BARING EUROPEAN OPPORTUNITIES FUND

SUPPLEMENT 14 DATED 21 OCTOBER 2013 TO THE PROSPECTUS DATED 17 JUNE 2010 FOR BARING INVESTMENT FUNDS PLC

This Supplement contains specific information in relation to the Baring European Opportunities Fund (the "Fund") a sub-fund of Baring Investment Funds plc (the "Company"), an open-ended umbrella type investment company with segregated liability between sub-funds, established as a UCITS pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No.352 of 2011). The Company currently has thirteen other sub-funds, Baring Asian Debt Fund, Baring BRIC Fund, Baring China Bond Fund, Baring China Select Fund, Baring Dynamic Emerging Markets Fund, Baring Emerging Markets Corporate Debt Fund, Baring Emerging Markets Debt Fund, Baring Emerging Markets Debt Local Currency Fund, Baring Euro Dynamic Asset Allocation Fund, Baring Frontier Markets Fund, Baring Global Mining Fund, Baring India Fund and Baring MENA Fund.

This Supplement forms part of the Prospectus dated 17 June 2010 for the Company and should be read in conjunction with the Prospectus which is available from the Administrator at Georges Court, 54-62 Townsend Street, Dublin 2.

Capitalised terms used herein but not defined shall have the meaning ascribed to such terms under the Prospectus.

The Directors of the Company, whose names appear in the Prospectus under the heading "Directors of the Company", accept responsibility for the information contained in this Supplement as being accurate at the date of publication. 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.

Application has been made to the Irish Stock Exchange for each Class of Shares of the Fund issued and to be issued to be admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange. It is expected that such listing should become effective immediately following the close of the Offer Period. The Directors do not anticipate that an active secondary market will develop in the Shares of the Fund. This Supplement together with the Prospectus comprise listing particulars for the purpose of listing the Shares on the Irish Stock Exchange and trading on the Main Securities Market.

The Fund may invest in derivatives for investment purposes. Investment in the Fund should not constitute a substantial proportion of an investment portfolio as investment in one fund is not a complete investment programme. As part of your long-term investment planning you should consider diversifying your portfolio by investing in a range of investments and asset classes. If you require advice about the contents of this Supplement or Prospectus, you should consult your financial or other professional adviser. Any investment in the Fund is subject to fluctuations in value and an investment in the Fund may not be appropriate for all investors. Investors should note that 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.

1. Shares

Shares in the Fund are available in the following Classes and have the following features:-

Share Class	Management Fee	Initial Investment Minimum/ Minimum Holding*	Minimum Subsequent Investment*
Class A EUR Acc	1.50%	€3,500	€500
Class A EUR Inc	1.50%	€3,500	€500
Class A USD Acc	1.50%	US$5,000	US$500
Class D GBP Inc	1.00%	£1,000,000	£500
Class I EUR Acc	0.75%	€10,000,000	€500
Class I EUR Inc	0.75%	€10,000,000	€500
Class I GBP Inc	0.75%	£10,000,000	£500
Class I GBP hedged Inc	0.75%	£10,000,000	£500
Class I USD Acc	0.75%	US$10,000,000	US$500
Class R GBP Inc	0.75%	£1,000,000	£500

Class X EUR Acc	None**	At the discretion of the Directors	n/a
Class X GBP Acc	None**	At the discretion of the Directors	n/a
Class X JPY Acc	None**	At the discretion of the Directors	n/a
Class X USD Acc	None**	At the discretion of the Directors	n/a

***or such lower amount as the Directors may determine at their discretion. Any increase in the Minimum Investment/Minimum Holding will be notified to Shareholders in advance.**
***The fee is subject to a separate agreement with the Investment Manager and is not paid from the Net Asset Value of the X Share Class.*

2. Base Currency

EUR.

3. Dealing Day and Valuation Point

Each Business Day shall be a Dealing Day or such other day or days as the Directors may from time to time determine and notify in advance to investors provided that there shall be at least one Dealing Day per fortnight.

The Valuation Point is 12.00 noon (Irish time) on each Dealing Day or such other time (as will be notified in advance to investors) as the Directors may determine provided that the Valuation Point shall always be after the dealing deadline. Applications for Shares must be received by the Valuation Point on each Dealing Day.

4. Investment Objective and Policies

The Fund will seek to achieve long-term capital growth primarily through investment in the securities of smaller European companies.

The Fund will seek to achieve its investment objective by investing at least 70% of its total assets at any one time in equity and equity-related securities of smaller companies incorporated and/or exercising the predominant part of their economic activity, in Europe and/or listed or traded on eligible European stock exchanges or markets. For this purpose, total assets exclude cash and ancillary liquidities. Smaller European companies are those not included in European large cap benchmark indices such as the STOXX Europe 50 or FTSE Eurotop 100.

The Fund will seek to primarily identify investments through “bottom-up” investment analysis. Bottom-up investment relates to the analysis of characteristics of particular companies, such as their profitability, cash flow, earnings and pricing power and how these relate to the valuation of the investments. Qualitative and quantitative research is undertaken to identify those companies, industries and countries that the Investment Manager expects to produce above average investment performance.

In addition up to 30% of the total assets of the Fund may be invested in, or provide exposure to:

- the equities and equity related securities of smaller companies incorporated in and/or exercising the predominant part of their economic activity in countries outside of Europe.
- the equities and equity related securities of larger companies incorporated in and/or exercising the predominant part of their economic activity in countries worldwide.
- debt securities of issuers worldwide. The debt securities in which the Fund may invest may be fixed or floating rate, issued by governments, supranationals, agencies and companies. Debt securities may be rated investment grade or sub-investment grade by Standard & Poor’s (S&P) or another internationally recognized rating agency, or which are, in the opinion of the Managers, of similar credit status or may be unrated. There are no limits or restrictions on credit rating, maturity or duration of any debt or equity-related security (such as debt securities convertible into equities) which may be held by the Fund.

- cash and ancillary liquidities such as deposits, treasury bills, government bonds or short-term Money Market Instruments, including commercial paper and certificates of deposit, in normal market conditions.

With the exception of permitted investment in unlisted securities, the Fund will only invest in securities that are listed or traded on markets and exchanges drawn from the list contained in Appendix II of the prospectus.

To assist in achieving the investment objective of the Fund, it may invest in American Depositary Receipts, Global Depositary Receipts and other equity-related securities including but not limited to structured notes, participation notes, equity linked notes and debt securities convertible into equities. These instruments comprise transferable securities of the issuer, whilst their value is ultimately linked to an underlying equity or group of equities. Notes are typically used as a substitute for direct investment in an equity or group of equities and their value is linked to the underlying equity or group of equities. In practice the Fund will purchase such instruments from an issuer and the instrument will track the underlying equity or group of equities. The issuer of such instruments will generally be investment banks and companies and it should be noted that the Fund's counterparty exposure in relation to these instruments will be to the issuer of these instruments. However, it will also have an economic exposure to the underlying securities themselves. These instruments involve special types of risk, including credit risk, interest rate risk, counterparty risk and liquidity risk. Investment in such structured products as referenced above which are liquid, negotiable, capable of free sale and transfer to other investors and which are listed or traded on a regulated market are deemed to be transferable securities. These instruments are usually unleveraged, although certain types of notes may contain embedded leverage (see Section 5 below). Investment in those instruments that are not listed or traded on a regulated market but which otherwise meet the above requirements of a transferable security is restricted to 10% of net assets.

A proportion of the Fund's investment in listed equity and equity related securities of smaller European companies may be relatively illiquid due to smaller capitalisation. Such exposure should not affect the Managers' ability to meet requests for the realisation of Shares in the Fund. Subject to the Regulations the Fund may also invest, up to a maximum of 10% of its net assets, in the shares of companies which are not yet listed but are expected to obtain a stock market quotation within one year.

Investment may also be made in cash and ancillary liquidities such as deposits, treasury bills or short-term Money Market Instruments, including commercial paper and certificates of deposit, in normal market conditions.

The Fund may gain exposure either directly and/or indirectly such as through the use of derivatives, exchange traded funds ("ETFs"), exchange traded certificates ("ETCs") and collective investment schemes. ETFs which are not classified as collective investment schemes (as referred to below) are treated as transferable securities. ETCs are investment vehicles that track the performance of commodities, indices and other investments, including but not limited to inter alia gold, silver, platinum, diamonds, palladium, uranium, coal, oil, gas, copper and crop. ETCs are liquid securities issued by investment banks and brokers and are traded on a regulated exchange or market in the same way as an equity. ETCs enable investors to gain indirect exposure to commodities, indices and other investments without trading futures or taking physical delivery of assets.

As stated above, the Fund may invest either directly or indirectly in open-ended collective investment schemes in accordance with the requirements of the Central Bank up to a maximum of 10% of the Net Asset Value of the Fund. Investment in collective investment schemes will include ETFs which are classified as collective investment schemes in accordance with the Central Bank's requirements. Investment in collective investment schemes will primarily be for the purposes of obtaining an indirect exposure to European companies, and the use of money market funds for cash management purposes.

The Fund may use derivatives for efficient portfolio management and for investment purposes and details in relation to such derivatives and the context in which they may be used are set out in Section 5 below.

The Fund is expected to have a high volatility profile. However, the actual volatility may be lower depending on market conditions.

The minimum investment requirement of 70% as referenced above, will not apply under extraordinary market conditions and is subject to liquidity and/or market risk hedging considerations arising from the issue, switching or realisation of Shares. In particular, in seeking to achieve the Fund's investment objective investment may be made into transferable securities other than those in which the Fund is normally invested in order to mitigate the Fund's exposure to market risk. For example, during these periods, the Fund may invest more than 30% of its total assets in cash, deposits, treasury bills, government bonds or short-term Money Market Instruments.

The Fund will invest at least 75% of its assets in equities and warrants issued by companies where the head office is in the European Union (EU) or a European Economic Area (EEC) Country, except Lichtenstein, with the intention that the Fund is eligible to the PEA regime (Plan d'Epargne en Actions equity savings plan) in France.

5. Investment in Derivatives

The Fund may also invest in derivatives for investment purposes and for efficient portfolio management, which includes hedging, although the use of derivatives will be relatively limited and will not be an integral part of the investment strategy. When derivative usage is calculated as the sum of the notionals of all of the derivatives used, as prescribed by the UCITS Notices, the level of the Fund's usage of derivatives is expected to vary between 0% and 10% of its Net Asset Value. Derivative usage may vary over time and higher derivative usage levels are possible, in particular during periods of significant net subscriptions or net redemptions into the Fund where futures would be used for exposure management. In such circumstances, derivative usage, when calculated as the sum of the notionals of all of the derivatives used, is not expected to exceed 25% of the Fund's Net Asset Value at any time.

Derivatives may be used by the Fund as a substitute for taking a direct position if the Investment Manager is of the view that this represents better value than holding a direct position or where it may not be possible, or practical, to invest directly.

Forward currency contracts may be used to hedge against currency exposure arising within the Fund from investment activities in circumstances where securities are denominated in a different currency to the Base Currency of the Fund (i.e. USD).

The following are derivatives that may be used by the Fund:

- Futures on equity securities and equity indices and currencies;
- Options, including equities and equity index options, options on futures;
- Forward currency contracts;
- Non-deliverable forwards
- Total Return Swaps
- Covered Warrants

The Fund may:

- sell or buy futures on equity indices, equities and currencies to manage exposure or hedge exposure of the underlying investments.
- buy or sell options on equities and equity indices in order to reduce risk or to implement the investment objective and policies of the Fund.
- invest in derivatives such as forward currency contracts and non-deliverable forwards to hedge against foreign currency exposure. Non-deliverable forwards are bilateral financial futures contracts on an exchange rate between two currencies; one non convertible or not freely convertible foreign currency and a freely convertible currency as the base currency. At maturity, there will be no delivery of the non convertible currency; instead there is a cash settlement of the contract's financial result in the base currency of the contract.
- purchase total return swaps to manage the Fund's exposure or to gain exposure for example, to certain equity securities or equity indices. Such swap contracts will consist of an agreement between the parties to swap two cash flows on predetermined dates for an agreed amount of time. Typically, the cash flows will be comprised of firstly a payment based on the return on the relevant security or index and secondly a payment based on a fixed or floating interest rate such as LIBOR. The Fund may exchange floating interest rate cash flows for fixed cash flows based on the total return of a security or a equity index or fixed cash flow based on the total return of a security or a securities index for floating interest rate cash flows. The return is based on the movement of interest rates relative to the return on the relevant security or index. Details in respect of the counterparties to such swap contracts are set out below at Section 17. The counterparties to such swap contracts will not have any discretion over the portfolio of the Fund or over the underlying exposures and counterparty approval will not be required for any portfolio transaction of the Fund.

- Buy or sell covered warrants. Warrants are not envisaged as part of the Fund's investment strategy, but may be acquired incidentally through the purchase of equities.

The underlying exposure of the above derivative instruments will be individual equities, equity sectors, currencies, indices (including equity, fixed income, eligible commodity and hedge fund indices) in accordance with the requirements of the Central Bank, collective investment schemes and ETFs, and will be consistent with the Fund's objective.

Investors are also referred to the heading "Investment in Derivatives" in the Prospectus for a description of their commercial purpose.

The Fund will employ a risk management process which enables it to measure, monitor and manage the various risks associated with derivatives and other securities that embed a derivative element.

As certain equity-related securities (as described in Section 4 above) in which the Fund invests may contain an embedded derivative element, such as debt securities convertible into equities or structured notes, any leverage arising from investment in such instruments will be accurately monitored, measured and managed in accordance with the risk management process in place for the Fund.

ETFs and ETCs in respect of which the Fund may invest, may be classified as transferable securities and may generate synthetic exposure to an index using a swap, or may use derivatives such as futures and options either for efficient portfolio management or for investment purposes. Therefore as these ETFs and ETCs may be classified as transferable securities that contain an embedded derivative element, any leverage arising from investment in such instruments will be accurately monitored, measured and managed in accordance with the risk management process of the Fund. The Fund will not use ETFs and ETCs classified as transferable securities with significant leverage or structured notes or other such instruments embedding leverage until provision for such instruments has been included in the risk management process of the Company and cleared by the Central Bank.

Leverage and Value at Risk

When derivatives are used the Fund will be leveraged through the leverage inherent in the use of derivatives, although the use of derivatives will be relatively limited.

- When leverage is calculated as the sum of the notionals of all of the derivatives used, as prescribed by the UCITS Notices, the level of the Fund's leverage is expected to vary between 0% and 10% of its Net Asset Value.
- Leverage may vary over time and higher leverage levels are possible, in particular during periods of significant net subscriptions or net redemptions into the Fund where futures would be used for exposure management. In such circumstances, leverage, when calculated as the sum of the notionals of all of the derivatives used, is not expected to exceed 25% of the Fund's Net Asset Value at any time.

In order to measure market risk volatility the Fund will use a relative "Value at Risk" methodology ("VaR") which is an advanced risk measurement methodology. The VaR approach is a measure of the maximum potential loss due to market risk rather than leverage. More particularly, the VaR approach measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions. The VaR of the Fund will not be greater than twice the VaR of the Fund's reference portfolio. The reference portfolio for the purpose of the Fund's relative VaR calculation is the MSCI Europe Small Cap Index, a diversified index which tracks small European companies of developed market countries in Europe. The VaR for the Fund will be calculated daily using a one-tailed 99% confidence level, a 10 day holding period and a three year historical period. The Fund shall, at all times, comply with the limits on levels of market risk measured through the use of the Value at Risk methodology as set out above.

6. Investment Restrictions

The investment restrictions and limitations applicable to the Fund are in accordance with the Regulations and are set out in Appendix I of the Prospectus.

7. Risk Factors

Investors should refer to the risk factors under the heading "**Risk Factors"** of the Prospectus, note that all of the risk factors described therein will apply to the Fund.

In addition to the risk factors described in the Prospectus, prospective investors should consider the following risks:

Investment in Smaller Companies
Smaller companies tend to be subject to greater risks than larger companies. These include economic risks, such as lack of product depth, limited geographical diversification and increased sensitivity to the business cycle. They also include organisational risk, such as concentration of management and shareholders and key-person dependence. Where smaller companies are listed on 'junior' sections of the stock exchange, they may be subject to a lighter regulatory environment. Furthermore, the shares in smaller companies can be more difficult to buy and sell, resulting in less flexibility, and sometimes higher costs, in implementing investment decisions.

Investment in Europe - European Sovereign Debt Crisis
Some of the Funds may invest substantially in Europe. The current Eurozone crisis continues to raise uncertainty with some or no clarity on an enduring solution. Potential scenarios could include, among others, the downgrading of the credit rating of a European country, the default or bankruptcy of one or more sovereigns within the Eurozone, the departure of some, or all, relevant EU Member States from the Eurozone, or any combination of the above or other economic or political events. These may lead to the partial or full break-up of the Eurozone, with the result that the Euro may no longer be a valid trading currency. These events may increase volatility, liquidity and currency risks associated with investments in Europe and may adversely impact the performance and value of the Fund.

If certain countries cease to use Euro as their local currency, the transition by an EU Member State away from the Euro or the dissolution of the Euro may require the redenomination of some, or all, Euro-denominated sovereign debt, corporate debt and securities (including equity securities). This may have an adverse impact on the liquidity of the Fund's Euro-denominated assets and on the performance of the Fund which hold such assets. A Eurozone break-up or exit from the Euro might also lead to additional performance, legal and operational risks to the Fund and may cause uncertainty as to the operation of certain terms of agreements that are governed by the law of an exiting EU Member State.

While the governments of many European countries, the European Commission, the European Central Bank, the International Monetary Fund and other authorities are taking measures (such as undertaking economic reforms and imposing austerity measures on citizens) to address the current fiscal conditions, there are concerns that these measures may not have the desired effect and the future stability and growth of Europe remains uncertain. If a crisis occurs, economic recovery may take some time and future growth will be affected. The performance and value of the Funds may potentially be adversely affected by any or all of the above factors, or there may be unintended consequences in addition to the above arising from the potential European crisis that may adversely affect the performance and value of the Funds. It is also possible that a large number of investors could decide to redeem their investments in the Fund at the same time. Investors also need to bear in mind that the events in Europe may spread to other parts of the world, affecting the global financial system and other local economies, and ultimately adversely affecting the performance and value of the Fund.

8. Profile of a Typical investor

The Fund is considered to be suitable for investors seeking capital growth over the long-term (at least 5 years) and who understand and are prepared to accept that the value of the Fund may rise and fall more frequently and to a greater extent than other types of investment.

9. Distribution Policy

Investors should refer to the section in the Prospectus entitled "Distribution Policy" for details in respect of the Company' policy in respect of re-investment of distributions.

It is intended that distributions, if any, in relation to the Fund will be paid as set out in the table below:

Share Class	Distribution Policy
Class A EUR Inc	Paid annually not later than 31 July each year
Class D GBP inc	Paid annually not later than 31 July each year
Class I EUR Inc	Paid annually not later than 31 July each year
Class I GBP Inc	Paid annually not later than 31 July each year
Class I GBP hedged Inc	Paid annually not later than 31 July each year
Class R GBP Inc	Paid annually not later than 31 July each year

Other share classes are accumulating and will therefore not pay any distributions.

Distributions will be paid out of surplus net income and/or any capital gains less realised and unrealised capital losses attributable to the Fund or Class of the Fund in respect of each Accounting Period.

Applications will be made for Class D GBP Inc, Class I GBP Inc, Class I GBP hedged Inc and Class R GBP Inc to be treated as reporting funds for the purpose of United Kingdom taxation.

10. Issue of Shares

Initial Issue

Shares in the Fund will initially be on offer from 9 a.m. (Irish time) on 22 October, 2013 to noon (Irish time) on 18 April, 2014 ("Offer Period"). The Offer Period may be shortened or extended by the Directors and the Central Bank shall be notified of any such shortening or extension. Cleared funds in the currency of the relevant Class must be received into the account detailed on the Application Form no later than 12 noon (Irish time) by the end of the Offer Period or as otherwise determined by the Directors at their absolute discretion. Shares will initially be issued at the initial offer price which is US$10 for US Dollar Classes, £10 for Sterling Classes, €10 for Euro Classes, the equivalent of €10 for Japanese Yen classes during the Offer Period.

Once the Offer Period of any Class of Shares has been closed, the Shares for other unlaunched Classes are on offer at the latest available Net Asset Value per Share equivalent to the relevant launched class of Class A, Class D, Class I, Class R or Class X (adjusted for currency conversion at the prevailing rate).

Subsequent Issues

Shares shall be issued at the Dealing Price on the relevant Dealing Day for applications received prior to 12 noon (Irish time) on that Dealing Day.

Requests received after 12 noon (Irish time) on a Dealing Day will be treated as having been received on the following Dealing Day.

Application Procedure

The procedures to be followed in applying for Shares are set out in the Prospectus under the heading "Application Procedure".

11. Realisation of Shares

Shares may be realised on each Dealing Day at the Dealing Price determined as at 12 noon (Irish time) on that Dealing Day. Applications for the realisation of Shares of the Fund received by the Investment Manager prior to 12 noon (Irish time) on a Dealing Day, will be dealt with at the dealing price determined as at the Valuation Point on that Dealing Day. Realisation requests received after 12 noon (Irish time) will be treated as having been received on the following Dealing Day.

Details on the procedures to be followed in applying for the realisation of Shares are set out in the Prospectus under the heading "Realisation of Shares".

12. Conversion of Shares

Shareholders may convert some or all of their Shares in one Class to Shares of another Class by giving notice to the Company in the manner set out under "Conversion of Shares" in the Prospectus.

13. Fees

The annual management fee for each Share Class is stated in Section 1.

The general management and fund charges and shareholder fees are set out in the Prospectus under the heading "Charges and Expenses".

The administration fee will be 0.45% per annum of the Net Asset Value of each Class, subject to a monthly minimum of £2,500.

14. Establishment Cost

The cost of establishing the Fund will be amortised over the first five accounting periods of the Fund for the purposes of Net Asset Value calculation. The cost of establishing the Fund is not expected to exceed €98,000 and will be written off for financial reporting purposes. The establishment expenses will include legal, regulatory and listing expenses and initial market registration charges.

Shareholders should note that expenses incurred by the Company will be charged to the Fund of the Company in respect of which they were incurred or, where an expense is not considered by the Custodian to be attributable to any one Fund, the expense will normally be allocated by the Custodian to all Funds pro rata to the value of the net assets of the relevant Funds.

15. Taxation

Investors should refer to the risk factors under the heading "Taxation" of the Prospectus and in addition note the below:

Foreign Account Tax Compliance Act ("FATCA")

The Hiring Incentives to Restore Employment Act (the "Hire Act") was signed into US law in March 2010. It includes provisions generally known as FATCA. The purpose of these provisions is to ensure that details of US investors, as defined under FATCA, holding assets outside the US will be reported by financial institutions to the Inland Revenue Service ("IRS"), as a safeguard against US tax evasion. In order to discourage non-US financial institutions from staying outside this regime, the Hire Act also requires that all US securities held by a non-US financial institution that does not enter and comply with the regime will be subject to a US tax withholding of 30% on gross sales proceeds as well as income. However, Ireland has entered into an Inter-Governmental Agreement (IGA) with the US which means that any FATCA related requirements that will have to be met by Irish financial institutions will be set out in Irish law rather than the US Hire Act. Notably Irish financial institutions, including the Unit Trust, will be required to register with the IRS but have an obligation under Irish law to collect and assess information relating to whether any of their investors could be subject to US tax. With effect from 31 December 2013 onwards, details of US investors, if any, or investors where there remains uncertainty over their tax status will be reported to the Irish tax authorities which will then forward this information to the US authorities. Further information concerning income earned and gains realised by such investors will be progressively provided in subsequent years.

16. Collateral Management

In accordance with the requirements of the Central Bank the Investment Manager will employ a collateral management policy for and on behalf of the Fund in respect of collateral received in respect of OTC financial derivative transactions whether used for investment or for efficient portfolio management purposes. Any collateral received by the Custodian for and on behalf of a Fund on a title transfer basis shall be held by the Custodian For other types of collateral arrangements, the collateral may be held with a third party custodian which is subject to prudential supervision and which is unrelated to the collateral provider.

The collateral management policy employed by the Investment Manager in respect of the Fund arising from OTC financial derivative transactions provides that cash and highly liquid assets which meet with the regulatory criteria (as disclosed in the risk management process) in respect of valuation, issue credit quality, correlation and collateral diversification will be permitted collateral for each proposed financial derivative transaction. The collateral policy operated by the Investment Manager will set appropriate levels of collateral required by the Investment Manager in respect of derivative transactions. The Investment Manager will also employ a clear haircut policy (i.e. a policy in which a pre-determined percentage will be subtracted from the market value of an asset that is being used as collateral) for each class of assets received as collateral taking account of the characteristics of the assets received as collateral such as the credit standing or the price volatility and the outcome of any liquidity stress testing policy.

Any cash collateral received for and on behalf of the Fund may be invested in any of the following:

(i) deposits with relevant institutions (as defined in the UCITS Notices);
(ii) high quality government bonds;
(iii) reverse repurchase agreements provided that the transactions are with credit institutions subject to prudential supervision and the UCITS is able to recall at any time the full amount of cash on an accrued basis;
(iv) short term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

Invested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral and may not be placed on deposit with the counterparty.

In circumstances where the Fund receives collateral for at least 30% of its assets, the Investment Manager will employ an appropriate stress testing policy to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Investment Manager to assess the liquidity risk attached to the collateral. The liquidity stress testing policy shall be disclosed in the risk management process employed by the Investment Manager.

17. Counterparty Procedures

The Investment Manager's Counterparty Credit Committee (CCC) approves the counterparties used for dealing, establishes counterparty credit limits for them and monitors them on an on-going basis.

In order to establish a relationship with a counterparty, credit ratings for the proposed counterparty are obtained from industry leading rating suppliers. At present, the Investment Manager principally uses S&P, Fitch, Moody's or Dun & Bradstreet. This is reviewed by the CCC as part of the authorisation process which also insists mutually agreed terms and conditions be put in place. The key criteria reviewed by the CCC are the structure, management, financial strength, internal controls and general reputation of the counterparty in question, as well as the legal, regulatory and political environment in the relevant markets. These counterparties are then constantly monitored using information from share price movements and other market information. Counterparty exposure is recorded daily and monitored and reported to the CCC.

Any broker counterparty must be authorised and regulated by the FCA or other appropriate national regulator. Each broker counterparty will also be subject to the following:

- Best Execution – the broker counterparty is monitored and ranked by an established third party analytical system to optimise trading strategies.
- Operational efficiency – the Investment Manager's dealers rank brokers according to quality of their service.

For each trade, best execution overrides any other consideration and the Investment Manager is not permitted to direct trades.

Please refer to the table of risk factors under the heading "Risk Factors" in the Prospectus for the counterparty risks that apply to the Funds

Financial Indices

The Fund may obtain exposure to equity indices through the use of futures and options as set out above. Such indices, which will comply with the requirements in the UCITS notices, may include, but are not limited to, the MSCI Europe Small Cap Index, HSBC Smaller European Companies Index and the EURO STOXX small Index which are formally rebalanced on an annual and quarterly basis, although there may also be interim movement.Indices which are rebalanced on a daily basis will not be utilised. The costs associated with gaining exposure to a financial index can be impacted by the frequency with which the relevant index is rebalanced. Details of any financial indices held by the Fund will be provided to Shareholders by the Investment Manager upon request and will be set out in the semi-annual and annual accounts of the Company. Where the weighting of a particular constituent in the index exceeds the UCITS investment restrictions, the Investment Manager will as a priority objective look to remedy the situation as a priority objective taking into account the interests of Shareholders and the relevant Fund.

Efficient Portfolio Management

Any direct operational costs and/or fees which arise as a result of the use of efficient portfolio management techniques by the Fund which may be deducted from the revenue delivered to the Fund shall be at normal commercial rates and shall not include any hidden revenue. Such direct costs and fees will be paid to the relevant counterparty of the transaction. All revenues generated through the use of efficient portfolio management techniques, net of direct operational costs and fees, will be returned to the Fund. The counterparties to the relevant transaction will not be related to the Managers but may be related to the Trustee and under such circumstances will be effected on normal commercial terms and negotiated on an arm's length basis.

18. Class Information

CLASS	ISIN	DETAILS OF OFFER PERIOD/LAUNCH (IRISH TIME)
Class A EUR Acc	IE00BDSTXR76	9 a.m (Irish time) on 22 October 2013 to 5.pm (Irish time) on 18 April 2014
Class A EUR Inc	IE00BDSTXS83	9 a.m (Irish time) on 22 October 2013 to 5.pm (Irish time) on 18 April 2014
Class A USD Acc	IE00BDSTXT90	9 a.m (Irish time) on 22 October 2013 to 5.pm (Irish time) on 18 April 2014
Class D GBP Inc	IE00BDSTXV13	9 a.m (Irish time) on 22 October 2013 to 5.pm (Irish time) on 18 April 2014
Class I EUR Acc	IE00BDSTY523	9 a.m (Irish time) on 22 October 2013 to 5.pm (Irish time) on 18 April 2014
Class I EUR Inc	IE00BDSTY630	9 a.m (Irish time) on 22 October 2013 to 5.pm (Irish time) on 18 April 2014
Class I GBP Inc	IE00BDSTXW20	9 a.m (Irish time) on 22 October 2013 to 5.pm (Irish time) on 18 April 2014
Class I GBP hedged Inc	IE00BDSTXX37	9 a.m (Irish time) on 22 October 2013 to 5.pm (Irish time) on 18 April 2014
Class I USD Acc	IE00BDSTXY44	9 a.m (Irish time) on 22 October 2013 to 5.pm (Irish time) on 18 April 2014
Class R GBP Inc	IE00BDSTXZ50	9 a.m (Irish time) on 22 October 2013 to 5.pm (Irish time) on 18 April 2014
Class X EUR Acc	IE00BDSTY077	9 a.m (Irish time) on 22 October 2013 to 5.pm (Irish time) on 18 April 2014
Class X GBP Acc	IE00BDSTY184	9 a.m (Irish time) on 22 October 2013 to 5.pm (Irish time) on 18 April 2014
Class X JPY Acc	IE00BDSTY291	9 a.m (Irish time) on 22 October 2013 to 5.pm (Irish time) on 18 April 2014
Class X USD Acc	[IE00BDSTY309	9 a.m (Irish time) on 22 October 2013 to 5.pm (Irish time) on 18 April 2014