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LIONTRUST GLOBAL FUNDS plc

(an open-ended umbrella investment company with variable capital and segregated liability between sub-funds incorporated with a limited liability under the laws of Ireland, registered number 459084 authorised in Ireland as an investment company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011)

**SUPPLEMENT NO. 9
for**

LIONTRUST GF GLOBAL STRATEGIC EQUITY FUND

This Supplement contains specific information in relation to the Liontrust GF Global Strategic Equity Fund (the “Fund”), the ninth fund of Liontrust Global Funds plc (the “Company”). It forms part of and must be read in the context of and together with the Prospectus of the Company dated ~~H165~~ **July** 2015 and in particular the information contained therein relating to:-

- the Company, its Funds and Shares;
- charges and expenses (including those for investment, administration and custody);
- subscription, redemption and switching of Shares; and
- Taxation, conflicts of interest and risk factors.

Distribution of this Supplement is only authorised if accompanied by the Prospectus of the Company. In addition, distribution of this Supplement and the Prospectus is not authorised in any jurisdiction unless accompanied by the most recent annual and/or, if more recent, semi-annual report of the Company.

The Fund may invest in financial derivative instruments for hedging or for investment purposes. This may have the effect of increasing volatility. The Fund may invest a substantial proportion of the Fund’s assets in emerging markets, this may have the effect of increasing the volatility of the Fund due to the nature of emerging markets.

Investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors. Investment in the Fund is not in the nature of a deposit in a bank account, is subject to the risk that the principal invested in the Fund is capable of fluctuation 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.

| Dated ~~H156~~ **July** 2015

BASE CURRENCY OF FUND

The Base Currency of the Fund is US Dollar.

SHARES AVAILABLE FOR SUBSCRIPTION

Shares of the Fund are currently available for subscription in the following denominations:-

Shares		Currency of Share Denomination
Class A1	-	Euro Distributing (Hedged Share Class)
<u>Class A2</u>	-	<u>Euro Accumulating (SeedLaunch Institutional) (Hedged Share Class)</u>
Class A3	-	Euro Distributing (Institutional) (Hedged Share Class)
Class A4	-	Euro Accumulating (Hedged Share Class)
Class A5	-	Euro Accumulating (Institutional) (Hedged Share Class)
Class B1	-	US Dollar Distributing
<u>Class B2</u>	-	<u>US Dollar Accumulating (Launch Institutional)</u>
Class B3	-	US Dollar Distributing (Institutional)
Class B4	-	US Dollar Accumulating
Class B5	-	US Dollar Accumulating (Institutional)
Class C1	-	Sterling Distributing (Hedged Share Class)
<u>Class C2</u>	-	<u>Sterling Accumulating (SeedLaunch Institutional) (Hedged Share Class)</u>
Class C3	-	Sterling Distributing (Institutional) (Hedged Share Class)
Class C4	-	Sterling Accumulating (Hedged Share Class)
Class C5	-	Sterling Accumulating (Institutional) (Hedged Share Class)

The net asset value per share will be calculated in the currency of the relevant share class.

Note that Class A2, B2 and C2 shares are available to professional investors who invest within the first three months of the fund launch. After three months only existing shareholders in Class A2, B2 and C2 will be able to subscribe for additional shares otherwise it will be closed to new shareholders.

RISK PROFILE OF A TYPICAL INVESTOR

The Fund is considered to be suitable for investors seeking capital growth over a long term investment horizon (at least 5 years) and who are prepared to accept a high level of volatility. The Fund's potential use of derivatives and investment in emerging markets may lead to a higher risk in the management of its assets.

Class A1, A4, B1, B4, C1 and C4 shares are available to the general public with a minimum investment of €35,000, \$35,000 and £35,000 respectively. Class A3, A5, B3, B5, C3 and C5 shares, are available to professional investors with a minimum investment of €5,000,000, \$5,000,000 and £5,000,000 respectively. Class A2, B2 and C2 shares, are available to professional investors with a minimum investment of €25,000,000, \$5,000,000 and £25,000,000

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Fund is to achieve long term capital growth through a portfolio of long, synthetic long and synthetic short investments primarily in global equities.

There can be no guarantee that the Fund will achieve its investment objective.

The Investment Adviser will seek to achieve the investment objective of the Fund through long exposure to equities either by direct investment or through the use of financial derivatives instruments linked to equities and equity indices (namely futures, options, swaps and embedded derivatives) and through short exposures to equities through the use of financial derivatives instruments linked to equities and equity indices (namely futures, options, swaps and embedded derivatives). The Investment Adviser may use equities or other assets (credit, FX, permitted commodity indices) either directly or through financial derivatives instruments (namely forwards, futures, options and swaps) to hedge the portfolio or to adjust the Fund's currency exposures. The Investment Adviser will alter the ratio of long and short exposures in the Fund depending on the current proportion of long and short investments identified by the investment process, any portfolio hedging and the Investment Adviser's confidence in individual positions' ability to generate returns, however it is possible that the Fund may, at times, have only long exposure, or conversely, may have entirely short exposure. Further details on how the investments are selected and the portfolio constructed are below in the section "Investment Process" and further information on indices is below in the section "Permitted Indices".

The Investment Adviser will use financial derivative instruments for efficient portfolio management, for investment purposes and/or hedging purposes, further details are set out under the heading "Use of Derivatives" below. The use of financial derivative instruments may result in the Fund being substantially invested in short term money market instruments and/or cash to support such exposures.

In normal conditions, the Investment Adviser aims to hold a diversified portfolio, however, at times the Investment Adviser may decide to hold a more concentrated portfolio, and it is possible that a substantial portion, or the entire Fund could be invested in cash or cash equivalents (as described below). In addition the Fund may invest in exchange traded funds (which are classified as collective investment schemes) and other open-ended collective investment schemes. Investment in closed-ended non-UCITS collective investment schemes will be considered as an investment in transferable securities and will be subject to the relevant UCITS investment restrictions relating to investment in transferable securities. No more than 10% of the net assets of the Fund will be invested in aggregate in open-ended collective investment schemes.

The Fund may invest in all economic sectors in all parts of the world, however, it is intended that it will have a significant exposure either to companies listed on Recognised Exchanges in emerging markets, or to companies active in emerging markets. The Fund will not be restricted in choice of investment by geography, market, market capitalisation or sector.

For the purposes of the Fund, emerging market countries can be defined as all the countries in the world other than those classified as "advanced" by the International Monetary Fund ("IMF"). As at April 2014, the IMF's list of advanced countries included the Member States of the EU, Switzerland, the United States, Canada, Japan, Hong Kong, the Republic of Korea, Singapore, Taiwan, Israel, Norway, Iceland, Australia and New Zealand. Due to the constantly changing definition and

perception of what is an emerging or developing economy, the definition of an emerging market country may change as the position of previously developing market countries approach or equate, in the Investment Adviser's opinion, to that of advanced economies in terms of development factors such as size, liquidity, risk profile and such countries will not be treated as emerging market countries. The Fund's investment in emerging markets will be on a worldwide basis and, due to the constantly changing definition and perception of what is an emerging or developing economy, such investment will not have a particular geographic focus but will encompass countries with relatively low gross national product per capita and with the potential for rapid economic growth. Emerging market countries are generally located in Asia, Africa, the Middle East, Latin America and the developing countries of Europe. The Fund may invest up to 25% of its net assets in Russian equities which will be listed or traded on Recognised Exchanges in Russia.

INVESTMENT PROCESS

The Fund is managed in accordance with the Investment Adviser's "Structural Opportunities Process". This process aims to identify structural or fundamental shifts and changes in economies, sectors and markets that result in strong returns for companies that benefit from these changes, and poor returns from companies that are disadvantaged by these changes. Examples of these structural changes include the opening up of the Chinese economy, the resources boom in Australia, the offshoring of services and the modernisation of agriculture in developing countries. The Structural Opportunities Process aims to invest in those assets significantly impacted by these structural opportunities to effectively implement long and short ideas.

Such change creates winners and losers. Some companies are able to identify the change and seek to benefit and take advantage of the new opportunities, expanding and growing. These companies typically see a significant gain in their share price. Some companies are unable to benefit from these changes, they may suddenly face new regulations and restrictions, slowing customer demand, increasing competition, etc. that lead to decreasing, or sudden falls in a company's value.

Identification of structural change in markets

The Investment Adviser seeks to identify significant structural and fundamental changes, wherever they occur in the world. The Investment Adviser believes that structural changes are typically driven by the progress of the economic cycle, the development of industrial cycles, policy changes, mergers, acquisitions or the emergence of new and disruptive technologies.

The Investment Adviser uses company meetings, industry contacts, third party sources, news flow and internal monitors and screens to support the identification and evaluation of potential significant structural changes.

The Investment Adviser believes that these changes occur throughout the world, but the greatest opportunities are in emerging markets where deep and sudden structural changes frequently take place which are not quickly reflected in asset valuations as the market often struggles to effectively price the impact of the changes.

Stock selection

Once a potential fundamental or structural shift has been identified, further research is undertaken to identify securities that may be significantly impacted by these structural opportunities and that do not already reflect these changes in their valuations. Given that large structural changes may occur at a country, or sector level, the potential impact may be on hundreds of stocks. Where the number

of potential stocks is large, the Investment Adviser may decide to use financial indices to gain exposure to the opportunity, or may filter out those stocks with poor liquidity and limited accessibility (of management, reporting and independent data).

The Investment Adviser performs a thorough analysis of business models and financial results of the companies considered for inclusion in the Fund. The analysis is repeated following each regular company statement, or following significant news flow or consensus earnings revisions.

The Investment Adviser will use a valuation framework, i.e. a number of valuation ratios, to compare valuations of companies across countries and sectors to identify opportunities where the current share price of the company fails to reflect its fundamental value in absolute terms or relative to its peers. Examples of valuation ratios that will be used are return on capital employed, weighted average cost of capital, price to book, net asset value, price/earnings ratio, and discounted cash flow yield. Use of differing valuation ratios allows the comparison of companies across countries and sectors taking into account differing factors such as different capital structures, tax rates and depreciation policies.

Portfolio construction

The Investment Adviser adopts a high conviction, concentrated approach to portfolio construction. In normal market conditions, the portfolio typically contains investments in 25 to 35 companies in total (including long and short exposures) and whilst most of these positions are likely to be in direct investments in physical equities, a number of these positions may be held as synthetic long positions using derivatives (namely futures, options, swaps and embedded derivatives) to gain the exposure as it may be more efficient to do so. The Fund may also hold a number of these positions as synthetic short positions using derivatives (namely futures, options, swaps and embedded derivatives). At certain times, the Investment Adviser may have more short ideas than long ideas and so the fund will hold most, or occasionally all, of its positions as synthetic short positions and at these times the fund may have a majority, or entirely, short exposure. The size of each position is based on the valuation framework and takes into account risk expectations, conviction and liquidity.

Once an initial portfolio has been constructed as above, the Investment Adviser will examine the portfolio as a whole and may decide to hedge macro, country, sector and other portfolio factor exposures. The Investor Adviser will look to use equities, credit, FX and permitted commodity indices (via physical investments and derivatives – forwards, futures, options and swaps) as hedges with the aim of balancing the portfolio, reducing volatility and ensuring the majority of the investment risk within the portfolio is due to stock and sector selection from the investment process rather than market or macroeconomic risks (i.e. reducing exogenous risks). In addition, the Investment Adviser closely monitors liquidity risk, so that sudden political or macroeconomic changes can swiftly be reflected in the portfolio.

The Investment Adviser will also review the resultant currency exposure of the fund and may decide to hedge some or all of the currency exposures or to increase exposure of the Fund to certain currencies where the Investment Adviser believes the Fund will benefit based on an analysis of macroeconomic conditions.

The Fund's net exposure (the percentage difference between the long and short exposures and a measure of the extent to which the Fund is exposed to the market) will vary, based on the current number and proportion of long and short investments, any hedging and the Investment Adviser's confidence in individual positions' ability to generate returns. In normal markets, the Fund would typically have a net exposure of between 30% and 80%. The investment manager may decide to

hedge some or all of the net exposure or to increase exposure of the Fund where the Investment Adviser believes the Fund will benefit based on an analysis of macroeconomic conditions, event risk and general market valuations. This may include the portfolio having, at times, a negative exposure to the market, i.e. the fund would potentially be protected from, or benefit from a fall in the general market but would be disadvantaged from any rises in the market value. The Investment adviser will track and monitor developments in country specific macroeconomic variables, country specific risks as well as other indicators such as investor positioning, market liquidity and geo-political risks to help determine the Fund's net exposure.

Positions in the fund are closed when the Investment Adviser believes that the original investment thesis is no longer valid, the opportunities identified in the structural changes have been exhausted or the investment reaches fair value.

Cash and Currency Management

The Fund may invest in the currencies of developed and/or emerging markets, which may be through derivative positions (namely forwards, swaps and futures) or deposits. The proportion of investment in currencies (either directly or through derivative positions) will vary in accordance with the Investment Adviser's opinion on the relative attractiveness of particular currencies. This, combined with the currency exposure of the equity investments, may mean a substantial portion, or the entire Fund may be exposed to emerging markets currencies

The Investment Adviser may, at its discretion, and without restricting the ability to take currency positions, choose to hedge all or a proportion of the non-US Dollar denominated assets of the Fund into US Dollar, the Base Currency of the Fund, in order to mitigate the impact of currency fluctuations on the value of non-US Dollar denominated assets. Such hedging might incur costs, especially if forward interest rate levels are higher in non-US Dollar currencies. Any such hedging activity will be for the purposes of efficient portfolio management within the limits laid down by the Central Bank as set out in the Prospectus

The Fund may also hold and/or invest in, significant amounts of cash and cash equivalents (such as certificates of deposit), debt securities including government and corporate bonds and Money Market Instruments. The purpose of any such investments in debt securities may be for liquidity, short term tactical capital protection, collateral, income or ancillary cash management purposes or in situations where the Investment Manager deems an appropriate investment opportunity is not available. Deposits with credit institutions will be in accordance with the UCITS deposit risk spreading rules whereby no more than 20% of the Net Asset Value of the Fund may be invested with any one credit institution. Any investment in bonds will be in corporate and government fixed or floating rate instruments which may be rated or unrated (up to 10% of the net assets of the Fund may be invested in below investment grade and/or unrated bonds). The Fund may pledge or charge its investments in debt securities as collateral for financial derivative instruments.

Use of Derivatives

The Fund may engage in transactions in financial derivative instruments (specifically forwards, swaps, futures, options and embedded derivatives) for efficient portfolio management and for investment purposes and/or hedging purposes as set out in the Prospectus under the heading "Investment Powers and Restrictions". Any derivative instrument in which the Fund enters will be in accordance with the Central Bank's requirements and the UCITS Notices and limits in respect of derivative counterparties. Although the underlying exposure to the derivatives will usually be to equities and equity indices in line with the investment objective, the Fund may also have derivative

exposure to foreign exchange rates or currencies as well as, for hedging purposes, money market instruments, fixed income instruments and commodity derivative indices. Further details on the different derivative types can be found below. Derivatives may be traded by the Fund either on exchange or over-the-counter.

The Fund may use financial derivative instruments for investment purposes. The use of derivatives may create leverage or synthetic long or short positions (i.e. positions which are in economic terms equivalent to long or short positions). The Fund may create synthetic long or short positions through the use of futures, options, swaps and embedded derivatives. The Investment Adviser will take long and short positions through the use of derivatives to gain exposure to equities, equity indices and currencies as described in this Supplement and to seek both to protect and to enhance the returns achieved. The synthetic long positions permit the fund to gain exposure to assets where the Investment Adviser believes that a derivative exposure to the underlying asset represents better value or is more efficient than a direct exposure. The synthetic short positions allow the Fund to benefit from downwards movement in prices or overpricing of securities or currencies or market factors by having a short or negative position in the underlying asset or index. The Fund may actively manage downside risk through the use of short positions (via futures, options and swaps) on equities, equity indices or currencies, i.e. the investment adviser may at times use derivatives to reduce the potential impact of a sudden and significant market fall.

The Fund may use financial derivative instruments for efficient portfolio management subject to the conditions and limits set out in the UCITS Notices to manage risk and invest more efficiently. Where the Investment Adviser has decided to increase or reduce security specific and / or market risk in response to the Investment Adviser's views on market prospects, prices and values it may be more efficient to do so using financial derivatives as well as purchasing units or shares in collective investment schemes (including ETFs). For example, the Investment Adviser might reduce the Fund's exposure to market risk through the use of equity index futures, or may increase the Fund's exposure to a market sector through purchasing an appropriate ETF.

When hedging risk in the Fund's portfolio, the Investment Adviser may occasionally use derivatives (forwards, futures, options and swaps) on other asset classes other than equities including credit, FX and commodities. These will only be used when, in the Investment Adviser's opinion, the extent of the correlation between the asset class involved and specific risk factors present in the Fund's portfolio justifies such hedging to avoid adverse movements. For example, the Investment Adviser may wish to use credit derivatives to hedge out interest rate or inflation sensitivity or use permitted indices on commodity derivatives to hedge exposure to shares or markets with high correlations to commodity markets. Any exposure to commodities will be via permitted indices on commodity derivatives that have been cleared in advance by the Central Bank.

Although the base currency of the Fund is US Dollars, the Investment Adviser anticipates holding securities denominated in currencies other than US Dollars and reserves the right to enter into foreign exchange and/or derivative transactions selectively with the aim of enhancing, hedging or maintaining the value of the Fund in absolute terms. The Fund may utilise forwards, futures, options and swaps to hedge against currency fluctuations at a Fund level, but there can be no assurance that such hedging transactions will be undertaken and, if undertaken, will be effective or beneficial.

Forward foreign exchange contracts may also be used to hedge the value of certain classes of Shares in the Fund ("Share Class Hedging") against changes in the exchange rate between the currency of denomination of the class of Shares and the base currency of the Fund, which is US Dollars. The hedged Share Classes in the Fund are identified under "Shares Available for Subscriptions". Such Share Class Hedging does not protect any of the share classes from any non-US Dollar exposure that

might be held in the Fund. Any financial instruments used to implement hedging of any hedged Classes shall be assets/liabilities of the Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class(es). Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. There can be no assurance that such hedging transactions will be undertaken and, if undertaken, will be effective or beneficial. It is not the intention to over-hedge or under-hedge positions, but this may occur due to factors outside the control of the Fund. Over-hedged positions will not exceed more than 105% of the Net Asset Value of the Class. Hedged positions will be kept under review by the Investment Adviser to ensure that over-hedged positions of any hedged Class do not exceed 105% of the Net Asset Value of such a Class and that such positions in excess of 100% will not be carried forward from month to month. To the extent that such hedging is successful, the performance of the Class is likely to move in line with the performance of the underlying assets and that investors in a hedged Class will not benefit if the Class currency falls against the base currency and/or the currency in which the assets of the Fund are denominated.

Further details can be found in the Prospectus under the heading "Further Details on the Use of Financial Derivative Instruments" and "Techniques for Efficient Portfolio Management".

Financial Derivative Instrument Types

The Fund may use the following financial derivative instruments:

Forwards

Forwards, such as forward foreign exchange contracts, are an obligation to purchase or sell a specific asset at a future date at a price set at the time of the contract. In currency forward contracts, the contract holders are obligated to buy or sell the currency at a specified price, at a specified quantity and on a specified future date. The Fund may also use non deliverable forwards ("NDF") where the difference between the contracted NDF price or rate and the prevailing spot price or rate on an agreed notional amount is settled in an agreed currency. The Fund may use Forwards for hedging, tactical asset allocation, taking views on the direction of markets, currency management and cash management and efficient investing.

Swap agreements

Swap agreements are two party contracts entered into primarily by institutional investors for periods ranging from a few weeks to more than a year. In a standard "swap" transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realised on particular predetermined investments or instruments. The gross returns to be exchanged or "swapped" between the parties are calculated with respect to a "notional amount," (i.e., the return on or increase in value of a particular amount invested at a particular interest rate, in a particular foreign currency or security, or in a "basket" of securities representing a particular index). For example, a single contract for difference may allow a view to be taken on the price movement of individual equity securities. They can be used to express both positive and negative views on securities (by creating a synthetic long or short position). Swap agreements may be used to allow the general market risk to be neutralised (or adjusted) from the Investment Adviser's view of a particular equity securities or equity index provided such indices meet the requirements of the Central Bank. Swap agreements may be used either individually or in combinations. The Fund will only enter into swap agreements with counterparties who are eligible institutions within the meaning of paragraph 4 of UCITS Notice 10.10 ~~or which have a minimum credit rating of A2 or equivalent, or will be deemed by~~

~~the Company to have an implied rating of A2 or better.~~ Alternatively, an unrated counterparty is acceptable where the Fund is indemnified or guaranteed against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A1 or equivalent. The Fund may use swap agreements for hedging, tactical asset allocation, taking views on the direction of markets or equity securities, currency management and cash management and efficient investing.

Comment [MK1]: Jennifer, have made this change to be consistent with the latest version of the prospectus that you sent

Futures

Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. Futures may be used, for example, by the Fund to manage cash inflows and outflows whereby the Fund can gain efficiency by using futures as compared to equity securities. The Fund may use futures for hedging, tactical asset allocation, taking views on the direction of markets or debt securities, duration management, currency management and cash management and efficient investing.

Options

There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of a particular product or financial instrument at a specified price by, or at, a specified date. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option at a specified price by, or at, a specified date. Options may also be cash settled. Options may also be used to take a positional view on the volatility of individual securities, baskets of securities, interest rates, equity indices and/or equity index sectors, or to sell exposure to volatility. The Fund may use options for hedging, tactical asset allocation, taking views on the direction of markets or debt securities, duration management, currency management and cash management and efficient investing.

Embedded Derivatives

Some financial instruments and other contracts combine, in a single contract, both a derivative and a non-derivative with the effect that some of the cash flows of the contract vary in a way similar to a stand-alone derivative. The embedded derivative may modify the value of the contract in relation to changes in a variable, such as an equity price, financial index price, or foreign exchange rate. Embedded derivatives may provide leveraged exposure to the variable or the variable may itself be leveraged. The Fund is only permitted to use embedded derivatives which do not have significant leverage or hidden leverage, i.e. the Fund is only permitted to use embedded derivatives where the market value or notional value is accurately captured using the conversion methodologies for the commitment approach as laid out in the RMP.

Instruments with embedded derivatives that may be used by the Fund are listed below:

Convertible shares including callable / convertible preference shares

A type of share issued by a company that includes an option for the holder to convert the shares into a fixed number of common shares of the issuing company, usually anytime after a predetermined date and sometimes at a price fixed on issue. These shares may also give the holder rights to a fixed rate dividend (sometimes cumulative). If callable, the company has the right to buy back the shares at an agreed price under certain conditions.

Convertible bonds or other exchangeable bonds / credit instruments

A convertible bond or convertible note (or a convertible debenture if it has a maturity of greater than 10 years) is a type of bond that the holder can convert into a fixed number of common shares of the issuing company or other agreed asset such as cash usually anytime after a predetermined date and sometimes at a price fixed on issue. These bonds may also give the holder rights to a fixed rate coupon (sometimes cumulative).

Equity Linked Notes whose performance is linked to the performance of an equity instrument

An Equity-Linked Note (ELN) is a debt instrument that differs from a standard fixed-income security in that the final payout is determined by the performance of a single equity security, a basket of equity securities, or an equity index. Any financial indices used will be UCITS compliant. A typical ELN is principal-protected, i.e. the investor is guaranteed to receive 100% of the original amount invested at maturity but receives no interest. The Equity linked note may include leverage.

FX structured instruments whose performance is linked to the performance of an underlying exchange rate

An FX structured instrument is a debt instrument which differs from a standard fixed-income security in that the final payout is determined by the performance of an exchange rate or a combination of exchange rates. The FX structured instrument may include leverage.

Index structured instruments whose performance is linked to the performance of an underlying financial index or a basket of financial indices

An Index structured instrument is a debt instrument which differs from a standard fixed-income security in that the final payout is determined by the performance of an underlying financial index or a combination of financial indices. Any financial indices used will be UCITS compliant. The Index structured instrument may include leverage.

Hybrid structured instruments whose performance is linked to the performance of a combination of asset classes or a combination of asset class indices

A Hybrid structured instrument is a debt instrument which differs from a standard fixed-income security in that the final payout is determined by the performance of a combination of underlying eligible assets or eligible financial indices such as the combined return of an interest rate swap and a FX swap in the same instrument. Any financial indices used will be UCITS compliant. The Hybrid structured instrument may include leverage.

Partly Paid Securities;

A partly paid share in a company is one where only a partial payment (or deposit) has been made for a share, with the expectation that as the company requires more fund, calls are made one a time until the shares are fully paid and the calls cease.

ETFs or other Collective Investment Schemes with leverage and/or embedded derivatives

ETFs or other CIS 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. The Investment Adviser will classify the level of leverage within an ETF or other CIS as either (a)

significant or (b) de minimis. The Fund will only invest where the level of leverage within an ETF or other CIS with embedded derivatives is de minimis.

Warrants and Rights (including covered warrants)

A warrant gives the holder the right, but not the obligation, to buy ('call' warrant) or to sell ('put' warrant) an underlying asset at a specified price by a predetermined date. Warrants are frequently attached to bonds or preferred stock allowing the issuer to pay lower interest rates or dividends. The price paid for this right is the 'premium' and with covered warrants you cannot lose more than this initial premium paid. They are limited liability instruments so there are no further payments or margin calls required to maintain a covered warrant position.

The Fund may use embedded derivatives for hedging, tactical asset allocation, taking views on the direction of markets or equity securities, duration management, currency management and cash management and efficient investing.

Permitted Financial Indices

The Fund may use financial derivative instruments to obtain exposure to financial indices as described above. The indices selected by the Investment Adviser will meet the requirements for financial indices as laid out in the Central Bank's UCITS Notices, in particular they shall be sufficiently diversified, represent an adequate benchmark for the markets to which they refer, are published in an appropriate manner, and are independently managed from the management of the Fund. The equity indices selected will offer exposure to companies listed or traded on Recognised Exchanges listed from time to time under "RECOGNISED EXCHANGES" in the Prospectus.

Details of any indices used by the Fund will be provided to Shareholders by the Investment Adviser on request and will be set out in the Company's semi-annual and annual accounts. These indices include MSCI Indices (in particular the MSCI World, the MSCI Emerging Market Indices as well as the individual Country Indices), FTSE Indices and S&P Dow Jones Indices. Any indices will be cleared by the Central Bank or will meet its requirements.

The financial indices to which the Fund may gain exposure will typically be rebalanced on a quarterly basis. As the Fund will invest in the financial indices using financial derivative instruments, there will be no material impact on its costs arising as a result of the re-balancing of a financial index. Where the weighting of a particular constituent in a financial index subsequently exceeds the UCITS investment restrictions, the Investment Adviser will as a priority objective look to remedy the situation taking into account the interests of Shareholders and the Fund.

Risk Management

The Company is required under the UCITS Regulations to employ a risk management process which will enable it to accurately monitor, manage and measure the risks attached to financial derivatives instruments that it uses and their contribution to the overall risk profile of the Fund.FDI that it uses. The commitment method used by the Investment Adviser is one of the two methods explicitly permitted under the UCITS Regulations for this purpose, and details of this process have been provided to the Central Bank in the risk management process statement the Company has filed with the Central Bank. The Company will, upon request, provide supplementary information to shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk characteristics of the main category of investments.

Comment [MK2]: Jennifer, have made this change to be consistent with the latest version of the prospectus that you sent

The global exposure of the Fund to derivatives is calculated using the commitment approach. The commitment approach requires the Fund to convert each derivative position into the market value of an equivalent position in the underlying asset of that derivative. The Fund may take into account netting and hedging arrangements when calculating its global exposure, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure.

The Fund's global exposure to derivatives will be limited to 100% of Net Asset Value of the Fund.

INVESTMENT AND BORROWING POWERS AND RESTRICTIONS

The investment and borrowing powers and restrictions to which the Fund is subject are described under "Investment Powers and Restrictions", "Restrictions on Borrowing, Lending and Dealing", "Further Details on the Use of Financial Derivative Instruments" and "Techniques for Efficient Portfolio Management", "Changes to Investment and Borrowing Restrictions" in the Prospectus. However, while the Company is generally authorised to invest in other open-ended collective investment schemes, as described in the section of the Prospectus referred to above, the Fund itself will not invest more than 10% of its Net Asset Value in such schemes.

The use of financial derivative instruments is permitted for the Fund subject to the conditions and limits set out under "Investment Objectives and Policies", in the Prospectus and in accordance with the Central Bank's Notices. These conditions include, for example, a requirement to ensure that where a financial derivative instrument gives rise to a commitment for a fund it must be covered as follows: (i) in the case of cash settled financial derivative instruments, the fund must hold sufficient liquid assets at all times to cover the exposure; (2) in the case of financial derivative instruments which requires physical delivery, the asset must be held at all times, or with sufficient liquid assets if the underlying asset consists of highly liquid fixed income securities or the fund considers that the exposure can be adequately managed, and the position exposure to underlying assets of derivative instruments (other than index based derivatives) (whether used for hedging or for investment purposes), when combined with positions resulting from direct investments, will not exceed the investment limits to which the Fund is subject.

FUND FEES AND EXPENSES

INVESTMENT ADVISORY FEES

The Investment Adviser is entitled to receive a monthly Investment Advisory Fee in respect of the Shares of the Fund calculated as set out under "CHARGES AND EXPENSES - Investment Advisory Charges" in the Prospectus.

The specified annual Investment Advisory Fee percentage in respect of Classes A1, A4, B1, B4, C1 and C4 is 1.50% per annum, ~~and~~ for Classes A3, A5, B3, B5, C3 and C5 is 1.00% per annum and for Classes A2, B2 and C2 is 0.75% per annum of the Net Asset Value of the Fund attributable to each class.

Performance Fee:

In addition the Investment Adviser is entitled to receive a performance fee out of the assets attributable to each class of Shares in the Fund (the "Performance Fee"). The Performance Fee will accrue on each Valuation Point and the accrual will be reflected in the Net Asset Value per Share of each Class. The Performance Fee is payable on the last Dealing Day in each Performance Period, or if

the relevant class is terminated before the end of a Performance Period, the Dealing Day on which the final redemption of Shares takes place (each a "Payment Date").

The performance periods of the Fund comprise successive quarterly periods ending on the last Business Day in each calendar quarter (the "Performance Period"). The first Performance Period of the Fund shall be ~~from launch date to 30 September~~ 2015.

For all classes, the Performance Fee shall be equal in aggregate to 20% of the amount by which the Net Asset Value of each class exceeds the Adjusted Prior Net Asset Value of the relevant class as at the Payment Date, plus any Performance Fee accrued in relation to the class in respect of redemptions during the Performance Period.

The Adjusted Prior Net Asset Value of a Fund class is (subject to losses being carried forward) the Net Asset Value of the class as at the beginning of the Performance Period increased on each Dealing Day by the value of any net subscriptions dealt on the previous Dealing Day and decreased pro rata by the value of any net redemptions dealt on the previous dealing day. For the first Performance Period in which Shares in the Fund class are first issued, the Initial Offer Price is taken as the starting point for the calculation of the Performance Fee. For the purposes of the Performance Fee calculation, the Net Asset Value shall be calculated before the deduction of any accrual for Performance Fee for that Performance Period, other than Performance Fee accrued in relation to the class in respect of redemptions during the Performance Period but not yet paid.

If the performance of the Fund class in respect of a Performance Period is less than zero, such losses, will be carried forward. No Performance Fee will be payable with respect to a Fund class in any Performance Period unless such class has recovered any accumulated underperformance for previous Performance Periods i.e. where there is an Adjusted Prior Net Asset Value, any performance fees are only payable on the positive difference between the NAV and the Adjusted Prior Net Asset Value.

The Performance Fee will accrue and be taken into account in the calculation of the Net Asset Value per Share of each currency class on each Dealing Day. In the event that the Fund suffers a redemption of Shares on a Dealing Day within a Performance Period, the Investment Adviser shall be entitled to receive the Performance Fee per Share accrued in respect of such redemption. Any such entitlement to Performance Fees in respect of redemptions of Shares will not be repayable although such entitlement will be taken into account in calculating the Performance Fee entitlement, if any, in respect of the Performance Period as a whole.

If the Investment Advisory Agreement is terminated during a Performance Period, the Performance Fee in respect of the then current Performance Period will be calculated and paid as though the date of termination were the end of the relevant Performance Period.

General Investment Advisory Fee and Performance Fee matters: The Performance Fee shall be calculated by the Administrator and verified by the Custodian.

The Investment Advisory Fee and the Performance Fee are exclusive of value added tax (if any).

Performance Fees are payable on realised and unrealised capital gains taking into account realised and unrealised losses. Consequently, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

OTHER CHARGES AND EXPENSES

The fees and expenses relating to the establishment of the Fund are estimated not to exceed \$40,000. Such fees and expenses will be amortised over the first five accounting periods of the Fund or such other period as the Directors may determine.

Details of other charges and expenses relating to Fund and the Company appear under “CHARGES AND EXPENSES” in the Prospectus.

OPERATING EXPENSES CAP

The administration, custody, registrar charges, directors remuneration and general expenses (“Operating Expenses”) on the Fund, as set out under “CHARGES AND EXPENSES – Administration, Custody and Registrar Charges, Directors’ Remuneration and General Expenses” in the Prospectus, are subject to a voluntary expense cap of a maximum of 0.75% per annum (“Operating Expenses Cap”). Should the Operating Expenses exceed the 0.75% limit on any daily valuation of the Fund, then the amount of Operating Expenses in excess of the Operating Expenses Cap will be accrued against the Investment Advisory Fees due to the Investment Adviser. Where an accrual exists and the Operating Expenses are no longer in excess of the Operating Expenses Cap on any daily valuation of the Fund, then the accrual will be reduced by the difference between the Operating Expenses Cap and the Operating Expenses. Any accrued amounts will be crystallised at the Investment Adviser’s discretion but no later than the first full reporting period following an initial twelve month period and then at each annual reporting period thereafter.

Comment [MK3]: Jennifer, note that your version of the prospectus still showed a cap of 1% when it should be 0.75%

SUBSCRIPTION FOR SHARES

Initial Offer Period

The Initial Offer Period for all Classes of Shares will be from 9 a.m. until 5 p.m. Irish time on ~~24 June~~ 16 July until 16 December 2015 during which Shares will be offered at the Initial Offer Price of €10 for Classes A1, ~~A2~~, A3, A4 and A5, \$10 for Classes B1, ~~B2~~, B3, B4 and B5 and £10 for Classes C1, ~~C2~~, C3, C4 and C5.

The Initial Offer Price is exclusive of an initial charge of up to 5 per cent of the Initial Offer Price.

Subscription Dealing Days and Valuation Points

Shares of the Fund are available for purchase on each subscription Dealing Day. The Dealing Days for the Fund shall be each Business Day. The subscription price per Share of the Fund is the Net Asset Value per Share of the Fund (calculated as at the Valuation Point for the relevant Dealing Day in accordance with the procedures referred to under “Calculation of Net Asset Value and Subscription and Redemption Proceeds” in the Prospectus) plus any initial charge payable to the Investment Adviser.

The Valuation Point in respect of each subscription Dealing Day is currently midday in Dublin on the subscription Dealing Day. The last traded price in each relevant market will be used.

Application Forms, duly completed, must be received no later than 1.00p.m. (Dublin time) on the prior Dealing Day (the “Subscription Dealing Deadline”) or such other day and/or time as the Directors shall from time to time determine generally and as notified in advance to Shareholders provided that Application Forms received after the Subscription Dealing Deadline will be processed on the next Business Day. Applications may be accepted after the Subscription Dealing Deadline in

exceptional circumstances at the discretion of the Directors provided they are received prior to the Valuation Point. Settlement should be made in accordance with the Prospectus and the instructions in the Application Form.

Minimum Investment Levels for Subscriptions

The minimum initial and additional investment in Shares of the Fund (net of initial charges) is as follows:-

Class of Shares	Minimum Investments	
	<i>Initial</i>	<i>Additional</i>
Class A1	€35,000	€5,000
Class A2	€25,000,000	€100,000
Class A3	€5,000,000	€100,000
Class A4	€35,000	€5,000
Class A5	€5,000,000	€100,000
Class B1	\$35,000	\$5,000
Class B2	\$5,000,000	\$100,000
Class B3	\$5,000,000	\$100,000
Class B4	\$35,000	\$5,000
Class B5	\$5,000,000	\$100,000
Class C1	£35,000	£5,000
Class C2	£25,000,000	£100,000
Class C3	£5,000,000	£100,000
Class C4	£35,000	£5,000
Class C5	£5,000,000	£100,000

Subscription Charges

An initial charge of up to 5 per cent of the Net Asset Value per Share is payable in respect of subscriptions for Shares of the Fund.

The initial charge may be waived in whole or in part by the Investment Adviser. The Investment Adviser may, in its sole discretion, (i) pay commission to financial intermediaries including but not limited to the Distributors, sub-distributors, intermediaries and introducing agents who refer prospective investors out of the initial charge and the Investment Advisory Fee and/or (ii) waive the initial charge for certain prospective investors based on factors deemed appropriate by the Investment Adviser including, but not limited to, the amount of the proposed investment by a prospective investor.

REDEMPTION OF SHARES

Redemption Dealing Days and Valuation Points

Shares of the Fund may be redeemed on each Dealing Day. The redemption price per Share of the Fund is the Net Asset Value per Share of the Fund (calculated as at the Valuation Point for the

relevant Dealing Day in accordance with the procedures referred to under “Calculation of Net Asset Value and Subscription and Redemption Proceeds” in the Prospectus).

A ~~redemption~~ Dealing Day in respect of each class of Shares of the Fund is each Business Day.

The Valuation Point in respect of each Dealing Day is currently midday in Dublin on the redemption Dealing Day.

Redemption forms, duly completed must be received no later than 1.00p.m. (Dublin time) on the prior ~~redemption~~ Dealing Day (“Redemption Dealing Deadline”) or such other day and/or time as the Directors shall from time to time determine generally and as notified in advance to Shareholders provided that redemption forms received after the Redemption Dealing Deadline will be processed on the next Business Day. Applications may be accepted after the Redemption Dealing Deadline in exceptional circumstances at the discretion of the Directors provided they are received prior to the Valuation Point. Settlement of the redemption proceeds will be made in accordance with the procedures set out under “SUBSCRIPTIONS, REDEMPTIONS AND SWITCHING - Redemptions” in the Prospectus.

Minimum Redemptions and Holdings

The minimum redemption amount and minimum residual holding for Shares of the Fund (net of redemption charges) is as follows:-

Class of Share	Minimum Redemptions and Holdings	
	<i>Redemption Amount</i>	<i>Residual Holding</i>
Class A1	€5,000	€35,000
Class A2	€50,000	€25,000,000
Class A3	€50,000	€5,000,000
Class A4	€5,000	€35,000
Class A5	€50,000	€5,000,000
Class B1	\$5,000	\$35,000
Class B2	\$50,000	\$5,000,000
Class B3	\$50,000	\$5,000,000
Class B4	\$5,000	\$35,000
Class B5	\$50,000	\$5,000,000
Class C1	£5,000	£35,000
Class C2	£50,000	£25,000,000
Class C3	£50,000	£5,000,000
Class C4	£5,000	£35,000
Class C5	£50,000	£5,000,000

SWITCHING

Shares of the Fund may be switched into Shares of other Funds in the Company on each Dealing Day on which Shares of both classes are available for subscription and redemption. The Company does not currently propose to charge a switching fee although it reserves the right to levy such a charge generally or in respect of specific Funds. Details of any such switching fees will be disclosed in the

relevant Supplements of the Funds concerned. An initial charge may however be made as described above in relation to a transaction which the Company is instructed by Shareholders or their authorised agents to treat as a separate redemption and subscription.

Switching forms, duly completed must be received no later than 1.00p.m. (Dublin time) on the ~~relevant prior redemption and subscription~~ Dealing Day (“Switching Dealing Deadline”) or such other day and/or time as the Directors shall from time to time determine generally and as notified in advance to Shareholders or in respect of specific applications provided that switch forms received after the Switching Dealing Deadline will be processed on the next Business Day. Applications may be accepted after the Switching Dealing Deadline in exceptional circumstances at the discretion of the Directors provided they are received prior to the Valuation Point.

SHARE PRICES

The most up-to-date Net Asset Value per Share of the Fund (for each class) are published following calculation on the following internet website: www.liontrust.co.uk. In addition, the most up-to-date Net Asset Value per Share of the Fund (for each class) may be obtained from the Administrator during normal business hours and may also be published in such newspaper or journal as the Directors in their sole discretion may determine.

DIVIDEND AND REINVESTMENT POLICY

Income distributing shares

The Directors’ current intention is to distribute in respect of each accounting period substantially the whole of the net income (including interest and dividends) of the Fund attributable to the Classes of Class A1, A3, B1, B3, C1 and C3 of the Fund (the “Distributing Classes”) and they may also distribute such part of any net realised and unrealised capital gains attributable to the Distributing Classes as, in their opinion is appropriate to maintain a satisfactory level of distribution. The Directors intend to make distributions to holders of the Distributing Classes of net income in respect of each accounting period on or before 31 August and the last day of February with the relevant Share class going ex-dividend on 1 July and 1 January (each an Allocation Date) respectively in each year.

Unless a Shareholder elects otherwise, any distributions attributable to the Distributing Classes will be applied in the purchase of additional Shares (or fractions thereof) of the relevant Share class.

Classes C1 and C3 are Reporting Share classes, as set out in the “DIVIDEND AND REINVESTMENT POLICY” in the Prospectus.

Payment of distributions will be made by electronic transfer in the currency of the relevant Share Class and sent to the account set out in the application form.

Any distributions unclaimed after a period of six years from the date of declaration of such distribution will lapse and shall revert to the property of the Fund.

Income accumulating shares

The Directors do not anticipate that any dividends or other distributions will be paid to the holders of classes of Class ~~A2~~, A4, A5, ~~B2~~, B4, B5, ~~C2~~, C4 and C5 of the Fund (the “Accumulating Classes”) out of the net income (including interest and dividends) of the Fund attributable to such classes of the Accumulating Classes. The amount of net income attributable to a class of the Accumulating Classes

on 1 July and 1 January (each an Allocation Date) shall become part of the capital property of the Fund.

Classes C2, C4 and C5 are Reporting Share classes, and Classes A2, A4, A5, B2, B4 and B5 are Accumulating Share classes, as set out in the “DIVIDEND AND REINVESTMENT POLICY” in the Prospectus.

Investors are referred to “DIVIDEND AND REINVESTMENT POLICY” in the Prospectus for further details on the dividend and reinvestment policy of the Fund.

COMPANY AND SHAREHOLDER TAXATION CONSIDERATIONS

The attention of prospective investors is drawn to “COMPANY AND SHAREHOLDER TAXATION CONSIDERATIONS” in the Prospectus.

RISK FACTORS

General Risks

Potential investors should note that the investments of the Fund are subject to market fluctuations and other risks inherent in investing in securities (especially in securities in emerging markets) and there can be no assurance that any appreciation in value will occur. The value of investments and the income from them, and therefore the value of, and income from, the Shares of the Fund can go down as well as up and an investor may not get back the amount he/she invests. Changes in exchange rates between currencies may also cause the value of the investments to diminish or increase. An investor who realises Shares of the Fund after a short period may, in addition, not realise the amount originally invested in view of any initial charge made on the issue of Shares of the Fund. The difference at any one time between the Net Asset Value of Shares for the purposes of purchases and redemptions means that investment in the Fund should be viewed as medium to long term.

Investment in emerging markets involves risk factors and special considerations which may not be typically associated with investing in more developed markets. Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of emerging countries. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of emerging countries in which investment may be made, including expropriation, nationalisation or other confiscation could result in loss to the Fund.

Laws governing foreign investment and securities transactions in emerging markets such as Russia or other emerging markets in Eastern Europe may be less sophisticated than in developed countries. Accordingly, the Fund may be subject to additional risks, including inadequate investor protection, unclear or contradictory legislation or regulations and lack of enforcement thereof, ignorance or breach of legislation or regulations on the part of other market participants, lack of legal redress and breaches of confidentiality. –It may be difficult to obtain and enforce a judgement in certain emerging markets in which assets of the Fund are invested. Furthermore, the standard of corporate governance and investor protection in Russia may not be equivalent to that provided in other jurisdictions.

By comparison with more developed securities markets, most emerging countries’ securities markets are comparatively small, less liquid and more volatile. This may result in greater volatility in the Net Asset Value per Share of the Fund (and consequently subscription and redemption prices for

Shares in the Fund) than would be the case in relation to funds invested in more developed markets. In addition, if a large number of securities have to be realised at short notice to meet substantial redemption requests in the Fund such sales may have to be effected at unfavourable prices which may in turn have an adverse effect on the Net Asset Value per Share of the Fund.

Currencies and Share Class Risk

Prospective investors should note that as the Base Currency of the Fund is the US Dollar the Net Asset Value of the Sterling and Euro denominated Shares in the Fund will be affected by movements in the exchange rate of Sterling and Euro against the Dollar. The Fund may undertake currency hedging transactions to seek to mitigate these movements but there can be no assurance that such currency hedging transactions, if any, will be successful. The Fund may therefore be exposed to a foreign exchange risk/currency risk. The benefits, losses and expenses relating to such hedging transactions shall be for the account of the relevant currency class of Shares.

In addition, the Fund may enter into transactions which alter the currency exposure of underlying assets in which the Fund is invested from time to time. The Fund's performance may thus be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the securities positions held.

Distribution Policy Risk

Potential investors should note that as part of the distribution policy of the classes of Class A1, A3, B1, B3, C1 and C3 of the Fund the Directors may distribute substantially the whole of the net income (including interest and dividends) and such part of any net realised and unrealised capital gains attributable to those classes as, in their opinion, is appropriate to maintain a satisfactory level of distribution.

Any increase in distributions as a result of this policy may consequently result in a proportional increase in income for tax purposes although the potential for capital gains may correspondingly be lowered, and may have differing tax implications for investors. **It is recommended that investors should seek independent professional advice with regards to distribution policy of the Fund.**

Risk of Investment in Deposits

Potential Investors should note an investment in the Fund is not 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. As a result an investment in the Fund is subject to possible fluctuation in its value.

The difference at any one time between the Net Asset Value of shares for the purposes of purchases and redemptions means that investment in the Fund should be viewed as long term.

The foregoing list of risk factors is not complete. Prospective shareholders should consult with their own advisers before deciding to subscribe for Shares. Prospective investors should in addition take into account the Risk Factors referred to under "RISK FACTORS" in the Prospectus when considering whether to invest in Shares of the Fund.

