

FORTRESS WORLD FUNDS LIMITED SCC.

(a mutual fund company incorporated with limited liability in Barbados and registered as a segregated cell company under the Companies Act Cap. 308 of the laws of Barbados)

SUPPLEMENTAL OFFERING MEMORANDUM

relating to

Continuous Offer of Shares

Dated: January 29, 2021

Publication/Issue Date: February 2, 2021

Invitation for Subscription of

Fortress World Fixed Income Fund Shares

A COPY OF THIS SUPPLEMENTAL OFFERING MEMORANDUM HAS BEEN REGISTERED WITH THE CORPORATE AFFAIRS AND INTELLECTUAL PROPERTY OFFICE IN BARBADOS ON FEBRUARY 2, 2021 IN ACCORDANCE WITH THE PROVISIONS OF THE COMPANIES ACT, CAP. 308 OF THE LAWS OF BARBADOS, AS WELL AS WITH THE BARBADOS FINANCIAL SERVICES COMMISSION ON FEBRUARY 2, 2021 IN ACCORDANCE WITH THE SECURITIES ACT CAP. 318B OF THE LAWS OF BARBADOS AND THE MUTUAL FUNDS ACT CAP. 320B OF THE LAWS OF BARBADOS. THE FUND IS A MUTUAL FUND LICENSED UNDER THE MUTUAL FUNDS ACT CAP. 320B OF THE LAWS OF BARBADOS. **THE CORPORATE AFFAIRS AND INTELLECTUAL PROPERTY OFFICE NOR THE BARBADOS FINANCIAL SERVICES COMMISSION (the "Commission") TAKES NO RESPONSIBILITY AS TO THE VALIDITY OR THE VERACITY OF THE CONTENTS OF THIS SUPPLEMENTAL OFFERING MEMORANDUM AND HAVE NEITHER APPROVED NOR DISAPPROVED THE ISSUE OF ANY OF THE SECURITIES REFERRED TO HEREIN PURSUANT TO THIS SUPPLEMENTAL OFFERING MEMORANDUM. THE COMMISSION HAS NOT IN ANY WAY EVALUATED THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE. THE GRANT OF A LICENCE AS A MUTUAL FUND BY THE COMMISSION DOES NOT RENDER THE COMMISSION LIABLE FOR THE FINANCIAL SOUNDNESS OF THE MUTUAL FUND OR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS REGARD.**

IMPORTANT NOTICES

This Supplemental Offering Memorandum (the **"Supplemental Offering Memorandum"**) dated January 29, 2021 contains information about the Fortress World Fixed Income Fund (the **"Fund"**). **It forms part of, and should be read in conjunction with, the General Offering Memorandum (the "Offering Memorandum") of Fortress World Funds Limited SCC. (the "Company").** Investors subscribing for Fund Shares should therefore carefully apprise themselves of the Offering Memorandum and this Supplemental Offering Memorandum prior to subscribing. If there is any inconsistency between the Offering Memorandum and the Supplemental Offering Memorandum, this Supplemental Offering Memorandum shall prevail.

The Fortress World Fixed Income Fund (the **"Fund"**) is a Cell created by the Company. The Fortress World Fixed Income Fund Shares (the **"Shares"**) are being offered pursuant to the terms of the Offering Memorandum and this Supplemental Offering Memorandum.

It is the responsibility of every person wishing to make an application in connection herewith to satisfy himself as to the full observance of the laws of Barbados and also of the relevant jurisdiction in connection therewith, including any governmental or other consents which may be required, or to observe any other formalities needing to be observed in such jurisdiction, including *inter alia* foreign exchange restrictions or exchange control requirements, in his jurisdiction of citizenship, residence, domicile, incorporation and organization, and in any other relevant jurisdiction and to pay all transfer and other taxes or duties required to be paid in Barbados or such other jurisdiction.

This Supplemental Offering Memorandum, together with the Offering Memorandum, provides information about the Company and the Fund to prospective investors. A Supplemental Offering Memorandum for any Fund issued under the authority of the Directors may modify existing terms or include additional terms, conditions, and disclosures that relate to the particular offering of Fund Shares being offered in the Supplemental Offering Memorandum and may supersede what is set out in the Offering Memorandum. This Supplemental Offering Memorandum forms part and shall be read in conjunction with the Offering Memorandum so that together, the Offering Memorandum and the Supplemental Offering Memorandum constitute the Offer Documents (the **"Offer Documents"**) for the Fund. It is a requirement of the Companies Act, Cap.308 of the laws of Barbados that the following disclosure be made:

"No shares or debentures, or either, are to be allotted on the basis of a prospectus later than three (3) months after the date of issue of the prospectus."

Based on this present requirement, it would suggest that an amended Supplemental Offering Document would therefore be filed with the Commission and Corporate Affairs and Intellectual Property Office on a three month basis and any change affecting the information contained therein will be included in the amended offering document.

Currently it is not the intention of the Company to file a copy of the Offering Memorandum or to register the Funds of any of the securities mentioned in this Supplemental Offering Memorandum with any regulatory authority or agency in any country other than Barbados. The Company, however, reserves the right to do so.

The distribution of the Offer Documents may be restricted in certain jurisdictions. This Supplemental Offering Memorandum and the Offering Memorandum do not constitute 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. No person receiving a copy of this Supplemental Offering Memorandum in any territory other than Barbados may treat it as constituting an invitation to him to purchase or subscribe for Shares nor should he in any event purchase or subscribe for any Shares available pursuant to this Supplemental Offering Memorandum unless in the relevant territory such an invitation could lawfully be made to him without the Fund's compliance with any registration or other legal requirements.

By receiving the Offer Documents, each investor is representing, warranting and agreeing, to and with the Company, that he is an Eligible Investor, that the Offer Documents do not constitute, and the Company has not made, any offer to sell any securities or solicitation to buy any securities in any jurisdiction where such an offer or solicitation is not authorized, or to any person to whom it is unlawful to make such an offer or solicitation, and that the law of all relevant jurisdictions allows him to receive the Offer Documents. A prospective investor should retain the Offer Documents for future reference. This Supplemental Offering Memorandum is intended solely for the person to whom it has been delivered for the purpose of evaluating a possible investment by the recipient in the Shares described herein, and it is not to be produced or distributed to any other persons, other than professional advisers of the prospective investor reading this Supplemental Offering Memorandum.

CAUTION

Potential investors should note that investing in securities may involve a high degree of risk and investment in the Shares offered is therefore only suitable for investors who understand the risks inherent in participating in the financial markets involved. The price of the Shares and the income derived therefrom is subject to fluctuation and any past performance of the Company, the Manager, Fund Shares and of investments made in the various Funds, do not provide a basis for likely future performance of the Company's Funds. **The Company is not guaranteed to achieve its stated investment objectives.** Please refer to the "Certain Risks" section of this Supplemental Offering Memorandum for a description of certain risks involved in the purchase of the Shares.

No information, statement, representation, warranty, term or condition, other than those contained in the Offer Documents has been authorized by the Company. Any subscription, redemption, investment decision or other transaction made by any person wholly or partly on the basis of any information, statement, representation, warranty, term or condition, not contained in the Offer Documents, or inconsistent with any information, statement, representation, warranty, term or condition contained in the Offer Documents, shall be solely at the risk of that person. **The Offer Documents do not constitute legal, tax, financial or accounting advice. Please consult your financial adviser or attorney-at-law if you do not fully understand the contents of the Offer Documents or if you have any queries concerning the Offer Documents. You may also wish to consult your stockbroker, financial adviser, bank manager, accountant or other professional adviser.**

To the best of the knowledge and belief of the Directors, who have taken all reasonable care in reviewing this Supplemental Offering Memorandum, as at the date of this Supplemental Offering Memorandum the information contained in this Supplemental Offering Memorandum is accurate and does not omit anything likely to affect the import of such information and the Directors accept

responsibility for the information contained herein. Neither the delivery of this Supplemental Offering Memorandum nor the issue of the Shares shall be taken to imply that any information herein is correct as of any subsequent date.

DISCLAIMER

A copy of the Offering Memorandum, this Supplemental Offering Memorandum and the subscription form for the Fund may be inspected and obtained at the offices of the Administrator located at Radley Court, Upper Collymore Rock, St. Michael, Barbados between the hours of 8:00 a.m. – 4:30 p.m. pm or on the Company's website at www.fortressfund.com.

For the purposes of section 291(1) of the Companies Act, the date of issue of this Supplemental Offering Memorandum is February 2, 2021 and a copy of this Supplemental Offering Memorandum has been registered with the Companies Registry on or before the issue date.

For the purposes of the Fourth Schedule to the Mutual Funds Act, the date of publication of this Supplemental Offering Memorandum is January 29, 2021.

FORWARD-LOOKING STATEMENTS

This Supplemental Offering Memorandum contains "forward-looking statements" within the meaning of the relevant and applicable securities legislation. "Forward-looking statements" describe future expectations, plans, results, or strategies and are generally preceded by words such as "may", "future", "plan" or "planned", "will" or "should", "expected", "anticipates", "draft", "eventually", "hope" or "projected" and similar language. These statements are subject to a multitude of risks and uncertainties that could cause future circumstances, events, or results to differ materially from those projected in the forward-looking statements, including the risks that actual results may differ materially from those projected in the forward-looking statements as a result of various factors, and other risks identified in a company's offering documents.

The Company undertakes no obligation to update publicly or revise any of the forward-looking statements in light of new information or future events, including changes in the Company's financial or regulatory position, or to reflect the occurrence of unanticipated events (subject to any legal or regulatory requirements for such disclosures to be made) once this Supplemental Offering Memorandum is signed by or on behalf of the Company. There are important factors, prevailing both within and outside Barbados that could cause actual results to differ or differ materially from those in the forward-looking statements, certain of which are beyond the Company's control. These factors include economic, social and other conditions, without limitation:

- actual rates of growth of global economies, instability, high inflation and/or unemployment;
- interest rates or exchange rate volatility;
- adverse climatic events and natural disasters;
- the impact of the ongoing global pandemic or any public health emergency that may impact the Barbados financial market or international financial market;
- changes in any legislation or policy adversely affecting the revenues or expenses of the Company or its tax status in Barbados;
- other factors identified in the Offer Documents;
- factors as yet unknown to the Company.

See Certain Risks section for a more complete outline of potential risks.

DEFINITIONS

Terms not specifically defined in this Supplemental Offering Memorandum shall have the meanings ascribed to them in the "Definitions" section of the Offering Memorandum, in the Articles, the By-laws or applicable law.

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THE OFFERING

This Supplemental Offering Memorandum is intended to outline the terms, conditions, restrictions and disclosures that relate to the offering of Shares in the Fund.

There is no minimum amount which in the opinion of the Directors, must be raised with respect to the offers of the Shares in order to provide for the matters in section 302 of the Companies Act. The Company is licensed as an open-ended mutual fund company engaged in the continuous offer of shares.

VOTING POWERS OF THE SHARES

The voting powers of the Shares are outlined in the Offering Memorandum.

INVESTMENT POLICY

INVESTMENT OBJECTIVES, STRATEGIES AND RESTRICTIONS

The primary objective of the Fund is to generate consistent returns and minimise fluctuations in the value of principal over a medium-term. It may be suitable for investors with a low-moderate risk tolerance and a corresponding return objective. **The Fund is intended as a vehicle for medium and long-term investment.**

The Fund seeks to achieve its objective by investing primarily in high-quality government and corporate fixed income securities across a range of maturities, reducing risk and volatility through consistent portfolio structure and diversification. It aims to increase returns by investing selectively in corporate bonds whose yields are more attractive than would be suggested by the issuers' underlying operations, risks and business prospects. The Fund's investment exposure may be accomplished via individual securities, the Fortress global funds, in particular the Fortress Fixed Income Fund, or via external managers.

The primary source of return to the portfolio is coupon income, which may be offset or enhanced in the short-term by changes in the market value of holdings.

Allocations are subject to the restrictions described in the Investment Restrictions section of this Supplemental Offering Memorandum.

INVESTMENT PHILOSOPHY AND PROCESS

The Manager believes that a sensibly constructed and consistently executed fixed income strategy can deliver superior risk-adjusted returns for investors, provided that the strategy can be accessed at a reasonable cost. The Manager's intention therefore is to minimise fees, expenses and trading costs for the Fund while following a clear, deliberate strategy to generate returns and limit risk through careful security selection and portfolio construction.

The primary areas of investment are expected to be across two main segments:

1. Corporate bonds, notes and preferred shares. These are primarily high-quality securities with a focus on short and medium-term maturities to limit volatility. Corporate bonds selected for the portfolio are trading at more attractive yields than their issuers' business operations, risks and prospects would imply, according to the Manager's assessment. The Manager has developed analytical models for assessing the intrinsic value of companies' equity securities and applies these, as well as credit analysis and other tools to the security selection process. Equity analysis is useful in selecting corporate bonds because the current and future size of equity market capitalisation can provide a buffer to protect a company's bondholders from loss. Issuers are typically large or medium capitalisation, publicly listed companies.
2. Government notes and bonds including U.S. Treasury securities. The focus in this segment of the portfolio is on medium and long-term maturities to generate yield and provide offsetting sensitivity within the portfolio during periods of weakness that affect the market value of corporate holdings. Securities are selected based on yield, expected horizon returns, and the impact on overall portfolio duration.

While the Manager may adjust the duration of the portfolio and trade individual securities as prices warrant, trading is not expected to be extensive or frequent.

The portfolio consists primarily of securities denominated in United States dollars.

Risk is managed primarily through diversification of the securities held by the Fund and the portfolio structure that reflects the Fund's objective that includes minimising fluctuations in the value of principal over the medium-term. Components of this include:

- Maintaining an appropriate duration of the overall portfolio, typically between 4 and 7 years.
- Allocating the holdings across a range of corporate securities, with exposure to different industry sectors. Based on the prevailing credit conditions and available yields, credit risk is also adjusted to appropriate levels.
- Balancing the allocation to corporate securities with longer dated government bonds to provide an offset in periods of market volatility.

PERMITTED SECURITIES

- Government and supranational bonds or notes, fixed, floating or inflation-linked.
- Corporate bonds or notes, fixed, floating or inflation-linked.
- Stripped coupons or other components of permitted bonds.
- Preferred shares.
- Mutual funds or exchange traded funds investing in fixed return assets or strategies that are consistent with the Fund's mandate and liquidity requirements.
- Securities may have additional features such as embedded options.
- Derivatives on any eligible underlying investment or representative index of underlying investments may be used to reduce portfolio risk or to gain exposure to a desired underlying asset.

INVESTMENT RESTRICTIONS

EXPECTED GEOGRAPHIC EXPOSURE

(Allocation Range)

- | | |
|---|------------|
| • US | 60% - 100% |
| • DEVELOPED INTERNATIONAL (Europe, Asia, etc) | 0% - 30% |
| • EMERGING / OTHER | 0% - 10% |

EXPECTED RATINGS EXPOSURE	(Allocation Range)
• Investment Grade	70% - 100%
• Below Investment Grade	0% - 30%
EXPECTED CURRENCY EXPOSURE	(Allocation Range)
• US \$	80% - 100%
• Other	0% - 20%

Maximum corporate exposure is 70% at market, of which no more than 10% may be preferred shares or other permitted equity securities.

The Fund may not acquire more than 10% of the voting shares of any one company nor will it invest more than 10% of the Fund's assets in any one security, although the Fund may hold more than 10% in one or more mutual funds, exchange traded funds or other collective investment schemes provided that on a look-through basis no single underlying holding exceeds 10% of the Fund's assets. Holdings in the obligations of the U.S. Treasury are exempt from this limit.

The Fund may borrow up to 10% of its net assets for investment or liquidity purposes, subject to the approval of the Board of Directors.

OTHER RESTRICTIONS

The Fund is restricted from investing in shares of Cave Shepherd & Company Limited, a publicly listed company on the Barbados Stock Exchange.

FEES AND EXPENSES

In allocating expenses, the Fund at all times shall comply with the provisions of the Companies Act as relates to segregated cell companies, and the Directors retain the discretion to make, or to cause the Administrator and/or the Auditor to make, any adjustments to the allocation of liabilities and standard operating expenses that are necessary in order to ensure such compliance.

SUMMARY OF RECURRING FEES

Nature of fee/expense	% of average assets per annum
Management fee	0.60%
Administrator fee	0.075%
Custodian fee	0.05%
Other – audit/directors (estimated)	0.03%
Total annual recurring expenses	0.755%

Where the Fund invests in other funds or vehicles which themselves are subject to management and other fees, the Fund will indirectly bear these also. In the case where allocations are made to other funds managed by the Manager, however, management fees associated with that allocation will be rebated to the Fund.

MANAGEMENT FEE

Pursuant to the Investment Management Agreement, the Manager receives an annual fee (“**Management Fee**”) that is equal to **0.60%** per annum of the Net Asset Value of the Fund. The Management Fee will be calculated and paid (unless a fee deferral election is made) in arrears on each Valuation Day. **Where the Fund invests in other funds managed by the Manager, there will be a full rebate of the fees to avoid double-charging.**

ADMINISTRATOR FEES

An Administration Fee of **0.075%** of net assets per annum of the Fund’s Net Asset Value is payable by the Fund to the Administrator for performing and supervising the performance of corporate and administrative services inclusive of the duties as Registrar and Transfer Agent necessary for the operation and administration of the Fund (other than the making of investment decisions). The fee will be calculated on each Valuation Day and paid in arrears. The Administrator will also be reimbursed for out-of-pocket expenses.

CUSTODIAN FEES

The Custodian will be paid custodian fees on a tiered basis as follows:

0.05% per annum on net assets

Minimum US\$5,000 per annum.

The fees payable to the Custodian may be varied by agreement between the Fund and the Custodian. The Fund will also reimburse the Custodian for out-of-pocket expenses properly incurred by the Custodian in performing its duties.

DIRECTORS FEES

Each Director who is not an officer or employee of the Manager receives a flat annual fee for serving in such capacity. As described in the Offering Memorandum the Fund will pay its share of the total Directors' fees of the Company based on the proportion that its net assets represent of the Company's total net assets. The *total* Directors fees to be shared among the Company's Funds are not expected to exceed US\$10,000 per annum. The Directors reserve the right to review these and other charges over time in accordance with the ordinary course of business of the Funds.

BROKERAGE

Trades are typically executed by third party brokers and the Fund incurs brokerage costs in line with customary charges for such services. Given the relatively low turnover expectations for the Fund's portfolio this is expected to be a minimal expense.

SUBSCRIPTION AND REDEMPTION FEES

There are no subscriptions fees for investment into the Fund.

The Fund is intended as a vehicle for medium and long-term investment. As such, there is a redemption fee of 2% of the value of the redemption if the investment is redeemed less than three months after the subscription. This fee is payable to the Fund to the benefit of continuing shareholders. For all subscriptions held longer than three months there is no redemption fee.

OTHER FEES AND OPERATING EXPENSES

Please refer to the "Other Fees and Operating Expenses" section of the Offering Memorandum.

SHARES OF THE FUND

The general provisions relating to the subscription and redemption of shares in the Funds are outlined in the Offering Memorandum. **This includes the extraordinary circumstances in which dealing may be delayed or suspended.**

SUBSCRIPTION AND REDEMPTION PRICES

Save as permitted by law, and unless otherwise agreed by the Directors, Shares may be issued for cash and on a fully paid up basis. No allotment will be made of any Shares until the 5th day after the Supplemental Offering Memorandum is issued.

Shares may be purchased **weekly on the last business day of each week** or at such other time as determined by the directors in their sole discretion (each a "Subscription Day") at a subscription price

equal to the NAV per Share as of the close of business on the Valuation Day next following the receipt of an application for the purchase of Shares. The Directors may modify the frequency of permitted subscriptions.

For the purposes of this Supplemental Offering Memorandum, a “Valuation Day” shall mean 5:00 pm Barbados time on the last business day of each week or on such other date when computation is necessary or appropriate.

MINIMUM INITIAL INVESTMENT

The minimum initial investment for each investor is **US\$1,000** and the minimum additional lump sum investment for an existing Fund Shareholder in respect of a Fund will be **US\$100**. The minimum initial and additional investments may be waived, increased or reduced at the discretion of the Directors generally or on a case by case basis. Subscriptions are payable in United States dollars.

DIVIDEND POLICY

It is the present intention of the Directors not to distribute net income by way of dividends. Accordingly, net income effectively will be represented in the value of Fund Shares. The Directors, however, reserve the right to change such policy.

PROCEDURE FOR SUBSCRIPTIONS

Applications for Shares at the subscription price for a given Valuation Day should be made by completing and signing the subscription form (see Appendix 1) and submitting the subscription form, together with cleared funds which must be received by the Administrator, unless otherwise agreed to by the Directors, **not later than 3:00 p.m. (Barbados time) on the Valuation Day. The Valuation Day is the last business day of each week**, or any other day designated from time to time by the Directors. Applications received after this time will be held in an account and treated as an application for the next Valuation Day. **The subscription price will be the NAV per Share of the Fund at the close of business on the applicable Valuation Day.**

Applications made by facsimile or email must be sent to the Administrator at the fax number or email address in the Offering Memorandum. The original signed subscription form should promptly be sent to the Administrator immediately thereafter. Applicants should be aware of the risks associated with sending faxed applications and that the Administrator accepts no responsibility for any loss caused due to the non-receipt of any fax or email. It is the responsibility of the Applicant to verify that the Administrator has received a copy of the subscription form.

Payment for the Shares may be made by US\$ cheque, US\$ debit card, US\$ online transfer, US\$ wire transfer or US\$ bank draft, and subject to anti-money laundering procedures. The Manager has the right, in its absolute discretion and without assigning any reason therefore, to reject (in whole or part) any subscription application for Shares and remittances.

Shares will be held in book-entry form and a confirmation note only will be sent to the applicant upon receipt of funds and the properly completed Subscription form and acceptance of such funds by the

Fund.

Applicants subscribing for Shares are advised that the Shares are issued subject to the provisions of the Company's Articles and by-laws.

PROCEDURE FOR REDEMPTIONS

Except as provided herein, a Fund Shareholder may request redemption of any or all of his Shares at any time by delivering a written request for redemption on the appropriate form to the Administrator. A Fund Shareholder who requests redemption of any Fund Shares within three (3) months after the Fund Shareholder invests in the Fund shall be subject to a two per cent (2%) redemption fee of the redemption amount payable to the Fund.

Shares will be redeemed at their NAV per Share as determined at the Valuation Day next following the day on which the Fund receives the redemption request, less any applicable accrued charges and expenses referred to herein. If a redemption request is received before 3:00 p.m. on a Valuation Day, the redemption will be processed on that Valuation Day. Redemption requests received after 3:00 p.m. or on a day which is not a Valuation Day will be processed at the next Valuation Day. **The Valuation Day is last business day of each week**, or any other day designated from time to time by the Directors.

Redemption requests may initially be sent by fax or email or such other electronic means as determined by the Manager. However, Fund Shareholders should be aware of the risks associated with sending documentation in this manner and that the Manager will not be responsible in the event of non-receipt of any redemption request sent by fax or email. In any event, the original signed redemption request must subsequently be sent to the Administrator. Redemption payments will be made in United States dollars and will be available by cheque, wire transfer, direct deposit to a United States dollar or Barbados dollar bank account or by an appropriate transfer in-specie. Redemptions will not be paid to third parties and will only be paid to the account of the Fund shareholder or joint shareholders.

Provided the Fund Shareholder has delivered all documentation required, payment normally will be made to such Fund Shareholder within three (3) business days of the applicable Valuation Day. In exceptional circumstances, payment may be delayed. Fund Shareholders may be asked to provide such reasonable documentation as the Administrator may require to complete the redemption request in compliance with regulations.

The Fund may withhold a portion of any proceeds of redemption, if necessary, to comply with applicable legal or regulatory requirements. The Board of Directors has the right to require a compulsory redemption of all or some of the Shares held by a Shareholder at the then prevailing NAV per Share without assigning any reason therefor. The Board of Directors may compulsorily redeem a Shareholder's Shares for any or for no reason, including, without limitation, if such Shareholder is either a Restricted Person that has acquired Shares otherwise than in compliance with applicable rules and regulations.

As described in detail in the Offering Memorandum, the Fund may suspend redemptions of the Shares in extraordinary circumstances in which the Board of Directors deems it to be in the interests of the Fund to do so.

Prospective investors should carefully consider the section headed “FUND SHARES” in the Offering Memorandum.

MANAGEMENT

Profiles of the Directors, the Manager, the Administrator, Auditor, Custodian, are provided in the Offering Memorandum.

CERTAIN RISKS

The Fund's activities expose it to a variety of financial risks including market risk and liquidity risk. When evaluating the merits and suitability of an investment in Fund Shares, prospective investors should give careful consideration to all of the risk factors described herein and those in the Offering Memorandum. Such risk factors are not purported to be a comprehensive summary of all risks associated with an investment in the Fund but may apply in varying degrees to any of the Funds. The Manager encourages prospective investors to discuss the risks in detail with their professional advisors.

RELATED PARTY RISKS

To the extent the Fund invests in other mutual funds managed by the Manager certain related party risks may arise. Such investment offers a number of operational advantages and efficiencies, including immediate investment exposure and diversification to desired asset classes. Risks related to investments in other funds include the following: (i) the possibility of unexpected redemptions by other investors in those funds which may cause the Manager to have to sell securities in those funds at an inopportune time, and (ii) large subscriptions into those funds could result in temporary excess liquidity and result in a dilution of returns in those funds. It should be noted that these risks also apply to any allocation the Fund makes to other funds.

As described in **Fees and Expenses**, management fees charged for any investment in other mutual funds managed by the Manager will be rebated in full to the Fund to avoid double-charging of Management fees on the same assets.

POTENTIAL CONFLICTS OF INTEREST

The Manager may directly or indirectly manage the assets of funds that in some respects compete with the Fund for certain investments.

SPECIFIC RISKS OF INVESTING IN THE FUND

The specific risks likely to be most relevant to investors in fixed income funds in general, and this fund in particular, are as follows:

1. **Interest Rate Risk.** This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
2. **Liquidity Risk.** This is the risk that the Funds may encounter difficulty meeting their financial obligations in a timely fashion due to the illiquidity of the underlying investments. The Funds are subject to regular subscriptions and redemptions of Fund Shares. A Fund therefore seeks to invest to the extent possible in securities that are traded in an active secondary market and may be readily bought or sold as necessary. In certain market conditions though, such liquidity may be universally diminished
3. **Concentration Risk.** The Fund may invest a substantial amount of its assets in issuers located in a single country or industry or a limited number of countries or industries. If the Fund concentrates its investments in this manner, it assumes the risk that economic, political and social

conditions in those countries or industries, as applicable, will have a significant impact on its investment performance.

4. **Restriction of Free Movement of Capital:** The Company's principal jurisdiction of registration is Barbados where there are foreign currency controls in place. A possibility exists that current or future regulations in Barbados may restrict or limit certain operations of the Fund.
5. **Regulatory Risk.** The Company's business is subject to and governed by statutory regulations which may be changed in the future and such changes may affect its profitability. If such rules become onerous from the point of view of the Company or its Shareholders, this may require the Company to recapitalize, or change its business operations, and in any case, changes in such regulatory rules or standards may affect its long term profitability.
6. **Foreign Markets Risk.** Investing in foreign securities involves risks relating to political, social or economic developments in the jurisdiction of the issuer's operations or the industry in which it operated as well as risks resulting from the differences between the regulations to which the issuers, its industry and the markets are subject.
7. **No Current Income.** As there can be no assurance that the Manager's assessments of the short-term or long-term prospects of investments will generate a profit, the Fund's investment policies should be considered speculative. In view of the fact that the Fund will likely not pay dividends, an investment in the Fund is not suitable for investors seeking current income for financial or tax planning purposes.

Other more general risks to be considered when investing in financial markets especially through mutual funds and pooled investment schemes such as the Fund are listed below.

GENERAL RISKS OF INVESTING IN THE FUND

8. **Market Risk.** There is a risk that the price of securities held by each Fund will fall due to changing economic conditions, currency exchange rates, interest rates, political or market conditions or by disappointing earnings results.
9. **Company Risk.** The Company is a newly incorporated company with no previous record of performance that would serve as an indicator of the likelihood of returns on the Fund Shares. The Funds therefore rely largely on the expertise of the Directors and its Manager in their past experience of operating similar funds.
10. **Securities Risk.** Prices of securities react to the economic conditions of the company that issued the security. The market value of the investments of each Fund in the securities of an issuer may rise or fall based on the issuer's actual or anticipated earnings, changes in the industry in which it operates, changes in management and potential for takeovers and acquisitions.
11. **Value-Company Risk.** Prices of value-company securities held by the Fund may decline due to changing economic, political or market conditions or due to the financial condition of the company which issued the securities. If anticipated events do not occur or are delayed or if investor perceptions about the securities do not improve, the market price of value securities may not rise as expected or may fall.

12. **Style Risk.** The portfolio frequently consists of investments in securities that appear to be temporarily depressed. The performance of these securities may underperform relative to the benchmarks.
13. **Emerging Markets Risk.** Emerging markets are generally defined as countries in the initial stages of their industrialisation cycles with low per capita income. The markets of emerging countries are generally more volatile than the markets of developed countries with more mature economies. All the risks of investing in foreign securities are described herein are heightened when investing in emerging markets countries.
14. **New Accounting Rules or Standards.** The Company may become subject to new accounting rules or standards that are different from those that are presently applicable. Such new accounting rules could require significant changes in the way the Company currently reports its financial position, operating results or cash flows. Such changes could be applied retrospectively.
15. **Issue of Additional Shares.** The Directors may hereafter authorise the launch of another Fund and issue of additional Fund Shares. Such Fund Shares, once issued, may rank *pari passu* with and/or in priority of the existing Fund Shares. Additional Fund Shares so issued could affect the market price of the Fund Shares currently being offered.
16. **Control of the Fund.** The Fund Shares will not confer legal or effective control of the Fund on the Fund Shareholders. The control and management of the Fund is controlled by the Directors and the Manager.
17. **Change in Investment Policies.** The Company's operating and financial policies including its policies with respect to growth, operations, investment and borrowing capitalization and dividends is exclusively determined by the Directors and may be changed by the Directors without the approval of the Fund Shareholders.
18. **Currency Risk.** The NAV per Fund Share will be computed in United States dollars. However, the Fund may hold investments in foreign currencies other than United States dollars which may rise or fall due to the exchange rate fluctuations of individual currencies. In the case of funds invested into other funds or placed with third-party managers, the concern surrounds the potential of currency changes on the components of the Fund. The Fund will not generally hedge exposures to currency risk as over the long-term research has shown that the costs of doing so usually outweigh the benefits. From time to time, however, currencies do sometimes move to extreme levels relative to their respective purchasing power parity levels and relative to the value of other currencies. Although not a core activity of the Fund, it is possible that during such times of a currency's perceived over/under-valuation, the Manager may hedge the Fund's exposure to such a currency.
19. **Exchange Rules.** Each securities exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension would render it impossible for the Fund to liquidate positions and, accordingly, could expose the Fund to losses or disruption in liquidity. Similarly, the Directors may suspend or limit redemptions when, in their opinion, the Fund's net assets are not sufficiently liquid to fund redemptions.
20. **Option Transactions.** In seeking to enhance performance or hedge capital, the Fund may

purchase and sell call and put options on both securities and indexes. A stock index measures the movement of a certain group of stocks by assigning relative values to the common stocks included in the index. Examples of well-known stock indexes are the S&P 500 and the S&P 100 Index. Both the purchasing and the selling of call and put options contain risks. Although an option buyer's risk is limited to the amount of the purchase price of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying securities. In theory, the exposure to loss is potentially unlimited in the case of an uncovered call writer (i.e. a call writer who does not have and maintain during the term of the call an equivalent long position in the stock or other security underlying the call), but in practice the loss is limited by the term of existence of the call. The risk for a writer of an uncovered put option (i.e., a put option written by a writer that does not have and maintain an offsetting short position in the underlying stock or other security) is that the price of the underlying security may fall below the exercise price. The effectiveness of purchasing or selling stock index options as a hedging technique may depend upon the extent to which price movements in investments that are hedged correlate with price movements of the stock index selected. Because the value of an index option depends upon movement in the level of the index rather than the price of a particular stock, whether a gain or loss will be realised from the purchase or writing of options on an index depends upon movements in the level of stock prices in the stock market generally, rather than movements in the price of a particular stock. There can be no guarantee that option transactions will be successful in meeting their objectives.

21. ***Illiquidity of Shares.*** Transfers of Fund Shares in common form are not permitted. There is no market for the Fund Shares and, accordingly, the Fund Shares may be disposed of only through the redemption procedures described elsewhere in the Offering Memorandum or Supplemental Offering Memoranda. Under certain circumstances, such redemption procedures may entail a significant delay in redemptions.
22. ***Notice Required.*** A Fund Shareholder must give prior written notice to the Administrator to make a partial or total redemption of its Fund Shares. During such notice period, the Fund Shareholder's investment remains at risk and may decrease in value from the date that notice of redemption is made to the Administrator until the effective date of redemption.
23. ***Compliance.*** The Company must comply with various legal requirements, including requirements imposed by the securities laws, tax laws and pension laws in various jurisdictions. Should any of those laws change, the legal requirements to which the Fund and the Fund Shareholders may be subject could differ materially from current requirements.
24. ***Forced Liquidation.*** Substantial redemptions by Fund Shareholders within a short period of time could require the Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the Fund's capital. The resulting reduction in the Fund's capital could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base. Additionally, such substantial redemptions may increase the share of the Fund's fees and expenses payable by the remaining Fund Shareholders.
25. ***Conflicts of Interest.*** The Funds and the Manager are subject to various conflicts of interest as set forth in the section of the Offering Memorandum entitled "POTENTIAL CONFLICTS OF INTEREST."
26. ***Need for Independent Advice.*** The Manager has consulted with counsel, accountants and other

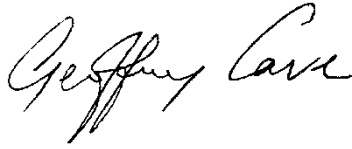

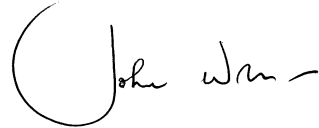
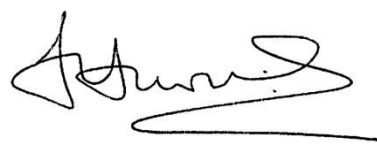

experts regarding the formation and on-going operation of the Funds. Each prospective investor should consult his own legal, tax and financial advisors regarding the desirability of an investment in a Fund of the Company.

27. ***Allocation of Shareholder Loss.*** No Fund Shareholder will be liable for losses or debts of the Fund beyond that of the Fund Shareholder's investment nor may any Fund Shareholder be assessed or otherwise required to invest more than its initial investment.
28. ***Economic and Business Conditions.*** General economic and business conditions may affect the Fund's activities. Interest rates, the prices of securities and participation by other investors in the financial markets may affect the value of securities purchased by the Fund. Unexpected volatility or liquidity in the markets in which the Fund directly or indirectly holds positions could impair the Company's ability to carry out its business and could cause it to incur losses.
29. ***Cybersecurity and Systems Risk.*** Failures or breaches of the electronic or other systems of the Fund, the Manager, the Administrator, the Custodian, other service providers or issuers in which the Fund invests may cause disruptions to the Fund's operations and potentially result in financial losses to the Fund and its shareholders. The Fund's key service providers have established business continuity plans to address such risks but there can be no assurance that they will be sufficient in all circumstances.
30. ***Ongoing Pandemic and Public Health Emergency.*** The impact of the ongoing global pandemic attributed to the novel coronavirus, COVID-19, may attribute the volatility of global financial markets thereby affecting the profitability of the securities and investments in which the proceeds from the Funds will be invested.

DIRECTORS' SIGNATURES

This Supplemental Offering Memorandum is dated January 29, 2021.

The Directors of the Company whose signatures appear below are individually and collectively responsible for the contents of the Supplemental Offering Memorandum and each has signed his respective signature page (as same may be signed in counterparts) pursuant to a resolution in writing of the Directors authorizing the issue of the Supplemental Offering Memorandum:

Sir R. Geoffrey Cave	
Mr. Roger M. Cave	
Mr. John M.B. Williams	
Mr. John M. Howard	
Ms. Tracey Shuffler	
Ms. Maria Nicholls	