

# HSBC ETFs PLC

## HSBC MSCI EM LATIN AMERICA UCITS ETF

1 April 2019



**HSBC**  
Global Asset  
Management

The Company and the Directors of HSBC ETFs PLC (the “**Directors**”) listed in the Prospectus in the “**Management and Administration**” section, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Company and the Directors

(who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Company and the Directors accept responsibility accordingly.

# HSBC MSCI EM LATIN AMERICA UCITS ETF

**(A sub-fund of HSBC ETFs PLC, an umbrella fund with segregated liability between sub-funds authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011) (as amended)**

**1 April 2019**

**This Supplement forms part of the Prospectus dated 1 April 2019 (the “Prospectus”) in relation to HSBC ETFs PLC (the “Company”) for the purposes of the UCITS Regulations. This Supplement should be read in the context of, and together with, the Prospectus and contains information relating to the HSBC MSCI EM LATIN AMERICA ETF (the “Fund”) which is a separate sub-fund of the Company, represented by the HSBC MSCI EM LATIN AMERICA UCITS ETF series of shares in the Company (the “Shares”). Please see Appendix A for a list of the other sub-funds of the Company, Appendix B for a list of the paying agents appointed by the Management Company and Appendix C for a list of sub-custodians appointed by the Depositary.**

**Prospective investors should review this Supplement and the Prospectus carefully and in their entirety. Prospective investors should consult a stockbroker, bank manager, solicitor, accountant or other financial adviser for independent advice in relation to: (a) the legal requirements within their own countries for the purchase, holding, exchanging, redeeming**

**or disposing of Shares; (b) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, exchanging, redeeming or disposing of Shares; (c) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Shares; and (d) the provisions of this Supplement and the Prospectus.**

**Potential investors should consider the risk factors set out in the Prospectus and in this Fund Supplement before investing in this Fund.**

**Investors should note that, where cash is the method of payment, a Direct Dealing (Cash Transaction) Fee of up to 5% of subscription and redemption monies may be applicable when dealing directly with the Fund for Shares.**

**The Shares were admitted to the official list of the United Kingdom Listing Authority pursuant to Chapter 16 of the UK Listing Rules and admitted to trading on the main market of London Stock Exchange.**

The Fund is not sponsored, endorsed, sold or promoted by MSCI Inc. (“MSCI”), any of its affiliates, any of its information providers or any other third party involved in, or related to, compiling, computing or creating any MSCI index (collectively, the “MSCI Parties”). The MSCI indices are the exclusive property of MSCI. MSCI and the MSCI index names are service mark(s) of MSCI or its affiliates and have been licensed for use for certain purposes by HSBC ETFs PLC. None of the MSCI Parties makes any representation or warranty, express or implied, to the issuer or owners of this Fund or any other person or entity regarding the advisability of investing in funds generally or in this Fund particularly or the ability of any MSCI index to track corresponding stock market performance. MSCI or its affiliates are the licensors of certain trademarks, service marks and trade names and of the MSCI indexes which are determined, composed and calculated by MSCI without regard to this Fund or the issuer or owners of this Fund or any other person or entity. None of the MSCI Parties has any obligation to take the needs of the issuer or owners of this Fund or any other person or entity into consideration in determining, composing or calculating the MSCI indexes. None of the MSCI Parties is responsible for or has participated in the determination of the timing of, prices at, or quantities of this Fund to be issued or in the determination or calculation of the equation by or the consideration into which this Fund is redeemable. Further, none of the MSCI Parties has any obligation or liability to the issuer or owners of this Fund or any other person or entity in connection with the administration, marketing or offering of this Fund. Although MSCI shall obtain information for inclusion in or for use in the calculation of the MSCI indices from sources that MSCI considers reliable, none of the MSCI Parties warrants or guarantees the originality, accuracy and/or the completeness of any MSCI index or any data included therein. None of the MSCI Parties makes any warranty, express or implied, as to results to be obtained by the issuer of the Fund, owners of the Fund, or any other person or entity, from the use of any MSCI index or any data included therein. None of the MSCI Parties shall have any liability for any errors, omissions or interruptions of or in connection with any MSCI index or any data included therein. Further, none of the MSCI Parties makes any express or implied warranties of any kind, and the MSCI Parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to each MSCI index and any data included therein. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

No purchaser, seller or holder of this security, product or fund, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this security without first contacting MSCI to determine whether MSCI’s permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.

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# GENERAL

The following provisions shall be applicable to the Fund:

<b>Base Currency</b>	US Dollars ("USD")
<b>Brazilian Tax</b>	Investors should note that there is a tax which may be applied to all foreign investors investing in Brazil. If this tax is applied it will be passed on to investors in the Fund and paid to the Brazilian tax authorities.
<b>Business Day</b>	A day on which the markets in London are open and/or such other day or days as the Directors may determine excluding days on which Significant Markets are closed and/or the Index is unavailable. This must be notified in advance to Shareholders. A <b>"Significant Market"</b> is any market and/or exchange or combination of markets and/or exchanges where the value of the Fund's investments in those markets and/or exchanges exceeds 30% of the Net Asset Value of the Fund, calculated on a yearly basis and recorded in the Company's financial statements unless the Management Company determines that a different percentage and/or date should apply which it believes to be more appropriate.
<b>CHF</b>	Swiss Francs
<b>Conversion Transaction Fee</b>	The maximum conversion fee that may be charged being up to 5% of the Net Asset Value per Share, such fee if any can be waived partially or totally by the Directors.
<b>Creation and Redemption Unit Size</b>	The Creation and Redemption Unit Size will be available upon request from the Investment Manager and will also be available on the Website. The Directors reserve the right to change the size of one Creation and Redemption Unit in the future if they determine that such a change would materially enhance the attractiveness of the Fund to investors. Any such change will be notified in advance to the Authorised Participant(s).
<b>Dealing Day</b>	Every Business Day or such other day or days as the Directors may determine and notify to the Administrator and to Shareholders in advance provided there shall be at least one (1) Dealing Day per fortnight.
<b>Dealing Deadline</b>	15.00 (Irish time) on any Dealing Day (unless otherwise agreed by the Directors and notified in advance to Shareholders in the Fund and in any event prior to the Valuation Point). On the relevant Dealing Day of the Fund prior to 25 December and 1 January, subscription application forms must be received by 12.00 noon (Irish time). Any properly made application received by the Administrator after the Dealing Deadline will not be accepted until the next Dealing Day.
<b>Direct Dealing (Cash Transaction) Fee</b>	Up to 5%. Such fees may be waived by the Directors, in whole or in part, either generally or in any specific case, at their absolute discretion.
<b>Distribution Policy</b>	<p>Distributions may be made at the discretion of the Directors. The Directors ordinarily intend to declare and pay dividends on the Shares of the Fund in respect of each financial year in which the total income of the Fund exceeds the fees and expenses by more than a de minimis amount determined by the Directors from time to time. Dividends will be declared in the Base Currency of the Fund. However, where Shares are held in CREST, Shareholders who wish to receive dividends in a currency other than the Base Currency of the Fund can do so by contacting Computershare Investor Services (Ireland) Limited (the "Registrar") in writing, or alternatively, elections can be submitted via the CREST Dividend Election Facility. For those Shareholders who elect to receive a dividend payment in a currency other than the Base Currency, the foreign exchange conversion will be executed at prevailing exchange rates by the Registrar at the cost and risk of the Shareholder. The currency options available will be Euro, US Dollar and Sterling if not already designated as the Base Currency. Dividends will ordinarily be paid 4 times per year in January/February, April/May, July/August and October/November. Dividends may be paid by bank transfer if the Shareholder has provided account details for this purpose. Dividends will be paid into the account of the Shareholder as notified to the Administrator.</p> <p>The Company has UK 'reporting fund' status for certain share classes for the accounting period beginning 1 January 2010 and beyond.</p>

<b>Duties and Charges</b>	All stamp duties and other duties, taxes, governmental charges, imposts, levies, exchange costs and commissions (including foreign exchange spreads), custodian and sub-custodian charges, transfer fees and expenses, agents' fees, brokerage fees, commissions, bank charges, registration fees or other duties and charges, whether payable in respect of the constitution, increase or reduction of the cash and other assets of the Company or the creation, acquisition, issue, conversion, exchange, purchase, holding, repurchase, redemption, sale or transfer of Shares or Investments by or on behalf of the Company and, if appropriate, any provision for the spread or difference between the price at which any Investment was valued for the purpose of calculation of the Net Asset Value per Share of any Fund and the estimated or actual price at which any such Investment may be purchased, in the case of subscriptions to the relevant Fund, or sold, in the case of redemptions from the relevant Fund, including, for the avoidance of doubt, any charges or costs arising from any adjustment to any swap or other derivative contract required as a result of a subscription or redemption, or in respect of the issue or cancellation of share certificates or otherwise which may have become or will become payable in respect of or prior to or upon the occasion of any transaction, dealing or valuation.
<b>EUR</b>	Euro
<b>GBP</b>	Pounds Sterling
<b>Index</b>	MSCI EM Latin America Index
<b>Index Provider</b>	MSCI Inc.
<b>In-Kind Transaction Fee</b>	Information regarding the In-Kind Transaction Fee is available upon request from the Administrator. Such fees may be waived by the Directors, in whole or in part, either generally or in any specific case, at their absolute discretion.
<b>Listing Stock Exchange(s)</b>	London Stock Exchange and such other selected exchanges as the Directors may determine from time to time in respect of the Fund and which are specified in Appendix A.
<b>Minimum Subscription and Redemption (for cash) for a primary market investor</b>	<p>Subscription and redemption orders are accepted in multiples of the minimum Creation and Redemption Unit Size as may be determined by the Directors, provided that this may be waived by the Directors at their absolute discretion.</p> <p>The Directors may reduce the minimum subscription and redemption amount if it is determined that such a change would materially enhance the attractiveness of the Fund to investors. Any such change will be notified in advance to the Authorised Participant(s).</p> <p>Authorised Participant(s) should refer to the HSBCnet ETF Online Portal or contact the Investment Manager for details of minimum subscription and redemption orders for the Fund.</p>
<b>Optimisation</b>	The Fund will typically hold only a representative sample of the securities included in the Index.
<b>Portfolio Composition File</b>	The Portfolio Composition File will be available from the Investment Manager upon request. The securities comprised in the Portfolio Composition File will be consistent with the investment objective and policies of the Fund. See "Investment Objective and Policies" below.
<b>Portfolio Holdings File</b>	The Portfolio Holdings File will be available on the Website.
<b>Price Per Creation Unit</b>	The Net Asset Value per Share multiplied by the number of Shares in a Creation Unit. The Net Asset Value per Share will be published on each Dealing Day on the Website.
<b>Profile of a Typical Investor</b>	<p>Investment in the Fund may be suitable for investors seeking capital appreciation with a five year time horizon through investments made primarily in equities that are listed or traded on Recognised Markets, as defined in the Prospectus. An investor should consider his/her personal tolerance for the daily fluctuations of the market before investing in the Fund, as the volatility of the Fund may be high. Investors should be prepared to bear losses.</p> <p>Shares in the Fund will be available to both retail and institutional investors.</p>
<b>Publication Time for Portfolio Composition File</b>	By 08.00 (Irish time) on each Business Day.

<b>Replication</b>	<p>The Fund will aim to invest in the constituents of the Index in generally the same proportions in which they are included in the Index.</p> <p>However, there may be circumstances when it is not possible or practicable for the Fund to invest in all constituents of the Index. Such circumstances may include (but are not limited to): (i) a limited availability of the Index constituents; (ii) trading suspensions on constituents of the Index; (iii) cost inefficiencies; (iv) if the assets under management of the Fund are relatively small, or (v) where there are internal or regulatory driven trading restrictions (as detailed in the “Investment Restrictions” and “Investment Restrictions – Other Restrictions” sections of the Prospectus) that apply to the Fund or Investment Manager but not the Index.</p>
<b>Share Class(es)</b>	<p>USD  CHF Hedged  EUR Hedged  GBP Hedged  USD Hedged</p>
<b>USD</b>	US Dollars
<b>Valuation Point</b>	23.00 (Irish time) on each Dealing Day. The closing price is the last traded price for equity securities based on the results of the closing auction or the mid price of the best bid and offer prices at the time the market closes.
<b>Website</b>	<a href="http://www.etf.hsbc.com">www.etf.hsbc.com</a>

# INVESTMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is to replicate the performance of the MSCI EM Latin America Index (the “**Index**”), while minimising as far as possible the tracking error between the Fund’s performance and that of the Index. The Index is a market-capitalisation weighted index designed to measure the performance of the largest publicly listed companies in Brazil, Chile, Colombia, Mexico and Peru, as defined by the Index Provider. The markets in which the issuers are based are considered to be emerging markets and accordingly, are subject to the risks described in the “Investment Risks” section below.

In seeking to achieve its investment objective, the Fund will aim to invest in the constituents of the Index in generally the same proportions in which they are included in the Index.

As the markets in which issuers are based are considered to be emerging markets, there may be circumstances when it is not possible or practicable for the Fund to invest in all constituents of the Index. Such circumstances may include (but are not limited to): (i) a limited availability of the Index constituents; (ii) trading suspensions on constituents of the Index; (iii) cost inefficiencies; (iv) if the assets under management of the Fund are relatively small, or (v) where there are internal or regulatory driven trading restrictions (as detailed in the “Investment Restrictions” and “Investment Restrictions – Other Restrictions” sections of the Prospectus) that apply to the Fund or Investment Manager but not the Index. In such circumstances, the Fund may engage in Optimisation and accordingly not hold those constituents in which it is unable to invest. Most of the securities in which the Fund invests will be listed or traded on Recognised Markets, as defined in the Prospectus. The Fund may also invest in American Depositary Receipts, European Depositary Receipts and Global Depositary Receipts which are certificates typically issued by a bank or trust company evidencing ownership of shares of a non-US issuer and are alternatives to directly purchasing the underlying securities included in the Index. Accordingly, the underlying exposure is to the issuers of equity securities included in the Index. The Fund may avail of the higher investment limits allowed to certain index-tracking funds, as described at paragraph 4 of the section of the Prospectus headed “**Investment Restrictions**”. The indicative net asset value per Share of the Fund is available on at least one major market data vendor terminal such as Bloomberg, as well as on a wide range of websites that display stock market data, including [www.reuters.com](http://www.reuters.com).

The Fund may use financial derivative instruments (“**FDI**”), including, but not limited to, futures, forwards, foreign exchange contracts (including spot and forward contracts), equity options, contracts for differences, certificates, notes and warrants which may be used to reduce tracking error between the Fund’s performance and that of the Index.

These instruments may be used for efficient portfolio management and/or investment purposes. The primary policy of the Fund is to acquire securities included in the Index, as described above, but FDI may be used where the direct holdings of securities may not be possible or where tracking error can be better minimised by using FDI. To the extent that the Fund uses FDI, there may be a risk that the volatility of the Fund may increase. However, the Fund is not expected to have an above average risk profile as a result of its use of or investment in FDI. FDI will be used within the limits stipulated by the Central Bank of Ireland and as described in “**Use of Financial Derivative Instruments**” in the Prospectus. Accordingly, although FDI may be inherently leveraged, the primary purpose of the use of FDI is to reduce tracking error, and, although the Fund will be leveraged as a result of its investments in FDI, the Fund’s global exposure (as prescribed in the Central Bank’s UCITS Regulations) relating to FDI, calculated using the commitment approach, must not exceed 100% of the Fund’s total Net Asset Value.

Efficient portfolio management refers to techniques and instruments which relate to transferable securities which fulfil the following criteria: They are economically appropriate in that they are realised in a cost-effective way and investment decisions involving transactions that are entered into for one or more of the following specific aims: (i) the reduction of risk (e.g. to perform an investment hedge on a portion of a portfolio); (ii) the reduction of cost (e.g. short term cash flow management or tactical asset allocation); and (iii) the generation of additional capital or income for the Company with an appropriate level of risk, taking into account the risk profile of the Fund as described in this Supplement and the Prospectus and the general provisions of the UCITS Regulations. In particular, FDI may be used for the purpose of minimising tracking error, i.e. the risk that the Fund return varies from the Index return. Equity futures, index futures and currency futures may be used to hedge against market risk or to gain exposure to an underlying market. Forward contracts may be used to hedge or to gain exposure to an increase in the value of an asset, currency or deposit. Foreign exchange contracts may be used to convert the currency of the underlying investments of each Fund into the Base Currency and to hedge the dividends received in a currency other than the Base Currency between the ex date and the pay date. Equity options may be used to hedge or achieve exposure to a particular market instead of using a physical security. Contracts for differences may be used to hedge or achieve exposure to a particular stock instead of using a physical security. Certificates may be used to achieve exposure to a stock or to a basket of stocks instead of using a physical security. Notes and warrants may be used to achieve exposure to a particular stock instead of using a physical security.

The Directors may exercise all borrowing powers of the Company in accordance with the 'Borrowing Policy' section in the Prospectus. Such borrowing will be temporary and will not exceed 10% of the Net Asset Value of the Fund.

The tracking error is the annualised standard deviation of the difference between the monthly (or daily) returns of the Fund and the Index.

A series of factors may give rise to tracking error:

- Transaction costs, operating expenses, custody costs, taxes, as a result of changes in the investments of the Fund and re-weightings of the Index, corporate actions, currency fluctuations, cash flows into and out of the Fund from dividend/reinvestments and any costs and expenses which are not taken into account in the calculation of the Index.
- Internal restrictions, which may result in screening for any company involved in cluster munitions, anti-personnel land-mines, and depleted uranium shieldings and ammunition (as detailed in the Prospectus: INVESTMENT RESTRICTIONS - Other Restrictions) or other market or regulatory driven trading restrictions that apply to the Fund but not the Index.

Moreover, in the event of the temporary suspension or interruption of trading in the investments comprising the Index, or of market disruptions, rebalancing the Fund's investment portfolio may not be possible and may result in deviations from the returns of the Index.

There is no guarantee that the investment objective of the Fund will be achieved. In particular, no financial instrument enables the returns of the Index to be reproduced exactly.

The anticipated tracking error is the expected standard deviation of the differences between the returns of the Fund and the Index.

As at the date of this Supplement, the anticipated tracking error for the Fund is expected to be up to 0.20% in normal market conditions. Divergences between anticipated and realised tracking error will be explained in the annual report for the relevant period.

The anticipated tracking error for the Fund is not a guide to future performance.

The volatility level of the Fund will have a strong correlation to the volatility level of the Index.

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

## INVESTMENT RISKS

Investment in the Fund carries with it a degree of risk including the risks described under "Risk Factors" in the Prospectus and the specific risk factors set out below. These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisors before making an application for Shares. Investment in the Fund is not for investors who can not afford to lose all or a significant part of their investment.

An investor should consider his/her personal tolerance for the daily fluctuations of the market before investing in the Fund.

### FDI

In the event the Fund uses FDI for efficient portfolio management or investment purposes, such use may increase the risk profile of the Fund.

For information in relation to the risks associated with the use of FDI, please refer to the "Risk Factors – Particular Risks of Financial Derivative Instruments" section of the Prospectus.

### The Index

An investment in the Fund exposes an investor to the market risks associated with fluctuations in the Index and the value of securities comprised in the Index. The value of the Index can increase as well as decrease and the value

of an investment will fluctuate accordingly. The Index is less diversified than broader-based indices in terms of (i) industries, (ii) countries, and (iii) market capitalisation segments. Due to the limited numbers of securities comprised in the Index, the performance of the Index, and that of the Fund, is more susceptible to the risks associated with particular companies and a single economic, political or regulatory occurrence affecting these companies. The Fund is subject to tracking error, as described in the Prospectus, which is the risk that its returns may not correlate accurately to those of the Index. Furthermore, any re-weighting of the Index may increase the risk of tracking error.

The past performance of the Index should not be seen as an indication of the future performance of the Index or the Fund.

### Emerging Markets

The economies of emerging markets in which the Fund will invest may differ favourably or unfavourably from the economies of industrialised countries. Investments in emerging markets entail risks which include the possibility of political or social instability, adverse changes in investment or exchange control regulations, expropriation and withholding of dividends at source. In addition, such securities may trade with less frequency and volume than securities of companies and governments of developed, stable nations. Investments



in these markets may also be adversely affected by laws, stock exchange practices or regulatory supervision not comparable with those in more developed markets.

As a result of its investment in emerging market countries, therefore, the Fund may be subject to political, settlement, liquidity, currency accounting standards and custodial risks. Please refer to the "Political and/or Regulatory Risks" and "Custodial Risk" sections of the Prospectus for details of political, currency and custodial risks associated with investment in these countries. Risks in connection with settlement, liquidity and accounting standards are addressed below.

### **Settlement and Liquidity Risks**

Shareholders should note that settlement mechanisms in emerging markets are generally less developed and reliable than those in more developed countries and that this therefore increases the risk of settlement default, which could result in substantial losses for the Fund in respect to investments in emerging markets. In addition, the settlement mechanisms in certain emerging markets may be untested. Some emerging markets use physical share delivery settlement procedures and in such circumstances, there may be share registration and delivery delays and it may not be possible to ensure delivery against payment.

Shareholders should also note that the securities of companies domiciled in emerging markets are less liquid and more volatile than more developed stock markets and this may result in fluctuations in the price of the Shares of the Fund.

### **Accounting Standards**

The legal infrastructure and accounting, auditing and reporting standards in emerging markets in which the Fund may invest may not provide the same degree of information to investors as would generally apply internationally. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from international accounting standards.

This document does not include detailed information on the political, economic and legal environment of the emerging markets in which the Fund may invest. Prospective investors should consult a stockbroker, bank manager, solicitor, accountant or other financial adviser for independent advice in relation to the relevant conditions and risk in investing in emerging markets generally.

## **SUBSCRIPTIONS**

The currency hedged Classes of Shares in the Fund will be issued at the price of the Index multiplied by a factor of 0.05 as at the Valuation Point on the first Business Day following the close of the initial offer period which is from 1 April 2019 to 31 October 2019 (or such other date as the Directors may determine, which may be an extension of the initial offer period) and the price of which can be obtained from the Investment Manager. Thereafter the currency hedged

Classes of Shares in the Fund will be issued at the Net Asset Value per Share plus an appropriate provision for Duties and Charges and in accordance with the provisions set out in the Prospectus and this Supplement.

The USD Class of Shares in the Fund will be issued at the Net Asset Value per Share plus an appropriate provision for Duties and Charges and in accordance with the provisions set out in the Prospectus and this Supplement.

### **Dealing Timetable**

<b>Deadline for Application Form for all subscriptions</b>	15.00 (Irish time) on any Dealing Day
<b>Cash Subscriptions – cut-off for receipt of cash:</b>	By 15.00 (Irish time) within two Business Days after the Dealing Day.
<b>In-Kind Subscriptions:</b>	In-kind subscriptions will be permitted on an exceptional basis where explicitly agreed in advance with the Investment Manager.

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**Settlement of Shares  
subscribed for**

Within two Business Days following the Dealing Day, or such earlier day as the Directors may determine provided that appropriate cleared subscription monies for cash subscriptions (including the cash portion of an in-kind subscription where relevant) have been received no later than the settlement deadline of the relevant clearing platform or no later than 15.00 (Irish time) for wire transfers (or no later than such time as agreed by the Investment Manager for the Portfolio Deposit of an in-kind subscription where an in-kind subscription is agreed to be accepted by the Investment Manager). Subscriptions through either process must be effected on the same Business Day after the Dealing Day on which settlement is sought unless this falls on a USD Foreign Exchange Market holiday, in which case they will settle on the Business Day after the USD Foreign Exchange Market Holiday.

All payments should be clearly referenced with one payment per subscription trade.

On the relevant Dealing Day of the Fund prior to 25 December and 1 January, subscription application forms must be received by 12.00 noon (Irish time). Where a subscription application form is received after 12.00 noon (Irish time), the subscription shall be held over until the next Dealing Day.

**USD Foreign Exchange Market Holiday**

The above cut-off times for receipt of cash and, where an in-kind subscription is agreed to be accepted by the Investment Manager, for receipt of Portfolio Deposit are to apply unless

a Business Day falls on a USD Foreign Exchange Market holiday in which case cash (including the cash portion of an in-kind subscription where an in-kind subscription is agreed to be accepted by the Investment Manager) should be received by the respective cut-off time on the Business Day after the USD Foreign Exchange Market holiday. Any cash received after 15.00 (Irish time) will be deemed as late settlement and will not be moved to the Fund account until the following Business Day. In such an event the investor shall indemnify the Company and the Administrator for any loss suffered as a result of the investor's failure to transmit subscription monies in a timely fashion. The Depository is not liable for any loss suffered due to the late payment of subscription proceeds to the Fund.

## CONVERSIONS

A conversion request will be treated as a cash redemption request in respect of the original Class of Shares and as a cash subscription application in respect of the new Class of Shares in this Fund or in any other sub-fund of the Company. On this basis and provided the original Class of Shares and the new Class of Shares have the same base currency, Shareholders will be entitled on any Dealing Day to apply to convert any or all of their Shares of any Class in the Fund into Shares of another Class in the Fund or any other sub-fund of the Company except where dealings in the relevant Shares have been temporarily suspended in the circumstances described in the Prospectus and where the Dealing Deadlines are different for the Class of Shares in the sub-funds of the Company being converted. Please refer to the terms and conditions regarding subscriptions and redemptions of the relevant Fund Supplements.

When requesting the conversion of Shares as an initial investment in a sub-fund of the Company, Shareholders should ensure that the aggregate Net Asset Value per Share

of the Shares converted is equal to or exceeds any minimum holding for the relevant sub-fund. In the case of a conversion of a partial holding only, the value of the remaining holding must also be at least equal to any minimum holding for the relevant sub-fund. If the number of Shares of the new Class to be issued on conversion is not an integral number of Shares, the Company may issue fractional Shares of the new Class or return the surplus arising to the Shareholder seeking to convert the Shares of the original Class.

Conversions will attract a Conversion Transaction Fee, being the fee payable to the Administrator as agent for the Company where, as part of a conversion of Shares, Shares are redeemed for cash and subsequently invested for cash in a different sub-fund of the Company. The fee payable is deducted from the redemption proceeds at the same rate as the Conversion Transaction Fee as specified in the relevant Fund Supplement of the subscribed for sub-fund.

# REDEMPTIONS

Shareholders in the Fund may effect a redemption of Shares at the Net Asset Value per Share less an appropriate provision for Duties and Charges on any Dealing Day, provided that a written redemption request is signed by the Shareholder and received by the Administrator no later than the Dealing Deadline on the relevant Dealing Day in accordance with the provisions of the **"Subscriptions, Valuations and Redemptions"** section of the Prospectus. Settlement for

cash transactions will take place in accordance with the Prospectus and settlement of in-kind transactions will take place within 10 Business Days of the relevant Dealing Day.

As per the provisions set out in the Prospectus, redemptions proceeds (in-kind and/or in cash) will only be released where the Administrator holds full original anti-money laundering documentation.

# FEES AND EXPENSES

For details of the fees and expenses payable by the Fund please refer to the **"Fees and Expenses"** section in the prospectus.

The total annual fees and operating expenses of the Classes (except for transaction charges and taxes or duty charges for portfolio re-balancing, all of which are paid separately out

of the assets of the Fund) are shown in the table below (the **"Total Expense Ratio"** or **"TER"**). Such fee shall accrue daily and be payable monthly in arrears. The Management Company will absorb (by reimbursement to the account of the Fund) any additional fees, costs or expenses over the Total Expense Ratio. The fees, costs and expenses which the Total Expense Ratio covers are set out in the next paragraph.

<b>Class</b>	<b>TER per annum of the Net Asset Value of the Class</b>
USD	Up to 0.60%
CHF Hedged	Up to 0.63%
EUR Hedged	Up to 0.63%
GBP Hedged	Up to 0.63%
USD Hedged	Up to 0.63%

Fees, costs and expenses paid from the TER may include, but are not limited to, fees and expenses paid to the Management Company, Investment Manager, Administrator, Depositary, regulators, auditors, any delegates or agents of the Company, as applicable, and certain legal costs of the Company, including establishment expenses.

Investors should note that there is a tax which may be applied to all foreign investors investing in Brazil and is payable to the Brazilian tax authorities and so long as the tax remains in force, this tax will be passed on to investors in the Fund.

Where cash is the method of payment, a Direct Dealing (Cash Transaction) Fee of up to 5% of subscription and redemption monies may be applicable when dealing directly with the Fund for Shares.

# THE SHARES

The Fund has different Classes of Shares as shown in the table below. Additional Classes of Shares may be added in the future in accordance with the requirements of the Central Bank. An up-to-date list of launched Classes can be obtained from the registered office of the Company.

<b>Class</b>	<b>Type</b>
USD	A Class denominated in the Base Currency
CHF Hedged	A CHF hedged Class
EUR Hedged	A EUR hedged Class
GBP Hedged	A GBP hedged Class
USD Hedged	A USD hedged Class

Information on currency hedged Classes is provided under the "Currency Transactions" section of the Prospectus.

Shares are freely transferable subject to and in accordance with the provisions of the Articles and as set out in the Prospectus.

All Shares issued will be in registered form. Written confirmation of ownership will be sent to investors that have subscribed for Shares within two Business Days of the Dealing Day. Shares may only be issued as fully paid in whole units. Generally, Shares will be issued in Dematerialised Form in one or more Recognised Clearing and Settlement Systems, subject to the issue of a global certificate where required by a clearing system in which Shares are held. Where Shares are issued in Dematerialised Form in one or more Recognised

Clearing and Settlement Systems, redemption of these Shares can only be completed by the delivery of those Shares back through that Recognised Clearing and Settlement Systems. No individual certificates for Shares will be issued by the Company. The Directors may, in their absolute discretion, refuse to accept any subscription for Shares, in whole or in part.

The USD Class of Shares was admitted to the official list of the UK Listing Authority and admitted to trading on the main market of the London Stock Exchange on 11 March 2011.

The Company is a recognised scheme in the UK for the purposes of the Financial Services and Markets Act 2000, as amended or re-enacted from time to time.

## INDEX DESCRIPTION

This section is a summary of the principal features of the MSCI EM Far Latin America (the "**Index**") and is not a complete description of the Index.

### General

The Fund will aim to replicate the performance of the MSCI EM Latin America Index.

The Index offers a representation of the Latin American equity markets (Brazil, Chile, Colombia, Mexico and Peru) by targeting all companies with a market capitalization within the top 85% of their investable equity universe, subject to a global minimum size requirement. It is based on MSCI's Global Investable Market Indices methodology.

The composition of the Index is rebalanced on a quarterly basis and carried out according to the published rules governing the management of the Index as set out by MSCI Inc.

### Publication of the Index

The Index is calculated on a daily basis at closing prices using the official closing stock market prices for the constituent stocks. Further information about the Index, its components, its rebalancing frequency and its performance is available at: [www.msci.com](http://www.msci.com)

The Index methodology may be amended from time to time by the Index Provider. Information on the Index methodology is available on the website above.