

Supplement to the Prospectus for UK Investors Newscap Funds plc

Dated: 24 February 2020

This Supplement to the Prospectus for UK Investors forms part of and should be read in conjunction with the Prospectus for Newscap Funds plc dated 15 June 2017.

Newscape Funds plc

An umbrella scheme with segregated limited liability between sub-funds. The “Company” - a company incorporated with limited liability as an investment company with variable capital under the laws of Ireland with registered number 451653.

Supplement to the Prospectus for UK Investors

This document is issued and approved for the purposes of the Financial Services and Markets Act 2000 (the “Act”) by Newscape Capital Group Ltd which is authorised and regulated by the Financial Conduct Authority (“FCA”). This document should be read in conjunction with the Prospectus for the Company dated 15 June 2017. Terms defined in the Prospectus also apply to this document.

The Company is categorised as a recognised scheme for the purposes of section 264 of the Act. Accordingly, Shares may be marketed to the general public in the United Kingdom. Recipients of this document are advised that the Company is not acting for or advising them. Investors who have any doubt or wish to discuss the suitability of an investment in the Shares should consult an independent financial adviser.

Newscape Capital Group Ltd has been appointed to act as the Company’s facilities agent in the United Kingdom (the “Facilities Agent”) and it has agreed to provide facilities at its offices at 1 Knightsbridge Green, London, SW1X 7NE where the following information can be obtained:

- (a) information about the Company’s most recently published Share prices;
- (b) a copy of the articles of association of the Company;
- (c) a copy of the Prospectus for the Company;
- (d) copies of the latest annual and half-yearly reports for the Company.

Any complaints concerning the operation of the Company can also be submitted to the Facilities Agent at the above address.

A Shareholder may redeem its Shares and obtain payments of the price on redemption from the Administrator, CACEIS Fastnet Ireland Limited, at One Custom House Plaza, International Financial Services Centre, Dublin 1, Ireland. Such redemption facilities are also provided by the Facilities Agent at its address provided above.

UK Taxation

The following summary, which should be read as a whole, is intended to offer general guidance on the United Kingdom tax treatment of the Company and of an investment in the Company to persons who are resident, ordinarily resident and domiciled in the United Kingdom for tax purposes and who hold Shares legally and beneficially as an investment. It does not address all possible United Kingdom tax consequences relating to an investment in the Company or to particular categories of investor (such as dealers in securities and insurance companies), save where expressly mentioned below, some of which may be subject to specific United Kingdom tax rules. It is based on current law and HM Revenue & Customs (“HMRC”) practice, each of which is subject to change, possibly with retroactive effect. The summary is believed to be correct as at the date of this Supplement and does not constitute tax advice that can be relied upon by any potential investor in the Company.

The tax treatment of a particular investor in the Company will depend on the individual circumstances of such investor and may be subject to change. Potential investors should seek

appropriate independent professional advice on the tax consequences for them of making, holding and disposing of and receiving distributions or other payments in respect of an investment in the Company under the laws of the jurisdictions in which they are liable to taxation. Levels and bases of taxation in relevant jurisdictions are subject to change.

The Company

On the basis that the central management and control of the Company is not undertaken in the United Kingdom, and provided that the Company does not carry on a trade in the United Kingdom through a permanent establishment situated therein the Company should not be liable to United Kingdom corporation tax on its income or capital gains.

If the Company should invest in the United Kingdom, any UK source income may be received subject to the deduction of withholding tax at source.

The Shareholders

Each class of Shares of each Fund of the Company should be treated as an “offshore fund” for the purposes of the Taxation (International and Other Provisions) Act 2010. Under this legislation, any gain arising on the sale, disposal or redemption of an interest in an offshore fund (including, in the case of the Company, the exchange of share in one Fund for Shares in a different Fund) held by a person who is resident or ordinarily resident in the UK for UK tax purposes will be taxed at the time of such sale, disposal or redemption as income and not as a capital gain. This does not apply, however, where an offshore fund is accepted by HMRC as a “reporting fund” throughout the period during which interests in the fund have been held. The Company intends to apply for reporting fund status in respect of the relevant class of Share of each Fund. If successful in such application, each class of Share of each Fund will continue to be a reporting fund whilst it meets all of the qualifying conditions, unless notice is given to HMRC that it intends to leave the regime or HMRC excludes it from participation. A reporting fund must report to each UK tax resident investor such investor’s share of the income of the offshore fund each year. This will be taxable in the hands of such investor as income (and, subject to what is said below regarding offshore funds that invest more than 60% of their assets in debt and debt-like investments, as a dividend), regardless of whether or not it is distributed to the investor.

Under the rules for the taxation of corporate debt contained in the Corporation Tax Act 2009, Shareholders who are subject to UK corporation tax and who invest in an offshore fund which itself invests more than 60% of its value in, broadly, debt or debt-like investments must treat their investment in that offshore fund as a “loan relationship”. Accordingly, for UK corporation tax purposes, such Shareholders must bring into account debits and credits in relation to this “loan relationship” in accordance with the rules on loan relationships which may result in such Shareholders being taxed on an annual basis by reference to the “fair value” of their interest in the offshore fund at the end of each accounting period. The time at which the Shareholder holds the Shares does not have to be at the same time as the class of Shares in the Fund satisfies the 60% test, provided that the test is satisfied at some time during the Shareholder’s accounting period.

Subject to the above, the disposal of Shares (including by the exchange of Shares in one Fund for Shares in another Fund) should be subject to the capital gains tax or corporation tax on chargeable gains. Individuals may have their gains reduced by annual exemptions, and companies subject to UK corporation tax may have their gains reduced by indexation allowance. The tax position for Shareholders who are not holding shares as an investment (for example, any Shareholders that act as dealers) will be subject to different provisions.

In addition, where an offshore fund (such as a class of Share of a Fund) invests more than 60% of its value in debt or debt-like investments, distributions by that offshore fund are treated as interest rather than dividends for UK income tax purposes.

Subject to their personal circumstances, and subject to the above in relation to classes of Shares of Funds which have more than 60% of their value in debt or debt-like investments, Shareholders resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax or corporation tax in respect of dividends or other distributions of income by the Company (in the case of income tax, grossed up to take account of any tax credit referred to below), as a distribution from a non-UK Company. Except in the case of a company controlling directly or indirectly not less than 10 per cent of the voting power of the Company, no credit will be available against a Shareholder's United Kingdom taxation liability in respect of income distributions of the Company for any taxes suffered or paid by the Company on its own income.

From 6 April 2016, the UK dividend tax credit regime was replaced with a new annual dividend tax exemption on the first £5,000 of dividend income received. This exemption is available to all Shareholders resident in the UK. Dividends in excess of the £5,000 exemption limit are taxed in the following manner:

- a) 7.5% on dividend income within the basic rate band
- b) 32.5% on dividend income within the higher rate band
- c) 38.1% on dividend income within the additional rate band

UK Shareholders subject to corporation tax will be exempt from corporation tax on distributions from the Company provided that the conditions for exemption contained in the Corporation Tax Act 2009 are met.

To the extent that they are not, such Shareholders will be subject to corporation tax on any distribution made (or treated as made) by the Company.

The attention of individuals ordinarily resident in the United Kingdom for taxation purposes is drawn to Chapter 2 of Part 13 of the Income Tax Act 2007 (the "transfer of assets abroad" rules), which may render them liable to income tax in respect of the undistributed income or profits of the Company.

The attention of companies resident in the United Kingdom for taxation purposes is drawn to the fact that the "controlled foreign companies" provisions contained in Chapter IV of Part XVII of the Income and Corporation Taxes Act 1988 could apply if any United Kingdom resident company is, either alone or together with certain other persons associated with it for taxation purposes, deemed to be interested in 25 per cent. or more of any chargeable profits of the Company arising in an accounting period, if at the same time the Company is controlled by persons (whether companies, individuals or others) who are resident in the United Kingdom for taxation purposes. The "chargeable profits" of the Company do not include any of its capital gains or distributions received by the Company that would be exempt from corporation tax were the Company resident for tax purposes in the United Kingdom.

The attention of persons resident or ordinarily resident in the United Kingdom for taxation purposes (and who, if individuals, are also domiciled in the United Kingdom for those purposes) is drawn to the provisions of section 13 of Taxation of Chargeable Gains Act 1992 ("section 13"). Section 13 could be material to any such person who has an interest in the Company as a

“participator” for United Kingdom taxation purposes (which term includes a Shareholder) at a time when any gain accrues to the Company (such as on a disposal of any of its investments) which constitutes a chargeable gain for those purposes if, at the same time, the Company is itself controlled in such a manner and by a sufficiently small number of persons as to render the Company a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a “close” company for those purposes (taking into account that two or more persons who are associated with each other for taxation purposes constitute a single person for the purpose of determining the total number of persons by which the Company is controlled). The provisions of section 13 could, if applied, result in any such person who is a “participator” in the Company being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person’s proportionate interest in the Company as a “participator”. No liability under section 13 could be incurred by such a person, however, in respect of a chargeable gain accruing to the Company if the aggregate proportion of that gain that could be attributed under section 13 both to that person and to any persons “connected” with him for United Kingdom taxation purposes does not exceed one-tenth of the gain.

The attention of Shareholders within the charge to UK corporation tax is drawn to Part 15 of the Corporation Tax Act 2010 and the attention of Shareholders within the charge to income tax is drawn to Chapter 1 of Part 13 of the Income Tax Act 2007, which can operate to counteract “income tax advantages” obtained by Shareholders from transactions in securities in certain circumstances.

The attention of UK taxpaying investors is drawn to the paragraph headed EU Savings Directive of the section on Irish taxation in the Prospectus, which relates to the application of the EU Savings Directive, Council Directive 2003/48/EC.

The information contained within this document is based on the Company’s understanding of current law, regulation and practice in the United Kingdom. It should not be taken as constituting tax, legal or financial advice and does not constitute an offer or solicitation to invest in the Funds.

The date of this UK Supplement is 25 February 2020