

**Supplement**  
**Brilliance China Core Long Short Fund**  
**A sub-fund of Brilliance Asset Management ICAV**

**An open-ended umbrella Irish collective asset-management vehicle with segregated liability between sub-funds formed in Ireland under the Irish Collective Asset-management Vehicles Act 2015 and authorised by the Central Bank as a UCITS pursuant to the Regulations**

Dated 14 December 2021

**1 Important Information**

This Supplement contains information relating specifically to Brilliance China Core Long Short Fund (the "**Fund**"), a Fund of Brilliance Asset Management ICAV (the "**ICAV**"), an open-ended umbrella fund with segregated liability between sub-funds authorised by the Central Bank as a UCITS pursuant to the Regulations. There are currently no other Funds of the ICAV in existence. Additional Funds of the ICAV may be added in the future with the prior approval of the Central Bank.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the ICAV dated 14 December 2021 (the "Prospectus").**

**Due to the higher than average degree of risk because of its ability to invest in financial derivative instruments for investment purposes which may increase the volatility of the Fund, and the Fund's ability to invest in emerging markets, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**As the price of Shares in each Fund may fall as well as rise, the ICAV shall not be a suitable investment for an investor who cannot sustain a loss on their investment. A typical investor has an investment horizon of 5 years or more and is prepared to accept a medium to high level of volatility. This is not a guide to the future volatility of the Fund and may move over time. Investors may also refer to the KIID for the most up-to-date SRRI measurement.**

**Profile of a typical investor**

The Fund is designed for investors who understand and are willing to accept the specific risks of participating in a specialised portfolio of Asia Pacific region-related securities with a focus on Greater China. The Fund may be appropriate for investors who will not need to access their investment in the short-term, as losses may occur due to market fluctuations. The investors should be aware that such a portfolio (i.e. one dominated by exposure to Asia Pacific and Greater China-related securities) may be more volatile than a more broadly diversified portfolio. The Fund is suitable for investors who are prepared to accept a medium to high level of volatility.

**The Fund may invest in FDI for investment purposes and for efficient portfolio management purposes. (See "Borrowing and Risk Management" below for details of the leverage effect of investing in FDI).**

**Investors should note that the Fund may invest principally in FDI. This may expose the Fund to particular risks involving derivatives. Please refer to "Derivatives Risk" in Schedule 3 to the Prospectus (entitled "Risk Factors").**

**Investors should read and consider Schedule 3 to the Prospectus (entitled "Risk Factors") before investing in the Fund.**

**2 Definitions**

**Base Currency** means U.S. Dollar;

**Business Day** means any day (other than a Saturday or Sunday) on which commercial banks are open for business in Dublin and Hong Kong and/or such other day or days as may be determined by

the Directors from time to time and as notified to Shareholders in advance;

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|---|--|
| <b>Dealing Day</b>                          | means each Monday (or if such is not a Business Day, the immediately following Business Day) and/or such other day or days as the Directors may in their absolute discretion determine and notify in advance to Shareholders provided that there shall be at least two Dealing Days in each Month occurring at regular intervals;  |
| <b>Dealing Deadline</b>                     | means 12.00 noon (Irish time) two Business Days prior to the relevant Dealing Day, or such other time for the relevant Dealing Day as may be determined by Directors and notified in advance to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point;   |
| <b>Equity and Equity Related Securities</b> | includes but is not limited to equities, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of the Fund's Net Asset Value), convertible securities (such as convertible preference shares, share purchase rights and bonds convertible into common or preferred shares);   |
| <b>"JPY", "Yen" or "¥"</b>                  | means the lawful currency of Japan;  |
| <b>Minimum Fund Size</b>                    | means USD10,000,000 (or the currency equivalent thereof) or such other amount as the Directors may in their absolute discretion determine;   |
| <b>Minimum Share Class Size</b>             | means USD500,000 (or the currency equivalent thereof) or such other amount as the Directors may in their absolute discretion determine;  |
| <b>Regulated Funds</b>                      | means UCITS and AIFs as set out in the Central Bank's Guidance on UCITS acceptable investments in other investments funds; AIFs means an alternative investment fund as defined in the European Communities (Alternative Investment Fund Managers Directive) Regulations (S.I. 257 of 2013), as may be amended from time to time;  |
| <b>Settlement Date</b>                      | in respect of subscriptions and redemptions respectively shall have the meaning outlined in the section entitled "Key Information for Buying and Selling Shares" below;  |
| <b>Valuation Point</b>                      | means, unless otherwise specified by the Directors and provided such point will in no case precede the latest point at which subscription, repurchase or exchange applications may be accepted, close of business in the relevant market on the Business Day immediately prior to each Dealing Day, by reference to which the Net Asset Value per Share of the Fund is determined. |

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

### 3 Information on the Fund

#### 3.1 Investment Objective, Investment Policies and Investment Strategy

(a) Investment Objective

The investment objective of the Fund is to aim to generate long-term capital appreciation for its investors.

There can be no assurance that the Fund will achieve its investment objective and losses may be incurred.

(b) Investment Policies

The Fund intends to achieve its investment objective by investing in a diversified portfolio which will be represented by the asset classes referred to below, in accordance with its investment strategy (as discussed below), with the principal focus being on a long-short China equity strategy. The Fund may hold long positions in each of the below asset classes ranging between 0% and 125% of Net Asset Value of the Fund and short positions in equity securities ranging from 0% to -125% of Net Asset Value of the Fund. For the avoidance of doubt, any such short positions will be achieved synthetically; i.e. through the use of FDI.

The asset classes that the Fund may invest in are:

- (i) Equity securities: The Fund may invest between 0% to +/- 125% of its Net Asset Value in equity securities. The Fund may take long and synthetic short positions in equity securities including ordinary shares, common stock preference shares, global depositary receipts and real estate investment trusts ("REITs"). The Fund will be China focused and may also invest up to 30% of its Net Asset Value in other emerging markets.
- (ii) Regulated Funds: The Fund may also invest up to 10% of its Net Asset Value in other Regulated Funds where it is considered consistent with the investment objective of the Fund.
- (iii) ETFs: The Fund may invest in exchange traded funds ("ETFs") to gain exposure to equities, derivatives (as specifically referred to below) and currency hedging instruments. Any investment in ETFs shall not exceed in aggregate 10% of the Net Asset Value of the Fund. The Fund will only invest in AIFs that satisfy the conditions applied from time to time by the Central Bank.
- (iv) Unlisted securities: The Fund may also invest up to 10% of its Net Asset Value in unlisted securities (including unlisted warrants and options as referred to in the "Derivatives" section below).

The securities acquired by the Fund (other than permitted unlisted investments) will be listed, quoted or traded on recognised exchanges in the Asia-Pacific region (primarily in the People's Republic of China and Hong Kong, but also including Korea, Taiwan, Thailand, Singapore, India, Australia and Japan) the United States and also in Europe in Germany, France, Italy and Spain and within the list in Schedule 2 of the Prospectus, with a focus on securities of companies that will be significantly exposed to China's transformation and growth.

The Fund has no restrictions as to the proportion of assets allocated to companies of any particular market capitalisation and may invest across a range of economic sectors.

No consideration will be given to country or global index weightings, nor will the Fund be always fully invested in equities, and as a result performance may be significantly different from that of the markets in which it is invested, or the performance of commonly followed global indices.

### China A Share Exposure

The Fund will obtain exposure to equity securities issued within the People's Republic of China directly through Stock Connect and synthetically through total return swaps as further described in sections 3.3 and 3.4 below.

### Derivatives

The Fund may also invest in exchange traded or over-the-counter ("**OTC**") FDIs for investment, currency hedging and/or efficient portfolio management purposes. The FDIs that the Fund may use include (i) forward currency contracts (ii) currency future contracts (iii) swaps on equities, currencies swaps and total return swaps (iv) contracts for differences (v) warrants (vi) options on equity securities, equity indices (such as Hang Seng Index, Hang Seng China Enterprises Index, FTSE China A50 Index, MSCI Singapore Free Index, Nikkei Index, Taiwan Stock Exchange Weighted Index, S&P/ASX 200 Index and S&P 500 Index) and currencies and (vii) index futures (such as Hang Seng Index, Hang Seng China Enterprises Index, CAC 40 Index, FTSE China A50 Index, FTSE MIB Index, IBEX 35 Index, Dow Jones Industrial Average Index, CSI 300 Index, CSI 500 Index, NASDAQ-100 Index, MSCI Singapore Index, DAX Index, MSCI Taiwan Index, Nikkei 225 Index, KOSPI 200 Index, FTSE 100 Index, NIFTY 50 Index and EURO STOXX 50). The equity indices which the Fund will have exposure to through the use of options and futures will at all times comply with the provisions of the Regulations and the requirements of the Central Bank in respect of UCITS financial indices, in particular in respect of their rebalancing frequency, diversification and publication requirements. Each index rebalances no more frequently than on a quarterly basis. The rebalancing frequency has no impact on the transaction costs associated with the Fund as any rebalancing will not require any higher frequency of position turnover in the Fund than would otherwise be the case were the index to be static because the Fund is achieving equity exposure to an index via a derivative. The Investment Manager monitors the investment restrictions applicable to the Fund. As soon as the Investment Manager becomes aware that the weighting of any particular stock in an index exceeds the permitted investment restrictions, the Investment Manager will seek to reduce the Fund's exposure to that stock to ensure that the Fund at all times operates within the permitted investment restrictions and complies with the requirements of the Regulations. Additional information in relation to an index may be obtained by contacting the Investment Manager.

The Fund may use any of these derivatives to create synthetic short positions. Short positions can enhance returns if taken in a market or security that declines in value. As such short position may also help to offset a long position and thus provide protection when a market or security declines in value.

Please refer to the section of the Prospectus entitled "Use of FDI" for further details on the types of FDI used and a summary of their commercial purpose.

### Cash Management

The Fund may hold ancillary liquid assets, that is cash and a range of instruments that can be readily converted to cash (including U.S. treasury bills, commercial paper, short term Money Market Instruments and certificates of deposit). The Investment Manager may hold, pending investment or reinvestment, or if this is considered appropriate to the investment objective, invest on a short term basis in cash, cash equivalents (including U.S. treasury bills) and Money Market Instruments (including, but not limited to, cash deposits, commercial paper, short term money market deposits and certificates of deposit, exchange traded funds or UCITS eligible collective investment schemes). The investment in exchange traded funds or UCITS eligible collective investment schemes would facilitate exposure to additional liquid assets on a short-term basis.

#### (c) Investment Strategy

The Investment Manager will invest in the asset classes described above (or a combination of asset classes) which it considers will generate long-term capital appreciation. As described in the Investment Policies above (i) to (iv), it is expected that

the Fund will focus primarily on equities, with Cash Equivalents principally used to mitigate the Fund's exposure to market risk.

The equity portfolio will be China focussed but will be diversified across sectors, avoiding over-concentration in any single sector or issuer and will be oriented towards structural developments and cyclical trends in the Chinese economy and China-driven global economic developments. The composition of the Fund's portfolio will be reviewed regularly and changed when appropriate and in accordance with its investment objectives, policies and restrictions.

In managing the portfolio, the Investment Manager seeks to exploit market inefficiencies (including focussing on sectors that are perceived to be undervalued) by employing both fundamental (i.e. bottom up analysis in respect of the relevant equity securities) and quantitative (i.e. statistical or mathematical analysis to identify anomalies or investment opportunities in such equity securities) research to identify value gaps between stated intrinsic value and the market price of companies.

The Fund will seek to go long on securities which are identified by the Investment Manager as being undervalued and short on equity securities which are overvalued. The Investment Manager identifies securities as being undervalued or overvalued through an intensive research process and through the analysis of its industry experts who provide a comprehensive overview of the relevant industry's supply chain.

Global equity securities from listed and/ or recognised exchanges will be assessed using such fundamental and quantitative research, and long positions taken in the stocks determined most likely to deliver a positive return, and short positions taken in the stocks determined most likely to deliver a negative return.

Investments can be made directly by purchasing physical holdings and/or indirectly by entering into financial derivative instruments.

The investment process focuses equally on managing risk and generating returns, at all times seeking to create a diversified portfolio of assets. Positions will be scaled according to a security's market impact (size, liquidity and volatility) to ensure that appropriate risk adjusted positions are taken within the Fund. Positions will be monitored regularly and assessed against sector exposures by the Investment Manager.

#### Active Management

The Fund is actively managed by the Investment Manager without reference to a benchmark.

### **3.2 Investment Restrictions**

The ICAV and the Fund adheres to the restrictions and requirements set out under the Regulations, as may be amended from time to time. These are set out in Schedule 1 to the Prospectus. In addition, the Fund may not invest more than 10% of its Net Asset Value in other CIS. The constitutional document of any non-UCITS CIS in which the Funds invests shall include a prohibition on investing more than 10% in other collective schemes and shall be subject to requirements in its jurisdiction of domicile which are equivalent to UCITS investor protections. The CIS are prohibited from investing more than 10% of net assets in other open-ended CIS.

In accordance with the Central Bank Rules, the Fund will apply for a derogation from some of the investment restrictions for six months following the date of approval of the Fund pursuant to the Regulations but will observe the principle of risk-spreading.

Furthermore, in accordance with the Investment Manager's Conflicts of Interest Policy, the Fund may not:

- (a) invest in a security of any class in any company or body if any director or officer of the Investment Manager individually, directly or indirectly owns more than 10 per cent of the total nominal amount of all the issued securities of that class or if the directors and officers of the Investment Manager, collectively, directly or indirectly own more than 10 per cent of those securities; and

- (b) acquire an interest in any unit trust of mutual fund corporation, if it is managed by the Investment Manager (or any of its affiliates), unless the full amount of any preliminary or initial charge or management fee or other fees or expenses borne by the Fund are waived in relation to the acquisition of such interest.

### 3.3 Stock Connect

The Fund may directly access certain China A-Shares listed and traded on the Shanghai Stock Exchange ("**SSE**") through the Hong Kong – Shanghai Stock Connect program or the Shenzhen Stock Exchange ("**SZSE**") through the Hong Kong – Shenzhen Stock Connect program ("**Stock Connect Securities**", with those programs hereafter referred to as "**Stock Connect**").

Stock Connect is a securities trading and clearing programme originally developed by The Stock Exchange of Hong Kong Limited ("**SEHK**"), the SSE, Hong Kong Securities Clearing Company Limited ("**HKSCC**") and China Securities Depository and Clearing Corporation Limited ("**ChinaClear**") for the establishment of mutual market access between SEHK and SSE. The program was subsequently extended to establish mutual market access between SEHK and SZSE. The Fund may trade and settle select securities listed on the SSE and SZSE through the SEHK and HKSCC trading link (such trading can be termed "**Northbound**"). No individual investment quotas or licensing requirements apply to investors in Stock Connect Securities. In addition, there are no lock-up periods or restrictions on the repatriation of principal and profits.

### 3.4 Use of Derivatives and Efficient Portfolio Management Techniques

The Fund may engage in transactions in FDI for the purposes of investment, efficient portfolio management and/or to protect against exchange risks within the conditions and limits laid down by the Central Bank from time to time. The Investment Manager will look to ensure that the techniques and instruments used are economically appropriate in that they will be realised in a cost-effective way.

#### *Options*

The Fund may purchase and sell put and call exchange traded options or may enter into options traded OTC. The Fund may use options on assets in lieu of purchasing and selling the underlying assets. The Fund may purchase and sell put and call options on equity securities and eligible equity indices for investment purposes.

Currency options may be used to hedge against currency fluctuations in the portfolio.

For example: (i) put options and index put options may be purchased to provide an efficient, liquid and effective mechanism for "locking in" gains and/or to protect against future declines in value on securities that it owns; and (ii) call options and index call options may be purchased to provide an efficient, liquid and effective mechanism for taking positions in securities.

The purpose behind the purchase of put options by the Fund is to hedge against a decrease in the market generally or to hedge against a decrease in the price of particular securities or other assets held by the Fund. The purpose behind the purchase of call options by the Fund is to provide exposure to increases in the market or to hedge against an increase in the price of securities or other assets that the Fund intends to purchase at a later date. The purpose behind the Fund selling (or writing) covered call options is typically to generate increased returns from the reference underlying asset.

#### *Forwards*

Forward currency contracts could be used to hedge against currency risk that has resulted from assets held by the Fund that are not in the Base Currency. The Fund, may, for example, use forward currency contracts by selling forward a foreign currency against the Base Currency to protect the Fund from foreign exchange rate risk that has arisen from holding assets in that currency.

#### *Futures*

A futures contract is an agreement between two parties to buy or sell a specified quantity of the financial instrument called for in the contract at a pre-determined price in the future. Futures can be cash settled as well as physically settled.

The use of equity futures will allow the Investment Manager to take positive and negative views on the direction of equity prices. For example: currency futures may be utilised to hedge against a possible increase in the price of a currency in which securities the Fund anticipates purchasing is denominated.

The purchase of futures contracts can serve as a long hedge and the sale of futures contracts can serve as a limited short hedge. For long exposures to equities, the Investment Manager will utilise futures where it considers that such instruments are the most appropriate or cost-effective means of accessing the relevant underlying equities. Futures contracts allow the Fund to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, the Fund can, by closing out its position, exit from its obligation to buy or sell the underlying assets prior to the contract's delivery date.

#### *Index Futures*

The Investment Manager may enter into index futures as a means of gaining long or short exposure to equity indices. It may also enter into equity index futures to hedge the equity exposure of the Fund.

#### *Swaps*

Swaps are entered into for various reasons. Currency swaps are agreements between two parties to exchange future payments in one currency for payments in another currency. Currency swaps can be used to transform the exposure to one currency against the exposure to another currency. This can be done for hedging purposes as well as gaining exposure to another currency. Equity swaps are typically entered into for gaining exposure to certain reference assets in order to avoid transaction costs (including tax), to avoid locally based dividend taxes. They can also be used for hedging purposes.

Total return swap agreements may be used to gain exposure to particular securities or securities markets in instances where it is not possible or economical to do so through the underlying security or through an exchange traded futures contract. The Fund may utilise total return swap contracts in respect of China A Shares whereby the Fund typically exchanges floating interest rate cash flows for fixed cash flows based on the total return of the China A Share or could exchange a fixed cash flow based on the total return of a China A Share for floating interest rate cash flows. These contracts allow a Fund to manage its exposures to certain securities or securities indices.

#### *Contract for difference*

A contract for difference ("CFD") is a contract the object of which is to secure a profit or avoid a loss by reference to fluctuations in the value or price of equities or in an index of such equities.

CFDs are synthetic instruments which mirror the profit (or loss) effect of holding (or selling) securities directly without buying the actual securities themselves. A CFD on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement to pay out cash on the difference between the starting share price and the share price when the contract is closed. Accordingly, under such an instrument the Fund will make a profit if it has a purchase position and the price of the underlying security rises (and make a loss if the price of the underlying security falls). Conversely if the Fund has a sale position, it will make a profit if the price of the underlying security falls (and make a loss if the price of the underlying security rises). As part of the normal market terms of trade the Fund must comply with market participants' terms and conditions and in particular initial margin has to be paid to cover potential losses (on set up) and variation margin on adverse price movements (during the term of the CFD).

The Fund may use CFDs and apply these to certain types of assets, for example, China A Shares, held by the Fund. The rationale for the use of CFDs is set out below. There is no restriction on the proportion of assets that may be subject to CFDs. In any case the most recent semi-annual and annual report of the relevant Fund will express as an absolute amount and as a percentage of the Fund's assets the amount of Fund assets subject to CFD.

CFDs may be used either as a substitute for direct investment in the underlying equity security or as an alternative to and for the same purposes as futures and options, particularly in cases where there is no futures contract available in relation to a specific security, or where an index option or index future represents an inefficient method of gaining exposure because of pricing

risk. Where the Investment Manager wishes to take short positions in equities, it may do so synthetically through the use of contracts for difference and options (including equity options).

#### *Warrants*

The Fund may use warrants to obtain exposure to, or acquire, the underlying equity or other securities of an issuer consistent with the Fund's investment policy.

For example: warrants may be used to obtain exposure to, or acquire, the underlying equity or other securities of an issuer.

Direct and indirect operational costs and/or fees (which do not include hidden revenue) arising from use of FDIs for EPM purposes may be deducted from the revenue delivered to the ICAV. Such costs and/or fees are payable to the relevant counterparty to the FDI in question and such counterparty may or may not be related to the Investment Manager or the Depositary. All revenues generated from such FDIs, net of direct and indirect operational costs, will be returned to the ICAV.

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of OTC FDI transactions. Please refer to the section of the Prospectus entitled "Collateral Policy" for further details.

Please refer to the section of the Prospectus entitled "Efficient Portfolio Management" for further details.

The use of FDI and efficient portfolio management techniques for the purposes outlined above will expose the Fund to the risks disclosed under the section of the Prospectus entitled "Risk Factors".

### **3.5 Borrowing and Risk Management**

#### **(a) Borrowing**

The ICAV may only borrow on a temporary basis for the account of the Fund and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of the Fund. In accordance with the provisions of the Regulations, the ICAV may charge the assets of the Fund as security for borrowings of the Fund.

#### **(b) Risk Management**

**The Fund may utilise FDI as referred to in the section headed "Use of Derivatives and Efficient Portfolio Management Techniques" above.**

As the Fund will engage in FDI to the extent that the commitment approach does not adequately capture the global exposure of the portfolio, the Investment Manager considers that the Value at Risk ("VaR") methodology is an appropriate methodology to calculate the Fund's global exposure and market risk, taking into account the investment objectives and policies of the Fund and the complexity of the FDI used.

VaR is the advanced risk measurement methodology used to assess the Fund's market risk. This leverage effect entails greater risk for investors.

Investors should be aware that VaR is a way of measuring the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions. The Fund could however be exposed to losses which are much greater than envisaged by VaR, more so under abnormal market conditions. It should be noted that VaR does not explicitly measure leverage; rather, VaR is a statistical risk measure and the actual loss of a particular transaction or to the Fund overall may materially exceed the loss indicated by the use of VaR. In addition there are limitations in using VaR as a statistical measure of risk because it does not directly limit the level of exposure in the Fund and only describes the risk of loss in prevailing market conditions and would not capture future significant changes in volatility.

The Fund will use the absolute VaR model whereby VaR shall not exceed 20% of the Net Asset Value of the Fund. The absolute VaR model is considered appropriate as the Fund does not define the investment target in relation to a benchmark.



When calculating the VaR daily the Investment Manager will take into account the following quantitative standards:

- (i) The one-tailed confidence level will be 99%;
- (ii) The holding period should be 20 days; and
- (iii) The historical observation period will not be less than 1 year, however a shorter observation period may be used if justified, (for example, as a result of significant recent changes in price volatility)

The Fund will be leveraged as a result of its use of FDI and may therefore generate a notional exposure above 100% of the Net Asset Value of the Fund; leverage is calculated using a sum of the gross notionals approach.

The level of leverage (meaning increases to the Fund's exposure achieved by any method, and calculated based on the sum of the gross notionals of the derivatives used, in accordance with the requirements of the Central Bank) is expected to be within the range of 160 % to 200 % but there may be periods when the leverage will be materially below these levels. It is also possible that leverage could increase and be materially higher than these levels, for example during abnormal market conditions (such as during market crises events) or at times when there is fluctuating market volatility (which can occur more frequently in markets of emerging market countries which are still in the early stages of their development, have less volume and are less liquid than more established markets). Such events are not expected to occur at a regular frequency but could present for short periods depending on market circumstances. The percentage figures stated above do not take into account any netting and hedging arrangements that the Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes and this is therefore not a risk-adjusted method of measuring exposure - which means this figure is higher than it otherwise would be if such netting and hedging arrangements were taken into account. As these netting and hedging arrangements, if taken into account, may reduce the risk exposure, this calculation may not provide an accurate measure of the Fund's actual risk of loss position and not give a proper picture of what is economically at stake.

### 3.6 Cross Investing

The Fund may not engage in cross investing with other funds of the ICAV.

### 3.7 Risk Factors

Investors should read and consider Schedule 3 to the Prospectus (entitled "Risk Factors") before investing in the Fund and in particular the section entitled "Risks related to the investments in Asia Pacific and Emerging Markets".

### 3.8 Key Information for Buying and Selling Shares

Class A Shares are available in USD and EUR. Class B Shares and Class C Shares are available in the following currencies: USD, EUR and GBP.

| Class       | Hedged/<br>Unhedged | Initial Offer<br>Period* | Initial Issue<br>Price                  | Minimum<br>Shareholding**                  | Minimum<br>Initial<br>Investment<br>Amount** | Minimum<br>Additional<br>Investment<br>Amount** | Minimum<br>Repurchase<br>Amount**          |
|-------------|---------------------|--------------------------|---|--|--|---|--|
| A (USD)#    | Unhedged            | Closed                   | US\$100                                 | US\$10,000                                 | US\$10,000                                   | US\$10,000                                      | US\$10,000                                 |
| A (EUR)***# | Hedged              | Closed                   | Equivalent<br>in currency<br>of US\$100 | Equivalent in<br>currency of<br>US\$10,000 | Equivalent in<br>currency of<br>US\$10,000   | Equivalent in<br>currency of<br>US\$10,000      | Equivalent in<br>currency of<br>US\$10,000 |
| B (USD)     | Unhedged            | Closed                   | US\$100                                 | US\$10,000                                 | US\$10,000                                   | US\$10,000                                      | US\$10,000                                 |
| B (EUR)***  | Hedged              | Closed                   | Equivalent<br>in currency<br>of US\$100 | Equivalent in<br>currency of<br>US\$10,000 | Equivalent in<br>currency of<br>US\$10,000   | Equivalent in<br>currency of<br>US\$10,000      | Equivalent in<br>currency of<br>US\$10,000 |

|            |          |  |                                   |  |  |                                      |                                      |
|------------|----------|--|-----------------------------------|--|--|--------------------------------------|--------------------------------------|
|            |          |  |                                   |  |  | US\$10,000                           | US\$10,000                           |
| B (GBP)*** | Hedged   | Closed   | Equivalent in currency of US\$100 | Equivalent in currency of US\$10,000     | Equivalent in currency of US\$10,000     | Equivalent in currency of US\$10,000 | Equivalent in currency of US\$10,000 |
| B (JPY)*** | Hedged   | 9.00am (Irish time) on 18 September 2020 to 5.00pm (Irish time) 16 March 2021* | Equivalent in currency of US\$100 | Equivalent in currency of US\$10,000     | Equivalent in currency of US\$10,000     | Equivalent in currency of US\$10,000 | Equivalent in currency of US\$10,000 |
| C (USD)    | Unhedged | Closed.  | US\$100                           | US\$15,000,000                           | US\$15,000,000                           | US\$10,000                           | US\$10,000                           |
| C (EUR)*** | Hedged   | Closed   | Equivalent in currency of US\$100 | Equivalent in currency of US\$15,000,000 | Equivalent in currency of US\$15,000,000 | Equivalent in currency of US\$10,000 | Equivalent in currency of US\$10,000 |
| C (GBP)*** | Hedged   | Closed   | Equivalent in currency of US\$100 | Equivalent in currency of US\$15,000,000 | Equivalent in currency of US\$15,000,000 | Equivalent in currency of US\$10,000 | Equivalent in currency of US\$10,000 |
| C (JPY)*** | Hedged   | 9.00am (Irish time) on 18 September 2020 to 5.00pm (Irish time) 16 March 2021* | Equivalent in currency of US\$100 | Equivalent in currency of US\$15,000,000 | Equivalent in currency of US\$15,000,000 | Equivalent in currency of US\$10,000 | Equivalent in currency of US\$10,000 |

\* The Initial Offer Period may be shortened or extended by the Directors. The Central Bank will be notified in advance of any such shortening or extension if subscriptions for Shares have been received and otherwise shall be notified subsequently, on an annual basis.

\*\* Subject to the discretion of the Directors (or their delegate) in each case to allow lesser amounts.

\*\*\* The ICAV shall enter into certain currency related transactions (through the use of FDI as disclosed above in section 3.4 entitled "Use of Derivatives and Efficient Portfolio Management Techniques") in order to hedge the currency exposure of the Classes denominated in a currency other than the Base Currency, as described under the heading "Currency Hedged Classes" in the Prospectus.

# Class A (USD) and Class A (EUR) Shares are only available for subscription by existing investors in these Share Classes making follow-on investments. These Share Classes are no longer available for subscription by new investors.

Applications for subscriptions and repurchase requests received after the Dealing Deadline for the relevant Dealing Day (for Subscriptions or Repurchases as appropriate) shall be deemed to have been received by the next Dealing Deadline, save in exceptional circumstances where the Directors may in their absolute discretion (reasons to be documented) determine, and provided the applications are received before the Valuation Point for the relevant Dealing Day (specifically before the close of business in the relevant market on the Business Day prior to each Dealing Day). The same procedure applies to requests for the exchange of shares.

Settlement Date (for subscriptions): Subscription monies should be paid to the Subscriptions/Redemptions Account so as to be received in cleared funds by no later than three Business Days after the relevant Dealing Day. If payment in full and/or a properly completed Application Form have not been received by the relevant times stipulated above, the application may be refused.

Settlement Date (for repurchases): Payment of Repurchase Proceeds will normally be made by electronic transfer to the account of the redeeming Shareholder at the risk and expense of the Shareholder within three Business Days of the relevant Dealing Day and, in all cases, will be paid within ten (10) Business Days of the Dealing Deadline for the relevant Dealing Day, provided that all the required documentation has been furnished to and received by the Administrator.

### 3.9 Dividend Policy

The Fund is an accumulating Fund and, therefore, it is not currently intended to distribute dividends to the Shareholders. The income and earnings and gains of each Class in the Fund will be accumulated and reinvested on behalf of Shareholders.

If the Directors propose to change the dividend policy and declare a dividend at any time in the future, full details of the revised dividend policy (including details of method of payment of such dividends) will be disclosed in an updated Supplement and will be notified to Shareholders in advance.

### 3.10 Fees and Expenses

This section should be read in conjunction with the section entitled "Fees and Expenses" in the Prospectus. The following fees and expenses (denoted as maximum percentages of Net Asset Value) will be incurred by the ICAV on behalf of the Fund and will affect the Net Asset Value of the relevant Share Class of the Fund.

| Class                     | A      | B      | C      |
|---------------------------|--------|--------|--------|
| Investment Management Fee | 1.50%  | 2%     | 1.50%  |
| Manager Fee               | 0.05%  | 0.05%  | 0.05%  |
| Distribution Fee          | 0%     | 0%     | 0%     |
| Depository Fee            | 0.045% | 0.045% | 0.045% |
| Administrator Fee         | 0.09%  | 0.09%  | 0.09%  |
| Performance Fee           | 20%    | 20%    | 20%    |
| Preliminary Charge        | 0%     | 0%     | 0%     |
| Repurchase Charge         | 1%     | 1%     | 1%     |
| Exchange Charge           | 0%     | 0%     | 0%     |

The Investment Manager shall be entitled to a maximum annual Investment Management Fee equal to a percentage of the Net Asset Value of the relevant Class (see the performance fee as outlined in the table above). Such fee shall be calculated and accrued at each Valuation Point and payable monthly in arrears.

#### Performance Fee

The Investment Manager will also be entitled to receive a performance-based fee out of the assets of the Fund (the "**Performance Fee**"), being a percentage of the appreciation of the Net Asset Value of the Shares of the relevant Class (see the performance fee contained in the table above), subject to a high water mark as outlined below, and calculated and accrued at the last Valuation Point of each calendar year (the "**Performance Period**") and paid annually in arrears at the end of each calendar year or, if earlier, (i) as of each Dealing Day with respect to the Shares redeemed by redeeming Shareholders, (ii) in the Managers' sole discretion, as of the effective date of a transfer of Shares with respect to the Shares transferred, or (iii) as of the date of the termination of the appointment of the Investment Manager, in each case with respect to the period ending on such date.

The first Performance Period in respect of each Class of Shares will be the period commencing on the Business Day which immediately follows the closing of the Initial Offer Period in respect of the relevant Class of Shares and ending on the last Dealing Day of that calendar year and the Initial Issue Price will be taken as the starting price for the calculation of the Performance Fee (i.e. the Performance Fee will only be paid on the subsequent outperformance by the Net Asset Value per Share of the Initial Issue Price). For further details, see the section entitled "High Water Mark" below.

For the avoidance of doubt, the Net Asset Value per Share used to calculate the Performance Fee for each Performance Period will be based on all fees and expenses (except the

Performance Fee) that have been accrued or paid (but not previously accrued) for a given Performance Period and will be deducted prior to calculating the Performance Fees for such Performance Period, including, without limitation, the Investment Management Fee. The Investment Manager may from time to time at its sole discretion and out of its own resources decide to rebate to Shareholders part or all of its Investment Management Fee and/or Performance Fee. Any such rebates may be applied in paying up additional Shares to be issued to the Shareholder, or may (at the discretion of the Investment Manager) be paid in cash.

The Performance Fee is based on net realised and net unrealised gains and losses as at the end of each Performance Period and, as a result, the Performance Fee may be paid on unrealised gains which may subsequently never be realised.

### **High Water Mark**

The Performance Fee will be calculated on a cumulative basis by utilising a high water mark and will not be payable until the Net Asset Value per Share exceeds the previous highest Net Asset Value per Share on which the Performance Fee was paid/ accrued (or the Initial Issue Price, if higher). The high water mark per Share will be the Net Asset Value per Share of the relevant Share Class on the last Dealing Day of any Performance Period in respect of which a Performance Fee was charged. The Performance Fee is only payable on the increase over the high water mark.

The Performance Fee shall be calculated by the Administrator on the last Dealing Day in a calendar year and verified by the Depository following each calendar year-end.

For a description of the manner in which the Performance Fee is borne by each Share and the time of payment, see the section entitled "Equalisation Policy".

### **Equalisation Policy**

Shares are acquired at a price based on the Net Asset Value per Share. When Shares are subscribed, certain adjustments will be made to reduce inequities that could otherwise result to the Shareholder or to the Fund. This is done so that: (i) the Performance Fee paid to the Investment Manager is charged only to those Shares which have appreciated in value since their acquisition, (ii) all Shareholders of a Class will have the same amount per Share at risk, and (iii) all Shares in the same Class have the same Net Asset Value per Share.

- (i) If Shares are subscribed for at a time when the Net Asset Value per Share is less than the high water mark per Share of the relevant Class, the investor will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Shares. With respect to any appreciation in the value of those Shares from the Net Asset Value per Share at the date of subscription up to the high water mark per Share, the Performance Fee will be charged at the end of each Performance Period by redeeming such number of the investor's Shares of the relevant Class as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to a percentage of any such appreciation of the relevant class of Shares as outlined by the performance fee contained in the table above (a "Performance Fee Redemption"). The aggregate Net Asset Value of the Shares so redeemed will be paid to the Investment Manager as a Performance Fee. Performance Fee Redemptions are employed to ensure that the Fund maintains a uniform Net Asset Value per Share of each relevant Class. As regards the investor's remaining Shares of the relevant Class, any appreciation in the Net Asset Value per Share of those Shares above the high water mark per Share of that Class will be charged a Performance Fee in the normal manner described above.
- (ii) If Shares are subscribed for at a time when the Net Asset Value per Share is greater than the high water mark per Share of the relevant Class, the investor will be required to pay an amount in excess of the then current Net Asset Value per Share of that Class equal to a percentage of the difference between the then current Net Asset Value per Share of that Class (before accrual for the Performance Fee) and the high water mark per Share of the relevant Class of Shares as outlined by the performance fee contained in the table above (an "Equalisation Credit"). At the date of subscription, the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Shares of the same Class in the Fund (the "Maximum Equalisation Credit"). The Equalisation Credit is payable to account for the fact that the Net Asset Value per

Share of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders of the same Class and serves as a credit against Performance Fees that might otherwise be payable by the Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Shares of the same Class have the same amount of capital at risk per Share. The additional amount invested as the Equalisation Credit will be at risk in the Fund and will therefore appreciate or depreciate based on the performance of the relevant Class of Shares subsequent to the issue of the relevant Shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Valuation Point in the Net Asset Value per Share of those Shares, the Equalisation Credit will also be reduced by an amount equal to a percentage of the difference between the Net Asset Value per Share of the relevant Class of Shares as outlined by the performance fee contained in the table above (before accrual for the Performance Fee) at the date of issue and as at that Valuation Point. Any subsequent appreciation in the Net Asset Value per Share of the relevant Class will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit. At the end of each Performance Period, if the Net Asset Value per Share (before accrual for the Performance Fee) exceeds the high water mark per Share of the relevant Class, that portion of the Equalisation Credit equal to a percentage of the relevant Class of Shares, as outlined by the performance fee contained in the table above, of the excess, multiplied by the number of Shares of that Class subscribed for by the Shareholder, will be applied to subscribe for additional Shares of that Class for the Shareholder. Additional Shares of that Class will continue to be so subscribed for at the end of each Performance Period until the Equalisation Credit, as it may have appreciated or depreciated in the Fund after the original subscription for Shares of that Class was made, has been fully applied. If the Shareholder redeems his Shares of that Class before the Equalisation Credit has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares of that Class being redeemed and the denominator of which is the number of Shares of that Class held by the Shareholder immediately prior to such redemption in respect of which an Equalisation Credit was paid on subscription.

### **3.11 Other Fees and Expenses**

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

#### **(a) Anti-Dilution Levy**

The Manager reserves the right to impose an Anti-Dilution Levy in the case of net subscriptions and/or net repurchases on a transaction basis as a percentage adjustment (to be communicated to the Administrator) on the value of the relevant subscription/repurchase calculated for the purposes of determining a subscription price or repurchase price to cover dealing costs and to preserve value of the underlying assets of the Fund where they consider such a provision to be in the best interests of a Fund. Such amount will be added to the price at which Shares will be issued in the case of net subscription requests and deducted from the price at which Shares will be repurchased in the case of net repurchase requests. Any such sum will be paid into the account of the Fund.

#### **(b) Establishment Expenses**

All fees and expenses relating to the establishment and organisation of the Fund as detailed in the section of the Prospectus entitled "Establishment Expenses" shall be borne by the ICAV and amortised in accordance with the provisions of the Prospectus.

#### **(c) Fees and Expenses out of Capital**

Fees and expenses may be paid out of the capital in order to preserve cash flow to Shareholders. There is therefore a greater risk that capital may be eroded foregoing the potential for future capital growth of your investment. This cycle may continue until all capital is depleted.

### 3.12 Sustainable Finance Disclosures

#### Integration of Sustainability Risks and ESG Factors

The Investment Manager evaluates and integrates Sustainability Risks and other relevant ESG factors when making investment decisions. The Investment Manager utilises internal and external resources to assist in analysing ESG factors, which are systematically integrated into the investment process when the Investment Manager believes they could have a material impact on a company's valuation or financial performance. As part of the investment process the Investment Manager assesses a company's corporate governance practices, according to local laws, regulations and established guidelines. In addition, the Investment Manager may refer to the OECD Principles of Corporate Governance, which represent widely accepted standards for corporate governance in many countries. The Investment Manager's key proprietary research incorporates an analysis of governance and environmental impact on the valuation of a company. While ESG factors are incorporated into the investment decision making process they also form part of the Investment Manager's engagement with investee companies.

For further information on how the Investment Manager integrates ESG factors into the investment process please refer to: [www.brilliancecap.com](http://www.brilliancecap.com).

#### Assessment of the Likely Impacts of Sustainability Risks on Returns

The Investment Manager has carried out an assessment of the likely impacts of the integration of Sustainability Risks into the investment decision making process on the returns of the Fund and does not expect that it will materially impact the expected risk or return characteristics of the Fund.

#### Taxonomy Regulation

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

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

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