

# OFFERING SUPPLEMENT

(hereinafter referred to as the “Offering Supplement”)

**15<sup>th</sup> February, 2017**

in respect of the offer of Investor Shares in the

## **Parala Balanced Macro Multi Asset Fund**

(the “Sub-Fund”)

a Sub-Fund of

**ARIA SICAV P.L.C.**

(the “Company”)

a self-managed open-ended collective investment scheme organized as a multi-fund public limited liability company with variable share capital registered under the Laws of Malta and licensed by the Malta Financial Services Authority in terms of the Investment Services Act (Chapter 370 of the Laws of Malta). The Company qualifies as a self-managed ‘Maltese UCITS’ in terms of the Investment Services Act (Marketing of UCITS) Regulations 2011.

**Absolute Return Investment Advisers (ARIA) Limited**

(the “Investment Manager”)

**Sparkasse Bank Malta plc**

(the “Custodian”)

**SGGG Fexserv Fund Services (Malta) Ltd.**

(the “Administrator”)

This Offering Supplement may not be distributed unless accompanied by, and is to be read in conjunction with, the latest version of the Prospectus of the Company. Save as disclosed in this Offering Supplement, there has, as at the date hereof, been no significant change and no significant new matter has arisen since publication of the Prospectus. The Investment Manager has also published a Key Investor Information Document (the “KIID”) in respect of the Sub-Fund.

**THE COMPANY (INCLUDING EACH OF ITS SUB-FUNDS) IS LICENSED AS A COLLECTIVE INVESTMENT SCHEME BY THE MALTA FINANCIAL SERVICES AUTHORITY (“MFSA”) UNDER THE INVESTMENT SERVICES ACT (CAP. 370, LAWS OF MALTA) AND QUALIFIES AS A ‘MALTESE UCITS’ IN TERMS OF THE INVESTMENT SERVICES ACT (MARKETING OF UCITS) REGULATIONS, 2011 (S.L. 370.18 LAWS OF MALTA). AUTHORISATION OF THE COMPANY AND ITS SUB-FUNDS BY THE MFSA DOES NOT CONSTITUTE A WARRANTY BY THE MFSA AS TO THE PERFORMANCE OF THE COMPANY AND ITS SUB-FUNDS AND THE MFSA SHALL NOT BE LIABLE FOR THE PERFORMANCE OR DEFAULT OF THE COMPANY AND ITS SUB-FUNDS.**

## IMPORTANT INFORMATION

BEFORE PURCHASING ANY INVESTOR SHARES IN THE SUB-FUND DESCRIBED IN THIS OFFERING SUPPLEMENT, YOU SHOULD MAKE SURE THAT YOU FULLY UNDERSTAND THE NATURE OF THIS INVESTMENT, THE RISKS ASSOCIATED WITH IT AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE NOT CERTAIN ABOUT THE CONTENTS OF THIS OFFERING SUPPLEMENT, YOU SHOULD SEEK THE ADVICE OF A SUITABLY QUALIFIED ADVISOR. YOU SHOULD ALSO REFER TO THE LATEST VERSION OF THE PROSPECTUS WHICH ACCOMPANIES THIS OFFERING SUPPLEMENT AND WHICH DESCRIBES THE COMPANY AND PROVIDES GENERAL INFORMATION ABOUT OFFERS OF INVESTOR SHARES IN THE COMPANY. YOU SHOULD NOT TAKE ANY ACTION IN CONNECTION WITH THIS OFFER OF INVESTOR SHARES UNLESS YOU HAVE RECEIVED A COPY OF THE PROSPECTUS.

### **Suitability of Investment**

Before investing in the Sub-Fund, you should inform yourself how you could be affected by: (a) any possible tax consequences; (b) any legal and regulatory requirements; (c) any applicable foreign exchange restrictions or exchange control requirements; (d) any governmental or other consents or formalities that you might require or otherwise encounter under the laws of your country of citizenship, residence or domicile and which might affect your acquisition, holding or disposal of Investor Shares or receipt by you of income from such Investor Shares.

The value of the Investor Shares will fluctuate, and there is no guarantee that you will make a profit, or that you will not make a loss, on your investment. Refer also to the Section of the Prospectus entitled "Risk Factors". The Risk Factors outlined in the Prospectus are sufficiently exhaustive to also cater for any specific risks which may apply for an investment in the Sub-Fund.

**An investment in the Investor Shares by you is best undertaken after you are satisfied, possibly after obtaining advice from a qualified professional advisor, that you have properly assessed the merits and risks associated with the investment and that your financial resources are adequate to enable you to bear any potential losses that may arise therefrom. The contents of this Offering Supplement and of the Prospectus are not intended to contain, and should not be regarded as containing, advice relating to taxation, legal advice, investment advice or any other matter.**

### **Restrictions on Distribution outside Malta**

The offer of Investor Shares pursuant to this Offering Supplement is deemed to be an offer of securities to the public in terms of the Companies Act, however, the distribution of this Offering Supplement, the Prospectus, the KIID and the offering of Investor Shares may be restricted in other jurisdictions. This Offering Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. Persons to whose attention this Offering Supplement may come are required to inform themselves about, and to observe, such restrictions.

# CONTENTS

IMPORTANT INFORMATION.....	2
Suitability of Investment.....	2
Restrictions on Distribution outside Malta .....	2
Contents .....	3
Definitions.....	4
Description of the Sub-Fund .....	6
The Sub-Fund and Investor Shares .....	6
Investment Objectives, Policy and Restrictions .....	7
The Offering.....	10
The Investment committee.....	12
The Offering .....	13
Share Offer .....	13
Purchase, Transfer and Exchange of Shares .....	13
Redemption of Shares.....	13
Exchange of Investor Shares .....	14
Pricing.....	15
Fees, Charges and Expenses .....	16
Investment Management Fee.....	16
Performance Fee.....	16
Administration Fee.....	18
Custody Fee .....	18
Authorised Distributor Fees.....	18
Early Redemption Fee.....	20
Subscription Fee.....	20
Preliminary Expenses.....	20
Other Expenses.....	21
Risk Factors .....	22
General Information .....	23
The Rights of Shareholders.....	23
Share Capital and Accounts .....	23
Fractional Shares .....	23
Shares in Other Sub-Funds of the Company .....	23
Dividend Policy .....	23
Sub-Fund Expenses .....	23
Documents Available for Inspection .....	24
Directory .....	25

## DEFINITIONS

Terms used in this Offering Supplement shall, unless otherwise defined or unless the context otherwise requires, have the same meaning as attributed to them in the Prospectus.

In this Offering Supplement, the following terms shall have the meanings set out hereunder:

<b>“ARIA Investment Platform”</b>	means the wealth management platform service offered by ARIA Capital Management to its existing clients
<b>“ARIA discretionary service”</b>	means the discretionary portfolio management service ARIA Limited offers to build and manage an investment portfolio on behalf of clients, having had the authority delegated to them by the clients to do so
<b>“Absolute Return Investment Advisers (ARIA) Limited”</b>	The entity registered in England and Wales, authorized and regulated by the Financial Conduct Authority in the United Kingdom
<b>“Authorised Distributor”</b>	The entities or individuals which may be appointed by the Company to distribute Investor Shares subject to the terms of an agreement with such persons in each case
<b>“Authorised Distribution Fee”</b>	the distribution fee payable to the Authorised Distributor, in respect of the subscription for Shares of their clients. The Fee is paid by the relevant Sub-Fund to an Authorised Distributor and subject to a Redemption penalty on any unamortised balance
<b>“Business Day”</b>	means a day on which banks are open for business in Malta, and excludes Saturdays, Sundays, and public holidays
<b>“Benchmark Rate”</b>	1 Month GBP LIBOR +3%;for GBP denominated share classes, 1 Month EURO LIBOR +3%;for EURO denominated share classes and 1 Month USD LIBOR+3% for USD denominated share classes
<b>“FCA”</b>	means the Financial Conduct Authority in the United Kingdom
<b>“Investor Shares”</b>	means Investor Shares in the Sub-Fund
<b>“Investor/s”</b>	means a registered holder of Sub-Fund Shares
<b>“Offering Price”</b>	means the price at which Investor Shares may be acquired during the offer period. After the offer period the price shall be equivalent to the Net Asset Value per share on Valuation Day
<b>“Promoter”</b>	means the person or entity which may be appointed by the Company and/or the Investment Manager to act as Promoter for a particular Sub-Fund, as may be set out in the relative Offering Supplement
<b>“Promoters Fee”</b>	means the fee which may be payable to the Promoter, if any, as may be specified in the Offering Supplement of a Sub-Fund
<b>“Performance Period”</b>	means a Calendar Month
<b>“Redemption Day”</b>	means the last Business Day of the calendar week or such

		additional Business Day or Business Days as the Directors may in their sole discretion determine, either in any particular case or generally
<b>“Redemption Notice Deadline”</b>		means the cut off time by which cleared funds and completed Redemption Notices must be received by the office of the Administrator, which is noon Maltese time, two Business Days before the relevant Subscription Day.
<b>“Redemption Price”</b>		means the price at which Investor Shares will be redeemed when the Company accedes to a redemption request, which shall be equivalent to the Net Asset Value per share on the relative Valuation Day
<b>“Redemption Penalty”</b>		a contingent redemption fee to the benefit of a particular Sub-Fund, applied in connection to the repayment of any unamortised balance of the ‘Authorised Distribution Fee’
<b>“Redemption Penalty Period”</b>		the period of time over which an Authorised Distribution Fee, payable on behalf of the investor to an Authorised Distributor by the Sub Fund, is amortised over and clawed back from an investor’s subscription
<b>“Reference Currency”</b>		means the currency in which the accounts of the Sub-Fund shall be prepared, being in GBP
<b>“SEI Global Nominees”</b>		means the current custodian holding the investments of the existing clients of ARIA which are being held on a nominee basis
<b>“Subscription Day”</b>		the first Business Day after each Valuation Day or such additional Business Day or Business Days as the Directors may in their sole discretion determine, either in any particular case or generally
<b>“Subscription Notice Deadline”</b>		means the cut off time by which cleared funds and completed Subscription Applications must be received by the office of the Administrator, which is noon Malta time, two Business Days before the relevant Subscription Day
<b>“Subscription Price”</b>		means the price at which Investor Shares in the Sub-Fund may be subscribed for on any Subscription Day; and
<b>“Valuation Day”</b>		means the last Business Day of the calendar week or such additional Business Day or Business Days as the Directors may in their sole discretion determine, either in any particular case or generally, and such additional date or dates shall for all intents and purposes be and be deemed to be a Valuation Day of the Sub-Fund.

This Offering Supplement shall, in addition, be subject to the same rules of interpretation as those set out in the Prospectus. Please see the Section of the Prospectus entitled “Definitions” for further details.

## DESCRIPTION OF THE SUB-FUND

### The Sub-Fund and Investor Shares

<b>Name of the Sub-Fund</b>	Parala Balanced Macro Multi Asset Fund;
<b>Duration</b>	The duration of the Sub-Fund is indefinite;
<b>Segregation</b>	The Sub-Fund is a segregated portfolio whose assets and liabilities are to be treated as a patrimony separate from the assets and liabilities of each other as a Sub-Fund of the Company. The various Classes of Investor Shares in the Sub-Fund do not, however, constitute segregated portfolios. Please refer to the Prospectus for further details;
<b>Classes of Investor Shares</b>	The Sub-Fund is comprised of 9 classes of Investor Shares: Class A1 –GBP, EURO, USD Class B1 –GBP, EURO, USD (Authorised Distribution Fee share-class) Class C1 – GBP, EURO, USD
<b>Base Currency</b>	EUR Denominated Share Classes - EUR USD Denominated Share Classes - USD GBP Denominated Share Classes - GBP;
<b>Eligibility for Investment</b>	The Class A1, and C1 Shares are available to all investors whilst Class B1 is only available to existing clients of ARIA's discretionary service invested via the ARIA Investment Platform. This means that Class B1 is available to those existing clients of ARIA whose investments are held in custody with ARIA through SEI Global Nominees being the current custodian. Class B1 is not and will not be available to any other custodian or execution venues. Class A1 Shares are limited to a minimum subscription of 2 million GBP or currency equivalent. The minimum investment amount for Class B1 shares is Euro 250,000 or currency equivalent;
<b>Voting Rights</b>	The Class A1, B1 and C1 shares entitle the holder thereof to one (1) vote per share at general meetings of the Company on such matters as set out in the Prospectus, this Offering Supplement, and the Memorandum & Articles of Association;
<b>Dividend Policy</b>	It is not the intention to pay Dividends. The Directors reserve the right to pay Dividends at any time if they consider that a payment of a Dividend is appropriate;
<b>Tax Status</b>	The Sub-Fund is classified as a non-prescribed fund. Please refer to the section entitled "Taxation" in the Prospectus for further details.

## Investment Objectives, Policy and Restrictions

### Investment Objective

The primary objective of the Sub-Fund is capital appreciation. The Sub-Fund will aim to achieve annual returns of 3% over 1 Month LIBOR, regardless of market conditions. The investment objective of the Sub-Fund is to generate a moderate level of growth over the medium to long term growth by dynamically investing in a diversified portfolio of assets. The Sub-Fund aims to maintain a moderate risk profile. Diversification of investments and limiting exposure to traditional risk assets will be used to reduce portfolio risk. **There is no guarantee that the investment objective of the Sub-Fund will be achieved and investment results may vary substantially over time.**

### Investment Policy

The Sub-Fund seeks to deliver capital growth using a systematic process driven, macro-economic forecasting approach which dynamically allocates to a range of asset classes to create an optimised, diversified portfolio using the following asset classes and instruments:

Asset Classes	Implementation Method
Listed Infrastructure	ETF
Emerging Market Debt	ETF
High Yield bonds accessed via exchange traded products with substantial liquidity	ETF
Investment grade corporate bonds	ETF
Developed market large cap equities	ETF
Developed market small cap equities	ETF
Emerging Market equities	ETF
Property (REITs or Listed Property)	ETF
Commodities (energy, metals and agriculture)	ETF
Cash	Deposit with custodian

The Fund will only be investing in the asset classes mentioned above through the use of ETFs and will not make a direct investment in such asset class.

Transactions in derivatives may be used for the purposes of hedging in accordance with Efficient Portfolio Management, and the UCITS regulations. In pursuing the Sub-fund's investment objectives the Investment Manager may make use of an Exchange Traded Fund in accordance with the UCITS regulations and in accordance with its risk management policy. The use of financial derivative instruments for hedging purposes will not cause the net asset value of the Sub-funds to have high volatility or otherwise cause their existing risk profile to change.

Investments in listed infrastructure ETF will generally include investments in stock of companies that are engaged in the construction and maintenance of infrastructure.

Investments in collective investments scheme will generally be EU regulated collective investment schemes. In the event that the Sub-Fund invests in Non-EU regulated collective schemes this shall be to a maximum of 10% provided such Non-EU regulated collective scheme satisfies the UCITS eligibility criteria. In the event that any investments are made in collective investment schemes with whom the Sub-Funds Directors, Investment Committee Members or Investment Manager are associated with any subscription or redemption fee with regards to investments in such schemes shall be waived.

Commodity exposure will be obtained via UCTIS eligible Exchange Traded Funds. No direct investments or exposure to commodities would be obtained via FDI investments on commodities or other means.

Investment exposure will be determined, based upon the expected returns, volatility and correlation of the asset class in the investment universe and a portfolio optimisation process to determine the weight invested in each asset class. The portfolio optimisation aims to maximise the return per unit of risk of the portfolio while diversifying away risk from different but plausible economic scenarios. The portfolio will be rebalanced on a monthly basis on the first or second trading day of the month.

While the Investment Manager will look to ensure that the Sub-Fund invests via the investment instruments detailed above it reserves the right to alter the investment instruments utilised, in order to achieve the Sub-Fund objectives in the most effective and cost efficient manner, whilst always ensuring that the underlying exposure to the asset classes remains within the constraints detailed below and with all the applicable restrictions listed in the Offering Supplement and in the Offering Memorandum. For example, if open ended UCITS compliant CIS provide a more cost effective means of gaining a specific asset or market exposure, as opposed to an ETF, that CIS may be preferred. However, any such exposures will always be within the



universe detailed above, and the application restrictions as detailed in this Offering Supplement and the Prospectus/Offering Memorandum.

A detailed description of the risks involved in the use of efficient portfolio management techniques and the impact that these risks might have on the performance of the Scheme are outlined in the Prospectus under the heading 'Risk Factors'.

### **Investment and Borrowing Restrictions**

In pursuing its Investment Objective and Investment Policy, the Sub-Fund will be subject to the Investment, Borrowing and Leverage Restrictions as set out in the section "Investment Objectives, Policies and Restrictions" in the Prospectus.

The Investment Manager will look to apply the following constraints to the Sub-Fund:

- Listed infrastructure ETF's – 0% to 15%
- Commodity ETF's – 0% to 20%
- Individual commodity sectors ETF's (Softs/Industrial metals/Precious Metals/Energy) – 0% to 10%
- Equities – 20% to 60%
- Listed Property & REITS – 0% to 15%

Maximum in any single equity sector or bond sector (e.g. UK Large Cap or Eurozone Government Bonds) – 30%

### **The Use of Exchange Traded Funds**

The above mentioned restrictions apply to the asset classes invested through ETFs.

The Fund intends to invest into ETF's that are categorised as UCITS Schemes, and may only invest in units of other UCITS Schemes authorised in terms of the UCITS Directive or other collective investment schemes falling within the definition of a UCITS Scheme. The Fund will not invest more than 20% of its assets in other Collective Investment Scheme, or a maximum of 20% of its assets in aggregate in units of a single collective investment scheme.

ETCs and ETNs are not issued as shares in funds but as debt securities. As such, these are not collective investment schemes for the purpose of the UCITS Directive, but transferable securities and are therefore not governed by the UCITS regulations. However, while they are not UCITS compliant, they may be UCITS eligible. This means that these are investments which, while not themselves UCITS compliant, are capable of being an eligible investment for another UCITS fund. However, the Fund will restrict maximum exposure to any such transferable securities to 10%.

### **Use of derivative instruments**

The Fund may enter into financial derivative instruments for efficient portfolio management and hedging purposes only.

### **Method used to calculate the global exposure**

The Fund uses the absolute Value-at-Risk (VaR) approach to measure its global exposure.

## Leverage

The level of leverage under normal market circumstances is expected to amount to 25% of the net asset value of the Fund. Such level might be exceeded or might be subject to change in the future.

This ratio merely reflects the usage of all financial derivative instruments within the portfolio of the relevant Fund and is in this context leverage is a measure of the aggregate derivative use and is calculated as the sum of the notional exposure of the financial derivative instruments used.

For the avoidance of doubt financial derivative instruments used to hedge a position will also form part of the calculation. Some of the instruments may actually reduce the risk within the portfolio and therefore this ratio does not necessarily indicate any increased level of risk within the Fund.

Shareholders should note that the market risk of the relevant Fund will be adequately monitored using the absolute Value-at-Risk (VaR) within the limits of relevant European and/or Maltese applicable laws and/or regulations and the Value-at-Risk (VaR) measure should be published in the audited annual report.

The absolute VaR approach calculates a Sub-Fund's VaR as a percentage of the Net Asset Value of the Sub-Fund and is measured against an absolute limit of 20% In line with the CESR's Guidelines on Risk Measurement and the calculation of Global Exposure and Counterparty Risk for UCITS.

The overall exposure of the Fund will not exceed 120% of the net asset value of the Fund.

## Approved Regulated Markets

See Appendix I of the Prospectus.

## The Offering

### Number of Investor Shares

1,000,000 Class A1-USD Shares, 1,000,000 Class B1-USD Shares and 1,000,000 Class C1-USD Shares.

1,000,000 Class A1-EUR Shares, 1,000,000 Class B1-EUR Shares and 1,000,000 Class C1-EUR Shares.

1,000,000 Class A1-GBP Shares, 1,000,000 Class B1-GBP Shares and 1,000,000 Class C1-GBP Shares.

### Initial Offering Price

\$100 per Share in Class A1-USD, Class B1-USD and Class C1-USD.

€100 per Share in Class A1-EUR, Class B1-EUR and Class C1-EUR.

£100 per Share in Class A1-GBP, Class B1-GBP and Class C1-GBP.

### Initial Offering Period

From 12:00 CET on the 29<sup>th</sup> August 2016 until the Closing

	Date;
<b>Closing Date</b>	12:00 CET on the 31 <sup>st</sup> December 2016 or such earlier or later date as the Directors may, in their sole and absolute discretion, determine;;
<b>Minimum Holding</b>	Subject to the Minimum Initial Investment in the Company, there is no Minimum Holding requirement in relation to the Sub-Fund.
<b>Minimum Initial Investment</b>	<p>The Minimum Initial Subscription per Shareholder is \$2,000,000 (US Dollars) for Class A1-USD Shares, €2,000,000 (Euro) for Class A1-EUR Shares and £2,000,000 (British Pound Sterling) for Class A1-GBP Shares.</p> <p>The Minimum Initial Subscription per Shareholder is \$250,000 (US Dollars) for Class B1-USD Shares, €250,000 (Euro) for Class B1-EUR Shares and £250,000 (British Pound Sterling) for Class B1-GBP Shares.</p> <p>The Minimum Initial Subscription per Shareholder is \$10,000 (U.S. Dollars) for Class C1-USD Shares, €10,000 (Euro) for Class C1-EUR Shares, £10,000 (British Pound Sterling) for Class C1-GBP Shares.</p> <p>All Subscriptions are subject to acceptance or rejection in the sole discretion of the Directors.</p>
<b>Minimum Additional Investment</b>	Subject to the Minimum Initial Investment in the Company, there is no Minimum Additional Investment in relation to the Sub-Fund.
<b>Publication of NAV per Share</b>	The Net Asset Value per Share will be published on pricing platform such as Bloomberg. Further details on the pricing platform can be obtained from the Administrator.
<b>Listing</b>	The Sub-Fund shall not be listed.

Further details regarding this offering of Investor Shares can be found in the Section entitled "The Offering" below.

## THE INVESTMENT COMMITTEE

The Board of Directors retains overall responsibility for the implementation of the investment objective of the Company in respect of each Sub-Fund, directing the investment management of its assets and in the management and monitoring of risk. In this regard, the Board has established and receives support from the Investment Committee.

The Investment Committee meets at least quarterly and in any case as frequent or as necessary in the light of the Sub-Fund's investment policy, with the majority of meetings physically held in Malta.

Under its terms of reference, the Investment Committee is responsible for the following matters:

- (i) to monitor and review the investment policy and performance of the Sub-Fund;
- (ii) to establish and review guidelines for investment by the Sub-Fund;
- (iii) to issue rules for stock selection and set the portfolio structure and asset allocation;
- (iv) to make policy recommendations to the Board of Directors;
- (v) to monitor the VAR approach to risk management adopted by the scheme, which monitoring activity shall be carried out by the Risk Manager; and
- (vi) to report on risk management to the Board, as advised by the Risk Manager.

The Investment Committee reports to the Board of Directors on the activities and the performance of the Sub-Fund.

The members of the Investment Committee are described below:

### **Matthew Brittain**

(see details under "Directors and Officer of the Company" in the Prospectus)

### **James Hindmarch**

(see details under "Directors and Officer of the Company" in the Prospectus)

### **Richard Thomson Wight**

(see details under "Directors and Officer of the Company" in the Prospectus)

Matthew Brittain and James Hindmarch are not remunerated for their roles on the Investment Committee, but Richard Wright is paid 12,000 Euros annually.

### **Conflicts of Interest**

Please refer to the Section entitled "Conflicts of Interest" in the Prospectus for an overview of potential conflicts of interest affecting persons involved with the Company.

# THE OFFERING

## Share Offer

This Offering Supplement is supplemental to, and must be read in conjunction with, the Prospectus issued by the Company. The Offering Supplement constitutes an offer of Investor Shares in the Sub-Fund which is initially comprised of nine classes of Investor Shares, the Class A1, B1 and C1 Shares.

The offering of the Investor Shares at the Initial Offering Price was open on 29<sup>th</sup> August 2016 and closed on the Closing Date. The Company shall issue Investor Shares in connection with appropriately completed Subscription Applications received during the Initial Offering Period, on the Business Day following the Closing Date.

During the Offering Period, the offer will be for Investor Shares at the Offering Price applicable on the relevant Subscription Day.

## Purchase, Transfer and Exchange of Shares

Investor Shares can be purchased at the prevailing Offering Price, by submission to the Company at the office of the Administrator of the relevant and properly completed Subscription Application prior to the cut off time for receipt of applications for the relevant Share Class.

Subject to the satisfaction of the requirements set out above, Investor Shares shall be issued to successful Subscribers.

Payment should be effected by bank transfer. At the Company's discretion, payments may be accepted by other means. All payments for Investor Shares must be made in the base currency of that class of Investor Shares and be received in Cleared Funds in any event before the Subscription Notice Deadline. Any applicable bank charges will be borne by the Subscriber. If the Subscription Application or associated Cleared Funds are not received as required, then the Subscription Application may be rejected or held over until the next Subscription Day at the discretion of the Company.

In the event that an application is rejected, application monies will be returned without interest by telegraphic transfer to the remitting bank at the discretion of the Company at the risk and expense of the Subscriber.

Subject to the satisfaction of the requirements set out above, Investor Shares shall be issued to successful Subscribers on the next Dealing Day. The Administrator will generally issue written confirmation of ownership to a Shareholder within five (5) Business Days after the applicable Subscription Day.

Full details of the application and subscription process appear in the Section of the Prospectus entitled "Purchase, Exchange and Transfer of Shares". A Subscription Application and other related documentation will be provided upon request by the Administrator, the Investment Manager or by an Authorised Distributor.

## Redemption of Shares

Investors are directed to the Prospectus where the procedures relating to the Redemption of Investor Shares and the conditions applicable thereto are outlined.

Investor Shares can be redeemed at the prevailing Redemption Price, by submission to the Company at the office of the Administrator of the relevant and properly completed Redemption Notice before the Redemption Notice Deadline. Redemption requests received after the cut off time for receipt of redemption requests will be processed on the following Redemption Day.

In terms of the Memorandum and Articles, redemption requests and/or exchange requests are, once made, irrevocable. A Redemption Notice if accepted by the Company will be effective as at the applicable Redemption Day. Investor Shares shall be cancelled on the relevant Redemption Day and redemption requests will generally be settled within ten (10) Business Day from the relevant Redemption Day.

Full details of the redemption process appear in the Section of the Prospectus entitled “Redemption of Shares”.

A Redemption Notice and other related documentation will be provided upon request by the Administrator, the Investment Manager or by an Authorised Distributor.

- Deferral of Redemption

The Directors may in their exclusive discretion limit the total amount of redemptions effected on any Redemption Day to 10% of the outstanding Investor Shares in the Sub-Fund on that day (in each case before processing request for the issue of the Investor Shares or requests for redemptions of such Investor Shares for such Redemption Day). In such circumstances the Company or its authorised agent may scale down pro rata the number of Investor Shares to be redeemed in response to each request for redemption to the extent necessary to ensure that the foregoing limit is not exceeded, and shall carry forward the balance for redemption as at the next Redemption Day and so on to each succeeding Redemption Day until each request has been complied with in full. Requests for redemption carried forward from an earlier Redemption Day shall have priority over later requests.

### **Redemption Charges**

Shareholders should note that there is a Redemption Penalty levied on redemptions of Class “B1” Shares which will be deducted from the redemption proceeds and calculated on the basis of the outstanding Redemption Penalty pro-rated for the percentage of the number of Shares for the Redemption in relation to the number of Shares in the original Subscription.

However, Shareholders of Class “B1” Shares may request redemption by reference to a specific monetary amount. Where this is the case, any Redemption Penalty outstanding on those Shares will be added to the redemption amount, so that the Shareholder still receives the actual amount requested (with a correspondingly greater reduction in the number of Shares held on the Shareholder’s behalf) except where the redemption request represents the Shareholder’s entire shareholding, the redemption amount will be reduced accordingly.

### **Exchange of Investor Shares**

Investors are directed to the Prospectus where the procedures relating to the Transfer of Investor Shares and the conditions applicable thereto are outlined.

A holder of Investor Shares may exchange all or part of such holding (the “Original Shares”) into Investor Shares in another Sub-Fund or in a different Class of Investor Shares of the same Sub-Fund (the “New Shares”).

An irrevocable request from a Shareholder to exchange Investor Shares shall be construed as being a request for the repurchase of the stated number of Original Shares (save that the repurchase monies shall not be released to the investor) and a simultaneous request for the proceeds from such repurchase to be applied in the purchase of New Shares as may be indicated. The exchange of Investor Shares shall take place on the same Dealing Day, or as otherwise agreed with the investor, at the relevant Subscription Prices.

Irrevocable conversion instructions addressed to the Company and received at the Administrator’s registered office in respect of the Sub-Fund before the cut off time for receipt of conversion instructions, if accepted by the Company, will be dealt at the Net Asset Value per Share as at the Valuation Point for the applicable Subscription Day/ Redemption Day. Requests received after this time will, unless the Company otherwise agrees, be held over until the following Subscription Day/ Redemption Day in relation to the New Shares/Original Shares. Irrevocable conversion instructions addressed to the Company and received at the Administrator’s registered office on a Business Day which is not a Subscription Day/ Redemption Day in relation to the New Shares/ Original Shares, if accepted by the Company, will be carried over to the following Subscription Day/Redemption Day and dealt at the Net Asset Value per Share as at the Valuation Point for the applicable Subscription Day/ Redemption Day.

Full details of the process for the exchange of Investor Shares appears in the Section of the Prospectus entitled “Exchange of Investor Shares”.

### **Pricing**

The calculation of the NAV of the Sub-Fund and of the NAV per Share shall be effected by the Administrator as at the close of business on every Valuation Day on the basis of the closing prices on that day and in such manner as is stated in the Prospectus under the section entitled “Net Asset Value Calculation”. The NAV per Share will be published on pricing platform such as Bloomberg. Further details on the pricing platform can be obtained from the Administrator.

### **Passporting**

For the purposes of Passporting this Sub-Fund in the United Kingdom ('UK'), the Investment Manager whose registered office and head office is situated at Ground Floor 2, Bell Court, Leapale Lane Guilford Surrey GU1 4 LY United Kingdom shall (in accordance with section 9.4 to the Collective Investment Schemes sourcebook as issued and amended from time to time by the FCA) at all times maintain facilities at the aforementioned office in the UK that offer the following to investors in this Sub-Fund:

- free inspection of the scheme documents;
- the ability to obtain information about prices of units;
- the ability to redeem or arrange for redemption of units and obtain payment; and
- the ability to submit a complaint.

The Investment Manager is licensed by the FCA to provide discretionary investment management services (Licence Number 527557).

## FEES, CHARGES AND EXPENSES

### Investment Management Fee

The Company will pay the Investment Manager an Investment Management Fee of:

Class A1 0.65%

Class B1 1.5%

Class C1 0.95%

The Investment Management Fee will accrue at every Valuation Day and shall be payable monthly in arrears. The Investment Manager will be reimbursed for all properly incurred and approved out-of-pocket expenses.

### Performance Fee

The Investment Manager shall, in addition to the Investment Management Fee, receive from the Company in respect of the Sub-Fund a fee (the "Performance Fee") based on the performance of the Sub-Fund in respect of the NAV per Share calculated weekly as set out ("Calculation Period"), which is crystallised on a calendar month basis on the last Business Day of a calendar month, where such Business Day is a Valuation Day, or where this is not the case the next Valuation day after the last Business Day of a calendar month ("Crystallisation Date"). The Performance Fee shall be paid to the Investment Manager.

The Performance Fee shall be 20% on the net return in excess of the sub-funds benchmark rate i.e. the rise-in-value of the NAV per Share of the Sub-Fund in the Calculation Period, in excess of the sub-funds benchmark rate, calculated on a high 'water mark' basis. A Performance Fee will be accrued, subject to a high water mark, whereby performance fees are only payable if the net increase of the Net Asset Value of the Sub-Fund is superior to the previous high 'water mark'. The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value before deduction for any accrued Performance Fee. The Performance Fee will be deemed to accrue as at each Valuation Day and shall be payable monthly in arrears and normally within 14 calendar days of each Crystallisation Date.

The Performance Fee will be calculated in respect of each Calculation Period, although the first Calculation Period will be the period commencing on the Business Day immediately following the Closing Date, and ending on last Valuation Day of 31<sup>st</sup> December 2016. Thereafter each Calculation Period shall commence on the Business Day immediately following the last Valuation Day of a calendar week and end on the next Valuation Day of the following calendar week. .

The Company will not adopt an equalisation methodology for the calculation of the performance fee due to the Investment Manager. Shareholders may according underpay/ over pay any performance fee due to the Investment Manager when subscribing and/ or redeeming their Investor Shares.



Period	Gross Asset Value	HWM	Benchmark	Performance	Performance Fee	NAV	No. of shares in issue	Total Perf. fee
	(a)	(b)	Monthly LIBOR + 3%	(c) = (a) - (b)	(d) = (c) x 20%	(e) = (a) - (d)	(f)	(g) = (d) x (f)
Launch	100.00	100.00	N/A	N/A	N/A	£ 100.00	20,000.000	-
Week 1	105.00	100.00	100.05	4.95	£ 0.99	£ 104.01	20,000.000	£ 19,797.69
Week 2	120.00	100.00	100.10	19.90	£ 3.98	£ 116.02	20,000.000	£ 79,581.54 Movement of £59,783.85
Week 3	115.00	100.00	100.15	14.85	£ 2.97	£ 112.03	20,000.000	£ 59,395.38 Movement of (£20,186.15)
Week 4 (month end)	99.00	100.00	100.20	-1.20	£ -	£ 99.00	20,000.000	£ - Movement of (£59,395.38)
Week 5	104.00	100.00	100.05	3.95	£ 0.79	£ 103.21	20,000.000	£ 15,795.38
Week 6	108.00	100.00	100.10	7.90	£ 1.58	£ 106.42	20,000.000	£ 31,587.69 Movement of £15,792.31
Week 7	110.00	100.00	100.16	9.84	£ 1.97	£ 108.03	20,000.000	£ 39,372.31 Movement of £7,784.62
Week 8 (month end)	124.00	100.00	100.22	23.78	£ 4.76	£ 119.24	20,000.000	£ 95,110.77 (crystallised) Movement of £55,738.46
Week 9	156.00	119.24	119.31	36.69	£ 7.34	£ 148.66	20,000.000	£ 146,776.33
Week 10	102.00	119.24	119.24	-17.24	£ -	£ 102.00	20,000.000	£ -

							00	Movement of (£146,776.33)
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Investors should be aware that the application of a Performance Fee may incentivise the Investment Manager of the Sub-Fund to take higher risks in its investment decision. In addition the increase in value of the Net Asset Value which is used as a basis for the calculation of performance fees, may be comprised both of realised gains as well as unrealised gains as at the end of the calculation period, and as a result, a Performance Fee may be paid on unrealised gains which may subsequently never be realised by the Sub-Fund.

### Administration Fee

The Administrator is entitled to receive a fee of 0.09% per annum, payable pro rata quarterly in arrears on the last Business Day in each calendar quarter of each year. The fees are calculated by reference to the Net Asset Value on each Valuation Day. The Administrator is entitled to receive a minimum Administration Fee of €2,750 per month..

The Administrator will be reimbursed for all properly incurred and approved out-of-pocket expenses.

### Custody Fee

The Company will pay the Custodian, in respect of the Sub-Fund, a Custody Fee of:

- 0.15% per annum subject to a minimum annual fee of €6,000 per annum (if the Sub-Fund's size is below EUR 25million).
- 0.10% per annum subject to a minimum annual fee of €37,500 per annum (if the Sub-Fund's size is larger than 25 million but less than 50 million).
- 0.075% per annum subject to a minimum annual fee of €50,000 per annum (if the Sub-Fund's size is larger than 50 million but less than 150 million).

The custody fee shall apply to the total net assets (not NAV) held by the sub-fund on the day the custody fee is levied; meaning. The fee will be applied to the aggregate value of the assets including assets the sub-funds may hold with sub-custodians or Prime Brokers as well as deposits with third party banks (as the case may be). Dates for levying fees will be end of March, June, September and December. Custody fees are exclusive of third party fees if and when levied.

The Custodian will be reimbursed for all out-of-pocket expenses, in accordance with the Custody Agreement. A sub-custody fee may be charged in respect of any appointed sub-custodian.

### Authorised Distributor Fees

Class B1 is only available to existing clients of ARIA's discretionary service invested via the ARIA Investment Platform whose investments are held in custody through SEI Global Nominees.

Class B1 is available to those existing clients of ARIA whose investments are held in custody with ARIA through SEI Global Nominees being the current custodian. Class B1 is not and will not be available to any other custodian or execution venues. Class B1 will be denominated in the base currency of the respective Sub-Funds.

Class B1 Shares are not subject to an "upfront" Subscription Fee (i.e. a Subscription Fee that reduces a Shareholder's initial subscription amount to the Sub-Fund) but are subject to an Authorised Distributor Fee and a Redemption Penalty levied upon the redemption of Class "B1" Shares made within their Redemption Penalty Period. The Redemption Fee is applied in connection to the repayment of any unamortised balance of the 'Authorised Distribution Fee'.

Upon the subscription for Class B1 shares from the Shareholder, the Investment Manager shall receive an Authorised Distribution Fee of up to 7.0% per annum of the Net Asset Value attributable to the subscription. This percentage establishes a fixed monetary amount specific to each Investor which is

then expensed against the Sub-Funds assets attributable to that specific Investor. This Authorised Distribution Fee shall be amortised over a maximum 84 month period (a 12 month period for each 1% of Authorised Distribution Fee levied) against the assets of the Sub-Fund attributable to the individual Shareholder. Should the investor redeem prior to the lapse of the Redemption Penalty Period, the investor will incur the redemption penalty fee which will be levied as described below in the event of a specific Investor's redemption.

The amount of the Authorised Distribution Fee is paid by the Company to the Investment Manager for the benefit of the Authorised Distributor in the calendar month following the time of subscription for Class B1 Shares.

The amortisation period is determined by the percentage of the Authorised Distributor Fee agreed between the Shareholder and the Authorised Distributor.

The Authorised Distribution Fee shall be amortised over a period of time, (a 12 month period for each 1% of Authorised Distribution Fee levied), against the assets of the Sub-Fund attributable to the Shareholder and if the investor redeems prior to a certain period of time, such investor would need to pay a Redemption Penalty, which is equal to outstanding amount not yet amortised. By way of example, a 7% Authorised Distribution Fee will mean an 84 month amortisation period or Redemption Penalty Period, and 5% would mean a 60 month amortisation period or Redemption Penalty Period. The Authorised Distribution Fee will always be calculated on the Investor's original Subscription value, and the current value of the investor's units held thereafter will not have any bearing on this calculation.

The Redemption Penalty will decline to 0% having been fully amortised over the Redemption Penalty Period.

**Example: Subscription of EUR 100,000 at first Subscription Date in February 2012 for 80,000 Shares**

Authorised Distribution Fee: 5% EUR 5,000

Redemption Penalty Period: 5 years = 60 months

Monthly amortisation = 5000 EUR / 60 = 83.34\* Euros per month

Redemption: 45,000 Shares on 15 February 2016

Amount of charge already paid by monthly amortisation (first Subscription day February 2012 – first Subscription/Redemption Day February 2016):

Redemption Penalty Period elapsed at Redemption Day: 48 months

Remaining Redemption Penalty Period: 60 months – 48 months = 12 months

Remaining charge to be deducted from redemption 12 months at 80.34\* Euros = 1000.08 EUR

The above amount of 1000.08 EUR needs to be pro-rated to reflect for the number of shares being redeemed being less than the Initial Subscription.

$1000.08^* \text{ EUR} \times 45000 \text{ Shares} / 80000 \text{ Shares} = 562.55^* \text{ EUR}$

The above amount of 562.55 EUR will be deducted from the proceeds relating to the redemption of 45,000 Shares as at the Redemption Date in February 2016 (subject to rounding).

At the end of the month following the completion of the amortisation period relating to the original Subscription, once the Authorised Distribution Fee is repaid in full to the Sub Fund, the Shareholder's remaining shareholding will be automatically converted to an alternative Share Class which does not support Authorised Distributor Fees, nor feature any redemption penalties, to ensure that the Shareholder does not continue to bear the cost of any unamortised Authorised Distribution Fee relating to Shareholdings of other Subscriptions.

Depending on when a Shareholder invests or redeems out of the Sub-Fund potential inequalities may arise. In the event that such inequalities occur, neither the Company, the Investment Manager,

Administrator or Custodian shall be liable to any Shareholder for any inequalities or excess Redemption Penalty so levied.

Subscribers to Class B1 should note that the effect of the Authorised Distribution Fee will be reflected by having higher expenses attributable to the Sub-Fund's assets which will also reflect in a decreased Net Asset Value of Class B1 and those investors being charged a higher Authorised Distribution Fee shall also negatively affect the Net Asset Value.

Below please find the fee structure with the respective charges for every year lapsed

**Table 2: Applicable fee as per share class**

	Class A1	Class B1	Class C1
Type of Fee			
<b>Authorised Distributor Fee</b>	0%	Up to 7% ( as agreed)	0%
<b>Subscription Fee (applicable only to Share Class A and C)</b>	5%	0%	5%
<b>Early Redemption Fee (*At the Director's discretion)</b>	Up to 2%*	Nil	Up to 2%*

#### **Early Redemption Fee**

The Sub-Fund may, within discretion of the Directors, impose an Early Redemption Fee of up to 2% on the Net Asset Value per Share, in Share Classes A1 and C1, only where a redemption of Shares (in whole or in part) takes place within 12 months of the Shareholder's initial subscription. The charge shall be to the benefit of the Fund. No Early Redemption Fee is applicable for redemptions which take place after this period.

#### **Subscription Fee**

The Sub-Fund for Share Classes A and C only, may impose a Subscription Fee on the issue of Shares of up to 5% of the Net Asset Value per Share subscribed by each investor, to be paid out of the subscription monies at subscription and payable to the Investment Manager. The Subscription fee will only be charged to Class A and C investor shares if such subscription is done through an Authorised Distributor.

The Investment Manager may pay all or part of the fees and charges it receives as a commission, retrocession, rebate or discount to financial intermediaries, Authorised Distributors or other investors. The Subscription Fee may be reduced or waived at the discretion of the Directors or Investment Manager.

#### **Preliminary Expenses**

The Sub-Fund is responsible for paying the preliminary expenses of and incidental to, the initial offering. This includes a share of the expenses relating to the establishment of the Company in Malta as well as its own initial organisational expenses (including the negotiation and preparation of the contracts to which it is a party, the costs of printing this Offering Supplement, the fees and expenses of its professional advisers and certain marketing expenses in connection with the launch and initial promotion of the Fund, and in connection with the offering, issue and listing of the shares).

These preliminary expenses are estimated not to exceed GBP 30,000 and they will be amortised on a straight line basis over the first 60 months of the Sub-Fund's operations.

**Other Expenses**

The Sub-Fund will also be subject to other fees including, its pro-rata share of the Directors and Company Secretary Fees and its Operating Expenses as set out in the Prospectus.

The Investment Manager may also be paid a Promoter's Fee, which at its absolute discretion can be paid to certain promoters for their assistance in distributing the shares of the Sub Fund. The Promoter's Fee is paid in respect of parties appointed by the Investment Manager to provide a range of services, including but not limited to marketing, asset raising and distribution support, including the disbursement of distribution fees. The Promoter's fee shall be paid from the assets of that Sub-Fund and shall be amortised over the period of five (5) years. Any such fee paid from the assets of the Sub Fund will not exceed 0.20% of the Net Asset Value per annum

## RISK FACTORS

Investors should refer to the section entitled “Risk Factors” in the Prospectus for information on the risks associated with making an investment in this Sub-Fund.

**It cannot be guaranteed that the applicable sector will continue to rise in the future. It is also possible that the Sub-Fund may not be able to identify sufficient high-quality investment opportunities. The value of the consumer sector may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investments may be made. Political unrest, acts of war, terrorism, internal or external tensions and any future actions of governments in any country could each affect the value of consumer goods.**

## GENERAL INFORMATION

### The Rights of Shareholders

The rights of Shareholders are stated in the Memorandum and Articles and in the Companies Act, and include (*inter-alia*) the right to receive notice of, and to attend and to vote at, meetings of the Company as summarised below.

The Investor Shares in the Sub-Fund carry the right to one (1) vote per share at meetings of the Company on the following matters (a) the variation of the rights attached to a class of shares; (b) any amendment to the investment objectives of the Sub-Fund; and (c) the nomination, appointment and, or removal of directors (other than the Director appointed by the holders of the Founder Shares). The Investor Shares entitle Shareholders to participate in the movements, both positive and negative, in the value of the assets of the Sub-Fund as well as the receipt of dividends as set out hereunder.

The holders of the Founder Shares carry the right to one (1) vote per share at general meetings of the Company and have collectively the exclusive right to nominate/appoint or remove one (1) Founder Director. The Founder Shares do not carry a right to participate in any dividends or other distributions of the Company or in the assets of the Company on a winding up (other than to the surplus, if any, that may remain after payment of all amounts due to creditors and holders of the Investor Shares).

### Share Capital and Accounts

All amounts received by the Company on the issue of Investor Shares, initially and subsequently, will be credited as share capital of the Company and will form part of the Net Asset Value of the Sub-Fund. Separate accounts are kept for the assets of the Sub-Fund.

### Fractional Shares

Fractional Shares will be issued up to four (4) decimal places.

### Shares in Other Sub-Funds of the Company

The Company is constituted as a multi-fund investment company with variable share capital. As of the date of this Offering Supplement, the Company has not made an offering of Investor Shares in other Sub-Funds. The Company may establish more Sub-Funds in the future.

### Dividend Policy

The income of the Sub-Fund will generally be accumulated and it is not the intention of the Sub-Fund to pay dividends. Notwithstanding this, the Directors reserve the right to pay Dividends at any time if they consider that a payment of a Dividend is appropriate.

Where the Company resolves to pay dividends and change the Dividend Policy, the relevant details will be provided in an updated version of the Prospectus and the investors will be notified in advance.

### Sub-Fund Expenses

The Sub-Fund shall incur annual licence fee expenses of approximately EUR700 payable to the MFSA. Details of other expenses incurred by the Sub-Fund may be found in the Prospectus and in the above section on "Fees, Charges and Expenses". The Sub-Fund will not bear any costs incurred in the offering of shares in any other sub-fund of the Company.

### **Documents Available for Inspection**

Copies of the following documents shall be available for inspection at the registered office of the Company or at the offices of the Administrator (see Directory at last page hereof) during normal business hours:

- Memorandum & Articles of Association, and Certificate of Incorporation of the Company
- The latest Prospectus and Offering Supplements for all Sub-Funds
- Key Investor Information Document
- Custody Agreement
- Administration Agreement
- Investment Management Agreement
- Investment Services Act, Chapter 370 of the Laws of Malta
- The latest Annual and Half Yearly report of the Company (if available).



## DIRECTORY

<b>Directors of the Company</b>	Matthew Brittain Dr. Paul Magro Brendan Conlon
<b>Registered Office</b>	Alpine House, 34, Naxxar Road, San Gwann. Malta SGN9032
<b>Company Secretary</b>	SGGG Fexserv Fund Services (Malta) Limited
<b>Investment Committee</b>	Matthew Brittain James Hindmarch Richard Thomson Wight
<b>Investment Manager</b>	<b>Absolute Return Investment Advisers (ARIA) Limited</b> Ground Floor 2, Bell Court, Leapale Lane Guilford Surrey GU1 4 LY United Kingdom
<b>Custodian</b>	<b>Sparkasse Bank Malta plc</b> 101 Townsquare, Ix-Xatt ta' Qui-si-Sana, Sliema SLM3112, Malta
<b>Administrator</b>	<b>SGGG Fexserv Fund Services (Malta) Ltd.</b> Alpine House, 34, Naxxar Road, San Gwann. Malta SGN9032
<b>Auditors</b>	<b>Deloitte</b> Deloitte Place, Mriehel Bypass, Mriehel, BKR 3000 Malta
<b>Legal Advisors</b>	<b>Chetcuti Cauchi</b> 120, St Ursula Street, Valletta VLT 1236, Malta