

17 December 2021

MITONOPTIMAL OFFSHORE FUND

(an umbrella unit trust established in Guernsey and authorised by the Commission as
an authorised open-ended collective investment scheme of Class B)

SUPPLEMENTAL SCHEME PARTICULARS

Core Diversified GBP Fund

These Supplemental Scheme Particulars, containing information relating to the Core Diversified GBP Fund (the “**Sub-Fund**”) of MitonOptimal Offshore Fund (the “**Fund**”) should be read and construed in conjunction with the scheme particulars relating to the Fund (the “**Scheme Particulars**”). This document is deemed to be incorporated in and to form part of the Scheme Particulars and may not be distributed unless it is accompanied by them and such other documentation as the Scheme Particulars may prescribe.

Definitions

The following words shall have the meanings opposite them unless the context in which they appear requires otherwise:-

Dealing Day

Means Wednesday in each week (or if that is not a Business Day then the following Business Day). More frequent Dealing Days may be determined by the Manager from time to time. The Manager reserves the right to exclude a Dealing Day during the Christmas/New Year period. Notification of any exclusion will be made on www.MitonOptimal.com.

Valuation Point

Means midnight on the Business Day immediately preceding each Dealing Day.

In any case of conflict or inconsistency between statements in these Supplemental Scheme Particulars and the Scheme Particulars, the Supplemental Scheme Particulars will, as to the Sub-Fund and the Units, supersede the Scheme Particulars as to that conflict.

Investment Objectives & Details of the Sub-Fund

Investment Objectives

The investment objective of the Sub-Fund is to generate long term capital growth through investment in a range of asset classes, with a lower level of volatility than equity markets. The Sub-Fund seeks to attain its objective by investing in one or a number of different collective investment schemes that best fit the desired exposure and investment strategy.

Investment Policy

Investments will be mainly in shares or units of collective investment schemes (both open and closed-ended schemes) investing (directly or indirectly) in equities or fixed interest securities or pursuing an absolute return objective in any geographical area or sector. The Sub-Fund may include an indirect exposure to property with any geographical or sector focus. The Sub-Fund may also invest in other collective investment schemes and directly in transferable securities, money market instruments, near cash, cash and deposits.

The Sub-Fund may utilise financial derivative instruments and forward currency contracts only for the purpose of efficient portfolio management in delivering its investment objective.

In order to achieve the objective of the Sub-Fund, the Manager will allocate the funds available for investment according to the following table:-

Asset Area	Min	Max
Cash	0%	25%
Equities	15%	65%
Fixed Income Strategy	0%	60%
Long / Short Equity	0%	30%
Absolute Return Strategies	0%	30%
Property	0%	20%
Commodities	0%	10%
Alternative Strategies	0%	50%

Collective investment schemes which have adopted alternative strategies located in Guernsey and other jurisdictions which, in the opinion of the Manager, provide regulation which is at least equivalent to that applicable in Guernsey shall include but not be limited to those who invest in cash/ futures arbitrage, collateralised loans, convertible arbitrage, discretionary trading, distressed securities, emerging equity long/short, equity arbitrage, equity long/short, equity options arbitrage, event driven, fixed income arbitrage, fixed income long/short, global macro, global absolute return strategies, MBS arbitrage, market neutral, special situations, systematic trading and tactical trading.

In addition, the Sub-Fund will continue to hold certain non-transferable investments in collective investment schemes until such a time as the applicable investments become transferrable or can be realised.

Base Currency of the Sub-Fund

The base currency of the Sub-Fund is GBP. Classes may be priced and valued in other currencies.

Investment Restrictions

In order to ensure a proper spread of risk the Manager has resolved to adopt the following investment restrictions for the Sub-Fund:

- (a) Not more than thirty per cent of the total value of the assets of the Sub-Fund will be invested in any one mutual fund or fund of funds provided that there shall be no percentage restriction on the value of any investment in any other Sub-Fund of the Fund.
- (b) The Manager will limit investment in any single issue of a debt instrument to a level not exceeding twenty per cent of the total value of the Sub-Fund. For this purpose debt instruments are regarded as being of different issues even though issued by the same issuer if issued on different terms whether as to interest rates or repayment dates or otherwise.
- (c) The Manager will limit investment in any one company to a level not exceeding ten per cent of the outstanding equity securities of that company or any class of such securities.
- (d) The Manager may invest the assets of the Sub-Fund in equity securities which are not quoted on a Recognised Investment Exchange provided that not more than 10 per cent of the value of the Sub-Fund is represented by such securities.
- (e) Not more than ten per cent of the total value of the assets of the Sub-Fund shall be deposited at any time with one deposit taking institution, with the exception of the Trustee but this shall not apply to any deposit of up to £1 million or its equivalent in any other currency.
- (f) The maximum exposure the Sub-Fund may have to the Prime Broker (which includes initial margin, variation margin, excess margin and the value of open positions) shall not exceed 10 per cent of the Net Asset Value of the Sub-Fund.

The above restrictions apply as at the date of the relevant transaction or commitment to invest. Changes in the portfolio of the Sub-Fund do not have to be effected merely because, owing to appreciations or depreciations in value, or by reason of the receipt of, or subscription for, any rights, bonuses or benefits in the nature of capital or of any acquisition or merger or scheme of arrangement for amalgamation, reconstruction, conversion or exchange or of any redemption, any of the restrictions would thereby be breached, but regard shall be had to these restrictions when considering changes or additions to the investment portfolio of the Sub-Fund.

Where the Manager invests in any other Sub-Funds of the Fund in accordance with paragraph (a) above the Manager shall rebate any fees it is entitled to in respect of those Sub-Funds to the account of the Sub-Fund.

Classes

The following Classes of Units are available for subscription:

- Core Diversified GBP Class (the “**GBP Class**”)
- Core Diversified GBP I Class (the “**GBP I Class**”)
- Core Diversified GBP E Class (the “**GBP E Class**”)

Classes are priced and valued in their namesake currencies.

The Manager and Trustee may create additional Classes of Units from time to time, which Classes may apply a specific currency, denomination, hedging, initial or redemption charge structure, fee structure, minimum subscription amount or distribution policy or other terms as specified in these Supplemental Scheme Particulars from time to time. Increases and decreases in the Net Asset Value of the Sub-Fund attributable to a Class and other Class-specific items shall be allocated to the Class concerned as further detailed in the Trust Instrument.

Borrowings

The Manager has power to borrow for the account of the Sub-Fund but such borrowings will be limited to 10 per cent of the Net Asset Value at the time of borrowing. The Manager may utilise this facility for the purpose of funding redemptions and short term liquidity requirements.

Distribution Policy

There will be no distributions of income to Unitholders. All income accruing to each Class will be added to the capital of the Class from which it is derived and reflected in the Net Asset Value of that Class.

Offering and Dealing Particulars

Subscriptions

Units will be available for subscription on any Dealing Day at a price calculated by reference to the Net Asset Value per Unit of the relevant Class calculated as at the Valuation Point for the relevant Dealing Day. Details as to the calculation of Net Asset Value can be found in the Scheme Particulars.

Applications for Units must be received by the Manager in Guernsey by not later than 3.00 pm (Guernsey time) on the second Business Day immediately preceding the Dealing Day in respect of which the application is made (the “**Relevant Business Day**”). Any Application Form received after 3.00 pm (Guernsey time) on the Relevant Business Day may be deemed to have been received on the next following Business Day and if so, will be carried over to the next following Dealing Day. The Manager reserves the right to accept any application after such cut-off time at its discretion.

If payment in full with cleared funds is not received by 3.00 pm (Guernsey time) on the second Business Day immediately preceding the relevant Dealing Day, the Manager has the right to cancel the issue of the relevant Units (or defer such subscription to the next following Dealing Day). The Manager reserves the right to accept settlement of funds after such cut-off time at its discretion.

Other details as to the application procedure are set out in the Scheme Particulars.

Minimum Subscription

Unless the Manager otherwise agrees in any particular case the minimum initial subscription for Units of the GBP Class and the GBP E Class is £5,000 exclusive of the Placement Fee (if any).

Unless the Manager otherwise agrees in any particular case the minimum initial subscription for Units of the GBP I Class is £1,000,000.

Minimum subscription limits shall also serve as minimum holding limits. The Manager, at its absolute discretion, may vary these amounts but not so as to require Unitholders to increase their holdings. Unitholders may make additional subscriptions on any Dealing Day subject, unless the Manager otherwise agrees in any particular case, to a minimum investment on any one occasion of at least £1,000 exclusive of the Placement Fee (if any).

Placement Fees

In relation to the GBP Class only: The Creation Price is exclusive of a Placement Fee which may be imposed from time to time at the discretion of the Manager of up to 5 per cent of the Creation Price or of the amount subscribed. Under the Trust Instrument, the Placement Fee may be retained for the use and benefit of the Manager.

Redemption Fees

In relation to the GBP E Class only: As an alternative to the Placement Fee, a Redemption Fee will be deducted, capped at 5 per cent per individual subscription, which will be paid to the Manager (from the account of the relevant Class) and then capitalized and amortised over 60 months from the date of each individual subscription. A Redemption Fee will be deducted and paid back to the Sub-Fund (for the account of the relevant Class) in an amount equal to any unamortised provision per Unit.

Redemptions and Conversions

Units may be redeemed at the applicable Redemption Price of the relevant Class on any Dealing Day, subject to receipt of a redemption request by the Administrator by 3.00 pm (Guernsey time) on the

second Business Day immediately preceding the Dealing Day in respect of which the application is made.

Unitholders are only entitled to exchange Units on a Dealing Day, subject to receipt of a conversion request by the Manager by 3.00 pm (Guernsey time) on the second Business Day immediately preceding the Dealing Day in respect of which the application for conversion is made.

Any redemption request or conversion request received after 3.00 pm (Guernsey time) on the relevant Business Day may be deemed to have been received on the next following Business Day and if so, will be carried over to the next following Dealing Day.

The Manager reserves the right to accept any application after such cut-off time at its discretion.

Other details as to redemptions and conversions can be found in the Scheme Particulars.

At all times the minimum redemption for Units is £1,000. The Manager may vary this amount at its discretion.

Calculation of Net Asset Value

The Net Asset Value per Unit for each Class is calculated as at each Valuation Point. Details as to the calculation of Net Asset Value can be found in the Scheme Particulars.

Publication of Prices

Details as to the publication of prices can be found in the Scheme Particulars.

Fees and Expenses

The fees payable in respect of the Sub-Fund are as follows:

The Manager

Under the terms of the Trust Instrument the Manager is entitled to a periodic fee in respect of each Class equal to:

- 1.75 per cent per annum of the Net Asset Value of the GBP Class and the GBP E Class; and
- 0.90 per cent per annum of the Net Asset Value of the GBP I Class,

calculated and accrued at each Valuation Point. The periodic fee is payable monthly in arrears on the last Dealing Day in each month. Management fees shall be deducted from the Net Asset Value of the Class to which they relate.

The Manager is responsible for the fees of the Administrator.

In addition, the Manager shall be entitled to a Performance Fee in respect of the Sub-Fund which shall be calculated and paid as follows:

The Performance Fee shall accrue at each Valuation Point, shall crystallise on the last Valuation Point of each calendar quarter and be payable as soon as practicable thereafter. The Performance Fee shall be 10 per cent of the amount by which the value of the Sub-Fund, after deducting the accrued Management and Trustee Fees but before deduction of any accrued Performance Fee and adjusting for subscriptions and redemptions during the relevant period (the “**Adjusted Value**”), at the Valuation Point at the end of the calendar quarter exceeds the Adjusted Value of the Sub-Fund at the beginning of the calendar quarter subject to the High Water Mark.

The High Water Mark is an amount equal to:

- The Adjusted Value of the Sub-Fund as of the last Valuation Point in respect of which the Performance Fee was paid.

The Trustee

The fees of the Trustee are set out in the Scheme Particulars. The minimum annual fee payable to the Trustee is currently £7,500.

Other Fees and Expenses

To the extent that the Sub-Fund invests in other investment funds or vehicles, the Sub-Fund will bear a pro-rata proportion of the ongoing fees and expenses of the other investment funds or vehicles by virtue of its investment in such entity.

Risk Factors

An investment in the Sub-Fund carries substantial risk and is suitable only for persons which can assume the risk of losing their entire investment. Prospective investors should give careful consideration to the following factors in evaluating the merits and suitability of an investment in the Sub-Fund, including whether such an investment is suitable in light of their personal investment goals and financial condition.

Potential investors who are in any doubt as to the risks involved in investment in the Sub-Fund are recommended to obtain independent financial advice before making an investment in the Sub-Fund.

Illiquidity

It is not anticipated that there will be an active secondary market for the Units and it is not expected that such a market will develop. Further, a Unitholder's ability to redeem its Units may be limited by the deferred redemptions provisions.

Illiquidity of Investments

The portfolio of the Sub-Fund may be altered from time to time due to certain events such as significant redemptions from the Sub-Fund. As a result, the illiquid portion of the Sub-Fund's portfolio may, at times, constitute a substantial portion of the Sub-Fund's overall holdings, and therefore, make liquidation of the Sub-Fund's holdings more difficult.

Manager Risk

The success of the Sub-Fund will be dependent on the performance of the Manager. No assurance can be given that the Manager will succeed in meeting its investment objectives in relation to the Sub-Fund or that its assessment of the short-term or long-term prospects, volatility and correlation of the types of investments referred to in these Supplemental Scheme Particulars will prove accurate.

Net Asset Value Considerations

The Net Asset Value per Unit of any Class is expected to fluctuate over time primarily with the performance of the investments. A Unitholder may not fully recover his initial investment when he redeems his Units or upon compulsory redemption if the Net Asset Value per Unit at the time of such redemption is less than the Creation Price paid by such Unitholder.