

**Mondrian Global Fixed Income Fund**

**which is an open-ended fund of  
Mondrian Funds plc  
(an umbrella fund with segregated liability between sub-funds)**

**Supplement to the Prospectus dated 4 March 2021  
for Mondrian Funds plc**

This Supplement contains specific information in relation to **Mondrian Global Fixed Income Fund** (the **Fund**), a fund of Mondrian Funds plc (the **Company**) an umbrella type investment company with variable capital and segregated liability between sub-funds, which is incorporated in Ireland and authorised by the Central Bank of Ireland (the **Central Bank**) under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended).

**This Supplement forms part of and should be read in conjunction with the Prospectus dated 4 March 2021.**

The Directors of the Company, whose names appear under the section entitled **Directors of the Company** in the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Dated: 11 August 2021**

**DIRECTORY**

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## **1. INVESTMENT OBJECTIVE AND POLICIES**

### **1.1. Investment Objective**

The Mondrian Global Fixed Income Fund's investment objective is to generate current income consistent with the preservation of principal.

### **1.2. Investment Policies**

The Fund attempts to achieve its objective by investing primarily in a global portfolio of fixed and/or floating rate debt securities denominated in any currency and issued by governmental and supranational issuers located throughout the world that may provide the potential for capital appreciation.

The debt securities the Fund invests in will generally be rated BBB- or better by Standard & Poor's ("S&P") or Baa3 or better by Moody's Investors Service ("Moody's") or if unrated, be deemed to be of comparable quality by the Investment Manager.

The Fund may invest in a broad range of debt securities, including government, municipal, sovereign and supranational bonds and other debt securities, instruments and obligations issued by governments, their agencies, instrumentalities or political subdivisions and supranational entities. Types of bonds the Fund may invest in but is not limited to are zero coupon bonds and inflation-linked bonds.

A supranational entity is an entity established or financially supported by the national government of one or more countries to promote reconstruction or development. Examples of supranational entities include, among others, the International Bank for Reconstruction and Development (more commonly known as the World Bank), the European Economic Community, the European Investment Bank, the Inter-American Development Bank and the Asian Development Bank.

Debt securities of issuers within a given country may be denominated in the currency of such country, the currency of another country or in multinational currency such as the Euro.

The Fund may also utilise FDI as detailed below for investment and efficient portfolio management purposes.

It is expected that the Fund will ordinarily be primarily invested in the instruments described above; however, where market circumstances require the Investment Manager is permitted to hold up to 100% of the Fund's Net Asset Value in liquid assets including: cash, certificates of deposit, treasury bills (short term government issued debt securities) and other short maturity bonds and/or short term money market instruments.

The Fund will not invest in the securities of corporate issuers or asset backed securities.

The Fund is actively managed. The Investment Manager's approach to selecting investments for the Fund is based on its extensive experience in global fixed-income. The Investment Manager's approach in selecting investments for the Fund is oriented to both country selection and currency and is value driven. The Investment Manager conducts extensive fundamental research on a global basis, and it is through this effort that attractive debt markets are selected for investment. The core of this fundamental research effort is a value oriented prospective real yield approach which looks at today's yield in each market and subtracts from it forecasted inflation for the next two years to identify value as a forward looking potential real yield. Comparisons of the values of different possible investments are then made. The higher the prospective real yield the higher the relative allocation and conversely the lower the prospective real yield the lower the allocation or even a zero allocation. The Investment Manager's prospective real-yield framework has been integral in the track records of its fixed income products.

The Fund is a global fund that will invest in issuers located throughout the world. The Fund may execute transactions denominated in any currency and has flexibility to trade in any market or instrument consistent with the investment policies of the Fund, to achieve its investment objective. Securities of issuers within a given country may be denominated in the currency of such country, the currency of another country or in a multinational currency such as the Euro.

Currency considerations carry a special risk for a portfolio of international debt securities. The Investment Manager primarily uses a purchasing power parity approach to evaluate currency risk. In

this regard, the Fund may carry out hedging activities, and may invest in forward foreign currency contracts to hedge currency risks associated with the purchase of individual securities denominated in a particular currency. The Investment Manager will only carry out such hedging if it is cost effective to do so. The Fund will not automatically hedge positions at portfolio level. Under normal circumstances, where hedging is carried out at portfolio level, it is undertaken defensively back into the Base Currency of the Fund, although the Investment Manager may cross-hedge using forward foreign currency contracts.

Duration is a measure of the price sensitivity of a bond portfolio to changes in yield. If a portfolio or its benchmark index has a duration of 8 years this means that if bond yields decline by 1%, the portfolio or index value will rise by about 8% (this assumes that the yields of all the bonds in the portfolio or index move by 1%). The shorter the duration, therefore, the less sensitive a portfolio is to yield changes. It is anticipated that the Investment Manager will manage the Fund so that the duration will be between 75% and 125% of the duration of the benchmark index identified below.

### Benchmark

The investment performance of each Share Class will be measured over a full market cycle of approximately five years by comparing the total return of each Share Class relative to the return of the FTSE World Government Bond Index (the **Index**) hedged or unhedged in Euro or US Dollar terms as the case may be.

The Index currently comprises a basket of bonds issued by around 20 of the major world governments, chosen for their high creditworthiness and high liquidity, meaning that they are widely traded. The Index tracks the performance of that basket over time. New bonds may be added by the Index sponsor, when issued, and the Index sponsor may decide that bonds that are about to mature no longer form part of the constituents of the Index, so the basket is not constant. Countries may be added or removed according to the Index inclusion criteria.

More details regarding the Index are available on the index provider's website at <https://www.yieldbook.com/m/indices/single.shtml?ticker=WGBI>.

The average quality of the Fund should not vary materially from that of the Index. The Index will not constrain the management of the Fund in any way and the Fund can invest in securities not included in the Index.

## 2. **PROFILE OF A TYPICAL INVESTOR**

Investment in the Fund is suitable for investors seeking total return through income together with the preservation of capital over the medium term (3-5 years) and who are prepared to accept a moderate level of volatility.

## 3. **SHARE CLASS HEDGING**

Share Classes which may or may not be denominated in a different currency to the Base Currency (**Currency Hedged Share Class**) are subject to currency hedging.

The Fund will seek to hedge the Currency Hedged Share Classes against the currency exposures of the underlying securities in the portfolio, which differ from the currency of the Currency Hedged Share Classes in accordance with the "**Derivative Specific Share Classes and Share Class Hedging**" section of the Prospectus and "**Financial Derivative Instruments and Efficient Portfolio Management**" below.

The Fund maintains in respect of the Euro Hedged Class a minimum currency hedge of 85% of the Net Asset Value of the Fund attributable to those Shares by selling non Euro denominated currencies forward into the Euro or into another currency or currencies (a cross hedge) if the Investment Manager believes that a different currency offers a better hedge. A maximum of 15% of the Fund attributable to the Euro Hedged Class may at the option of the Investment Manager remain unhedged if the Investment Manager considers that a particular currency offers good value.

Currency exposures at Share Class level will generally be hedged by entering into currency forward exchange contracts. The Company and/or the Investment Manager may appoint a service provider to implement this Share Class level hedging on a non-discretionary basis. The Northern Trust Company

have been appointed by the Company to provide the Share Class level hedging service.

Any costs relating to Share Class Hedging transactions will accrue solely in relation to the relevant Currency Hedged Share Classes.

Investors should note that the Currency Hedged Share Classes will not completely eliminate currency risk, or provide a precise hedge, and as such, investors may have exposures to currencies other than the currency of that Currency Hedged Share Class.

#### 4. **FINANCIAL DERIVATIVE INSTRUMENTS & EFFICIENT PORTFOLIO MANAGEMENT**

The Fund may use FDI for investment and efficient portfolio management purposes in accordance with the section entitled **Utilisation of FDI and Efficient Portfolio Management** in the Prospectus and as further described below. The use of FDI for investment purposes may, lead to an increase in the Fund's risk profile or result in higher volatility. The Fund will not be leveraged in excess of 100% of its Net Asset Value through the use of FDI and the Fund will use the commitment approach to calculate its daily global exposure, being the incremental exposure and leverage generated through the use of FDI in accordance with its risk management process and the requirements of the Central Bank.

**Below are details of the FDI in which the Fund may invest.**

##### **Currency Forwards**

The Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by the Central Bank from time to time, to reduce the risks of adverse changes in exchange rates, as well as to enhance the return of the Fund by gaining an exposure to a particular foreign currency. A forward currency exchange contract, which involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract, reduces the Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. The Fund may enter into these contracts to hedge against exchange risk, to increase exposure to a currency or to shift exposure to currency fluctuations from one currency to another. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time. Also, such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies. The Fund may use one currency (or a basket of currencies) to hedge against adverse changes in the value of another currency (or a basket of currencies) when exchange rates between the two currencies are positively correlated. The Fund may also use Non Deliverable Forwards (NDF). An NDF is a forward currency exchange instrument where the physical exchange of currency at expiry is replaced by settlement between counterparties of the net profit/loss on the contract calculated using the prevailing spot foreign exchange rate two days prior to settlement. The net settlement will occur in a predetermined currency usually Euro. An NDF is used when an investor needs to hedge or gain exposure against or in a currency that does not have a deliverable market offshore.

#### 5. **INVESTMENT RESTRICTIONS**

The general investment restrictions set out under the heading **Investment Restrictions** in the Prospectus apply to the Fund.

#### 6. **BORROWING**

The Fund may borrow up to 10 per cent of its Net Asset Value for temporary purposes.

#### 7. **INVESTMENT MANAGER**

The Company has appointed Mondrian Investment Partners Limited as Investment Manager of the Fund to provide investment management services to the Fund pursuant to an Investment Management Agreement described under the heading **Material Contracts** in the Prospectus.

## **8. DIVIDEND POLICY**

The Directors do not currently intend to declare dividends.

Should the Directors determine that dividends are payable out of the Fund, the distribution dates will be notified to all Shareholders in advance of the declaration of such dividends.

## **9. KEY INFORMATION FOR BUYING AND SELLING**

### **9.1. Base Currency**

Euro

### **9.2. Classes available**

Euro Unhedged Class  
Euro Hedged Class  
USD Unhedged Class

Other classes may be established within the Fund which may be subject to higher or lower fees. Information in relation to the fees applicable to other classes is available on request.

### **9.3. Minimum Initial Investment Amount**

EUR5,000,000 for Euro denominated Shares or USD5,000,000 for USD denominated shares or such lesser amounts as the Directors may, in their absolute discretion, decide. Applicants may also pay in the currency equivalent in Sterling. The Administrator or its delegate shall be responsible for converting the subscription amount into Euro at the prevailing market rate at the close of business on the Dealing Day.

### **9.4. Applications for Shares**

Shares will be available for subscription at the Net Asset Value per Share of the relevant class of the Fund on the relevant Dealing Day.

The Net Asset Value per Share of each Class of Shares in each Fund is available from the Administrator following calculation on each Valuation Point and will be published on [www.bloomberg.com](http://www.bloomberg.com) or such other websites or places as the Directors may decide from time to time and as notified to the Shareholders in advance. Please refer to the Prospectus for details on notification of prices.

### **9.5. Minimum Additional Investment Amount**

EUR1,000,000 for Euro denominated Shares or USD1,000,000 for USD denominated Shares or the currency equivalent thereof subject to the discretion of the Directors to allow lesser amounts.

### **9.6. Business Day**

Any day (except Saturday or Sunday) on which banks in Ireland and the United Kingdom are generally open for business or such other day or days as may be determined by the Directors and notified in advance to shareholders.

### **9.7. Dealing Day**

In respect of subscriptions and redemptions, the Dealing Day is every Business Day.

### **9.8. Application Deadline**

Applicants making their initial investment should complete an irrevocable Application Form and send it to the Administrator along with all relevant documentation including anti-money laundering documentation 3 Business Days before the Dealing Day. However, if the applicant wishes to apply for Shares in-specie, the applicant must notify the Investment Manager directly in respect of such an in-specie application on or before the 10<sup>th</sup> Business Day of the month preceding the Dealing Day

#### 9.9. **Application Settlement Date**

Subscription monies must be received in cleared funds by the close of business on the Business Day immediately prior to the relevant Dealing Day. Confirmation of each purchase of Shares will normally be made within 5 Business Days after the allotment of Shares.

#### 9.10. **Valuation Point**

The point in time by reference to which the Net Asset Value of the Fund is calculated which, unless otherwise specified by the Directors (and notified in advance to Shareholders) with the approval of the Depository, shall be close of business in the relevant markets on the relevant Dealing Day (the **Valuation Day**).

#### 9.11. **Minimum Shareholding**

EUR3,000,000 for Euro denominated Shares or USD3,000,000 for USD denominated shares or such lesser amount as may be determined by the Directors.

#### 9.12. **Subscription Charge**

There will be no charge on subscriptions.

#### 9.13. **Redemption Deadline**

Shares may be redeemed on a Dealing Day by providing at least 2 Business Days' prior written notice to the Administrator, provided however, such Shareholder redeems Shares with an aggregate Share value of at least EUR1,000,000 and the aggregate share value of Shares held by the redeeming Shareholder after such redemption equals to or exceeds EUR3,000,000 (unless waived by the Directors). A redemption notice once made cannot be cancelled without the Directors' written consent. Redemptions may be permitted at such other times or with such shorter notice as the Directors, in their discretion may determine upon prior notification to all Shareholders provided always that such other times will always be before the close of business in the relevant market that closes first on that Dealing Day. Applications for redemption of Shares may only be accepted after the Dealing Deadline in exceptional circumstances. Redemption requests may be sent to the Administrator by facsimile. The Administrator will commence processing requests initially sent by facsimile but no redemption proceeds will be paid out until the Administrator has received the original Application Form in respect of the Shareholder's initial subscription for Shares in the Fund and all supporting documentation (including all relevant anti-money laundering documentation) is in order.

#### 9.14. **Redemption Settlement Date**

Redemption proceeds will generally be paid within 5 Business Days after finalisation of the Fund's Net Asset Value and no later than 10 Business Days after the Dealing Deadline in the Base Currency.

#### 9.15. **Redemption Charge**

There will be no charges on redemptions.

#### 9.16. **Minimum Net Asset Value**

EUR25 million subject to the discretion of the Directors to allow a lesser amount.

### 10. **NET ASSET VALUE**

The Administrator calculates the Net Asset Value per Share as at the Valuation Point of each Dealing Day in accordance with the procedure provided for under the heading **Calculation of Net Asset Value/Valuation of Assets** in the Prospectus.

### 11. **CHARGES AND EXPENSES**

#### 11.1. **Management Fee**

The Investment Manager is entitled to a fee not exceeding 0.45% per annum of the Net Asset Value of the Fund. The Management Fee accrues and is payable quarterly in arrears.

The Directors are entitled to increase the Management Fee up to a maximum of 1% per annum of the Net Asset Value of the Fund. Shareholders will be notified in advance of any proposed increase of such fees up to such maximum and the Supplement will be updated accordingly.

The Investment Manager may, at its discretion rebate part or all of its Management Fee to any Shareholder on a case by case basis. Any such rebate will not entitle other Shareholders to a similar arrangement.

The Investment Manager shall discharge the fees payable to any service provider appointed to implement Share Class level hedging on a non-discretionary basis out of the Management Fee and not, for the avoidance of doubt, out of the assets of the Fund

#### 11.2. **Administrative Expenses**

The maximum Administrative Expenses of the Fund will be capped at 0.10% of the average monthly Net Asset Value of the Fund in relation to the unhedged share classes and 0.145% of the average monthly Net Asset Value of the Fund in relation to the hedged share classes. The Company expects to evaluate this limitation on an annual basis. This limit does not apply to or include the Management Fee, transaction related expenses and any non-recurring expenses. The Administrative Expenses accrue and are payable monthly in arrears. Shareholders will be notified in advance of any proposed increase of such fees and the Supplement will be updated accordingly.

All other ongoing charges and expenses which are described in the **Fees and Expenses** section of the Prospectus may be charged to the Fund.

#### 11.3. **Initial Expenses**

The preliminary expenses incurred in connection with the establishment and initial issue of Shares in this Fund were borne by the Investment Manager.

#### 11.4. **Other Fees and Expenses**

Any other fees and expenses payable out of the assets of a Fund are set out in the Prospectus under the heading **Fees and Expenses**.

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

### 12. **REPORTS**

Unless requested otherwise, each Shareholder will be provided with audited financial statements of the Fund after the close of the Fund's financial year, 30 June and the semi-annual and unaudited accounts which will be made available within two months after the period ending on 31 December in each year. Each Shareholder will also receive such tax information as the Fund is required to furnish for UK tax reporting purposes if applicable. Monthly reports of the Fund's performance and quarterly reports including the Investment Manager's commentary will also be provided.

### 13. **RISK FACTORS**

The general risk factors set out in the **Risk Factors** section of the Prospectus apply to the Fund. In addition, the following risk factors apply to the Fund.

**AN INVESTMENT IN THE SHARES OF THE FUND IS SPECULATIVE AND INVOLVES A DEGREE OF RISK. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD CONSIDER THE FOLLOWING RISK FACTORS. THESE RISK FACTORS MAY NOT BE A COMPLETE LIST OF ALL RISK FACTORS ASSOCIATED WITH AN INVESTMENT IN THE FUND.**

**INVESTORS SHOULD NOTE THE DIFFERENCE BETWEEN THE NATURE OF A DEPOSIT AND THE NATURE OF AN INVESTMENT IN THE FUND, IN PARTICULAR, THE RISK THAT THE PRINCIPAL INVESTED IN THE FUND IS CAPABLE OF FLUCTUATION AND THUS**



**SHAREHOLDERS MAY NOT HAVE ALL OF THEIR PRINCIPAL RETURNED TO THEM ON REDEMPTION. IN ADDITION, INVESTMENT IN THE FUND WILL NOT BENEFIT FROM ANY DEPOSIT PROTECTION SCHEME SUCH AS MIGHT BE APPLICABLE TO AN INVESTMENT IN A DEPOSIT.**

**13.1. Investment and Repatriation Restrictions**

A number of emerging markets restrict, to varying degrees, foreign investment in securities. Restrictions may include maximum amounts foreigners can hold of certain securities, and registration requirements for investment and repatriation of capital and income. New or additional restrictions may be imposed subsequent to the Fund's investment in a given market.

**13.2. Investment Approach**

All investments of the Fund risk the loss of capital. No guarantee or representation is made that the investment approach utilized on behalf of the Fund will be successful.

**13.3. Market Risks**

The Investment Manager's trading and investment strategies are subject to market risk. Certain general market conditions - for example, a reduction in the volatility or pricing inefficiencies of the markets in which the Fund is active - could materially reduce the Fund's profit potential.

**13.4. Debt Securities**

Debt securities are subject to credit risk. Credit risk relates to the ability of the issuer of a security to make interest and principal payments on the security as they become due. If the issuer fails to pay interest, the Fund's income might be reduced and if the issuer fails to repay principal, the value of that security and the Net Asset Value of the Fund might be reduced.

Debt securities also are subject to interest rate risk. Debt securities will increase or decrease in value based on changes in interest rates. If interest rates increase, the value of the Fund's investments generally declines. On the other hand, if interest rates fall, the value of the Fund's investments generally increases. Securities with greater interest rate sensitivity and longer maturities tend to produce higher yields, but are subject to greater fluctuations in value. Usually, changes in the value of debt securities will not affect cash generated, but may affect the performance of the Fund.

**13.5. Possible Concentration**

Subject to the Company's obligation to spread investment risk in accordance with the Regulations and Central Bank requirements, the Fund has not adopted fixed guidelines for diversification of its investments among issuers, industries, instruments, currencies or markets and may be heavily concentrated, at any time, in a limited number of positions. In attempting to maximize the Fund's returns, the Investment Manager may concentrate the holdings of the Fund in those industries, companies, instruments, currencies or markets which, in the sole judgment of the Investment Manager, provide the best profit opportunity in view of the Fund's investment objectives.

**13.6. Currency Risks**

The Fund may invest a substantial amount of its assets in debt securities denominated in currencies other than the Base Currency and in other financial instruments, the price of which is determined with reference to currencies other than the Base Currency. However, the Fund's securities and other assets are valued in the Base Currency. To the extent unhedged, the value of the Fund's assets will fluctuate with Euro exchange rates as well as with price changes of the Fund's investments in the various local markets and currencies. Thus, a change in the value of the Euro compared to the other currencies in which the Fund makes its investments will affect the prices of the Fund's securities in their local markets.

**13.7. Forward Contracts on Foreign Currencies**

The Fund may engage in interbank spot and forward contract markets for foreign currencies. There is relatively little regulation with respect to trading of forward contracts. There are generally no margin requirements and generally no limitation on price movements of forward contracts. Forward contracts

are not traded on exchanges; rather, a bank or dealer will act as agent or as principal in order to make or take future delivery of a specified lot of a particular currency for the Fund's account. The Fund is subject to the risk of a principal's failure or inability or refusal to perform with respect to such contracts.

No assurance can be given that currency hedging policies if conducted will be successful. Currency hedging policies may substantially limit Shareholders from benefiting if the base currency falls against the currency in which the assets of the Fund are denominated. In addition over-hedged or under-hedged positions may arise due to market volatility which is outside the control of the Investment Manager.

### **13.8. Hedging Activities and Currency Exposure**

The Investment Manager may seek to identify market, idiosyncratic and/or other risks and seek to establish hedging strategies using securities, derivatives and other financial instruments to mitigate these risks. There is no guarantee that the Investment Manager's hedging strategy for the Fund will be successful. Hedging transactions entered into by the Fund to seek to reduce risk may result in a poorer overall performance than if it had not engaged in any such hedging transactions.

For a variety of reasons, the Investment Manager may not seek to hedge certain (or any) portfolio holdings, or may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged, which may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. The portfolio and each Currency Hedged Share Class will always be exposed to certain risks that cannot be hedged or fully hedged.

Certain of the assets of the Fund may be invested in securities and other investments which are denominated in currencies other than the Base Currency. Where the Investment Manager seeks to hedge the exposure of the Fund to currencies other than the Base Currency, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates.

In order to mitigate against the risk of movements in the currency of the Currency Hedged Share Class against the currency of the portfolio constituents (where they are different to that of the relevant Currency Hedged Share Class currency), Share Class specific derivative transactions will be entered into for the purposes of acquiring currency hedges for each Currency Hedged Share Class.

The return of the Share Class specific derivative transactions may not perfectly offset the actual fluctuations between the Currency Hedged Share Class currency and currency exposures of the securities that constitute the portion of the portfolio referable to the Currency Hedged Share Class. No assurance can be given that such hedging activities will be entirely effective in achieving the purpose for which they have been entered into.

While currency hedging reduces risks and losses in adverse market circumstances, it can also reduce and may completely offset gains in market circumstances that would otherwise have been beneficial had the position not been hedged. Consequently, the performance of the Currency Hedged Share Class may differ from that of the underlying asset as a result of the foreign exchange hedging transactions.

Shareholders whose assets and liabilities are predominantly in currencies other than the currencies of the Shares should take into account the potential risk arising from fluctuations in value between the currency of the relevant Shares held and such other currencies.

### **13.9. Reclamation of Foreign Withholding Tax**

The Company, with the assistance of the Administrator and/or other third parties, may choose to attempt to reclaim withholding taxes in a limited number of markets. The Company and the Administrator are not obligated to pursue withholding tax reclaims in any market and there is no guarantee any amounts can or will be reclaimed. Changes in law, treaty rates, tax status of Shareholders, filing obligations, and deadlines for tax submission can all affect the amount of any taxes that can be reclaimed on behalf of the Fund and the Shareholders.

### **13.10. Credit Ratings**

Potential investors are advised that ratings applied to debt securities are not absolute measures of credit quality and do not reflect all potential market risks. Ratings agencies may fail to timely reflect

changes in an issuer's underlying financial condition.

#### **13.11. Investment in Lower Rated Securities**

The Fund may invest in debt securities that are unrated or rated the lowest rating category by recognized ratings services such as Standard & Poor's or Moody's. All such obligations, although high yielding, can be characterized by a correspondingly greater risk of default. In addition, the Fund may have difficulty disposing of lower quality debt securities because there may be a thin trading market for such debt securities. The lack of a liquid secondary market also may have an adverse impact on market prices of such instruments and may make it more difficult for accurate market quotations to be obtained for purposes of valuing its portfolio securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, also may decrease the values and liquidity of lower rated debt securities, especially in a thinly traded market.

#### **13.12. Illiquidity in Certain Markets**

The Fund may invest in securities that later become illiquid or otherwise restricted. The Fund might only be able to liquidate these positions at disadvantageous prices, should the Investment Manager determine, or it becomes necessary, to do so. For example, substantial withdrawals from the Fund could require the Fund to liquidate its positions more rapidly than otherwise desired in order to obtain the cash necessary to fund the withdrawals. Illiquidity in certain markets could make it difficult for the Fund to liquidate positions on favourable terms, thereby resulting in losses or a decrease in the Net Asset Value of the Fund.

**PROSPECTIVE INVESTORS SHOULD READ THE ENTIRE PROSPECTUS AND THIS SUPPLEMENT AND FULLY EVALUATE ALL OTHER INFORMATION THAT THEY DEEM TO BE NECESSARY BEFORE DETERMINING TO INVEST IN THE FUND.**

#### **14. MISCELLANEOUS**

At the date of this Supplement there are four other Funds of the Company in existence, the Mondrian Emerging Markets Equity Fund, Mondrian Local Currency Emerging Market Debt Fund, Mondrian Global Equity Fund and Mondrian Global Green Bond Fund.