

# **Brooks Macdonald International Investment Funds Limited (the “Company”)**

## **Supplement for Investors in South Africa**

This document is a supplement (the “Supplement”) to the Prospectus dated January 2022 (the “Prospectus”), for Brooks Macdonald International Investment Funds Limited for Investors in South Africa and this Supplement should be read in conjunction with the Prospectus and the Minimum Disclosure Document for use in South Africa.

The Company has been granted a licence by the South African Financial Sector Conduct Authority under Section 65 of the Collective Investment Schemes Control Act, 2002 in respect of each of the following three sub-funds:

Euro High Income Fund, High Income Fund and Sterling Bond Fund.

Derivative instruments may only be used for the purposes of hedging and efficient portfolio management. Derivative products may not be used for the purpose of gearing or leveraging or for purposes of producing, enhancing or generating income. Derivatives must be exchange-traded derivatives and over-the-counter derivative products are only used for purposes of effecting forward currency, interest rate swap and exchange rate swap transactions.

South African residents will be liable to tax on income and capital gains in accordance with local regulatory requirements.

Brooks Macdonald International Fund Managers Limited has a representative agreement with Boutique Collective Investments (RF) (Pty) Limited, an approved Collective Investment Schemes in Securities manager in South Africa.

**January 2022**

**Schedule of Similarities and Differences between Jersey & South African Regulations /  
Jersey & South African Collective Investment Scheme**

<b>Item</b>	<b>The Collective Investment Funds (Jersey) Law, 1988 Brooks Macdonald International Investment Funds Limited</b>	<b>South African Regulation South African Unit Trust</b>
1. Investment restriction of instruments issued by Government	Up to 35% in value of the Fund may be invested in Government and other public securities issued by the same issuer	No limit
2. Investment restriction on an individual security i.r.o. equity portfolios	Generally not more than 5% in value may be invested in transferable securities issued by the same issuer. As an exception to this, up to 10% in value may be invested in securities issued by the same issuer provided all such holdings do not amount to more than 40% of the value of the Fund. Each Fund may not hold shares in a company which carry the right to more than 10% of the votes in general meeting. Each Fund may not hold more than 10% of any other shares in a company (other than an open-ended investment company) any investment issued by the same issuer other than certain government and other public securities, or units in a collective investment fund.	Maximum of 5% of portfolio if company market cap is less than R2 billion, else 10% or 120% of that equity security's weighting in its relevant index subject to a maximum of 20% of the market value of all the assets comprising the portfolio where the benchmark is the index representing the overall market or exchange or a maximum of 35% of the market value of all the assets comprising the portfolio where the benchmark is an index, which is a subset of an overall market or exchange index
3. Investment restriction on a class of security i.r.o. equity portfolios	See above	Maximum of 5% of amount in issue if company market cap. is less than R2 billion, else 10% of the aggregate amount of the equity securities of any one class issued by such concern or company, subject to: An overall limit of 15% of the aggregate amount of securities in any one class issued by a concern within the same group as the manager across all portfolios. An overall limit of 24% of the aggregate amount of securities in any one class issued by a concern other than a concern within the same group as the manager across all portfolios.
3. Investment restrictions for specialist funds e.g. money market portfolio or fund of funds or feeder funds	Not applicable	Subject to certain limits prescribed in regulation. Fund of Funds can only invest in other Recognized Schemes, or other regulated collective investment funds.

<p>5. Investment restrictions on the use of derivative instruments</p>	<p>Derivatives will only be used for efficient portfolio management. In particular, they will be used with the aim of reducing risk where consistent with existing investment objectives and policy. They may not be used independently of investment strategy in respect of the underlying physical assets or for merely speculative purposes. Derivatives will not be used for the purpose of gearing or leveraging or for purposes of producing, enhancing or generating income. No derivative can be traded on an over the counter ("OTC") basis, i.e. which are traded through a dealer network rather than a formal stock exchange. Forward exchange contracts will be executed through approved counterparties only. No uncovered positions, where any liability is not matched by corresponding physical assets, are allowed.</p>	<p>100% nominal exposure restricted for purposes of efficient portfolio management only/no gearing allowed and the fund's investment policy provides for derivatives.</p>
<p>6. Investment in listed instruments</p>	<p>Investments are dealt on an eligible market. Securities markets are eligible if they are established in European Union Member States on which transferable securities admitted to official listings are dealt or traded. Other securities markets and derivative markets are eligible markets, where the Manager, in consultation with the Custodian, has decided that they are appropriate for the Company having regard to the relevant regulations. Such markets must be regulated, operate regularly, be recognised and open to the public.</p>	<p>90% of securities must be listed on Exchanges having obtained full membership of the World Federation of Exchanges</p> <p>Board Notice 41 of 2014 allows a manager to invest assets of a portfolio of a collective investment scheme in foreign equity securities that are listed on either the New York Stock Exchange or the London Stock Exchange, despite the exchanges not having full membership of the World Federation of Exchanges.</p> <p>Other listed instruments subject to BN 90, the deed and supplemental deed.</p>
<p>7. Non equity securities (other than issued by the Government)</p>	<p>100% of underlying investments of Sterling Bond Fund and 90% of High Income Fund and Euro High Income Fund must be in "Investment Grade" bonds.</p> <p>Maximum three month adjustment period if debt ratings change or maximums are exceeded through market movements or redemptions.</p>	<p>Must be rated and limits as prescribed in Regulation</p>

<p>8. Investment in unlisted instruments</p>	<p>A Fund can invest up to 10% in transferable securities which are not traded on an eligible market. Not more than 5% in value of the property of each Fund may be invested in another securities fund, an authorised securities scheme (as defined by the FSA) and certain other collective investment funds including those managed by the Manager or its associates. Investments may only be made in collective investment funds managed by the Manager or its associates if the deeds or Articles constituting the funds state that their objective is investment in a <u>particular</u> area or economic sector.</p>	<p>Max 5% per issuer and 10% of portfolio value provided such securities are valued daily and the trustee is satisfied that a risk management program is in place and is efficient to identify, measure, on a daily basis, and adequately cover risks from exposure to the security and where the fund's investment policy provides for unlisted instruments.</p>
<p>9. Investment of own resources into the fund</p>	<p>No requirement</p>	<p>Seed capital of R1m must be invested by the manager in each portfolio where the net asset value of the portfolio has been reduced to below R50m for a continuous period of 6 months.</p>
<p>10. Borrowing</p> <p>Leveraging/Gearing</p>	<p>Where investments cannot be realised in time to meet any potential liability, each Fund may borrow up to 10% of its value to ensure settlement of its liabilities.</p> <p>There is no intention to use borrowing for the purpose of leveraging/gearing.</p>	<p>10 % of the Value of the underlying portfolio permitted for redemption of participatory interests only.</p> <p>Leverage/Gearing not allowed</p>
<p>11. Markets / Exchanges</p> <p>11.1 Listed</p> <p>11.2 OTC Markets</p>	<p>Markets must be regulated, operate regularly, be recognised and open to the public.</p> <p>Not applicable</p>	<p>90% of exchanges must have been granted full membership of the World Federation of Exchanges; the rest must follow due diligence guidelines as prescribed by Regulation. Board Notice 41 of 2014 allows a manager to invest assets of a portfolio of a collective investment scheme in foreign equity securities that are listed on either the New York Stock Exchange or the London Stock Exchange, despite the exchanges not having full membership of the World Federation of Exchanges and are exempt from due diligence guidelines.</p> <p>Not allowed</p>

<p>12. Expenses/Charges</p> <p>Costs to shareholders</p> <p>Charges against income of the portfolio.</p>	<p>Details of all fees and expenses are shown in the Prospectus. These include the Annual Management Fees, Custodian fees, regulatory fees, audit fees and printing costs. The Annual Management Fee and the Registrar's fees in respect of the Euro High Income Fund and High Income Fund are deducted from the capital of the relevant Fund. The charges and expenses for the Sterling Bond Fund are levied against the income of the Fund.</p> <p>Any increase in the Initial Charge, Annual Management Fees or Custodian fees, up to the maximum permitted amounts requires at least 90 days' written' notice to shareholders</p>	<p>Full disclosure in Deed and a notice to unitholders of change</p> <p>Brokerage, MST, VAT, stamp duties, taxes, audit fee, bank charges, trustee/custodian fees, other levies or taxes service charge and share creation fees payable to the Registrar of Companies</p>
<p>13. Determination of market value of investments</p>	<p>As supplied by independent pricing source</p>	<p>Fair market price, or as determined by stockbroker who is a member of a licenced exchange</p>
<p>14. Risk factors</p>	<p>Values are not guaranteed.</p> <p>Shareholders should be aware that in the event of the Company being unable to meet liabilities attributable to any particular Fund out of the assets attributable to such Fund, the excess liabilities may have to be met out of the assets attributable to the other Funds. Specific risk warnings re Market Price risk, Interest Rate risk, Liquidity risk, Borrowing risk, Foreign Currency risk, Capital risk, Counterparty risk, Cross Fund Liability and Other risks are detailed in the Prospectus.</p>	<p>Values are not guaranteed.</p> <p>Specific risk warnings re Market Price risk, Interest Rate risk, Liquidity Risk, Foreign Currency Risk, Derivatives, Counterparty risk and Capital risk</p>
<p>15. Capped or not capped</p>	<p>Not capped</p>	<p>A portfolio may be capped at any time</p>
<p>16. Redemption (repurchase) of participatory interests</p>	<p>Forward pricing basis. The Valuation Point is generally 10.00am each Dealing Day. Repurchase instructions received by letter post must be received not later than close of business on the dealing day immediately preceding the relevant dealing day. Repurchase instructions received by other means must be received not later than the Valuation Point on the Dealing Day. The dealing price will be determined at the Valuation Point.</p> <p>Where a repurchase accounts for more than 5% of the Fund, the Manager is entitled to offer the requisite proportion of the Fund's net assets in settlement. In such circumstances, the holder of Shares may serve a notice on the Manager to arrange for the sale of such net assets and the payment of the net proceeds.</p>	<p>Legally obliged to redeem at a determined valuation point in time which may not be more than 24 hours prior to or after the time when repurchase requests must have been received.</p> <p>The manager may suspend the repurchase of a participatory interest if offers for repurchase are received, the aggregate amount of which is more than 5 % of the market value of a portfolio, provided that this condition does not preclude a manager from entering into an agreement with an investor determining a more restrictive basis on which repurchase offers will be honoured.</p>

17. Independent Trustee/custodian	Apex Financial Services (Corporate) Limited act as Custodian and provide for the safe custody of the Funds' assets. The parent company of the Custodian is Apex Group Limited, a company incorporated in Bermuda.		Trustee/custodian must be completely independent
18. Taxation of Portfolio	The Company is liable to tax at the rate of 0% under the Income Tax (Jersey) Law 1961, as amended. As such the Company will no longer be subject to payment of tax in Jersey.		Income taxable in the hands of the individual
19. Taxation of unitholders  19.1 Income Dividends - Interest  19.2 Capital gains	The taxation of income and capital gains of the Company and shareholders is subject to the fiscal law and practice of Jersey, the jurisdictions in which the Company invests and the jurisdictions in which shareholders are resident or otherwise subject to tax. Dividends paid to shareholders are paid gross.		Income is taxable  Various withholding taxes may apply, (e.g. interest and dividend tax)  Capital gains tax introduced on 1 October 2001
20. Interval at which participatory interests are priced	On every Jersey business day. Valuation Point normally 10.00am.		Daily
21. Distributions	High Income Fund  Euro High Income Fund & Sterling Bond Fund	Monthly on 22 <sup>nd</sup>  Quarterly on 22 <sup>nd</sup> February, May, August and November	All income distributed regularly or reinvested at option of the investor
	Dividends on the Euro High Income Fund are paid in Euro. All other dividends are paid in sterling. Dividends may be reinvested through the purchase of further Shares in the same Fund. It is a requirement of the Regular Savings Plan that dividends are reinvested in the same Fund.		
22. Switching	Allowed		Allowed – charges differ
23. Pledging of securities (See 10)	Not allowed		Allowed only for purposes of borrowing (refer to borrowing in part 10 above) subject to the Deed.
24. Scriplending  Scrip borrowing	Not applicable  Not Applicable		Allowed, may not exceed 50% of market value of the portfolio, plus other conditions as prescribed in Deed.  Not allowed
25. Certificates, if issued and needed for redemption	Non certificated		Non certificated
26. Reporting to supervisory authority	Annual audit		Quarterly and annually

27. Inspection powers by supervisory authority	Yes	Yes
28. Reporting to shareholders	Half-yearly as at the last Dealing Day of September Annual Report and Audited Accounts and the last Dealing Day of March Unaudited Accounts	Quarterly and Annually
29. Legal structure if different from trust	Open ended investment company incorporated in Jersey with limited liability under the Companies (Jersey) Law 1991, as amended.	A Collective Investment Scheme is a scheme in whatever form, including an Open Ended Investment Company, as per the CIS Act 45 of 2002.
30. Interest earned on funds pending investment and redemption	Non-interest bearing client accounts	Interest paid to clients
31. Any other material difference		