

UK COUNTRY SUPPLEMENT

RARE INVESTMENT FUNDS PLC (THE "FUND")

This Country Supplement, dated 1st December, 2014, forms part of, and should be read in the context of, and in conjunction with, the prospectus for the Fund dated 1st December, 2014, as same may be amended and supplemented (hereinafter referred to as the "Prospectus").

The Directors of the Fund whose names appear in the Prospectus under the heading "Management and Administration" accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

All capitalised terms herein contained shall have the same meaning in this document as in the Prospectus, unless otherwise indicated.

The Directors wish to inform Shareholders and prospective investors in the Fund or any of its Sub-Funds of the following:

ADDITIONAL INFORMATION FOR INVESTORS IN THE UK

The Fund is an open-ended umbrella type investment company, with segregated liability between each of its Sub-Funds, incorporated and authorised in Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) (the "Regulations").

The Fund, and its Sub-Funds, as detailed below, have been recognised by the FCA pursuant to section 264 of the FSMA.

The FCA has not approved and takes no responsibility for the contents of the Prospectus or for the financial soundness of the Fund or any of its Sub-Funds or for the correctness of any statements made or expressed in the Prospectus.

The Sub-Funds of the Fund are as follows:

- RARE Infrastructure Value Fund
- RARE Emerging Markets Fund

Financial Promotion

For the purposes of UK legislation, the Prospectus and the investment activity to which it relates may only be made to or directed at:

- (a) persons outside the European Economic Area;
- (b) persons who are investment professionals having professional experience in matters relating to investments and who fall within Article 19(5) of the Financial Services and Markets Act, 2000 (Financial Promotion) Order 2005 (the "FPO");
- (c) persons who are high net worth companies or high net worth unincorporated associations or partnerships or trustees of high net worth trusts falling within Article 49(2)(a) to (d) of the FPO; or
- (d) any other persons to whom the Prospectus may otherwise lawfully be

communicated,

such persons together being "Relevant Persons".

The Fund and / or its delegate(s), has in place proper systems and procedures to prevent the receipt of the Prospectus or any related documentation by persons other than Relevant Persons.

Persons who are not Relevant Persons should not act or rely upon the information contained in the Prospectus. The investments to which the Prospectus relates are only available to Relevant Persons and will only be engaged in with Relevant Persons.

Facilities Agent

In connection with the Fund's recognition under section 264 of the FSMA, the Fund, by way of a Facilities Agency Agreement dated 15 January, 2008, has appointed Global Funds Registration Limited (the "Facilities Agent") to maintain the facilities required of a recognised scheme pursuant to the rules contained in the Collective Investment Schemes Sourcebook ("COLL") published by the FCA as part of the FCA's Handbook of Rules and Guidance governing recognised schemes.

The facilities will be located at the offices of the Facilities Agent at 1st Floor, 10 New Street, London EC2M 4TP, United Kingdom.

At these facilities, any person may:

1. inspect (free of charge) a copy (in English) of:
 - (a) the Fund's Articles of Association, the Regulations, the Material Contracts, and any subsequent amendments thereto;
 - (b) the most recent Prospectus issued by the Fund;
 - (c) the most recent Key Investor Information Document(s) issued by the Fund;
 - (d) the latest annual and half-yearly reports of the Fund; and
 - (e) any other documents required from time to time by COLL to be made available.
2. obtain a copy (in English) of any of the above documents (free of charge in the case of documents (b) and (c));
3. obtain information (in English) about the prices of Shares;
4. redeem or arrange for the redemption of its Shares and obtain payment in relation to such redemption;
5. make a complaint about the operation of the Fund, which complaint the Facilities Agent will transmit to the Fund; and
6. obtain, free of charge, details or copies of any notices which have been given or sent to Shareholders.

Fees and Expenses

The fees and operating expenses of the Fund are set out in detail under the heading "Fees and Expenses" in the Prospectus.

The Fund will pay, out of the assets of the relevant Sub-Funds, the fees and out of pocket

expenses of the Facilities Agent, which shall be calculated at normal commercial rates. The Facilities Agent will also be entitled to receive, from the Fund, out of the assets of the relevant Sub-Funds, transaction charges at normal commercial rates.

Taxation

The section below on UK taxation is a brief summary of the tax advice received by the Directors relating to current law and practice in the UK, which may be subject to change and interpretation.

The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the possible tax implications of their subscribing for, purchasing, holding, switching or disposing of Shares. No warranty is given or implied regarding the applicability or interpretation of the tax laws of any other jurisdiction.

The following information, which relates only to UK taxation, is applicable to the Fund and those Sub-Funds registered for sale in the United Kingdom and to persons who are resident in the UK and who hold Shares as investments.

Investors should note that tax law and interpretation can change and that, in particular, the levels and basis of, and reliefs from, taxation may change and it may alter the benefits of investment in the Fund.

The Fund

It is the intention of the Directors to conduct the affairs of the Fund so that the central management and control of the Fund is not exercised in the UK and so that the Fund does not carry out any trade in the UK (whether or not through a permanent establishment situated there). The Fund is not intending to invest in any UK property, nor will it maintain a UK bank account. On this basis, the Fund should generally not be liable for UK taxation on its income and gains.

UK Shareholders

- (a) Shareholders who are resident in the UK or who carry on a trade in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on the gross amount of dividends or other distributions paid by the Fund whether received by the Shareholder or reinvested on the Shareholder's behalf.

Dividends paid to individuals by the Fund are deemed for UK income tax purposes to be dividends paid with dividend tax credits, except where, broadly speaking, over 60% of the Fund's investments are invested at any time in an accounting period in interest-paying and economically-similar investments. It is not anticipated that this will be the case.

Where dividends paid by the Fund are treated for UK income tax purposes as dividends paid with dividend tax credits attached, subject to their personal circumstances, individuals liable to UK income tax at the basic rate will have no further liability to tax on that income. Individuals liable to UK income tax at the higher rate will have to pay income tax (equivalent to 25% of their net receipt) and those liable at the additional rate will also have further income tax (equivalent to 30.55% of their net receipt). Individuals who are exempt from UK tax will not be liable to tax on the dividends, but cannot reclaim their dividend tax credits.

- (b) The Directors are advised that the Fund is an "Offshore Fund" for the purposes of Part 8 of Taxation (International and Other Provisions) Act 2010 ("**TIOPA**") and the Offshore Funds (Tax) Regulations 2009 ("**SI 2009/3001**") which would have the effect, in certain circumstances, of subjecting persons resident in the UK to income tax or, in the case of a corporate Shareholder, corporation tax, on gains arising on disposals of interests in offshore funds, unless the Fund applies to HM Revenue & Customs ("**HMRC**") for some or all of its share classes to be "**Reporting Funds**" and to have enjoyed that status throughout the period during which Shares have been held. It is not the intention of the Directors to apply for and become a Reporting Fund or to conduct the Fund's affairs in such a manner so as to enable them to do so. Accordingly, Shareholders who are resident or ordinarily resident in the UK for taxation purposes may be liable to UK income tax or corporation tax on income in respect of gains arising from the sale, redemption or other disposal of their Shares. Such gains may remain taxable notwithstanding any general or specific UK capital gains tax exemption or allowance available to an investor.
- (c) The Directors may reconsider and apply to HMRC for one or more classes of shares in any Sub-Fund or Sub-Funds to be treated as a separate Reporting Fund ("a "Reporting Class"). Should such an application be made and accepted by HMRC in the future, the Sub-Fund will be required to provide reports to HMRC showing the Reporting Class's total reportable income and provide reports to UK investors showing their proportionate share of that fund's income. UK investors will be taxed on the reported income of the Reporting Class, irrespective of how much income is physically distributed with amounts not received being treated as reinvestments. In addition the Reporting Class will be required to provide such additional information requested by HMRC. A Share class may apply for Reporting Fund status in advance or in arrears. A Share class, once granted Reporting Fund status may rely on that status going forward subject to continued compliance with the Reporting Fund regulations. UK investors will be required to make a return of their income to include both their actual distribution received as well as their reported income (being their proportionate share of the Reporting Class's income in excess of sums actually distributed). They will be liable to income tax or corporation tax (as appropriate) on the total of those sums. The UK investor will be subject to capital gains tax on any gain arising on a subsequent disposal. If a Share Class in a Sub-Fund that has been a non-Reporting Fund subsequently obtains Reporting Fund status, the "Offshore Fund" rules will continue to apply to a Shareholder who acquired his Shares at a time when the Share Class was not a Reporting Fund, unless the Shareholder elects and pays income or corporation tax as appropriate on any gain deemed to have been realised at the transition point. Non-Reporting Funds are under no obligation to provide information to HMRC.
- (d) The attention of UK resident investors is drawn to the provisions of Regulation 37 of SI 2009/3001 and Section 102 of the Taxation of Chargeable Gains Act, 1992. This provides that switches of Shares in one Sub-Fund for Shares in another Sub-Fund will generally be regarded as a taxable disposal and subsequent acquisition of Shares. However, where investors switch between shares of different classes in the same Sub-Fund, this will generally not be treated as a disposal and subsequent acquisition of Shares unless the original class of Shares was, at some point during the period of ownership, were non-Reporting Fund Shares and the new share class are Reporting Fund Shares. Where a switch between Sub-Funds or classes of shares within a Sub-Fund are treated as a disposal and subsequent acquisition of Shares, a Shareholder may be liable, at the time of the switch, to tax on any increase in value between the initial acquisition of the Shares and the deemed disposal.
- (e) The attention of UK resident Shareholders is drawn to the provisions of Section 13 of

the Taxation of Chargeable Gains Act, 1992 under which, in certain circumstances, a portion of capital gains made by the Fund can be attributed to an investor who holds, alone or together with associated persons, more than a 25 per cent. interest in the gains of the Fund.

- (f) A UK resident corporate Shareholder who, together with connected or associated persons, is entitled to at least 25 per cent. of the Shares should note the provisions of the controlled foreign companies legislation contained in Sections 747-756 of the Taxes Act.
- (g) The attention of individuals resident in the UK is drawn to the provisions of Chapter 2, Part 13 of the Income Tax Act, 2007 which may render such individuals liable to tax in respect of undistributed profits of the Fund in certain circumstances.
- (h) The attention of UK resident and domiciled investors is drawn to Chapter 1, Part 13 of the Income Tax Act, 2007 under which HM Revenue and Customs may seek to cancel tax advantages from certain transactions in securities.
- (i) The attention of UK resident corporate Shareholders is drawn to Chapter 3, Part 6 of the Corporation Tax Act 2009 (Relationships Treated as Loan Relationships etc.) which may result in the Shares falling within the "Loan Relationship Regime" if the relevant Sub Fund's assets mainly consist of debt or similar instruments. If this were to occur, the Shareholder may, depending on its circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of shares).

Non-UK Shareholders

Shareholders who are not resident or ordinarily resident in the UK (or temporarily non-resident) and do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Shares are connected will not normally be liable to UK taxation on capital gains arising on the sale or other disposal of Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

The following comments are intended as a guide to the general UK Stamp Duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply.

No UK Stamp Duty or SDRT will be payable on the new issue of Shares.

Stamp Duty (at the rate of 0.5 per cent., rounded up where necessary to the next £5 of the amount of the value of the consideration for the transfer where the consideration is more than £1,000) is payable on any instrument of transfer of Shares executed within, or in certain cases brought into, the UK. Provided that Shares are not registered in any register of the Company kept in the UK any agreement to transfer Shares should not be subject to SDRT.

Dated: 1st December, 2014