizon who intends to gain exposure to Indian fixed income markets may consider this Fund.

The Fund does not currently accept subscriptions from Indian residents.

6 RISK FACTORS

The risk factors under the section entitled "**Risk Factors**" in the Prospectus apply to this Fund. In addition the following risk factors are also relevant.

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

Fixed Income and Bond Market Risks

The Indian fixed income and bond markets especially the corporate bond markets are smaller in size and depth which could impact the liquidity in the instruments held by the Fund. Also, due to lack of broad based participation from a varied set of investors in the Indian fixed income and bond markets, the market participants therein often have uni-directional views which result in extreme reactions in valuations of certain instruments. The bond markets also have dual regulators with RBI regulating the government bond market and SEBI regulating the corporate bond market which leads to dealing with multiple settlement and trading practices.

Liquidity: Some segments of the government bond market and the corporate bond markets have limited liquidity which could impact prices of instruments and limit the ability of the Investment Manager to liquidate such assets. Also, given the nascent stage of the markets, there have been instances where the liquidity for the entire markets has seized up leading to poor price discovery.

Corporate Disclosure, Accounting, Custody and Regulatory Standards: Indian disclosure and regulatory standards are in many respects less stringent than standards in certain OECD countries. There may be less publicly available information about Indian companies than is regularly published by or about companies in such other countries. The difficulty in obtaining such information may mean that the Fund may experience difficulties in obtaining reliable information regarding any corporate actions and dividends of companies in which the Fund has invested which may, in turn, lead to difficulties in determining the Net Asset Value with the same degree of accuracy which might be expected from more established markets. Indian accounting standards and requirements also differ in significant respects from those applicable to companies in many OECD countries. Indian trading, settlement and custodial systems are not as developed as certain OECD countries, and the assets of the Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk.

Investigations: Any investigations of, or actions against, the Fund initiated by SEBI or any other Indian regulatory authority may impose a ban of the investment activities of the Fund.

Investing in Fixed Income Securities

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time.

The volume of transactions effected in the Indian bond markets may be appreciably below that of the world's larger markets, such as the United States. Accordingly, the Fund's investment in such market may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

Concentration Risk: The Fund concentrates its investments in fixed income securities of companies listed on stock exchanges in India or closely related to the economic development and growth of India. A concentrated investment strategy may be subject to a greater degree of volatility and risk than a portfolio which is diversified across different geographic regions.

Risks associated with CE securities: In addition to the risks associated with investing in fixed income securities outlined above, CE securities backed by guarantee are exposed to the credit risk of the Guarantor. In the unlikely event that the Fund is required to enforce its security under a CE security secured by pledge of listed shares, the Fund will be exposed to the market risks associated with equities until such time as it can dispose of those shares.

FPI Investment Limits

The Fund is subject to the FPI Investment Limits applicable under the FPI Regulations as further described above. Should the limits be fully exhausted or not increased over time, the Investment Manager may not be able to fully invest all the assets of the Fund into Indian fixed income securities. The Fund may restrict further subscriptions. The Fund may also invest further in securities issued outside of India in accordance with the Investment Policy.

General Risks

No Investment Guarantee: Investment in the Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Any investment in the Fund is subject to fluctuations in value.

Market Risk: Some of the Recognised Exchanges on which the Fund may invest may be less well regulated than those in developed markets and may prove to be insufficiently liquid or highly volatile from time to time. This may

affect the price at which the Fund may liquidate positions to meet redemption requests or other funding requirements.

Emerging Markets Risk: The Fund will predominately invest in a portfolio of fixed income securities issued by the Central Government of India, State Governments of India, Indian Public Sector Undertakings, companies of Indian origin or deriving a significant portion of their business in India. Such securities may involve a high degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscatory taxation, nationalization, and social, political and economic stability; (ii) the small current size of the markets for securities of emerging markets issuers and the currently low volume of trading, which could potentially result in less liquidity than developed markets and in price volatility, (iii) certain national policies which may restrict the Fund's investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; and (iv) the absence of developed legal structures governing private or foreign investment and private property.

Liquidity and Valuation Risk: The accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavorable prices. The Fund may also encounter difficulties in disposing of assets quickly or at their fair price due to adverse market conditions.

Certain investments, such as unquoted investments or instruments, will be valued by the Directors or their delegate in good faith in consultation with the Investment Manager as to their probable realization value, provided that such value is approved by the Trustee. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or "close-out" prices of such securities. Also, there is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of the Fund's investments and the Investment Manager's other duties and responsibilities in relation to the Fund.

Redemption Risk: Large redemptions of Units in the Fund might result in the Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets.

Credit Ratings Risk: The Investment Manager may when implementing the Fund's investment policy utilize credit ratings provided by local Indian credit agencies such as CRISIL, ICRA and CARE. The Investment Manager believes that the ratings provided by these Indian agencies are most appropriate for the Fund and best reflect the credit of the assets under consideration for investment by the Investment Manager because of their presence in India. The criteria used by these Indian agencies for obtaining a particular rating may differ from some of the international rating agencies and may therefore result in different ratings being applied to certain assets. Unitholders should be aware that ratings by global rating agencies may be different from ratings by local ratings agencies. As a result the domestic ratings may need to be scaled down accordingly. The Investment Manager may also use ratings provided by international ratings agencies as appropriate.

Accounting, Auditing and Financial Reporting Standards: The accounting, auditing and financial reporting standards of many of the countries in which the Fund may invest may be less extensive than those applicable to US and European Union companies.

Pricing Risk: The Administrator may consult the Investment Manager with respect to the valuation of unlisted securities. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of the Fund's investments and the Investment Manager's other duties and responsibilities in relation to the Fund.

Risk of loss of safe harbour approval under section 9A: It is expected that the Fund will receive an approval of the Indian Revenue Authorities under the Safe Harbour Rules and accordingly, the Fund should not be regarded as a tax resident of India merely because the Investment Manager undertaking investment management activities on its behalf is situated in India. This approval will be valid unless any of the conditions are not fulfilled or it is withdrawn by the Indian tax authorities. In case where the approval is withdrawn or any of the conditions are not fulfilled there is a risk that the Investment Manager may constitute a business connection/place of effective management of the Fund in India. Where an approval under section 9A of the Indian tax law is withdrawn and the Investment Manager constitutes a business connection or place of effective management of the Fund in India, the

Fund may be liable to discharge additional taxes and undertake additional compliance obligations in India (as is applicable to a foreign entity having a business connection or permanent establishment in India).

Non-Diversification: Generally, the Fund's portfolio will not be diversified among geographic areas, types of securities, or a wide range of issuers or industries. Accordingly, the investment portfolio of the Fund may be subject to more rapid change in value than would be the case if the Fund were required to maintain a wide diversification among industries, areas, types of securities and issuers.

Counterparty and Settlement Risk: To the extent the Fund invests in non-U.S. securities or over-the-counter transactions (and a Risk Management Process has been prepared and submitted to the Central Bank in accordance with the Central Bank requirements in advance of the use of such FDI), in certain circumstances, the Fund may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

Reliance on Key Management: The Fund intends to rely heavily upon the asset management expertise of the Investment Manager in obtaining its investment objectives. Due to the unique knowledge and experience of the Investment Manager, it would be difficult for the Fund to meet its investment objectives in the event the Investment Manager were unable or unwilling to continue as investment manager, as it might not be possible to obtain suitable replacements.

7 DIVIDEND POLICY

No declarations or distributions shall be made in respect of the Accumulating Units. The net income earned per Accumulating Unit will be accumulated and reinvested in the Accumulating Units. Any dividends payable on the Distributing Units will be declared on the last Business Day of March and September of each year and paid within 1 month of the declaration date.

8 KEY INFORMATION FOR SUBSCRIPTIONS AND REDEMPTIONS

Base Currency

The Base Currency of the Fund is USD.

Available Unit Classes

The Fund may issue Units in each of the Unit Classes set out in the table below.

Unit Class	Denominated Currency	Minimum Unitholding	Minimum Initial Investment Amount
Institutional	USD	USD 50,000	USD 100,000
Retail	USD	USD 5,000	USD 10,000
Retail (EUR)	EUR	EUR 5,000	EUR 10,000

Each of the Unit Classes listed in the table above may be offered as Accumulating Unit Classes and Distributing Unit Classes.

The Manager (upon written confirmation to the Administrator) reserves the right to differentiate between Unitholders and to waive or reduce the Minimum Unitholding, Minimum Initial Investment Amount, Minimum Redemption Amount and Minimum Additional Investment Amount of the relevant Unit Class for any such

Unitholders (subject to the principle of equal treatment of Unitholders) or to refuse an application for any such Units in their absolute discretion.

Additional classes of Units may be created in accordance with the requirements of the Central Bank.

Initial Offer Period & Issue Price

During the Initial Offer Period, Units in the Institutional and Retail Unit Classes will be issued at an Initial Issue Price of USD 10. During the Initial Offer Period, Units in the Retail (EUR) Unit Class will be issued at an Initial Issue Price of EUR 10.

The Initial Offer Period for Units in the Unit Classes will commence at 9.00am (Dublin time) on 19 May 2021 and end at 5.00pm (Dublin time) on 19 November 2021 or such earlier or later time as the Manager may decide and notify the Central Bank. After the Initial Offer Period, Units in the Unit Classes will be continuously open for subscriptions at the Issue Price of the relevant Unit Class on the relevant Dealing Day.

Currency of Payment

Subscription and redemption monies are payable in the denominated currency of the Unit Class in respect of which Units are being subscribed for or redeemed as set out in the table above.

Subscription Charge

A Subscription Charge of up to 5% of the Initial Issue Price or Subscription Price, as applicable, may be imposed on the issue of Units at the discretion of the Manager for payment to such sub-distributors as may be appointed by the Manager, as shall be provided for and agreed under the Application Form.

Redemption Charge

A Redemption Charge of up to 2% of the Redemption Price may be charged at the discretion of the Directors for payment to the Fund.

Exchange Charge

Subject to compliance with the relevant exchange provisions contained in the Prospectus, an Exchange Charge of up to 3% may be imposed at the discretion of the Directors on all applications to exchange Units from one Unit Class to another Unit Class within the Fund or, where applicable, to a Unit Class within another Fund of the Trust.

Business Day

A day on which banks are open for business in Ireland and India or such other day as the Directors may, with the approval of the Trustee, determine.

Dealing Day

The Dealing Days for the Fund are each Business Day.

Dealing Deadline

The Dealing Deadline by which applications for subscription, redemption or exchange of Units must be received by the Administrator is 11:30 a.m. (Irish time) on the Dealing Day.

Valuation Point

The Valuation Point is 3:00 p.m. (Irish time) on the Dealing Day.

Settlement Date

The Settlement Date for the receipt of monies for subscription for Units shall be the relevant Dealing Day. Payment of Redemption Proceeds will normally be made by electronic transfer to the account of the redeeming investor within five (5) Business Days of the relevant Dealing Day (and in any event should not exceed ten (10) Business Days from the relevant Dealing Deadline) provided that all the required documentation has been furnished to and received by Administrator.

9 HOW TO SUBSCRIBE FOR SHARES

Requests for the subscription for Units should be made in accordance with the provisions set out in the section entitled "**Subscription for Units**" in the Prospectus.

10 HOW TO REDEEM SHARES

Requests for the redemption of Units should be made in accordance with the provisions set out in the section entitled "**Redemption of Units**" in the Prospectus.

11 FEES AND EXPENSES

The following section on fees and expenses should be read in conjunction with the section entitled "**Fees and Expenses**" in the Prospectus.

Manager Fee

The Manager shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and payable quarterly in arrears, at an annual rate of up to and not exceeding 0.0175% of the Net Asset Value of the Fund subject to a minimum fee of up to €50,000 per annum. The Manager is also entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket costs and expenses incurred by the Manager in the performance of its duties (plus VAT thereon, if any).

Investment Management Fee

The Investment Manager shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and payable quarterly in arrears, at an annual rate of up to and not exceeding 1.3% of the Net Asset Value of the Retail and the Retail (EUR) Unit Classes and 0.65% of the Net Asset Value of the Institutional Unit Class. The Investment Manager is also entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket costs and expenses incurred by the Investment Manager in the performance of its duties (plus VAT thereon, if any).

Administration Fee

The Administrator shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and calculated and payable monthly in arrears, at an annual rate of up to and not exceeding 0.0335% of the Net Asset Value of the Fund (plus VAT thereon, if any) subject to a minimum fee of \$2,100 per month. The Administrator is also entitled to be repaid all of its reasonable agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

Trustee Fee

The Trustee shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and calculated and payable monthly in arrears, at an annual rate of up to 0.02% of the Net Asset Value of the Fund (plus VAT thereon, if any) subject to a minimum monthly fee of \$1,650 per month. The Trustee shall also be entitled to be reimbursed for the fees paid by the Trustee to any sub-custodian and agreed upon transactions charges (which in all cases shall be charged at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

Distribution Fee

The Global Distributor shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and calculated and payable monthly in arrears, at an annual rate of up to 0.03% of the Net Asset Value of the Fund (plus VAT thereon, if any). The Global Distributor is also entitled to be repaid all of its reasonable agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

Establishment Costs

The establishment costs in respect of the Fund are set out in the section entitled **Establishment costs** in the Prospectus.

12 MISCELLANEOUS

At the date of this Supplement, there are no other Fund(s) of the Trust in existence.

SCHEDULE

Indian Considerations

THE FOLLOWING DESCRIPTION IS A SUMMARY OF CERTAIN ASPECTS OF THE RELEVANT LEGAL REGIME APPLICABLE TO INVESTMENTS AND OPERATIONS IN INDIA. THE DESCRIPTION SET OUT BELOW IS NOT INTENDED TO BE COMPREHENSIVE OR EXHAUSTIVE, IS ONLY INTENDED TO PROVIDE GENERAL INFORMATION TO THE INVESTORS AND IS NEITHER DESIGNED NOR INTENDED TO BE A SUBSTITUTE FOR PROFESSIONAL LEGAL ADVICE. INVESTORS INTERESTED IN SUBSCRIBING FOR UNITS ARE ADVISED TO REVIEW ANY LEGAL RESTRICTIONS WHICH MAY BE RELEVANT TO THEIR PARTICULAR CIRCUMSTANCES IN CONNECTION WITH THE ACQUISITION, HOLDING OR DISPOSITION OF SUCH UNITS.

Foreign investment in securities issued by Indian companies is regulated under the Foreign Exchange Management Act, 1999 (**FEMA**) and by the Reserve Bank of India (**RBI**). The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 (the **Securities Regulations**) issued under the FEMA establish various investment routes available to persons resident outside India (a **Non-Resident**), such as the Fund, seeking to make investments in securities issued by Indian companies.

Any investment made by a Non-Resident shall be subject to the entry routes, sectoral caps or the investment limits, as the case may be, and the attendant conditionalities for such investment as laid down under the Securities Regulations. A Non-Resident may invest in an Indian company under the Foreign Direct Investment (**FDI**) regime, Foreign Portfolio Investment (**FPI**) regime and Foreign Venture Capital Investor regime.

It is anticipated that the Fund will invest in India under the FPI regime. Set out below is a brief summary of the regulatory framework that would apply to the Fund in that regard.

The SEBI (Foreign Portfolio Investors) Regulations, 2019 (**FPI Regulations**) were notified by SEBI on 23 September, 2019. An FPI has been defined as a person who satisfies the eligibility criteria prescribed under Regulation 4 of the FPI Regulations and has been registered under Chapter II of the FPI Regulations.

FPIs are categorized into 2 (two) categories as defined in the FPI Regulations viz – Category I and Category II.

An entity proposing to register as an FPI must make an application to the designated depository participant in a form prescribed under the FPI Regulations for one of the 2 (two) categories mentioned above. An FPI is required to satisfy certain conditions in order to be eligible for a registration including good track record, professional competency and various criteria linked to residency status.

An FPI registration once granted is permanent unless cancelled or suspended by SEBI or surrendered by the FPI.

Know Your Client requirements for Foreign Portfolio Investors (FPIs)

By way of Operational Guidelines for Foreign Portfolio Investors, Designated Depository Participants And Eligible Foreign Investors, SEBI laid down the requirements for identification and verification of beneficial owners of Category II FPI & Category III FPI. The requirements *inter alia* are as follows:

- a) Beneficial owners are the natural persons who ultimately own or control an FPI and shall be identified in accordance with Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 (**PMLA Rules**). FPIs are required to maintain a list of beneficial owners and should provide such list of their beneficial owners to SEBI in prescribed form. Beneficial owners of FPIs having general partner/limited partnership structure shall be identified on ownership or entitlement basis and control basis;
- b) In terms of Rule 9(3) of the PMLA Rules, a beneficial owner shall be any person owning 25% interest (in the case of a company) or 15% interest (in the case of a partnership or body of individuals). Where a

beneficial owner cannot be identified based on foregoing thresholds, the senior managing official of the FPI shall be the beneficial owner;

- c) However, in respect of FPIs coming from “**high risk jurisdictions**” the domestic depository participants may apply lower materiality threshold of 10% for identification of beneficial owner (and not 25% / 15% as stated above) For category I FPIs (other than registered under regulation 5(a)(i)¹) from high risk jurisdictions KYC documentation as applicable for category II FPIs need to be collected;
- d) The materiality threshold to identify the beneficial owner shall be first applied at the level of FPI and next look through basis shall be applied to identify the beneficial owner of the intermediate Unitholder / owner entity. Beneficial owner and intermediate Unitholder / owner entity with holdings equal & above the materiality thresholds (as noted in (b) above) in the FPI need to be identified through the look through basis. For intermediate material Unitholder / owner entity/ies, name and percentage holding shall also be disclosed to SEBI. In case the intermediate Unitholder / owner entity is eligible for registration as Category I FPI, under Regulation 5(a)(i)¹ there shall be no need for identification and verification of beneficial owner of said entity eligible as Category I FPI;
- e) No foreign company shall be entitled to exemption under Rule 9(3)(f) of PMLA Rules which exempts identification of a beneficial owner of a listed company, or subsidiary of a listed company, which is a beneficial owner of the FPI; and
- f) ODI issuing FPIs shall identify and verify the beneficial owners in the ODI subscriber entities as applicable to FPIs.

Securities Law Considerations

The Fund proposes to make investments in debt securities issued in India or issued by companies incorporated in India or by companies deriving a significant portion of their business from India. Accordingly, the investments will be subject to regulations governing Indian financial markets including but not limited to, the Companies Act, 2013, SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 (**ICDR Regulations**), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the stock exchange rules and regulations, the listing agreements of the various stock exchanges and directives issued by Reserve Bank of India on time to time.

Requirements under Takeover Code

On 23 September, 2011, SEBI announced its new takeover code, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“**Takeover Code**”), which came into effect on 22 October, 2011 and replaced the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Under the provisions of the Takeover Code, any acquirer (meaning a person who, directly or indirectly, acquires or agrees to acquire shares or voting rights in a company or acquires or agrees to acquire control over a company, either by himself, or through, or with any person acting in concert) who acquires shares aggregating to 5% or more of the shares of a listed public Indian company is required to notify to the company at its registered office and each of the stock exchanges on which the shares of such company are listed about its aggregate shareholdings and voting rights within two (2) days of (i) the receipt of intimation of allotment of shares or (ii) the acquisition of shares or voting rights. Furthermore, any person holding 5% or more of the shares or voting rights in a company is required to inform the company at its registered office and the stock exchange about the number of shares or voting rights held and change in its shareholding or voting rights (even if such change results in shareholding falling below 5%) representing 2% or more of the shares or voting rights of the company within two days of (i) the receipt of intimation of allotment of shares or (ii) the acquisition or disposal of shares or voting rights.

¹ Government and Government related investors such as central banks, sovereign wealth funds, international or multilateral organizations or agencies including entities controlled or at least 75% directly or indirectly owned by such Government and Government related investor(s)

Requirements under prohibition of Insider Trading Regulations

The SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Insider Trading Regulations") primarily seeks to prohibit trading in securities based on unpublished price-sensitive information. The Insider Trading Regulations have been recently amended by SEBI vide SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, which is effective from April 1, 2019. The Insider Trading Regulations (as amended) prohibits an "insider" and a "connected person" from dealing, either on his/her own behalf or on behalf of any other persons, in the securities of a company listed on any stock exchange or securities of the company which are proposed to be listed when in possession of "unpublished price sensitive information" which is distinguished from "generally available information". The terms "insider", "connected person", "unpublished price-sensitive information", "proposed to be listed" and "generally available information" are defined in the Insider Trading Regulations.

The insider is prohibited from communicating, counselling, causing or procuring, directly or indirectly, any unpublished price-sensitive information relating to a company or securities listed or proposed to be listed, to any other person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations and in furtherance in the interest of the company.

In the case of connected persons the onus of establishing, that they were not in possession of unpublished price sensitive information, shall be on such connected persons and in other cases, the onus would be on the SEBI.

The Insider Trading Regulations make it compulsory for listed companies, intermediaries and fiduciaries to establish an internal code of conduct to prevent insider-trading deals and also to regulate disclosure of unpublished price-sensitive information within such entities so as to minimize misuse of such information. To this end, the Insider Trading Regulations provide a model code of conduct for listed companies, intermediaries and fiduciaries to regulate, monitor and report trading by designated persons. Further, the Insider Trading Regulations specify a code of fair disclosure practices to prevent insider trading, which must be implemented by all listed companies and proposed to be listed companies. The Insider Trading Regulations requires appointment of a compliance officer to administer the code of conduct and other requirements under the Insider Trading Regulations. Further, the Insider Trading Regulations lay down criteria for identifying employees of listed companies, intermediaries and fiduciaries who shall be designated persons to be covered by the code of conduct on the basis of their role and function in the organisation and the access that such role and function would provide to unpublished price-sensitive information in addition to their seniority and professional designation.

Prevention of Money Laundering

The Prevention of Money-Laundering Act, 2002 (**PMLA**), 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.

For the purpose of complying with the obligations under the PMLA and rules made thereunder, an investor may be required to provide certain information and / or documents to the Fund (in its capacity as an FPI) for the purpose of verifying the identity of the investor, the source of funds and obtain confirmation that the application monies do not represent directly or indirectly, the proceeds of any crime and other confirmations regarding the source of funds as may be relevant for complying with the provisions of the PMLA and rules made thereunder.

In this context a procedure for the identification of investors has been established by the Fund and/or its Manager. The application form of an investor shall therefore, be accompanied by such documents as determined from time to time. Investors may also be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under PMLA and its rules.

The prospective investor must understand that by investing in the Fund, the prospective investor irrevocably and unconditionally agrees and authorises the Fund and / or its Manager/ other authorised representatives to disclose, share, remit in any form, mode or manner, all / any of the information provided by the prospective investor, including all changes, updates to such information as and when provided by the investor to the Fund, Manager, their respective employees or any Indian or foreign governmental or statutory or judicial authorities/agencies

including but not limited to SEBI, the Financial Intelligence Unit-India, the tax/revenue authorities in India or outside India and other such regulatory/ investigation agencies or such other third party, on a need to know basis, without any obligation of the investor of the same.