Tendercapital Bond Two Steps (the **Fund**)

a sub-fund of

TENDERCAPITAL FUNDS PLC

Supplement to the Prospectus

This Supplement contains specific information in relation to Tendercapital Bond Two Steps (the **Fund) a sub-fund of TENDERCAPITAL FUNDS PLC (**the **Company), an open-ended umbrella limited liability investment company, with variable capital and segregated liability between sub-funds, which is incorporated in Ireland and authorised under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended).**

This Supplement forms part of the Prospectus of the Company dated 27 May 2022 (the **Prospectus) and should be read in the context of and together with the Prospectus.**

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

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

Dated: 27 May 2022

DIRECTORY

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1. INVESTMENT OBJECTIVE AND POLICIES

Investment Objective

The investment objective of the Fund is to achieve a positive return over the medium term.

Investment Policy

The Fund intends to seek to achieve its investment objective primarily through investing in a diversified portfolio of debt securities primarily denominated in Euro and mainly listed or traded on one or more Regulated Markets, but with some limited capacity to take equity exposures as further outlined below.

The Fund will invest typically in (i) fixed income and variable rate debt securities including senior notes, subordinated debt and structured notes; and (ii) fixed and variable rate convertible and non-convertible bonds, bonds with warrants, negotiable credit securities (traded on the French markets for titres de creances negotiables, the over-the-counter markets in negotiable debt instruments), commercial paper, bankers acceptances, certificates of deposit, medium term notes, asset and mortgage backed securities, collateralised debt and other securitisation instruments and securities or instruments of a similar nature issued or guaranteed by any OECD government and/or by corporate or other issuers (including special purpose vehicles). Structured notes in which the Fund may invest include floating rate notes, where the coupon payment can be increased upon certain occurrences ("step up floaters") and convertible bonds which may embed a derivative component being on debt or equity securities, a basket or baskets of or indices of debt or equity securities or on interest rates.

The Fund may invest in aggregate up to 10% of its Net Asset Value directly or indirectly in a diversified portfolio of global equity securities across a wide range of industries. The primary means of obtaining equity exposure will be through convertible bonds and warrants.

The securities in which the Fund invests will typically be listed or traded on one or more Regulated Markets and any investment in such securities which are unlisted will comply with the investment restrictions in the Prospectus, and therefore will be limited to a maximum 10% of the Fund's Net Asset Value.

No more than 30% of the Fund's Net Asset Value shall be directly invested in debt securities or bonds which, at the time of their most recent purchase, were not rated investment grade by at least one credit rating agency approved by the Company or which are deemed by the Investment Manager to have an implied rating of investment grade, for instance by reference to other securities or bonds issued by the issuer of the relevant security or bond. The credit rating agencies currently approved for such purposes are Standard and Poors, Moody's, Fitch and DBRS.

The Fund may also hold or maintain ancillary liquid assets, including but not limited to, cash, time deposits and variable rate demand notes with a maturity of less than one week issued by an entity with at least a minimum credit rating of A2/P2 or equivalent. Such assets may be held: (i) in the absence of finding individual securities which the Investment Manager considers the possible or expected return to outweigh any risks involved in such investment; (ii) to protect the value of the Fund and maintain liquidity at times in falling or volatile markets; or (iii) as otherwise deemed appropriate by the Investment Manager.

There is no maximum or minimum amount of liquid assets that the Fund may hold at any one time though in normal market conditions the Investment Manager would not expect this to be more than 30% of the Fund's Net Asset Value.

The Fund may invest up to 10% of its Net Asset Value, in aggregate, in collective investment schemes (**CIS**), including exchange traded funds, in accordance with Central Bank requirements where the exposure provided is in line with the Fund's investment objective.

In selecting suitable investment opportunities for the Fund, the Investment Manager intends to use a "two step" investment process; the first step involving a "top down" analysis focusing on the broader market conditions such as interest rates, macro-economic outlook, inflationary expectations, fiscal and external account balances and geo-political issues and the second step involving a "bottom up" analysis focusing on specific investment opportunities and the attributes of specific issuers, such as for example in terms of management, competitiveness, balance sheet multiples, and financial solidity (current and prospective).

The Fund may also, subject to conditions and limits laid down by the Central Bank, utilise repurchase /reverse repurchase agreements for efficient portfolio management purposes only.

Where considered appropriate, the Fund may utilise financial derivative instruments and techniques for efficient portfolio management, investment purposes and/or for hedging as further set out below, subject always to the conditions and within the limits laid down by the Central Bank. These techniques and instruments include, inter alia, futures, options, swaps, spot and forward currency contracts, and contracts for difference which may be exchange traded or over the counter. The Fund may leverage itself through the use of derivatives, provided however that such leverage will not exceed an aggregate exposure of 100% of the Fund's NAV.

Sustainability Risks

The extent to which Sustainability Risks represent potential or actual material risks to the Fund is considered by the Investment Manager in its investment decision-making and risk monitoring. Along with any other material risk, the Investment Manager will consider Sustainability Risks in order to seek to maximize long-term risk-adjusted returns. In the event that a Sustainability Risk arises, this may cause the Investment Manager to determine that a particular investment is no longer suitable and to sell it or decide not make an investment in it. While difficult to assess the impact of Sustainability Risks as a whole on the Fund, the Investment Manager would expect the impact of Sustainability Risk to be low to moderate in light of the diverse nature of the investments of the Fund.

Environmental, Social and Corporate Governance Factors (ESG Factors)

The Fund incorporates ESG Aspects into investment decisions through its financial impact on the Fund, but also by considering non-quantifiable governance matters and social practices. The investment strategy is based on bond selection and both negative and positive screening applies to the ESG integration process. The analysis is performed by the portfolio management team with data sourced from external ESG Providers and by a separate in house ESG team.

The Manager, in consultation with the Investment Manager, has categorised the Fund as meeting the provisions set out in Article 8 of SFDR for products, which promote environmental, social and governance characteristics (**ESG Characteristics**) and invest in companies that follow good governance practices.

Being classified under Article 8 of SFDR, the Fund does not have sustainable investment as its investment objective, but promotes ESG Characteristics by achieving a capital allocation that can facilitate and accelerate the transition towards a more sustainable economy.

In order to meet the ESG Characteristics promoted and to assess the respect of good governance practices by the investee companies, the Investment Manager applies binding criteria to the selection of underlying assets as part of its investment decision making process. These binding criteria are reflected in the following strategies:

1. Exclusions, also known as negative screening

The negative screening process avoids investing in companies or sectors that are not consistent with a responsible investment approach due to ESG Considerations, international conventions or principles.

Exclusion is a first step in implementing the United Nations Principles for Responsible Investment. Application of negative screening should only be applied in cases where companies fail to demonstrate a commitment towards improvement of practices or when a risk of recurrence exists. If an excluded company demonstrates positive changes in their policies and operations, the company may be re-included in the list of investable companies.

With regard to negative screening, the Investment Manager complies with the recommended exclusion list of companies applied by Norges Bank. The Norges Bank exclusion list is based on recommendations from the Norwegian Council on Ethics (appointed by the Norwegian Ministry of Finance).[1]

The Investment Manager ESG team (the **ESG Team**) will review the abovementioned exclusion list on an annual basis reserving itself the right to update the exclusion criteria at any point in time to respond to relevant developments and legal requirements.

2. Controversies

The Investment Manager in order to monitor the involvement of each investee company in major ESG controversies has implemented an alert service provided by an ESG Provider. Whenever there is a change in the degree of controversy or ESG rating of the investee companies, the ESG Team receives the relevant information by email. Once the relevant alert is received, the ESG Team, if deemed relevant, will refer the matter to the investment committee and board of directors of the Company for a final decision on whether or not to exclude that particular investee company from the portfolio and the timing involved.

3. ESG Report and the monitoring of ESG Characteristics of the Fund

In order to control and monitor the performance of the Fund's portfolio management with regard to ESG Factors and to analyse the financial results achieved over time, the Investment Manager has implemented a reporting system for internal purposes provided every quarter by an ESG Provider with data sourced from MSCI[2] that allows the ESG Team to verify:

a) ESG Quality Score: the analyses measures the ability of underlying holdings to manage key medium to long-term risks and opportunities arising from ESG Factors. The Fund ESG quality score and its sub-factors receive a rating from 0 (low score) to 10 (high score);

b) ESG Ratings Distribution: the report represents the percentage of a portfolio's market value coming from holdings classified as ESG Ratings Leaders (AAA and AA), Average (A, BBB, and BB), and Laggards (B and CCC).

c) Carbon Risk: measures exposure to carbon intensive companies and is calculated as the portfolio weighted average of issuer carbon intensity. At an issuer level, carbon intensity is the ratio of annual scope 1 and 2 carbon emissions to annual revenue. Carbon risk is categorized as Very Low (0 to <15), Low (15 to <70), Moderate (70 to <250), High (250 to <525), and Very High (>=525);

d) Reputational and Controversies Risk: the score analyses each company's significant social, environmental, and governance impacts by identifying their involvement in major ESG controversies and adherence to international norms and principles. The score helps to comply with international standards and to understand if the Fund has investments in companies involved in very severe controversies;

e) ESG Controversies: analyses and monitors company management strategies and their ongoing and past controversies. This report provides an insight on the percentage of the investee companies in the portfolio which are: not involved in any major controversies, involved in moderate controversies, involved in ongoing structural controversies or involved in one or more severe controversies;

f) Climate Metrics: the score analyses a company's total greenhouse gas (emission per million of sales reported in the last filings. As an indicator of the gas emission the metric is designed to provide a forward looking and return based valuation assessment to measure climate related risks and opportunities in an investment portfolio;

g) The Sustainable Development Goals (SDGs): define global sustainable development priorities and aspirations for 2030 and seek to mobilize global efforts around a common set of goals and targets. The

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[1] Norges Bank Investment Management exclusion list is available online https://www.nbim.no/en/the-fund/responsible-investment/exclusion-of-companies

[2] MSCI is an independent ESG research provider offering a comprehensive global database for analyzing equity and corporate bond investments from an ESG perspective. MSCI uses a rule based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. In addition to the overall ESG rating, the Fund is assessed separately based on environmental, social and governance issues. These pillar scores are calculated before industry normalization, i.e. they are not industry adjusted. Therefore, the Fund's ESG rating is not an average of the environmental, social and governance pillar scores.

SDGs call for worldwide action among governments, businesses and civil society to end poverty and create a life of dignity and opportunity for all, within the boundaries of the planet. The report shows a graph representing shares of the portfolio aligned to specific Sustainable Development Goals;

h) ESG Ratings Momentum: represents the percentage of a portfolio's market value coming from holdings that have had an ESG ratings upgrade, and those with a downgrade, since their previous ESG Rating assessment;

i) Governance Risk: represents the percentage of a portfolio's market value coming from holdings classified as Governance Leaders (global percentile of 76-100%), Average (26-75%) and Laggards (0-25%);

j) Holding breakdown: the report comprises a breakdown of the major investee companies in the Fund's portfolio divided into lowest ESG rated positions, highest ESG rated positions, and largest positions in portfolio each one with the specific portfolio weight and ESG rating.

EU Taxonomy Regulation

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the financial product do not take into account the EU criteria for environmentally sustainable activities.

The regulatory technical standards (**RTS**) underpinning the environmental disclosures required by Regulation EU 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (the **EU Taxonomy Regulation**) have been delayed and are not currently available . There is currently insufficient data available to the Fund to satisfy the EU Taxonomy Regulation disclosure requirements for 1 January 2022. Until those RTS are available and in force, the Manager, and the Investment Manager, consider that the Fund is not currently in a position to establish or specify the proportion of investments in environmentally sustainable activities under the EU Taxonomy Regulation or details on the proportion of enabling and transitional activities.

The RTS are currently scheduled to be effective from 1 January 2023 and contain pre-contractual disclosure templates addressing all required disclosures under SFDR and the EU Taxonomy Regulation. The Fund will comply with all relevant disclosure requirements by the effective date.

2. FINANCIAL DERIVATIVE INSTRUMENTS & EFFICIENT PORTFOLIO MANAGEMENT

In the context of this Fund, efficient portfolio management transactions are transactions with the one of the following aims: (a) a reduction of risk, (b) a reduction of cost with no increase or a minimal increase in risk, and/or (c) generation of additional capital or income with no, or an acceptably low level of risk (relative to the expected return). In relation to efficient portfolio management operations the Investment Manager will look to ensure that the transaction is economically appropriate.

The financial derivative instruments and techniques which will be used for efficient portfolio management and/or hedging are futures, options, swaps, spot and forward currency contracts, contracts for difference and repurchase/reverse repurchase agreements which may be exchange traded or over-the-counter in accordance with the limitations and requirements of the Central Bank.

The Fund may buy and sell futures contracts on debt or equity securities, on debt or equity securities indices, on currencies and on interest rates and may also use options on futures contracts (e.g. on interest rates or on bond futures) to shorten or lengthen durations. The purchase of such contracts may provide a cost effective and efficient mechanism for taking a position in a bond, an equity, a bond market, an equity market or an index. The sale of such contracts may provide a means to hedge the Fund against a decline in value or change of rate of the underlying debt or equity security or securities index (for example DJTOXX50 index, DJSTOXX600 index, S&P100, exchange traded funds (**ETFs**) which seek to replicate a debt security index).

The Fund may purchase call and put options on debt or equity securities, on debt or equity securities indices and on currencies to gain exposure to a specific bond or equity or bond or equity market or index or to hedge against changes in exchange rates or in debt or equity prices.

Spot and forward currency contracts, currency swaps and currency futures may, at the discretion of the Investment Manager, be used to hedge currency exposures of the Fund or of any Class in accordance with the requirements of the Central Bank. Such currency exposure will arise where assets in which the Fund invests are denominated in a different currency than the Base Currency of the Fund or the designated currency of the relevant Class.

The Fund may also use interest rate swap contracts for hedging purposes to seek to manage its interest rate exposures and/or reduce the effect of interest rate fluctuations on debt securities held. In addition, interest rate swaps may be used for speculative purposes to seek to enhance the Fund's return. An interest rate swap involves the exchange by the Fund with another party of their respective commitments to pay or receive cash flows (e.g., an exchange of floating rate payments for fixed-rate payments) and the return to the Fund will be based on the movement of interest rates relative to a fixed rate agreed by the parties to the swap.

The proportion of assets under management in regard to securities in its portfolio subject to repurchase/reverse repurchase arrangements may typically vary between 0% and 100% although it is anticipated that it is most likely to be within the range of 0% to 50%. Such variations may be dependent on, but are not limited to, factors such as total Fund size and seasonal trends in the underlying market. The assets that can be subject to such arrangements are the assets described in the investment policy.

Each counterparty to repurchase/reverse repurchase arrangements will be an eligible counterparty for a UCITS and be subject to prudential supervision rules and specialised in this type of transaction. The Fund will seek to appoint regulated financial institutions as counterparties that have been subject to an approval process, subject to prudential supervision rules and specialised in this type of transaction and which have, either directly or at parent-level, an investment grade rating from at least one of the following credit rating agencies: Fitch Group, Standard & Poor's and Moody's. The Fund must be satisfied that the counterparty does not carry undue credit risk, will value the transactions with reasonable accuracy and on a reliable basis and will close out the transactions at any time at the request of the Fund and/or the Investment Manager. Another criterion used when selecting counterparties includes country of origin. For example, the counterparty may be a body corporate located in an EEA member state. In order to reduce its exposure to any counterparty, the Fund may adopt collateral arrangements as described under the section entitled **Collateral Policy** in the Prospectus. Maturity is reviewed when accepting collateral on a case-by-case basis. Cash will be valued at par value while other securities will be valued in accordance with the valuation provisions described under the section entitled **Calculation of Net Asset Value/Valuation of Assets** in the Prospectus.

The Fund will use the commitment approach to calculate its daily global exposure, being the incremental exposure and leverage generated through the use of FDI, in accordance with its risk management process and the requirements of the Central Bank.

Any FDI not included in the Risk Management Process (**RMP**) of the Company will not be utilised until such time as a revised RMP including such FDI has been submitted to and cleared by the Central Bank.

3. BORROWING

In accordance with the general provisions set out in the Prospectus under the heading Borrowing and Lending Powers and Restrictions, the Fund may borrow up to 10% of its total Net Asset Value on a temporary basis and not for speculative purposes.

4. INVESTMENT RESTRICTIONS

The investment restrictions applicable to the Fund are set out under the section entitled **Investment Restrictions** in the Prospectus.

5. PROFILE OF A TYPICAL INVESTOR

The Fund is suitable for investors who have a medium term investment horizon, whose investment objectives are geared towards the preservation of the value of their savings and who want an investment strategy involving a medium level of volatility and risk in the management of their savings.

6. RISK FACTORS

The risk factors under the section entitled Risk Factors in the Prospectus apply to this Fund.

Investors should note the difference between the nature of a deposit and the nature of an investment in the Fund, in particular, the risk that the principal invested in the Fund is capable of fluctuation and thus Shareholders may not have all of their principal returned to them on redemption. In addition, investment in the Fund will not benefit from any deposit protection scheme such as might be applicable to an investment in a deposit.

7. DIVIDEND POLICY

No declarations or distributions shall be made in respect of the Accumulating Shares. The net income earned per Accumulating Share will be accumulated and reinvested on behalf of Shareholders of Accumulating Shares.

The Directors have designated the Institutional Distributing Share Class as Distributing Shares. The Directors may declare a dividend in respect of the Distributing Shares in December of each year at their sole discretion and, if so, it will be paid within four months of the declaration date. Dividends will be declared out of realised and unrealised gains net of realised and unrealised losses.

For further information please consult the section entitled **Dividend Policy** of the Prospectus.

8. KEY INFORMATION FOR SUBSCRIBING AND REDEEMING

Base Currency

The Base Currency of the Fund is Euro but investments may be denominated in other currencies.

Available Share Classes

The Company may issue Shares in each of the Share Classes set out in the table below.

Share Class	Denominated Currency*	Minimum Shareholding*	Minimum Initial Investment Amount*	Minimum Additional Investment Amount*
Retail Accumulating Share Class	Euro	N/A	€5,000	N/A
Retail Accumulating GBP Share Class	GBP	N/A	N/A	N/A
Institutional Accumulating Share Class	Euro	N/A	€500,000	N/A
Institutional Accumulating GBP Share Class	GBP	N/A	£250,000	N/A

Institutional Distributing Share Class	Euro	€500,000	€500,000	N/A

*****currency equivalent in the denominated currency of a Share Class and in accordance with the section entitled **Currency of Payment** below.

The Directors (upon written confirmation to the Administrator) reserve the right to differentiate between Shareholders and to waive or reduce the Minimum Shareholding, Minimum Initial Investment Amount, and Minimum Additional Investment Amount for any such Shareholders or to refuse an application for any such Shares in their absolute discretion.

Additional Classes of Shares may be created in accordance with the requirements of the Central Bank.

Initial Offer Period & Issue Price

Retail Accumulating GBP Share Class and the Institutional Accumulating GBP Share Class

The Initial Offer Period in respect of the Retail Accumulating GBP Share Class and Institutional Accumulating GBP Share Class has now closed. Shares in those Share Classes are continuously open for subscriptions at the Issue Price on the relevant Dealing Day.

Institutional Distributing Share Class

The Initial Offer Period in respect of the Institutional Distributing Share Class is now closed. Shares in this Share Class are continuously open for subscriptions at the Issue Price on the relevant Dealing Day.

Retail Accumulating Share Class and the Institutional Accumulating Share Class

The Initial Offer Period in respect of the Retail Accumulating Share Class and the Institutional Accumulating Share Class has closed. Shares in those Share Classes are continuously open for subscriptions at the Issue Price on the relevant Dealing Day.

Currency of Payment

Subscription and redemption monies are payable in the denominated currency of the Share Class in respect of which Shares are being subscribed for or redeemed as set out in the table above.

Subscription Charge

A Subscription Charge of up to 3% of the Issue Price may be charged at the discretion of the Directors for payment to the Investment Manager or Distributor.

Redemption Charge

A Redemption Charge of up to 3% of the Redemption Price may be charged at the discretion of the Directors for payment to the Investment Manager for intermediary and distribution purposes and agreements.

Exchange Charge

Subject to compliance with the relevant exchange provisions contained in the Prospectus and, where relevant to the creation of additional Funds by the Company, an exchange fee of up to 3**%** may be imposed at the discretion of the Directors on all applications to exchange from one Share Class to another Share Class within the Fund or to a Share Class within another Fund of the Company.

Business Day

A day on which banks are open for business in Dublin and London or such other day as the Directors may, with the approval of the Depositary, determine.

Dealing Day

The Dealing Day for the Fund is every Business Day.

Dealing Deadline

The Dealing Deadline is 12 noon (Irish time) one Business Day prior to the relevant Dealing Day.

Valuation Point

The Valuation Point is close of business in the last relevant market on the Business Day immediately preceding the relevant Dealing Day.

Settlement Date

The Settlement Date for the receipt of monies for subscription for Shares is the second Business Day following the relevant Dealing Day. The Settlement Date for the dispatch of monies for the redemption of Shares is the third Business Day following the relevant Dealing Day, provided that all the required documentation has been furnished to and received by the Administrator.

9. HOW TO SUBSCRIBE FOR SHARES

Requests for the subscription for Shares should be made in accordance with the provisions set out in the section entitled **Subscription for Shares** in the Prospectus.

10. HOW TO REDEEM SHARES

Requests for the redemption of Shares should be made in accordance with the provisions set out in the section entitled **Redemption of Shares** in the Prospectus.

11. FEES AND EXPENSES

The following sections on fees should be read in conjunction with the section entitled **Fees and Expenses** in the Prospectus.

Investment Management Fee

The Investment Manager shall be entitled to receive out of the assets of the Fund an annual fee, accrued on each Dealing Day and payable monthly in arrears, at an annual rate of up to and not exceeding (i) 1% of the Net Asset Value of the Retail Accumulating Share Class; (ii) 1% of the Net Asset Value of the Retail Accumulating GBP Share Class; (ii) 0.65% of the Net Asset Value of the Institutional Accumulating Share Class; (iv) 0.50% of the Net Asset Value of the Institutional Accumulating GBP Share Class and (v) 0.65% of the Net Asset Value of the Institutional Distributing Share Class (the **Capped Fee**). The Investment Manager is also entitled to be reimbursed out of the assets of the Fund for the reasonable out-of-pocket costs and expenses incurred by the Investment Manager in the performance of its duties (plus VAT thereon, if any).

Subject to the Capped Fee, the Investment Manager may, with the agreement of the Directors and with prior notification to the Administrator, waive, reduce or increase all or part of the investment management fee charged to certain Shareholders and accordingly may differentiate between Shareholders in the Fund in that regard. Any such waiver or reduction shall be effected by way of a cash rebate paid by or on behalf of the Investment Manager to the relevant Shareholder's account. The Investment Manager will determine the rebate amount in each case, which will not exceed the Capped Fee, based on the assets invested in the Fund or a Share Class thereof, and accordingly, the investment management fee charged to certain Shareholders may be reduced or increased in accordance with the amount of fees rebated to the relevant Shareholders subject to the applicable Capped Fee.

Performance Fee

The Investment Manager will be entitled to receive out of the assets of the Fund a performance fee in respect of each Share Class (the **Performance Fee**) calculated on a per Share basis so that each Share is only charged a Performance Fee which equates with that Share's performance. Generally this method of calculation is intended to ensure so far as possible (and with respect to each Class of Shares) that (i) any Performance Fee paid to the Investment Manager is charged only to those Shares which have appreciated in value, (ii) all holders of Shares of the same Class have the same amount of capital per Share at risk in the Fund and (iii) all Shares of the same Class have the same Net Asset Value per Share.

The proceeds paid to investors for Shares redeemed during a Performance Period will be net of any payable Performance Fees accrued in the calculation of the Net Asset Value. Such Performance Fees will only be paid proportionately on the number of Shares redeemed.

The **Performance Period** for each Share Class shall commence on 1 January in each year and will end on 31 December in that year, except in relation to:

(1) the initial Performance Period of any classes of Shares in Initial Offer Period, in which case the Performance Period will commence from the Business Day following the close of the relevant Initial Offer Period and will end on 31 December of that year and thereafter the Performance Period in respect of each Share will commence on 1 January and end on 31 December each year; and
(2) the Performance Period in 2019 for any Share Class that had launched by 18 November 2019, in which case the Performance Periods shall be taken to mean either the later of 1 January 2019, or the date of launch, to 30 June 2019 (where relevant) and 18 November 2019 to 31 December 2019, as applicable.

The Performance Fee will be calculated and be taken into account in the calculation of the Net Asset Value per Share as at the Valuation Point in respect of each Dealing Day

The calculation of the Performance Fee will be verified by the Depositary and is therefore not open to the possibility of manipulation.

To provide investors with a better understanding of how the Performance Fee will be calculated, worked examples are included in Appendix 1 to this Supplement.

Where a Performance Fee is payable out of the Fund it shall be calculated on the increase in the Net Asset Value per Share at the end of the relevant Performance Period. Included in that calculation shall be net realised and unrealised capital gains plus net realised and unrealised capital losses as at the end of the Performance Period and as a result Performance Fees may be paid on unrealised gains which may subsequently never be realised.

<u>Retail Accumulating Share Class</u>

For each Performance Period, the Investment Manager shall be entitled to receive a Performance Fee out of the assets attributable to the Retail Accumulating Share Class of 20% of the amount by which the performance of the Net Asset Value per Share exceeds EUR 3 Month Deposit Rate (the **Index**) multiplied by the Net Asset Value of that Share Class.

In order to earn a Performance Fee, any underperformance relative to the Index must first have been clawed back (cleared) before a Performance Fee becomes due in subsequent periods.

Included in the calculation shall be net realised and unrealised capital gains plus net realised and unrealised capital losses as at the end of each calculation period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

<u>Institutional Accumulating Share Class, Retail Accumulating GBP Share Class, Institutional Accumulating GBP Share Class and Institutional Distributing Share Class</u>

For each Performance Period, the Investment Manager shall be entitled to receive a Performance Fee out of the assets attributable to the Institutional Accumulating Share Class of 10%, the Institutional Accumulating GBP Share Class of 10%, the Retail Accumulating GBP Share Class of 20% and the

Institutional Distributing Share Class of 10%, of the amount by which the Net Asset Value of the Share exceeds the Benchmark (plus VAT, if any), taking subscriptions and redemptions into account and calculated in the following manner:

1. For the first **Performance Period** for all the Share Classes, the **Benchmark** is the Initial Issue Price per Share.

2. If the Net Asset Value per Share at the end of the first Performance Period exceeds the Benchmark, a Performance Fee is payable. For each subsequent Performance Period, the Benchmark is the reported, final Net Asset Value per Share at the end of the previous Performance Period for which a Performance Fee was payable.

3. If the Net Asset Value per Share at the end of a Performance Period is lower than the Benchmark, no Performance Fee is payable. In this case, the Benchmark for the next Performance Period is the Benchmark for the previous Performance Period being the previous Performance Period for which a Performance Fee was payable.

4. When a Performance Fee is payable on Shares, it is calculated as the Net Asset Value per Share less the Benchmark multiplied by the Performance Fee rate for the relevant Share Class set out above, multiplied by the number of Shares in issue at the end of the Performance Period. The number of Shares in issue at the end of the Performance Period shall be deemed to include Shares which fall to be redeemed and exclude Shares which fall to be issued as at the end of the Performance Period.

In accordance with the requirements of the Central Bank, no Performance Fee is accrued/paid until the Net Asset Value per Share exceeds the previous highest Net Asset Value per Share on which the Performance Fee was paid/accrued in accordance with the above (or the Initial Issue Price, if higher) and the Performance Fee is only payable/paid on the increase and calculated accordingly.

Performance fees are only payable by the Fund on achieving a new high Net Asset Value over the life of the relevant Share Class.

<u>Adjustments</u>

If an investor subscribes for Shares at a time when the Net Asset Value per Share is other than the Benchmark, certain adjustments will be made to reduce inequities that could otherwise result.

Where Shares are subscribed at a time when the Net Asset Value per Share is less than the Benchmark (a **Deficit Subscription**), the new Shareholder will be required to pay an equivalent Performance Fee for each Performance Period with respect to any subsequent appreciation in the Net Asset Value per Share of those Shares until the Benchmark for the Fund has been reached (for the avoidance of doubt, such Performance Fee shall only be payable where the Benchmark return has been exceeded). This is achieved by the Fund having the power to redeem a portion of the Shareholder's holding equal to the Performance Fee owing at the end of each Performance Period. An amount equal to the aggregate Net Asset Value of the Shares so repurchased will be paid to the Investment Manager as a Performance Fee. The Fund will not be required to pay to the Shareholder the repurchase proceeds of relevant Shares. Performance Fee redemptions are employed to ensure that the Fund maintains a uniform Net Asset Value per Share. As regards the Shareholder's remaining Shares, any appreciation in the Net Asset Value per Share of those Shares above Benchmark will be charged a Performance Fee in the normal manner described above.

If Shares are subscribed for at a time when the Net Asset Value per Share is <u>greater</u> than the Benchmark, the investor will be required to pay an additional amount equal to the accrual then in place per share in respect of the Performance Fee (an **Equalisation Credit**). At the date of subscription the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Shares in the Fund (the **Maximum Equalisation Credit**). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Share has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders and serves as a credit against Performance Fees that might otherwise be payable by the Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all Shareholders have the same amount of capital at risk per Share.

The additional amount invested as the Equalisation Credit will be at risk in the Fund and will therefore appreciate or depreciate based on the performance subsequent to the issue of the relevant Shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Valuation Point in the Net Asset Value per Share of those Shares, the Equalisation Credit due will also reduce in line with the Performance Fee accrual for other shares until the Equalisation Credit is exhausted. Any subsequent appreciation in the Net Asset Value per Share will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each calculation period, if the Net Asset Value per Share (before accrual for the Performance Fee) exceeds the prior Benchmark, an amount equal to the Equalisation Credit at the time of the subscription (less any Equalisation Credit previously applied) will be applied to subscribe for additional Shares for the Shareholder. Additional Shares will continue to be so subscribed for at the end of each calculation period until the Equalisation Credit, as it may have appreciated or depreciated in the Fund after the original subscription for Shares was made, has been fully applied.

If the Shareholder repurchases his Shares before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional repurchase proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares being repurchased and the denominator of which is the number of Shares held by the Shareholder immediately prior to the repurchase in respect of which an Equalisation Credit was paid on subscription.

Manager Fee

Under the provisions of the Management Agreement, the Manager will be paid an annual management fee out of the assets of the Company of 0.05% of the Net Asset Value of the Company. Such management fee will accrue at the Valuation Point of each of the Funds and will be payable on a quarterly basis in arrears. In the event that 0.05% of the Net Asset Value of the Company is less than €90,000, the Manager shall be paid a minimum annual management fee of €90,000 which will be applied pro-rata to the Funds. The Company will also pay all out-of-pocket expenses incurred by the Manager (including VAT thereon).

Administration Fee

The Administrator shall be entitled to receive out of the assets of the Fund a once-off set-up fee of €2,000. The Administrator shall receive out of the assets of the Fund an annual fee as detailed in the table below, which will be accrued and calculated at each Valuation Point, subject to a minimum annual fee of €50,000.

Aggregate Umbrella Value	Percentage of Net Asset Value (plus VAT, if any)
First €100 million	0.12%
€100 million to €300 million	0.07%
Greater than €300 million	0.04%

The Administrator fees will be charged on the Company's Net Asset Value and allocated on a pro-rata basis to the Net Asset Value of each Fund.

An annual fee of €4,000 will also be changed for the preparation of financial reports of the Fund each accrued as at each Valuation Point (plus VAT, if any, thereon).

The Administrator is also entitled to be repaid all of its reasonable agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

Depositary Fee

The Depositary shall be entitled to receive out of the assets of the Fund an annual fee, as detailed in the table below, which will be accrued and calculated at each Valuation Point, subject to a minimum annual fee of €36,000 (plus VAT, if any, thereon)).

Aggregate Umbrella- Value	Percentage of Net Asset Value (plus VAT, if any)
First €200 million	0.025%
Greater than €200 million	0.015%

The Depositary fees will be charged on the Company's Net Asset Value and allocated on a pro-rata basis to the Net Asset Value of each Fund.

The above fees are subject to annual review and may be changed as agreed upon by the Depositary and the Company in accordance with the requirements of the Central Bank.

The fees and disbursements and expenses of the sub-custodians and delegate of the Depositary, whether affiliates of the Depositary or non-affiliate of the Depositary, will be charged in addition to the Depositary's fees at the normal commercial rate charged by such sub-custodians or delegates from time to time. These fees, disbursements and expenses shall be payable out of the assets of the Fund.

The Depositary will also be reimbursed for all of its reasonable out-of-pocket expenses out of the assets of the Fund. All fees and expenses of the Depositary are exclusive of VAT.

Formation Costs

The preliminary expenses incurred in connection with the establishment and initial issue of Shares in the Fund are estimated to amount to €20,000 and will be amortised over the first five financial years of the Fund.

12. MISCELLANEOUS

At the date of this Supplement, there are two other Funds of the Company in existence, namely Tendercapital Secular Euro and Tendercapital Global Bond Short Duration Fund.

APPENDIX 1

Performance Fee rate	20%									
EXAMPLE 1		**Amount invested**	**Shares**	**Gross NAV at deal date**	**Return on investment**	**Movement in perf fee accrual**	**Total perf fee accrued**	**recoup of any underperf**	**Gross NAV at the end**	**Net Assets at the end**
	Day 1	10,000.00	10.00	1,000.00	20.00	4.00	4.00	-	1,002.00	1,001.60
	Day 2	10,016.00	10.00	1,001.60	10.00	2.00	6.00	-	1,002.60	1,002.40
	Day 3	10,024.00	10.00	1,002.40	- 10.00	- 2.00	4.00	-	1,001.40	1,001.60
		10,016.00								
EXAMPLE 2		**Amount invested**	**Shares**	**Gross NAV at deal date**	**Return on investment**	**Movement in perf fee accrual**	**Total perf fee accrued**	**recoup of any underperf**	**Gross NAV at the end**	**Net Assets at the end**
	Day 1	10,000.00	10.00	1,000.00	20.00	4.00	4.00	-	1,002.00	1,001.60
	Day 2	10,016.00	10.00	1,001.60	- 40.20	- 8.04	-	- 4.04	997.58	997.98
	Day 3	9,979.80	10.00	997.98	10.00	2.00	-	- 2.04	998.98	998.98
		9,989.80								
EXAMPLE 3		**Amount invested**	**Shares**	**Gross NAV at deal date**	**Return on investment**	**Movement in perf fee accrual**	**Total perf fee accrued**	**recoup of any underperf**	**Gross NAV at the end**	**Net Assets at the end**
	Day 1	10,000.00	10.00	1,000.00	20.00	4.00	4.00	-	1,002.00	1,001.60
	Day 2	10,016.00	10.00	1,001.60	10.00	2.00	6.00	-	1,002.60	1,002.40
	Day 3	10,024.00	10.00	1,002.40	30.20	6.04	12.04	-	1,005.42	1,004.82
		10,048.16								

EXAMPLE 4		**Amount invested**	**Shares**	**Gross NAV at deal date**	**Return on investment**	**Movement in perf fee accrual**	**Total perf fee accrued**	**recoup of any underperf**	**Gross NAV at the end**	**Net Assets at the end**
	Day 1	10,000.00	10.00	1,000.00	20.00	4.00	4.00	-	1,002.00	1,001.60
	Day 2	10,016.00	10.00	1,001.60	- 30.00	- 6.00	-	- 2.00	998.60	999.00
	Day 3	9,990.00	10.00	999.00	5.00	1.00	-	- 1.00	999.50	999.50
		9,995.00								