

London & Capital UK Star Equity Fund

This Supplement dated 28 March 2017 contains specific information in relation to the **London & Capital UK Star Equity Fund** (the "**Fund**"); a fund of GemCap Investment Funds (Ireland) plc (the "**Company**") which is an open-ended umbrella investment company with variable capital incorporated with limited liability and segregated liability between Funds.

This Supplement forms part of the Prospectus dated 28 March 2017 and should be read in the context of and together with the Prospectus including the general description of:

- **the Company and its management and administration;**
- **its general management and fund charges;**
- **the taxation of the Company and of its Shareholders; and**
- **its risk warnings.**

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

It is the intention of the Company, in respect of the Fund, to invest in financial derivative instruments ("FDI") for investment and efficient portfolio management purposes (as detailed in the Prospectus under the heading "Efficient Portfolio Management" and below under the heading "Investment Policy") where applicable.

Class X Shares may only be issued to investors who have in place an agreement with the Investment Manager in relation to the collection of an investment management fee or similar fee arrangement, which is not payable from the Net Asset Value of the Fund.

The Directors of the Company, whose names appear under the section headed "Management and Administration", accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus (as complemented, modified or supplemented) is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

1. Classes:

Class X Income Shares and Class I Income Shares of the Fund are being offered. Classes are denominated in Great Britain Pounds.

In relation to the Classes of the Fund which are not designated in the Base Currency, a currency conversion will take place on subscriptions, redemptions, switches and distributions at prevailing exchange rates. Accordingly, any Class of Shares that is not designated in the Base Currency of the Fund will have an exposure to possible adverse currency fluctuations and it is the intention of the Company to use hedging techniques to protect against such currency risk.

The Company may enter into certain currency related transactions in order to hedge the currency exposure of the Class against the currency of denomination of the relevant Class for the purposes of efficient portfolio management ("**EPM**"). The Company may also enter into certain currency related transactions in order to hedge the currency exposure of the Company where the Company invests in assets denominated in currencies other than the Base Currency. In addition, the non-Base Currency Classes designated in a currency other than the Base Currency will be hedged against exchange rate fluctuation risks between the designated currency of the Class and the Base Currency. Any financial instruments used to implement such strategies with respect to non-Base Currency Classes shall be assets/liabilities of the Fund as a whole but will be attributable to the relevant non-Base Currency Class and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant non-Base Currency Class. Any currency exposure of the relevant non-Base Currency Class may not be

combined with or offset against that of any other Class of the Fund or allocated to any other Class of the Fund. Where the Investment Manager seeks to hedge against currency fluctuations while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However over-hedged positions will not exceed 105% of the Net Asset Value and hedged positions will be kept under review to ensure that positions in excess of 100% of Net Asset Value of the Fund will not be carried forward from month to month. To the extent that hedging is successful for the non-Base Currency Classes the performance of the non-Base Currency Classes are likely to move in line with the performance of the underlying assets with the result that investors in the non-Base Currency Classes will not gain if the non-Base Currency Class currency falls against the Base Currency and/or the currency in which the assets of the Fund are denominated.

2. Dealing Days for Subscriptions and Redemptions:

On each Business Day which banks in Ireland and United Kingdom are open for normal banking business and in any other financial centre that the Directors may determine to be relevant for the operations of the Fund, and such additional Business Day or Business Days as the Directors may determine, and notify in advance to Shareholders.

3. Dealing Deadline and Valuation Point

5.00pm Irish time on the Business Day prior to the Dealing Day or such other time as the Directors may determine and notify in advance to Shareholders provided always that the Dealing Deadline is not later than the Valuation Point. The Valuation Point will be the close of business of the relevant market on the Dealing Day.

4. Base Currency:

The base currency of the Fund is Great Britain Pounds.

5. Dividends:

The Company may, at its discretion, declare dividends on any Class of Shares in the Fund at such intervals as shall be determined by the Company, and notified to Shareholders at that time. Dividends may be declared out of the capital of the Fund. Dividends will be paid by electronic transfer within two months thereafter.

6. Investment Objective and Policy:

Investment Objective

The investment objective is to seek to provide growth through investment in an optimal mix of top-tier UK equities.

Investment Policy

Investments will be made in what the Investment Manager considers to be "star equities" i.e. listed equity instruments of companies that trade in UK-based stock exchanges and have strong franchises, global operations, stable earnings and solid balance sheets, which are believed to be resilient to market declines by, for example, experiencing lower drawdowns and less portfolio decline during periods of market turmoil (commonly known as "tail-risk" events).

The benchmark is the FTSE 100. The FTSE 100 is an index composed of the 100 largest UK companies listed on the London Stock Exchange by market capitalisation. Stock exchange indices are designed to give investors an idea of the general movement of the stock market and its overall value. By comparing the performance of their own portfolios with the performance of

the benchmark, investors can see how well they have done from a comparative point of view. Investments will be made in companies with high liquidity in the FTSE 100 universe.

The Fund's holding range is diversified and it is expected that the actual number of securities will be a minimum of 16 securities and may be close to 35 different holdings. The Fund is actively managed and follows a long-only strategy with a portion held in cash for the Fund to be able to meet daily liquidity requirements and other trading-related needs.

A rigorous due diligence process is used by the Investment Manager to select stocks to follow a long-term strategy which aims to provide income and capital growth returns by choosing an optimum mix (i.e. a properly diversified portfolio from a sector, industry and market capitalisation standpoint) of top-tier stocks via a rigorous proprietary selection process. Top-tier companies are those with high quality names having (i) solid balance sheets – the Investment Manager has a detailed research process that screens companies with particular minimum requirements in terms of financial leverage by studying ratios such as debt-to-equity or interest coverage; (ii) well-known franchises – determined by the size of the firm and economic value-added analysis; and (iii) management teams with a shareholder-friendly attitude – assessed by conducting a proper check of the average dividend yield, management cash allocation policies and buyback programs that help to confirm a willingness to create value to shareholders. The Fund invests primarily in mid to large cap stocks (with market capitalisation value of more than USD1 billion) with no particular sector focus.

The Fund may employ the techniques and instruments as set out below for investment and for efficient portfolio management ("**EPM**") purposes subject to the limits and conditions imposed by the Central Bank. The Fund may only utilise exchange-traded futures and options, which are provided for in the Fund's risk management policy.

Exchange-Traded Futures

A futures contract is an agreement to buy an underlying asset at a future date and the price of the asset is determined on the date of the actual agreement. Exchange-traded futures may be used to gain exposure to positions in a more efficient manner. Index futures may be used to change the sensitivity to market price movements, with reference to the market represented by the index underlying the contract. Such Index futures will be used to gain exposure to the FTSE 100 Index, in line with the investment policy of the Fund.

Options

An option contains the right to buy or sell a specific quantity of a specific asset at a fixed price at or before a specified future date. There are two forms of options: put or call options. Put options are contracts sold for a premium that give to the buyer the right, but not the obligation, to sell to the seller a specified quantity of a particular asset (or financial instrument) at a specified price. Call options are similar contracts sold for a premium that give the buyer the right, but not the obligation, to buy from the seller a specified quantity of a particular asset (or financial instrument) at a specified price. Options may also be cash-settled. The Fund may use such instruments to hedge against market risk or to gain exposure to an underlying equity.

Investment Process

The Investment Manager's rigorous proprietary selection process goes through five screening phases before the securities are selected. Several aspects are targeted in the process, filtering through various different securities until the optimal selection is made.

Selection Criteria

Phase 1: Investment Universe & Liquidity

	<i>Reason For Criteria</i>
Geographic Area	Portfolio concentration in listed companies that trade in UK-based stock exchanges
Market Capitalisation	Large and mid cap companies ensures proper pricing and lower volatility
Average Daily Value	Traded holdings liquidation is better executed with highly traded stocks

Phase 2: Earnings Stability

	<i>Reason For Criteria</i>
Operating Margin	Stability of margins measured using an objective statistical metric measure (being a company's operating margin 10-year standard deviation) to understand the company's profitability profile (i.e. its volatility or stability) to assess its competitive advantage and mark up power (i.e. the bargaining power of a company when dealing with customers)
MIN Net Income Last 3 Years	Ability to generate profits over time as evidence of successful business
Return on Equity Average 5 Years	Return to shareholders resilient over time, being positive and stable on average over the last five years

Phase 3: Leverage

	<i>Reason For Criteria</i>
Debt-to-Equity Ratio	Strong balance sheet provides sustainability for business

Phase 4: Income Generation

	<i>Reason For Criteria</i>
Dividend + Buyback Yield	Shareholder-friendly management reward using dividends and share-buyback programmes
Dividend Cover	Company can afford to pay dividend without having to use retained earnings from previous years
Free Cash Flow Yield	Ability to generate positive, tangible flows means a higher financial strength to meet obligations

Phase 5: QARP (Quality At Reasonable Price)

	<i>Reason For Criteria</i>
Relative Valuation level	Avoid buying extremely expensive stocks where valuation metrics are above peers
Historical Valuation level	Avoid buying extremely expensive stocks where valuation metrics are above historical levels

EPM and Leverage

The Fund may engage in transactions in FDI for the purposes of EPM and/or to protect against exchange risks within the conditions and limits laid down by the Central Bank from time to time. EPM transactions relating to the assets of the Fund may be entered into by the Investment Manager with one of the following aims (a) a reduction of risk (including currency exposure risk); (b) a reduction of cost (with no increase or minimal increase in risk); and (c) generation of additional capital or income for the Fund with a level of risk consistent with the risk profile of the Fund and the diversification requirements in accordance with the Central Bank Rules. In relation to EPM operations the Investment Manager will look to ensure that the techniques and instruments used are economically appropriate in that they will be realised in a cost-effective way. Such EPM transactions may include foreign exchange transactions which alter the currency characteristics of securities held by the Fund. Such instruments include exchange-traded futures and options.

Due to the nature and the low level of complexity of the use of FDI, the Fund will measure global exposure using the commitment approach. Under the commitment approach, positions in FDI are converted into the equivalent positions of the underlying assets. As a consequence the leverage of the Fund, which incorporates any FDI that may be held, is less than 100% of the NAV of the Fund.

The Company, on behalf of the Fund, has filed with the Central Bank a risk management policy which enables it to accurately measure, monitor and manage the various risks associated with the use of FDI.

Investor Profile

A typical investor in the Fund is an investor who wishes to allocate a portion of its total assets to investment in a diversified portfolio of equities and who is seeking a portfolio which **has a medium to long term horizon**.

7. Investment Manager for the Fund

The Investment Manager of the Fund is London and Capital Asset Management Limited, authorised and regulated by the UK Financial Conduct Authority (registration number 143286). The Investment Manager was incorporated in England and Wales on 19th March 1987 as a company with limited liability under company number 2112588 and its registered office is at 7 Triton Square, Regent's Place, London, NW1 3HG, United Kingdom. The Investment Manager is owned by London and Capital Group Limited, a company incorporated in England and Wales. The Investment Manager specialises in providing independent advice, including portfolio construction, using multiple strategies, incorporating high yield bonds and a range of traditional and non-traditional collective instruments. The Investment Manager has been advising on client monies for over 20 years.

The Directors of the Investment Manager are:

Daniel Freedman

Mr Freedman founded London & Capital in 1986, after a successful career at Allied Dunbar, on the principles of independence, service and integrity and these have been maintained over the past 25 years. As a leading strategic partner, roles include managing and leading one of the UK's most successful independent investment companies. Mr Freedman is a Member of the International Tax Planning Association (ITPA), Founding member of the Fédération Européenne des Conseils et Intermédiaires Financiers (FECIF), and a Member of the Family Office Exchange.

Anthony McLoughlin

Mr McLoughlin oversees investment strategy for a number of London & Capital group companies and is responsible for the group's growing investment strategy team, in addition to his own client management responsibilities. He has been working with private clients and their advisers for over 20 years. Prior to joining London and Capital group in 1995 he worked at Newton Investment and for a London-based tax accountancy firm where he focused on guaranteed and structured products in the international offshore arena designed for non-domiciled UK individuals. He is a member of the International Tax Planning Association (ITPA) and works closely with international tax attorneys and estate planners on wealth management solutions for high net worth individuals. He travels extensively meeting clients and intermediaries, and speaking on industry issues.

The Investment Manager makes investment decisions for the Fund and continuously reviews, supervises and administers the Fund's investment program. The Company's Directors (the "**Board**") supervises the Investment Manager and establishes policies that the Investment Manager must follow in its management activities.

Pursuant to the Investment Management Agreement, the Investment Manager has been appointed to provide investment management services to the Fund.

The Investment Management Agreement states that the appointment of the Investment Manager shall continue unless and until terminated by either part giving not less than 180 calendar days' notice. In certain circumstances set out in the Investment Management Agreement, either party may terminate the Investment Management Agreement upon the occurrence of certain events, such as the insolvency or liquidation of either party. The Investment Management Agreement contains certain indemnities in favour of the Investment Manager, which are restricted to exclude matters to the extent that they are attributable to the fraud, bad faith, negligence, wilful default or recklessness of the Investment Manager.

8. Issue of Shares:

All applications for Shares must be received by the Dealing Deadline (as defined above) in the manner set out in the Prospectus. For further information, please see the section headed "Subscription for Shares" in this Prospectus.

All applications must be received by the Administrator no later than the Dealing Deadline on the relevant Dealing Day. Subscription requests may be submitted by fax to the Administrator. Applications should be made on the Application Form available from the Administrator (and supporting documentation relating to money laundering prevention checks) and the originals must be sent promptly to the Administrator. Applications received after the Dealing Deadline will be held over to the next Dealing Day. No interest will be paid on early subscriptions.

Unless otherwise specified, the minimum initial subscription is GBP1,000 for each Class and additional subscriptions for Shares are set at a minimum of GBP1,000 for each Class. However, minimum initial subscriptions or minimum additional subscriptions which do not meet these thresholds may be accepted by the Board of Directors. The price at which Shares will be issued on any particular Dealing Day will be the Subscription Price per Share calculated in the manner described under the Prospectus section headed "Valuation and Prices". The Company may issue fractional shares, expressed as four decimal place fractions of a Share. Application monies representing smaller fractions of a Share will be retained by the Company.

Prior to subscription for Shares in the Fund, an entry charge of up to 5.00% may be deducted from subscription monies before the remainder is used to subscribe for Shares in the Fund. Shareholders will be notified in advance if an entry charge is to be applied to their subscription.

The number of Shares will be rounded up or down to the nearest fourth decimal place.

9. Redemption of Shares

Shares in the Fund may be redeemed on every Dealing Day at the Net Asset Value per Share of the relevant Class subject to the procedures, terms and conditions set out in the Prospectus under the section heading "Subscription and Redemption of Shares". All requests for the redemption of Shares must be received by the Dealing Deadline (as defined above) in the manner set out in the Prospectus.

Redemption monies will normally be paid within 5 Business Days of the relevant Dealing Day for redemptions.

Prior to redemption proceeds being paid an exit charge of up to 2.00% may be deducted from redemption proceeds before the remainder is paid to the Shareholder. The exit charge is an anti-dilution levy to cover dealing costs and to preserve the value of the underlying assets of the Fund. An exit charge is only likely to arise if more than 5.00% of the NAV of the Fund is redeemed on any singular Dealing Day. Shareholders will be notified if an exit charge is to be applied to their redemption on any Dealing Day and may be given the option to reduce or cancel their redemption request in order to avoid an exit charge being applied. Exit charges will be retained by the Fund.

10. Fees and Expenses

The following fees and expenses are payable out of the Fund. Details of how the fees and expenses are accrued and paid as well as details of other general management and fund charges are set out in the Prospectus under the heading "Charges and Expenses".

Net Total Operating Fees and Expenses

Management Fee

The Manager shall be entitled to receive out of the assets of the Fund a fee of 0.10% per annum of the Net Asset Value of the Fund payable monthly in arrears subject to a minimum annual fee of €75,000. The Manager will also be entitled to be reimbursed out of the assets of the Fund for all reasonable, vouched out-of-pocket expenses incurred by it on behalf of the Fund.

Investment Manager Fees

Class X Shares may only be issued to investors who have in place an agreement with the Investment Manager in relation to the collection of an investment management fee or similar fee arrangement, which is not payable from the Net Asset Value.

The Investment Manager will be paid a fee from the Company monthly in arrears at the rate of 1% per annum of the Net Asset Value of non-Class X Shares of the Fund on the Valuation Point accrued daily. Reasonable out-of-pocket expenses incurred by the Investment Manager in the performance of its duties will be reimbursed by the Company as may be approved from time to time by the Directors.

The Administrator's Fee (Fund Accounting, Financial Reporting and Transfer Agent Fees)

The Administrator, in relation to the provision of its services, shall be entitled to a fee payable out of the assets of each London & Capital Fund accruing daily and payable monthly in arrears at the end of each calendar month at the following rates:

- Fund Accounting fee – an aggregate fee across the Company's London & Capital Funds of 0.016% per annum of the combined net asset value of all the London & Capital Funds. This is subject to an aggregate minimum annual fee of €30,600 for each London

& Capital Fund. The aggregate fee will be prorated across the Company's London & Capital Funds according to each London & Capital Fund's net asset value and applied to each London & Capital Fund, including the Fund;

- Transfer Agent fee – an aggregate fee across the Company's London & Capital Classes of up to €2,500 per annum for each London & Capital Class. The aggregate fee will be prorated across the Company's London & Capital Classes according to each London & Capital Class' net asset value and applied to each London & Capital Class, including the Fund's Classes. Account maintenance and servicing fees will be charged at normal commercial rates;
- reimbursement of all reasonable out-of-pocket expenses incurred for the benefit of the Fund out of the assets of the Fund in respect of which such charges and expenses were incurred;
- an aggregate fee across the Company's London & Capital Funds of up to €7,000 per annum for each London & Capital fund for the preparation of financial statements. The aggregate fee will be prorated across the Company's London & Capital Funds according to each London & Capital Fund's net asset value and applied to each London & Capital Fund, including the Fund; and
- a fee for trade order management of 0.02% per annum of the net asset value of the Fund.

Formation and Organisation Costs

The costs of forming the Fund, including the fees and expenses of legal advisers, product development fees and expenses, regulatory and listing fees and expenses and any other fees and expenses arising on the formation and launch of the Fund (which are not expected to exceed GBP50,000) will be borne by the Fund and amortised over five years.

11. Risk Warnings:

Persons interested in purchasing Shares in the Fund should read the section headed "Risk Warnings" in the main body of this Prospectus.

The Company will, on request, provide supplementary information to shareholders relating to the risk management methods employed including the qualitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

FDI, Techniques and Instruments Risks

The prices of FDI, including futures and options prices, are highly volatile. Price movements of futures contracts and other FDI contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, amongst other things, interest rate fluctuations. The use of these techniques and instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the price movements of the FDI and price movements of related instruments, (3) the fact that skills needed to use these instruments are different from those needed to select the securities owned by the Fund, (4) the possible absence of a liquid market for any particular instrument at any particular time; which may result in possible impediments to effective portfolio management or the ability to meet redemption. The Fund may invest in certain FDI, which may involve the assumption of obligations as well as rights and assets. Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and

may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

The Fund may from time to time utilise both exchange-traded FDI as part of its investment policy. These instruments may be volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, a relatively small movement in the price of a contract may result in a profit or a loss that is high in proportion to the amount of the funds actually placed as initial margin and may result in unlimited further loss exceeding any margin deposited. Furthermore, when used for hedging purposes there may be an imperfect correlation between these instruments and the investment or market sectors being hedged.

Futures and Options Risk

The Investment Manager may engage in various portfolio strategies on behalf of the Fund through the use of futures and options. Due to the nature of futures, cash to meet margin monies will be held by a broker with whom the Fund has an open position. In the event of the insolvency or bankruptcy of the broker, there can be no guarantee that such monies will be returned to the Fund. On execution of an option, the Fund may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

Lending of Securities

The Company may lend its securities to brokers, dealers and other financial institutions needing to borrow securities to complete certain transactions. The Company continues to be entitled to payments of amounts equal to the interest, dividends or other distributions payable in respect of the loaned securities, which affords the Company an opportunity to earn interest on the amount of the loan and on the loaned securities' collateral. In connection with any such transaction, the Company will receive collateral that will be marked to market on a daily basis and maintained at all times in an amount equal or exceeding 100% of the current market value of the loaned securities at all times. However, the Company might experience loss if the institution with which the Company has engaged in a portfolio loan transaction breaches its agreement with the Company. This may occur if the counterparty were to default at a time when the value of securities lent increased. In this case it is possible that the collateral held by the Fund would not cover the value of securities lost

12. Listing

The Fund will not be initially listed on the ISE, however the Directors may seek a future listing.

13. Termination of the Fund

The Directors may at their discretion decide to terminate the Fund if the NAV of the Fund falls below GBP 20 million for a period of greater than 3 months.

14. NAV information

The NAV per Share of the Fund is available from the Administrator.