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**HUME GLOBAL BOND FUND**

A Cell of

**HUME GLOBAL INVESTORS PCC LIMITED**

(a protected cell investment company registered with limited liability in Guernsey with registration number 55297)

**SUPPLEMENTAL SCHEME PARTICULARS**

**Dated 31 December 2015**

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These supplemental scheme particulars containing information relating to Hume Global Bond Fund should be read and construed in conjunction with the Scheme Particulars relating to Hume Global Investors PCC Limited dated 31 December 2015 (the “**Principal Particulars**”). This document is deemed to be incorporated in and to form part of the Principal Particulars and may not be distributed unless it is accompanied by them and such other documentation as the Principal Particulars may prescribe.

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## HUME GLOBAL BOND FUND

### DEFINITIONS AND SUMMARY OF FUND DETAILS

Save as provided below, words and expressions defined in the Principal Particulars shall have the same meanings herein. In these Supplemental Scheme Particulars, the following words shall have the meanings opposite them unless the context in which they appear requires otherwise:-

<b>Company</b>	Hume Global Investors PCC Limited.
<b>Dealing Day</b>	Each Business Day or such other day as the Directors may from time to time determine. Contract notes will be despatched within 7 Business Days of the relevant Dealing Day (Redemption Days and Subscription Days as used in the Principal Particulars shall mean Dealing Days as defined herein).
<b>Fund</b>	Hume Global Bond Fund, the Cell to which these Supplemental Particulars relate.
<b>Minimum Initial Investment</b>	£1,000 for Sterling Shares, US\$1,000 for US Dollar Shares, €1,000 for Euro Shares or such sums as the Directors may from time to time determine.
<b>Minimum Subsequent Investment</b>	£1,000 for Sterling Shares, US\$1,000 for US Dollar Shares, €1,000 for Euro Shares, or such sums as the Directors may from time to time determine.
<b>Participating Shares or Shares</b>	Participating Redeemable Preference Shares of no par value of the Fund and designated as either Sterling Shares, US Dollar Shares, Euro Shares or such other currency classes or sub-classes thereof as the Directors may determine from time to time.
<b>Redemption</b>	Holder may redeem part or all of their holdings subject to minimum holding requirements.
<b>Valuation Point</b>	23:59 hours in Guernsey on the Business Day immediately preceding a Dealing Day.

## INTRODUCTION

The Fund is a protected cell of Hume Global Investors PCC Limited, an open-ended protected cell investment company registered with limited liability in Guernsey on 27 June 2012 and authorised by the Guernsey Financial Services Commission as a Class B collective investment scheme.

### **Investment Objective**

The investment objective of the Fund is to preserve capital and to achieve a rate of return which is significantly in excess of the Bank of England base rate by investing in an underlying portfolio of bonds and fixed income securities.

The fund shall endeavour to achieve its objective by investing into other collective investment schemes, which may be managed by associates of the Manager. Investors should be aware that the Fund has no direct control over the underlying assets of any fund in which it invests.

Save for collective investment schemes, the underlying investments are normally listed or dealt on major international stock exchanges, or on securities markets subject to the control of such stock exchanges or other regulatory authorities.

Traded options, warrants and market index futures may be utilised in the management of market risk and currencies may be hedged for defensive purposes only, provided that the total premium or margin in respect of any hedging transactions shall not at any time in aggregate exceed 10% of the Net Asset Value.

There can be no assurance that the Company will achieve its objectives for the Fund or avoid substantial losses. Investors are urged to consult with their professional advisers in connection with any investment in the Fund.

The Board will not materially alter the Fund's investment policy without reasonable prior notice being given to Shareholders.

### **Investment restrictions**

The Fund may invest all its net assets into any one underlying collective investment scheme. Spread of risk will be achieved at the underlying fund level. Accordingly the primary assets of the Fund will be its shareholding interests in underlying funds and cash held from time to time.

### **Base Currency**

The base currency of the Fund is Sterling.

### **Borrowings**

The Directors are obliged to restrict the borrowings of the Fund to ensure that the total amount borrowed and not repaid at any date shall not exceed more than 20% of the Net Asset Value of the Fund. There are no other leverage limits applicable.

Any leverage used by underlying investment vehicles in which the Fund invests will not be taken into account in computing the Fund's level of borrowing.

## **Hedging**

The Fund may enter into hedging transactions for risk management purposes and to manage foreign currency exposure. There can be no guarantee that the hedging arrangements will be effective.

## **Conflicts of Interest**

The Manager and its affiliates may provide investment advisory and management services to other clients in addition to the Company. The Manager and its affiliates will act in a fair and equitable manner in allocating investment opportunities among the Fund, other cells of the Company, other investment vehicles managed by them and the accounts of their other clients. If a conflict arises the Manager and its affiliates will act in a fair and equitable manner to resolve such conflict. The Directors and the Manager will endeavour to ensure that any conflict which does arise will be resolved fairly.

## **Distribution Policy**

It is the intention of the Directors to accumulate all income receipts and capital gains of the Fund for reinvestment and not to make distributions to Shareholders, although the Directors reserve the right to declare or recommend that Shareholders resolve to declare dividends should they consider it appropriate.

## **Reports and Accounts**

Copies of the reports and audited financial statements of the Fund made up to 31 March each year will normally be sent to Shareholders at their registered addresses or by Electronic Means (as defined in the Articles) at the latest within six months of the end of the period to which they relate.

## **Publication of Prices**

The latest prices for Shares in the Fund will be quoted on the Manager's website, [www.humefunds.com](http://www.humefunds.com).

## **Additional Risk Factors**

A list of risk factors relating to an investment in the Company, including the Fund, is contained in the Principal Particulars, to which investors are specifically referred. Potential investors should fully understand these risks prior to making any investment in the Fund.

All investments carry an element of risk especially as securities in the Fund are subject to normal stock market fluctuations. An investment in the Fund should be considered as a medium to long-term investment.

The Fund and any underlying fund may invest in units in collective investment schemes. Investors should be aware that neither the Fund nor any underlying fund has direct control over the underlying assets of such collective investment schemes. The exposure to collective investment schemes may include holdings in hedge funds or alternative investment vehicles. Investors should note that these vehicles make extensive use of derivatives.

If investors are unsure of the implications of such investments they should seek professional advice prior to making an investment in the Fund.

**Listing**

Application may be made for the Participating Shares to be admitted to listing on the Channel Islands Securities Exchange. At the date of these Supplemental Scheme Particulars, there is no current intention to list the Participating Shares of any Cell on the Channel Islands Securities Exchange.

## SUBSCRIPTION AND REDEMPTION OF SHARES

### Subscriptions

Participating Shares may be issued by the Fund on any Dealing Day in accordance with the procedure set out in the Principal Particulars and as below. Prospective investors should refer to the section headed “**Eligible Investors**” in the Principal Particulars to establish whether or not they are eligible to invest.

Participating Shares are issued in response to applications from investors (satisfying the minimum subscription levels set out below or such other sum as the Directors may from time to time determine) at the then prevailing Subscription Price on the Dealing Day next following receipt of an application.

Dealing Days are on each Business Day or such other day as the Directors may from time to time determine.

The issue of Participating Shares is conditional either upon payment of cleared funds for such shares having been received by the Administrator by 12 noon (Guernsey time) on the Business Day immediately preceding the relevant Dealing Day or, with the Directors’ absolute discretion, by ‘in-specie’ transfer of assets into the Fund in exchange for Participating Shares of equal value, provided that the Directors shall be satisfied that the terms of any such exchange shall not be such as is likely to result in any material prejudice to existing shareholders of Participating Shares. The Manager reserves the right not to process applications without cleared funds. If cleared funds are received after 12 noon (Guernsey time), the issue of Participating Shares pursuant thereto will normally take place on the next but one Dealing Day.

Application must be made on the application form available from the Administrator and should be sent to the Administrator at the address stated on the application form. The application form sets out the options available to investors to subscribe for Participating Shares.

All applications and subsequent applications must be for at least the minimum initial subscription amounts set out below. Fractions of a Participating Share will be issued where any subscription monies are not an exact multiple of the Subscription Price.

Each application by cleared funds should be accompanied by a cheque, banker’s draft or money order drawn in Sterling made payable to Peterhouse Capital (Guernsey) Limited Client Account for the amount proposed to be invested. Alternatively, funds may be remitted direct in Sterling, US Dollars, or Euros (as the case may be) as follows (quoting your full name and account number):

- a) For Sterling:

**HSBC Bank plc, Guernsey Branch**

**Sort Code: 40-22-25**

**Account Name – Peterhouse Capital (Guernsey) Client Acc**

**Account Number – 23675769**

**Reference: (quoting your full name and account number)**

b) For US Dollars:

**HSBC Bank plc, Guernsey Branch**

**Sort Code: 40-05-15**

**Account Name – Peterhouse Capital (Guernsey) Client Acc**

**Account Number – 73306276**

**Reference: (quoting your full name and account number)**

c) For Euros:

**HSBC Bank plc, Guernsey Branch**

**Sort Code: 40-05-15**

**Account Name – Peterhouse Capital (Guernsey) Client Acc**

**Account Number – 73306284**

**IBAN: GB05MIDL40051573306284**

**Reference: (quoting your full name and account number)**

Application Forms and Supporting Documents

An application for Participating Shares will only be processed if accompanied with all relevant anti-money laundering documents (“**AML Documentation**”). Application forms and supporting AML Documentation should be received by the Administrator by 12 noon Guernsey time on the Business Day immediately preceding the intended Dealing Day.

Subscription monies

Subscription monies must be received by the Administrator by 12 noon Guernsey time on the Business Day immediately preceding the relevant Dealing Day of intended subscription. **Notwithstanding receipt of subscription monies, the application will not be processed if the Administrator has not also received the application form and AML Documentation in the manner referred to in the preceding paragraph.**

If subscription monies are not received by 12 noon Guernsey time on the Business Day immediately preceding the relevant Dealing Day of intended subscription, the application will not be processed until the next but one available Dealing Day, at which point (subject to receipt of funds, the application form and AML Documentation), the subscription will be processed at the price ruling on that day. By applying for Shares in the Fund and arranging settlement in cash, investors acknowledge and agree that subscription monies may immediately, on receipt, be paid by the Fund into or towards underlying investments.

Applications by ‘in-specie’ transfer are at the absolute discretion of the Directors and should not be deemed accepted unless approval has been given prior to submitting an application form.

Contract notes confirming the allotment of shares and allocating a shareholder’s reference number (which should be quoted in all subsequent communications) will be posted to applicants or their nominated agents at the applicant's risk before the close of business on the seventh Business Day following the relevant Dealing Day.

No share certificates will be issued as ownership will be evidenced by the Company’s register of shareholders. The Company reserves the right to reject any application in whole or in part.



Subscription monies received will initially be paid into a client account and interest, if any, arising on such a client account will accrue for the benefit of the Manager.

In the case of transfers 'in-specie' the Directors may provide that the whole or any part of the duties or charges arising in connection with the vesting of the securities or other property in the Fund shall be paid by the Fund or by the person to whom the Participating Shares of the relevant class are to be issued or partly by the Fund and partly by such person. All applicants must comply with the documentary requirements.

### **Minimum Subscription Amounts**

The minimum subscription in the Fund (which may be varied at the discretion of the Manager) inclusive of the initial charge (if applicable) and administration fee per application (if any) is:

- a) £1,000 for Sterling Shares;
- b) US\$1,000 for US Dollar Shares; and
- c) €1,000 for Euro Shares.

Additional subscriptions may be made in amounts of not less than £1,000 for Sterling Shares, US\$1,000 for US Dollar Shares, and €1,000 for Euro Shares (which may be varied at the discretion of the Manager) inclusive of the initial charge (if applicable) and any administration fee.

### **Redemption Notice and Payment of Redemption Proceeds**

Shareholders may arrange to redeem all or part of their Participating Shares on any Dealing Day at the prevailing Redemption Price (but see "Fiscal and Sales Charges of the Underlying Fund" below) unless the valuation of the Fund's assets has been suspended.

Instructions should be given by completing and signing a redemption request form to be received by the Administrator not later than 12 noon (Guernsey time) on the Business Day immediately preceding the intended Dealing Day. Options for placing redemption requests are set out in the redemption form available from the Administrator or on the website [www.humefunds.com](http://www.humefunds.com).

If a redemption request is received after 12 noon (Guernsey time) the redemption of the Participating Shares will take place on the next but one Dealing Day. At the election of the Manager, Participating Shares offered for redemption may be purchased by the Manager or redeemed by the Fund. Partial redemptions of a holding will not be permitted unless each redemption is of an amount of at least £1,000 for Sterling Shares, US\$1,000 for US Dollar Shares, and €1,000 for Euro Shares unless after such redemption the Shareholder holds Participating Shares equivalent in value at the time of redemption to not less than the minimum holding set out herein or such other sum as the Directors may from time to time determine.

Redemption proceeds will be despatched by the Administrator as soon as practicable and normally within five Business Days following the relevant Dealing Day. Payment will only be made to an account in the registered name of the redeeming Shareholder. Payment instructions for the redemption proceeds may be amended by written instruction signed by the registered holder(s). Redemption proceeds will be paid by cheque denominated in Sterling or electronic transfer. Third party payments will not be made.

### **Fiscal and Sales Charges of underlying funds**

No redemption fees will be charged by the Fund in respect of a redemption of Shares. However underlying funds may, in calculating the repurchase price for the redemption of its Shares, deduct from the net asset value per share a fee in respect of fiscal and sales charges. Any such charge will be borne solely by the relevant redeeming shareholders in the Fund.

### **Deferral of Conversions and Redemptions**

The Directors have the right to restrict the number of Participating Shares to be redeemed on any Dealing Day as is deemed necessary by the Directors as a consequence of the suspension of dealings in any underlying fund in which the Fund invests.

The Directors also have the right to restrict the number of Participating Shares to be redeemed on any Dealing Day to a maximum of 10 per cent of the number of Participating Shares in issue in the Fund. If the number of Participating Shares to be redeemed on any Dealing Day is in excess of this figure, all applicants for redemption may have their redemption requests scaled down rateably. Any redemption request not satisfied will be held over for redemption on the next Dealing Day.

### **Compulsory Redemption**

Participating Shares will be compulsorily redeemed or transferred if it comes to the notice of the Manager that they are owned directly or beneficially in breach of any law or requirement of any country or governmental authority or that any person is not qualified to hold such shares by virtue of such law or requirement.

The Directors have resolved that they may at their discretion compulsorily redeem at any time the Shares in the Fund of any investor which, as a result of a redemption or transfer of any part of the investor's holding, have a value of less than £1,000 for Sterling Shares, US\$1,000 for US Dollar Shares, and €1,000 for Euro Shares (the minimum holding).

If the Net Asset Value of the Fund is less than £5 million on each Dealing Day during a consecutive twelve week period the Directors may, on not less than 21 days' notice, either compulsorily redeem all the Shares of the Fund in existence or convert them into shares of another cell with the consent of the Shareholder.

## **FEES AND EXPENSES**

### **Establishment Costs**

All the costs and expenses associated with the incorporation and initial organisation of the Company, and all the costs and expenses associated with the establishment of the Fund, and the preparation of these Supplemental Scheme Particulars, have been borne by the Manager. All transaction costs arising in connection with the initial subscriptions into the Fund may be amortised, at the Directors' discretion, over any period of up to five years commencing from the date of the first subscriptions into the Fund.

### **Fees of the Manager**

The Fund will invest in underlying funds. In addition to the charges borne by the Fund below, it will suffer charges at the underlying fund level. The Manager will ensure that the Fund does not suffer charges paid by any underlying fund to an associate of the Manager.

The Manager has agreed with the Fund that, for the time being, it will be entitled to a fee from the Fund which is paid monthly in arrears and accrued on the basis of 0.95% per annum of the Net Asset Value of the Fund. The Manager may only increase the rate in accordance with the Rules.

The Manager is also entitled to retain for its own account and benefit all profits which may accrue to it from transactions in the Participating Shares.

### **Initial Dealing Charge**

The Manager may at its discretion impose an initial dealing charge not exceeding 5.25 % in respect of subscriptions, which shall be for the Manager's sole use.

### **Fees of the Administrator**

The Administrator is entitled to receive transaction fees at various rates for subscriptions, redemptions, mailings and distributions, plus a fee (currently at £30.80 per investor) for each investor on the register of the Fund. In addition, the Fund will pay a pro rata share of the fee charged by the Administrator to the Company as a whole for the provision of transfer agency and company secretarial services, which are currently charged at £77,000 per annum and £24,650 per annum respectively, and bookkeeping and accounting fees at the rate of £14,500 per annum for each Class of the Fund's Participating Shares in issue. Such fees will be reviewed from time to time in accordance with market rates.

The Fund will also reimburse the Administrator for certain expenses incurred by the Administrator as specified in the Administration Agreement including expenses as agreed between the parties from time to time.

### **Fees of the Custodian**

Under the Custodian Agreement the Custodian is entitled to receive from the Fund a maximum permissible fee, which is accrued at each Valuation Point and paid monthly in arrears of 0.075% per annum of the Net Asset Value of the Fund, subject to a minimum fee of £825 per month. The Custodian has reserved the right to review its fee tariff on an annual basis.

The Fund will also reimburse the Custodian for certain expenses incurred by the Custodian as specified in the Custodian Agreement including sub-custodian and holding charges and transaction fees as agreed between parties from time to time.

### **Fees of the Auditors**

The Fund will bear its share of the Company's audit fee.

### **Other Fees**

In addition to the fees and expenses outlined in the Principal Particulars, the Fund will also pay the costs and expenses of:

- (i) all transactions carried out by it or on its behalf and
- (ii) the administration and operating costs of the Fund, including, but not limited to:
  - (a) the charges and expenses of legal advisers and auditors;
  - (b) brokers' commissions, borrowing charges on securities sold short and any issue or transfer taxes chargeable in connection with any securities transactions;
  - (c) all taxes and corporate fees payable to government or agencies;
  - (d) its proportionate share of Directors' fees and expenses;
  - (e) interest on borrowings, including borrowings from the Custodians, if any;
  - (f) certain fees and expenses incurred by the Manager and any investment adviser in connection with the provision of their services, including, but not limited to, research related expenses;
  - (g) communication expenses with respect to investor services and all expenses of meetings of shareholders and of preparing, printing and distributing of financial and other reports, proxy forms, offering memoranda and similar documents;
  - (h) the cost of insurance (if any) for the benefit of Directors;
  - (i) litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business;
  - (j) the cost of obtaining and maintaining the listing of the Shares on the Channel Island Stock Exchange and/or any other exchange; and
  - (k) all other organisational and operating expenses.