

## UK COUNTRY SUPPLEMENT

### Protea Fund (THE "FUND")

This Country Supplement, dated 11<sup>th</sup> March, 2015, forms part of, and should be read in the context of, and in conjunction with, the prospectus for the Fund dated January 2015 (hereinafter referred to as the "Prospectus").

If you are in any doubt about the contents of this Country Supplement or the Prospectus, the risks involved in investing in the Fund or the suitability for you of investment in the Company, you should consult your stockbroker, bank manager, legal adviser, accountant or other independent financial or professional advisor authorised pursuant to the United Kingdom's Financial Services and Markets Act 2000 ("FSMA"). Shares are offered on the basis of the information contained in the Prospectus and this Country Supplement. Prices for Shares in the Fund may fall as well as rise.

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

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

The Directors wish to inform Shareholders and prospective investors in the Fund or its Compartments of the following:

#### **ADDITIONAL INFORMATION FOR INVESTORS IN THE UK**

**The Fund is an open-end investment fund with multiple compartments ("société d'investissement à capital variable" – SICAV à compartiments multiples) governed by Luxembourg law, established in accordance with the provisions of Part I of the Law of 17 December 2010 relating to undertakings for collective investment, transposing the Directives of the European Parliament and of the Council of the European Union of 13 July 2009 (2009/65/EC) (the "Regulations").**

**The Fund, and those Compartment(s) set out below, have been recognised by the United Kingdom's Financial Conduct Authority ("FCA") pursuant to section 264 of the FSMA:**

Protea Fund – Monogram

**The FCA has not approved and takes no responsibility for the contents of the Prospectus or this Country Supplement or for any document referred to in them, nor for the financial soundness of the Fund or any of its Compartment(s) or for the correctness of any statements made or expressed in the Prospectus or the Country Supplement or any document referred to in them.**

## **Financial Promotion**

The promotion of the Fund and the Compartment(s) in the United Kingdom, by persons authorised to carry on investment business in the United Kingdom under the FSMA, is not subject to the restrictions on promotion contained in section 238 of the FSMA.

## **Facilities Agent**

The Fund has appointed KB Associates Consulting (UK) LLP (the "Facilities Agent"), by way of a Facilities Services Agency agreement dated 22<sup>nd</sup> May, 2013, to maintain certain facilities in respect of the Fund, which are required by the rules contained in the Collective Investment Schemes Sourcebook ("COLL") governing recognised schemes published by the FCA as part of the FCA's Handbook of Rules and Guidance for Authorised Firms:

The facilities will be located at the offices of the Facilities Agent at 42 Brook Street, London W1K 5DB, United Kingdom.

At this address:

1. any person may inspect (free of charge) a copy (in English) of:
  - (a) the instrument constituting the scheme, the Regulations (as defined in the paragraph headed "Shareholders" in the section on Taxation below), the Fund's documents (as defined in section Documents available for inspection in the Prospectus), and any subsequent amendments to any of them;
  - (b) the most recent Prospectus issued by the Fund, as the same may be amended and supplemented from time to time;
  - (c) the most recent Key Investor Information Document for each Compartment issued by the Fund;
  - (d) the latest annual and half-yearly reports of the Fund; and
  - (e) any other documents required from time to time by COLL to be made available;
2. any person may obtain a copy (in English) of any of the above documents (free of charge in the case of documents (b) and (c) and at no more than a reasonable charge in respect of the other documents);
3. any person may obtain information orally and in writing (in English) about the most recently published prices of Shares;
4. a Shareholder may redeem or arrange for the redemption of its Shares and obtain payment in relation to such redemption. Any such redemption requests received by the Facilities Agent shall be sent to the Administrator for processing;

5. any person may make a complaint about the operation of the Fund, which complaint the Facilities Agent will transmit to the Fund; and
6. any Shareholder may obtain, free of charge, details or copies of any notices which have been given or sent to Shareholders.

### **Fees and Expenses**

The Fund will pay, out of the assets of the relevant Compartments, the fees and out of pocket expenses of the Facilities Agent, which shall be calculated at normal commercial rates. The Facilities Agent will also be entitled to receive from the Fund, out of the assets of the relevant Compartments, transaction charges at normal commercial rates.

### **Taxation**

The following statements are intended to apply only as a general and non-exhaustive guide to the position under current United Kingdom tax law and HM Revenue & Customs practice at the date of this Prospectus. Investors should note that tax law and interpretation can change (possibly with retrospective effect) and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Fund. The following information, which relates only to United Kingdom taxation, is applicable to the Fund and to persons who are resident (and, in the case of individuals only, ordinarily resident and domiciled) solely in the United Kingdom and who beneficially own Shares as investments and not as securities to be realised in the course of a trade. Non-UK resident Shareholders should consult their own professional advisers concerning their tax position.

The information is not exhaustive and potential investors:

- who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10% of the Shares in any Fund or of any one class of Shares in any Fund;
- who are members of a special class of taxpayer, such as charities and UK Insurance Companies;
- who intend to acquire Shares as part of tax avoidance arrangements; or
- who are in any doubt as to their taxation position,

should consult their professional advisers without delay.

### **The Fund**

It is the intention of the Directors to conduct the affairs of the Fund so that its central management and control is not exercised within the United Kingdom and it is not resident and is not carrying out any trade (whether or not through a permanent establishment situated there) in the United Kingdom for taxation purposes. On this basis, the Fund should not be liable for United Kingdom taxation on its income and gains other than certain income deriving from a United Kingdom source.

## United Kingdom Investors

### *Share Classes, Offshore Funds, Distributing Fund Status and Reporting Fund Status*

Each Compartment of the Fund or, for Compartments with more than one class of Shares, each class of Shares within that Compartment, (each Compartment, or class of Shares, being a "**Notional-Fund**") will be regarded as an "offshore fund" for the purposes of UK taxation. For the purposes of the offshore fund and bond fund rules, each Notional-Fund should be treated as a separate fund. The tax treatment applicable to Shares (as discussed below) will depend on whether the relevant Notional-Fund has been accepted by HM Revenue & Customs as a "**Reporting Fund**".

An offshore fund is able to apply for acceptance by HM Revenue & Customs as a Reporting Fund. Acceptance is given in advance (or shortly after the start of the first accounting period for which acceptance has been applied) and acceptance will continue provided that the offshore fund meets certain compliance requirements, including notifying its shareholders of its Reported Income (see below) within 6 months of the end of each accounting period.

A Notional-Fund that has Reporting Fund status is referred to below as a "**Certified Fund**" and any Notional-Fund that is not a Certified Fund is referred to below as a "**Non-Certified Fund**").

At the date of this Country Supplement, none of the Notional-Funds has been accepted by HM Revenue & Customs as a Reporting Fund. In respect of certain Notional-Funds, the Company may apply for acceptance as a Reporting Fund. Investors can contact the Investment Manager for more information.

If, for any reason, a Notional-Fund that has previously been a Non-Certified Fund becomes a Certified Fund, or a Notional-Fund that has previously been a Certified Fund becomes a Non-Certified Fund, Shareholders should immediately seek independent tax advice as to any elections that may be made to optimise the resultant tax consequences.

Shareholders are advised to refer to the relevant Fund Supplement or contact the Investment Manager for more detailed information in respect of any specific Notional-Fund.

### *Disposals of Shares*

Any gain arising on the sale, redemption or other disposal of any Shares in a Non-Certified Fund held by a UK taxpayer will be taxed at the time of such sale, redemption or disposal as income and not as a capital gain (subject to the further information below in relation to Shareholders subject to UK corporation tax). A loss arising on disposal of an interest in a Non-Certified Fund remains a capital loss and cannot be used to reduce a gain on that Notional-Fund or any other Non-Certified Fund.

If any Notional-Fund becomes a Certified Fund:

- Any gain arising on the sale, redemption or other disposal of Shares in a Certified Fund held by a UK taxpayer, where the relevant Notional-Fund was a Certified Fund for the entire period that the Shares in the Notional-Fund were held by the Shareholder, will be taxed at the time of such sale, redemption or disposal as a capital gain (subject to the further information below in relation to Shareholders subject to UK corporation tax). The Shareholder should be entitled to relief for any amount of reported income excess that has been charged to tax.
- Any gain arising on the sale, redemption or other disposal of Shares in a Certified Fund where the relevant Notional-Fund was not a Certified Fund for the entire period that the Shares were held by the Shareholder, will generally be treated in the same way as the sale, redemption or disposal of Shares in a Non-Certified Fund, subject to any elections that the Shareholder may have made at the time of change from Non-Certified Fund to Certified Fund.

For Shareholders within the charge to United Kingdom corporation tax, indexation allowance may reduce any chargeable gain arising on disposal of Shares but will not create or increase an allowable loss.

#### *Conversion of Shares*

Conversion of Shares in one Notional-Fund for Shares in another Notional-Fund will generally be regarded as a taxable disposal and subsequent acquisition of Shares in accordance with Section 102 of the Taxation of Chargeable Gains Act 1992. However, under current HM Revenue & Customs interpretation of Section 102, investors who switch between shares of different classes in the same Sub-Fund of the Company will generally not be regarded as having made a disposal and acquisition of Shares for the purposes of UK tax.

Shareholders converting Shares in a Notional-Fund that is a Certified Fund to Shares in a Notional-Fund that is a Non-Certified Fund, or vice versa, should consult their professional advisers.

#### *Further information for Shareholders subject to UK corporation tax*

If any Notional-Fund were to be treated as a Bond Fund then an investor who is subject to UK corporation tax would be required to bring its investment in the Notional-Fund into account as a creditor relationship under the "Loan Relationship Regime" for that accounting period.

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

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

No United Kingdom stamp duty or SDRT will be payable on the issue of the Shares. United Kingdom ad valorem stamp duty (at the rate of 0.5 per cent., rounded up where necessary to the next £5 of the amount of the value of the consideration for the transfer, provided that no United Kingdom Stamp Duty is payable if the value of the consideration is £1,000 or less) is payable on any instrument of

transfer of the Shares executed within, or in certain cases brought into, the United Kingdom. However, in practice, it should not be necessary to pay any ad valorem stamp duty on such instrument unless the instrument is required to be adjoined in evidence before the United Kingdom courts in civil proceedings or for any official purpose in the United Kingdom.

Provided that the Shares are not registered in any register of the Fund kept in the United Kingdom, nor paired with shares issued by a company incorporated in the United Kingdom, the agreement to transfer the Shares should not be subject to United Kingdom SDRT.

**Dated: 11<sup>th</sup> March, 2015**