If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

The Directors of the Company, whose names appear under the heading "Directors" in the Prospectus of the Company dated 3 May 2019, are the persons responsible for the information contained in this Supplement and the Prospectus and accept responsibility accordingly. 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 document and the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

ORCHARD FUND

(A fund of Orchard Funds plc, an open-ended umbrella investment company with variable capital and having segregated liability between its funds)

SUPPLEMENT

This Supplement contains information relating to the Shares of the Orchard Fund (the "Fund"), which is a separate fund of Orchard Funds plc (the "Company"), an umbrella fund. This Supplement forms part of the current prospectus of the Company (the "Prospectus") and should be read in the context of and together with the Prospectus and together with the most recent audited annual report and accounts and if published after such report, a copy of the latest unaudited semi annual report.

The date of this Supplement is 3 May 2019.

This Supplement replaces the Supplement dated 31 January 2019.

DEFINITIONS

Unless otherwise defined herein or unless the context otherwise requires all defined terms used in this Supplement shall bear the same meaning as in the Prospectus

"Business Day", any day (except Saturday and Sunday or a public holiday in Ireland) where the banks in Dublin and London are open for business.

"Class A Shares", Class A (GBP Accumulating) Shares.

"Class B Shares", Class B (GBP Distributing) Shares.

"Class G Shares", Class G (GBP Distributing) Shares; Class G (USD Distributing) Shares; Class G (€ Distributing) Shares and Class G (CHF Distributing) Shares.

"Class GA Shares", Class GA (GBP Accumulating) Shares; Class GA (USD Accumulating) Shares and Class GA (€ Accumulating) Shares.

"Class S Shares", Class S (GBP Distributing) Shares; Class S (USD Distributing) Shares; Class S € Distributing) Shares and Class S (CHF Distributing) Shares.

"Class SA Shares", Class SA (GBP Accumulating) Shares; Class SA (USD Accumulating) Shares and Class SA (€ Accumulating) Shares.

"Cut-Off Time", the point in time on a Business Day up until which applications for subscriptions, switches, transfers and redemptions will be accepted, being 12.00pm (Irish time).

"Dealing Day", each Business Day.

"Regulated Markets", the stock exchanges and/or regulated markets listed in Appendix 1 of the Prospectus.

"Valuation Point", close of business in the relevant market on each Dealing Day provided that if any of the relevant markets are not open on a Dealing Day, the value of the relevant Investments at the close of business on the Business Day prior to the relevant Dealing Day shall be used.

ORCHARD FUND

INTRODUCTION

This Supplement contains information relating to the Orchard Fund.

There are currently sixteen Share Classes in the Fund: Class A (GBP Accumulating) Shares (formerly Class A (GBP) Shares), Class GA (GBP Accumulating) Shares; Class GA (USD Accumulating) Shares, Class GA (€ Accumulating) Shares, Class SA (GBP Accumulating) Shares; Class SA (USD Accumulating) Shares and Class SA (€ Accumulating) Shares (together (the "Accumulating Classes") and the Class B (GBP Distributing) Shares, Class G (GBP Distributing) Shares, Class G (USD Distributing) Shares, Class G (€ Distributing) Shares, Class G (CHF Distributing) Shares, Class S (GBP Distributing) Shares, Class S (USD Distributing) Shares, Class S (€ Distributing) Shares and Class S (CHF Distributing) Shares (together the "Distributing Classes").

The base currency of the Fund is Sterling.

The Fund is suitable for investors seeking a medium to long term investment with a medium tolerance for volatility.

INVESTMENT OBJECTIVES AND POLICIES

Investment Objective

The Fund will seek to achieve superior returns through equity investment whilst mitigating certain of the risks.

Investment Policy

The Fund will seek to achieve its objective through investing globally in equity securities that are freely transferable securities traded on Regulated Markets. The equities selected will be primarily highly capitalised, liquid, mature companies with highly developed product lines, brands and free cash flow generation. The Fund will seek to reduce volatility associated with traditional equity investment, while attempting to produce better performance over the business cycle by careful stock selection and utilising non-geared stock option writing in accordance with the requirements of the Central Bank.

Investment Rationale

In the opinion of the Investment Manager, equity investments have historically outperformed investments in either bonds or cash, but such investments are considered more volatile than either of these asset classes. The Investment Manager believes that equities can continue to outperform such "safer" investment classes over the investment cycle. The Fund will aim to focus its investments in cash generative, dividend paying companies. Historically, high quality and dividend paying companies have significantly outperformed with much of the outperformance in sideways to down economic cycles. The Investment Manager is of the view that such companies are generally less volatile and generally dominant in their market niche with big brand names and as a result free cash flow should perhaps be more stable and returns on investment should be greater than the implied cost of capital.

In addition, the Investment Manager recognises that it is often possible to achieve similar levels of returns for significantly less risk by employing an ungeared, exchange traded options strategy. The Investment Manager's strategy is in line with a growing body of academic research which suggests that ungeared options writing produces enhanced risk adjusted returns (http://www.cboe.com/micro/put/). The general life cycle of an investment starts by writing a put at a level which the Investment Manager believes represents attractive value and collect the premium for entering that obligation. The notional value of the put is held in cash or near cash investments in the portfolio. If the security is at or below the strike level of the put at the maturity of that option, the Fund may be obliged to buy securities in that company. If the stock is above the strike level then, in the normal course of events the Fund would seek to write another put. In the event that the Fund is obliged to buy shares, then the Fund would then seek to write a call at a level which the Investment

Manager believes represents a full value for those shares. Whether the stock fails to reach this level or not, the Fund should have increased its return by the collection of the call premium.

In accordance with the restrictions set out in Appendix II of the Prospectus, the Fund utilises the following types of financial derivative instruments ("FDI"):

- forward currency exchange contracts for the purposes of hedging currency exposure;
- exchange traded stock index futures to adjust short term market exposure;
- exchange traded stock put options for the purposes of efficient portfolio management to enter long stock positions; and
- exchange traded stock call options for the purposes of efficient portfolio management to exit long stock positions.

Currency Hedging Policy

The Fund may employ strategies aimed at hedging against currency risk at Fund level and at Share class level.

However, there can be no assurance that such hedging transactions will be effective. Such transactions will primarily include currency forward transactions but may also include currency options, futures and other over-the-counter contracts.

The Fund may enter into transactions for the purpose of hedging the currency exposure of any class which is denominated in a currency other than the Base Currency of the Fund. To the extent that hedging is successful, the performance of the class is likely to move in line with the performance of the underlying assets and investors in a hedged class will not benefit if the class currency falls against the base currency and/or the currency in which the assets of the Fund are denominated. The extent to which the Fund may hedge against currency fluctuations shall not exceed 105% of the Net Asset Value of the relevant class so that a class will not be leveraged as a result of these transactions. Hedged positions will be kept under review by the Investment Manager to ensure that they do not exceed this level and to ensure that positions materially in excess of 100% of the Net Asset Value will not be carried forward from month to month. All such transactions will be clearly attributable to the specific class and currency exposures of different classes will not be combined or offset. The costs and gains/losses of the hedging transactions will accrue solely to the relevant class.

Performance Objective

The Fund will seek to deliver notional returns of between 8-12% per annum while delivering a growing dividend stream for the distribution classes representing a yield of 6%. The performance objective is likely to be exceeded when volatility is high and falling or when valuations allow the Fund to be more aggressive and the market is strong. The Investment Manager is of the view that the performance objective is unlikely to be met when volatility is low and valuations are rich or if the market suffers sharp negative months without stabilisation and the Investment Manager has not anticipated such. Over the course of the business cycle, the Fund will aim to achieve better performance than the MSCI World Index (the "Index") with risk levels approximately similar to corporate bonds and less than half that of world equities.

The performance objective of the Fund is to attempt to achieve better performance that the Index. The Index is the equity index prepared by Morgan Stanley Capital International currently comprised of 22 developed markets based on large and medium capitalisation securities which are sorted by industry group and selected, at full market capitalisation weight, on the basis of investability (as determined by size, large and short term volume and free float).

Investors should note that there is no guarantee that the Fund will achieve its performance objective and that past performance is not a guarantee of future performance.

Methodology

The Investment Manager's approach is predominantly based on purchasing shares of multi national companies that command a sustainable market niche. These companies will have certain key characteristics:

- they generate sustainable free cash flows through operating in a market in which they are a major player or the market leader;
- growth is predominantly achieved through their pricing power;
- they are not financially geared;
- they generate returns well in excess of their cost of capital;
- this free cash flow is used to fund capital expansion, buy back shares and pay dividends; and
- inward investment does not come at the expense of margins.

Implementation:

The Investment Manager structures investments to target superior risk adjusted returns albeit in so doing potentially forsakes some upside.

The Investment Manager does not invest in 'recovery' stocks or 'theme' stocks in order to achieve returns as it is the opinion of the Investment Manager that the extra risk from such companies is not commensurate to returns over the long term.

The Investment Manager understands that while a company might look attractive, it does not preclude it from falling in price over the short term. The aim is to risk as little money as possible for a given level of return. The Investment Manager aims to attain this goal by scrutinising the potential downside. Most of the investments are made by entering into 'agreements' to buy shares at a price which the Investment Manager determines represents good value. These agreements are exclusively exchange traded put options where the premium gets paid to the Fund at the date of entering the agreement. Therefore, the Fund receives premium for agreeing to buy shares in the companies that conform to Fund's investment criteria, in addition, the Investment Manager has agreed the price at which the Fund will pay for that investment.

The Fund is essentially endeavouring to provide insurance to large market participants who wish to protect themselves against a decline in the value of a particular share. Pension funds in particular, must ensure their assets have a minimum value in order to service their liabilities. Consequently, they purchase insurance in the event share prices should fall.

The Investment Manager provides this insurance in the knowledge, that should the share price of the stock on which the Investment Manager has written this insurance fall to the agreed level, the Fund would then acquire the shares of such companies which have accordingly met all the Fund's investment criteria.

Life cycle of an investment:

The Investment Manager starts by writing a put, thereby agreeing to buy shares at a future date, at a certain price. If the fundamentals change the Investment Manager can close that trade and open a new one at anytime.

At expiry, if the put is in the money, the Fund is obliged to buy the shares. If the put is out of the money the Fund has no obligations.

If the Fund buys the shares, the Fund sells calls, thereby agreeing to sell at the Fund's estimation of fair value, at a point in time in the future.

Returns:

For covered puts the return equals the combination of the premium received for writing the option combined with the interest which is received on the cash awaiting investment. For stocks which have call options written against them, the return will be made up of the dividends received, the premium received for writing the call plus or minus the appreciation/depreciation in the value of the underlying stock.

The Decision to Sell:

There are a variety of reasons why a holding may be sold. These include where upside price targets have been met and we have been ‘called’ away - assigned by the calls, where the Investment Manager’s confidence in delivery of the business model diminishes, where the price falls to a level the Investment Manager did not expect and the risk budget for that position has been breached (ordinarily a negative impact to the portfolio of 0.6%) or where the Investment Manager’s assessment of global risks determines that cash is likely to outperform.

Investment Committee

The Investment Manager has established an investment committee (the “Investment Committee”) comprised of senior management. The Investment Committee meets periodically to discuss the economic outlook and its potential impact for the Fund. This assessment, together with the Investment Manager’s market models, influences the discount used to determine what constitutes ‘cheap’ as well as whether the Fund need to raise cash levels and introduce uncorrelated instruments.

In addition, the Investment Committee reviews the construction of the Fund on an ongoing basis.

Portfolio Construction

In constructing the Fund, the Investment Manager will be cognisant of potential concentrations to event risks. The portfolio is generally concentrated in around 30-40 companies. The Fund will not hold shares in any one company in excess of 5% of the Net Asset Value of the Fund. The duration of options, the margin of safety which we incorporate into the level at which we write puts and split between stock & calls, cash & puts, and unobligated cash is a function of the Investment Manager’s economic assessment and the merit of a particular company.

The Fund intends to invest to maximise risk adjusted returns from the perspective of base currency and will ordinarily hedge foreign currency exposure back to base currency.

Efficient Portfolio Management

For the purpose of efficient portfolio management, the Fund may utilise the techniques and instruments set out below. In addition, the Fund intends to enter into transactions for the purpose of hedging the currency exposure of any class which is denominated in a currency other than the base currency.

An example of a Written Put Option

The Investment Manager’s view is that XYZ Inc. which is currently trading at $60, may drift sideways or slightly lower within the forthcoming weeks. In an attempt to purchase the security at levels below those currently prevailing, a one month US$55.00 “put” is written on 1st July. This commits the Investment Manager to purchase the security at US$55.00 if required by 20th August. In return, a premium of US$1.00 per share is received.

In the event that the security fails to fall below US$55.00 by 20th August, the premium is retained and a return of 1.82% is achieved over 50 day which is the equivalent of 13.3% annualised. In addition, the money, which would have been utilised to purchase this security, is held in cash or cash equivalents and attracts interest during the period. This serves to add a further 0.15% to the return, producing a total annualised return of 15%.

An example of a Written Call Option

Assuming that XYZ has fallen below the $55.00 strike price at which the Fund was committed to buy the stock, the Fund would be assigned and be obliged to buy the stock of XYZ.

Having reviewed the fundamentals of the Company it is noted that the Company generates a 3.5% dividend yield and based on current market conditions and stock specific circumstances could be *expected to appreciate 5% over the next year. Having considered the above circumstances, it is agreed that the holding should be disposed of if it reaches $60. In order to effect this, a one year $60 call is written for which a premium of $2.50 is received.*

Over the course of the year, the stock is now yielding a 3% dividend yield and an additional 4% yield from the written call option for a combined yield of 7%. In addition, there is a potential 9% capital appreciation in the event that the share price rises above $60.

<u>Reduction in Portfolio Volatility</u>

In the example of XYZ Inc, the volatility of the Fund is reduced by the use of written options, assuming that 1000 shares are purchased at $55 and a one year $60 "call" option is simultaneously sold.

In the event that the security rises by $1.00 in the next month, a profit of $1.00 is enjoyed on the security. However, because the "call" option is now closer to the underlying security price, it is worth more. The option that was sold at $2.50 may now have a market value of $2.70. This means that a profit of $1.00 is enjoyed on the security but a "mark to market" loss of $0.20 is incurred on the option. Accordingly, while the security has moved 1.8%, the portfolio has only risen 1.45%.

If, over the next two months, the share price of XYZ Inc remains constant, the option will have far less time value as there is only nine months left to maturity and, accordingly, it may have reduced in value. If the market value of the option falls to $2.00, the enhanced position will show a profit of 1.27% in the two months while there has been no change in the value of the underlying security. Since inception, the underlying security is now showing a return of 1.8%, while the enhanced portfolio is enjoying a return of 2.7%.

Unless the security price moves above the strike price of the option, the option will expire without a value. In this instance, the Fund will produce a better return of 4% over traditional investment in the underlying security, despite being less volatile than the traditional security throughout its duration.

<u>Theta</u>

Theta describes the change in the price of an option for a one-day change in the time to expiration. It is the erosion of time value that gives the Investment Manager a systematic edge in attempting to produce enhanced returns while also attempting to reduce the volatility of the Fund.

The writing of a "call" option reduces the net exposure of a given security ("delta"). The effect of this is that if the underlying security rises in price, then the Fund should also increase by a percentage of such rise and, equally, if the underlying security falls in price, the Fund should only fall by an equal percentage.

Although the theta of an option changes significantly towards its expiry, its effect on the Fund is always positive.

On the basis of the above example, if during the period that the underlying security rises, the underlying part of the Fund will rise by a percentage of such rise, say 80%, based on the delta and a further 2% is added based on the erosion of time value producing a net return of 82% to the Fund. Where the value of the underlying security falls, the delta provides the same 80% correlation, but in this instance the theta remains positive producing a negative return of 78% to the Fund. This 4% difference in the correlation to the underlying performance has an effect on the overall performance in the long term. The exact correlation of performance between the Fund and the Index is dependent on a variety of factors including but not limited to the Investment Manager's economic view, sector weightings, security selection and currency fluctuations.

The Investment Manager may also invest in other instruments for efficient portfolio management purposes. For instance, stock index futures may be used to gain immediate market exposure following the addition of new monies into the Fund as well as providing a means of diversifying exposure or gaining exposure to markets in which the Investment Manager may feel uncertainty in relation to engaging individual equities. Positions are generally short-term, but in the event of a fall in the market whilst stock index futures are held, any loss will be funded out of the cash or near cash collateral backing the position. Ultimately, positions will be closed and replaced by individual equity holdings.

INVESTMENT AND BORROWING RESTRICTIONS

The investment and borrowing restrictions set out in the Prospectus apply in their entirety to the Fund.

RISK FACTORS

Investors should consider the risk factors set out in the Prospectus.

Profile of a Typical Investor

The Fund is suitable for retail and institutional investors seeking to achieve a high level of current income and long-term capital appreciation, principally through investment in listed equity securities on a worldwide basis and who understand and can tolerate the risks associated with investment in the global equity markets.

MANAGEMENT AND ADMINISTRATION

Detailed descriptions of the Directors and other service providers to the Fund are set out in the Prospectus.

DIVIDEND POLICY

Accumulating Classes

Each of the Accumulating Classes is an accumulating share class and, therefore, it is not intended to distribute dividends to the Shareholders in the Fund. The income and other profits will be accumulated and reinvested on behalf of Shareholders. Dividends, if paid on the Shares, may be paid out of the net income of the Fund including interest and dividends earned by the Fund less expenses of the Fund.

Distributing Classes

Each of the Distributing Classes is a distributing share class and, therefore, it is intended to declare dividends on the Distributing Classes out of the net income of the Fund including interest and dividends earned by the Fund less expenses of the Fund. Dividends will normally be declared on or about the last Business Day of March, June, September and December of each year. The Directors may change the frequency with which they declare and pay dividends and Shareholders will be notified in advance of any changes and by way of a note to the annual or semi-annual financial statements of the Company.

Dividends are remitted in cash to Shareholders, unless a Shareholder specifically requests that dividends be will be reinvested immediately after such dividends are paid by subscription for further Shares.

Any failure to supply the Fund or the Administrator with any documentation requested by them for anti-money laundering or client identification purposes, as described in the Prospectus, will result in a delay in the settlement of dividend payments. In such circumstances, any sums payable by way of dividend to Shareholders shall remain an asset of the Fund until such time as the Administrator is satisfied that its anti-money-laundering and client identification purposes have been fully complied with, following which such dividend will be paid. Shareholders entitled to a dividend will from the dividend date be unsecured creditors of the Fund. In the event of the insolvency of the Fund before such monies are transferred to the Shareholder there is no guarantee that the Fund will have sufficient funds to pay its unsecured creditors in full. Investors who are due dividend proceeds which

are held in the Fund's account will rank equally with other unsecured creditors of the Fund and will be entitled to pro-rata share of any monies made available to all unsecured creditors by the insolvency practitioner.
A Shareholder who elects to have dividends reinvested will be deemed to have made a similar election in respect of any further dividends due to the Shareholder until the Shareholder revokes the election. Reinvestment of dividends will be made on the dividend payment date. If a Shareholder's dividends are reinvested, there is no preliminary fee payable on the reinvestment.

Any change to the dividend policy of the Fund will be notified in advance to Shareholders.

SUBSCRIPTIONS AND REDEMPTIONS

Procedure for Subscriptions

Application Forms

All applicants must complete an Application Form prescribed by the Directors in relation to the Fund ("Application Form"). An Application Form accompanies this Supplement and sets out the methods by which and to whom the subscription monies must be sent. Application Forms shall (save as determined by the Directors) be irrevocable and may be sent by facsimile or as a PDF attachment via email at the risk of the applicant. The originals of the Application Forms should be sent to arrive with the Administrator within five Business Days after the time for receipt of such application.

Failure to provide the original Application Form and anti-money laundering documentation to the Administrator by such time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. Moreover, applicants will not be allowed to redeem Shares on request until the original Application Form has been received by the Administrator.

Subscription monies representing less than the subscription price for a Share will not be returned to the applicant. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than 0.01 of a Share.

Initial and Subsequent Subscriptions

Initial and subsequent applications for Shares in the Accumulating Classes and the Distributing Classes will be accepted provided that they are received by the Administrator before the Cut-Off Time (12.00pm (Irish time)) on the relevant Dealing Day or such lesser period as may be determined by the Directors in their absolute discretion provided they are received before the Valuation Point (which for this purpose shall be close of business in the market that closes first on each Dealing Day). Applications received after the deadline will be dealt with on the next succeeding Dealing Day. The originals of the Application Forms must be received five Business Days after the time for receipt of such application. All subscriptions will be dealt on a forward pricing basis (i.e. by reference to the subscription price for each class of Shares calculated as at the Valuation Point for the relevant Dealing Day).

When first applying for Shares in the Fund, applicants should apply for a holding of not less than Stg£50,000 for Shares denominated in Sterling, €50,000 for Shares denominated in Euro, $50,000 for Shares denominated in US Dollars and CHF50,000 for Shares denominated in Swiss Francs, exclusive of the sales charge, if any (or such lesser amount as the Directors may in their sole discretion accept). Subsequent applications should be for not less than Stg£10,000 for Shares denominated in Sterling, €10,000 for Shares denominated in Euro, $10,000 for Shares denominated in US Dollars and CHF10,000 for Shares denominated in Swiss Francs (unless otherwise determined by the Directors).

Minimum Holdings

Any Shareholder who redeems or otherwise disposes of part of his holding must maintain a holding in the relevant Fund of not less than the minimum initial subscription amount applicable to the relevant class, as set out above (or less at the discretion of the Directors).

Subscription Price

The offer price per Share shall be calculated by:-

(a) calculating the amount of the Net Asset Value of the Fund which is attributable to the relevant Share class (costs and related liabilities/benefits of specific hedging instruments entered into for the benefit of any particular class of Shares will be allocated exclusively to that class) and deducting therefrom such sums as the Directors may consider represents an appropriate provision for Duties and Charges;

(b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue or deemed to be issue at the relevant Valuation Point; and

(c) adding thereto such amount as may be necessary to round the resulting total to two decimal places.

The latest Net Asset Value for Shares in the Fund will be available during normal business hours every Business Day at the office of the Administrator. Subsequent offers will be based on the Net Asset Value calculated at the Valuation Point for the relevant Dealing Day.

As at the date of this Supplement, there are sixteen Share classes in the Fund.

Payment of Subscription Monies

Method of Payment

Subscription payments net of all bank charges must be paid in the designated currency of the relevant Share class and should be paid by telegraphic transfer to the bank account specified in the Application Form. Other methods of payment are subject to the prior approval of the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held over until the next Dealing Day.

Currency of Payment

Subscription monies are payable in the designated currency of the relevant Share class of the relevant Sub-Fund. However, the Company may accept payment in such other currencies as the Administrator may agree at the prevailing exchange rate quoted by the Company's bankers. For payments made in currencies other than the designated currency of the class of the Fund, no allotment will be made by the Administrator until the foreign exchange transaction to the designated currency of the relevant class of the Fund has been completed and cleared funds have been received. The cost and risk of converting currency will be borne by the applicant.

Timing of Payment

Payment in respect of subscriptions must be received prior to the Valuation Point for the relevant Dealing Day.

If payment in full in cleared funds in respect of a subscription has not been received by the relevant time or in the event of non-clearance, the Directors may instruct the Administrator to cancel the allotment and/or charge the applicant interest at the normal overdraft rates charged by the Depositary arising from such delay or failure to settle subscription monies on time including any costs associated with temporary borrowing. If the Shareholder fails to reimburse the Fund for those charges, the Company will have the right to sell all or part of the investor's holdings of Shares in the Company in order to meet those charges and/or to pursue that Shareholder for such charges. The Company may waive either such charge in whole or in part.

The Directors have reserved the right to reject in whole or in part any application for Shares or to request further details or evidence of identity from an applicant for Shares. Where an application for Shares is rejected, the Fund shall compulsorily redeem any Shares issued and the Shareholder shall be liable for any loss suffered by the Company in the event of any shortfall arising from the redemption proceeds.

Contract notes confirming ownership will generally be sent to applicants within five Business Days of the Dealing Day, setting out details of the Participating Shares which have been provisionally allotted. This may be delayed if the Administrator has requested further details on evidence of identity as detailed above.

Share certificates will not be issued. For security and administration purposes Shareholders not receiving a share certificate will be issued with a holder number which should be quoted in all future correspondence in relation to their holding.

REDEMPTION OF SHARES

Procedure

Redemptions

Every Shareholder will have the right to require the Company to redeem his Shares on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended or the redemption of shares is limited in the circumstances set out in the Prospectus) on furnishing to the Administrator a redemption request. Shares may be redeemed only by written application through the Administrator.

All redemption requests will be dealt with by reference to the Redemption Price per Share quoted on the relevant Dealing Day.

All applicants must complete and submit a redemption request in writing to the Administrator. Redemption requests shall (save as determined by the Directors) be irrevocable and binding on the investor and may be sent by facsimile or as a PDF attachment via email (at the risk of the relevant Shareholder). In the case of joint shareholdings, such certificate(s) should be endorsed by all joint shareholders.

Redemption requests must be received before the Cut-Off Time (12.00pm (Irish time)) on the relevant Dealing Day or such lesser period as the Directors may determine in consultation with the Investment Manager provided they are received before the Valuation Point (which for this purpose shall be close of business in the market that closes first on each Dealing Day). If the Redemption request is received after the relevant time for receipt it shall (unless otherwise determined by the Administrator) be treated as a request for redemption on the next following Dealing Day and Shares will be redeemed at the Net Asset Value per Share quoted on that day.

Redemption requests will only be accepted where cleared funds and completed documents are in place from original subscriptions.

Fractions

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in a share class of the Fund:-

(a) fractions of the Shares will be issued where any part of the redemption monies for Shares represents less than the redemption price for one Share, provided however that fractions shall not be less than 0.01 of a Share; and

(b) redemption monies, representing less than 0.01 of a Share will not be returned to a Shareholder but will be retained by the Administrator in order to defray administration costs.

Redemption Price

The redemption price per Share shall be ascertained by:-

(c) calculating the amount of the Net Asset Value of the Fund which is attributable to the relevant Share class (costs and related liabilities/benefits of specific hedging instruments entered into for the benefit of any particular class of Shares will be allocated exclusively to that class) and deducting therefrom such sums as the Directors may consider represents an appropriate provision for Duties and Charges;

(d) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and

(e) deducting therefrom such amount as may be necessary to round the resulting total to two decimal places.

The latest redemption price for Shares in the Fund will be available during normal business hours every Business Day at the office of the Administrator. Redemption requests will be based on the redemption price calculated at the Valuation Point for the relevant Dealing Day.

Method of Payment

Redemption payments will be sent by telegraphic transfer at the risk and expense of the Shareholder to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing.

Currency of Payment

Shareholders will be repaid in the designated currency of the relevant class of the Fund. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

Timing

Redemption proceeds will be paid within five Business Days of the relevant Dealing Day, provided that all the required documentation has been furnished to and received by the Administrator.

In the case of a partial redemption of a Shareholder’s holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

FEES AND EXPENSES

The Fund shall bear its attributable proportion of the operational expenses of the Company. These are set out in detail under the heading “Fees and Expenses” in the Prospectus.

All fees and expenses relating to the establishment of the Class G Shares and the Class S Shares and the fees of the professional advisers to the Fund in respect of the establishment of the Class G Shares and the Class S Shares (establishment expenses) not exceeding £30,000 will be borne by the Class G Shares and the Class S Shares. To the extent that such fees and expenses are borne by the Class G Shares and the Class S Shares, they will be amortised over the first 5 years of the lifetime of the relevant Share Class or such other period as the Directors may determine and will be charged as between the various classes thereof established by the Fund within the amortisation period and in such manner as the Directors (with the consent of the Depositary) deem fair and equitable and provided that the relevant Share Class thereof will bear its own direct establishment costs. If the effect of this accounting treatment becomes material in the future and there is a requirement to write off the unamortised balance of establishment and organisational costs, the Directors will reconsider this policy.

Fees And Other Features of Each Share Class

Shares in the Fund distinguished by minimum initial subscription requirements and levels of fees and charges levied as set out below.

Accumulating Classes

Share Class	Currency	Minimum Initial Subscription	Minimum Additional Subscription	Preliminary Charge	Annual Investment Management Fee
Class A (GBP) Accumulating Shares	GBP	GBP £50,000	GBP £10,000	Up to 5% of the Subscription Price	1.25% NAV
Class GA (GBP) Accumulating Shares	GBP	GBP £50,000	GBP £10,000	Up to 5% of the Subscription Price	1.75% of NAV
Class GA (USD Accumulating) Shares	USD	USD $50,000	USD $10,000	Up to 5% of the Subscription Price	1.75% of NAV
Class GA (€ Accumulating) Shares	€	Euro €50,000	Euro €10,000	Up to 5% of the Subscription Price	1.75% of NAV
Class SA (GBP Accumulating) Shares	GBP	GBP £50,000	GBP £10,000	5% Contingent Deferred Sales Charge	1.75% of NAV
Class SA (USD Accumulating) Shares	USD	USD $50,000	USD $10,000	5% Contingent Deferred Sales Charge	1.75% of NAV
Class SA (€ Accumulating) Shares	€	Euro €50,000	Euro €10,000	5% Contingent Deferred Sales Charge	1.75% of NAV

Distributing Classes

Share Class	Currency	Minimum Initial Subscription	Minimum Additional Subscription	Preliminary Charge / Contingent Deferred Sales Charge	Annual Investment Management Fee
Class B (GBP Distributing) Shares	GBP	GBP £50,000	GBP £10,000	Up to 5% of the Subscription Price	1.25% NAV
Class G (GBP Distributing) Shares	GBP	GBP £50,000	GBP £10,000	Up to 5% of the Subscription Price	1.75% of NAV
Class G (USD Distributing) Shares	USD	USD $50,000	USD $10,000	Up to 5% of the Subscription Price	1.75% of NAV
Class G (€ Distributing) Shares	€	Euro €50,000	Euro €10,000	Up to 5% of the Subscription Price	1.75% of NAV
Class G (CHF Distributing) Shares	CHF	CHF 50,000	CHF 10,000	Up to 5% of the Subscription Price	1.75% of NAV

Distributing Classes - continued

Share Class	Currency	Minimum Initial Subscription	Minimum Additional Subscription	Preliminary Charge / Contingent Deferred Sales Charge	Annual Investment Management Fee
Class S (GBP Distributing) Shares	GBP	GBP £50,000	GBP £10,000	5% Contingent Deferred Sales Charge	1.75% of NAV
Class S (USD Distributing) Shares	USD	USD $50,000	USD $10,000	5% Contingent Deferred Sales Charge	1.75% of NAV
Class S (€ Distributing) Shares	€	Euro €50,000	Euro €10,000	5% Contingent Deferred Sales Charge	1.75% of NAV
Class S (CHF Distributing) Shares	CHF	CHF 50,000	CHF 10,000	5% Contingent Deferred Sales Charge	1.75% of NAV

Manager Fees

The fees of the Manager are charged at Company level and may decrease incrementally in relation to the number of Funds of the Company. Details of the fees charged by the Manager are set out in the Prospectus.

Investment Management Fees

In respect of the Class A and Class B Shares, the Investment Manager is entitled to a fee of up to 2% (however the Investment Manager is currently receiving a fee of up to 1.25%) (together with any applicable VAT) of the Net Asset Value of the Fund calculated and accrued daily and payable monthly in arrears out of the assets of the Fund together with properly vouched expenses. Shareholders will be notified in advance of any increase to the Investment Management Fee. Shareholders should note that the Investment Management Fee in respect of the Class A and the Class B Shares will not be increased to above 2% of the Net Asset Value of the Fund.

In respect of the Class G, Class GA, Class S and Class SA Shares, the Investment Manager is entitled to a fee of 1.75% (together with any applicable VAT) of the Net Asset Value of the Fund calculated and accrued daily and payable monthly in arrears out of the assets of the Fund together with properly vouched expenses.

No Performance Fees will be payable in respect of any of the share classes of the Fund.

The Investment Manager shall also be entitled to be reimbursed all reasonable, properly vouched out-of-pocket expenses incurred by the Investment Manager in the performance of his duties and responsibilities under the Investment Management Agreement. The Investment Manager is responsible for the fees of any advisers it utilises.

Subscription Fee

The Articles authorise the Directors, at their discretion, to impose a preliminary charge on the issue of Shares up to a maximum of 5% of the Subscription Price, such charge being deducted from the applicant's subscription monies and may be payable to any distributor and/or third party appointed by the Company. No subscription fee will be imposed in respect of the Class S Shares. A contingent deferred sales charge of 5% will be imposed in respect of the Class S Shares.

Contingent Deferred Sales Charge

Upon the subscription for the Class S and Class SA Shares, the Distributor, or at its direction any sub-distributors, or intermediaries, shall receive a fee of 5% of the Net Asset Value attributable to the value thereof at the time of subscription (the "Distribution Charge"). This fee shall be amortised over a five year period and shall be recovered either: (i) out of the assets of the Fund attributable to the particular Class of Share at an annual rate of 1% of the value thereof (with such fee being calculated and accrued on each Valuation Day on the relevant Net Asset Value of the Shares and will be paid monthly in arrears); or (ii) by way of the levy of the Contingent Deferred Sales Charge. The Contingent Deferred Sales Charge will initially be 5%, which will decline to 0% 60 months after the purchase date as shown in the following table:

Number of Months after the Purchase Date	Contingent Deferred Sales Charge
12 months or less	5%
13 to 24 months	4%
25 to 36 months	3%
37 to 48 months	2%
49 to 60 months	1%
Over 60 months	None

The Contingent Deferred Sales Charge is payable to the Fund attributable to the particular Share Class and will be applied to repay the unamortised balance of the Distribution Charge, which will be a benefit to the Class S or Class SA Shares. If the amount of the Contingent Deferred Sales Charge Fee that is assessed on the redemption of the Class S or the Class SA Shares exceeds the unamortised balance of the Contingent Deferred Sales Charge with respect to the relevant Shares, the Sub-Fund will retain such excess amount.

For the purposes of calculating the Contingent Deferred Sales Charge, a transfer will be treated as a redemption by the transferor and a subscription by the transferee.

Depending on when a Shareholder redeems out of the Fund, potential inequalities may arise. In the event that such inequalities occur, neither the Company, the Investment Manager, Administrator or Depositary shall be liable to any Shareholder for any excess Contingent Deferred Sales Charge so levied.

There are no repurchase charges or exchange charges imposed in respect of any of the Share Classes of the Fund.

Administrator and Depositary Fees

Administrator's Fees

The Administrator is entitled to a fee, payable out of the assets of the Fund, at a rate up to 0.07% of the first €100 million of the average net assets of the Fund, calculated and accrued as of each Dealing Day and payable monthly in arrears, subject to a minimum monthly fee of €3,500 in respect of each Sub-Fund together with all agreed transfer agency and transaction fees (which will be at normal commercial rates) and out of pocket expenses properly incurred by it. All such fees and expenses will be borne by the Company.

Depositary's Fees

The Depositary is entitled to a fee in respect of trustee services, payable out of the assets of the Company, at a rate of up to 0.02% of the first €100 million of the average net assets of the Fund, calculated and accrued as of each Dealing Day and payable monthly in arrears subject to a minimum monthly fee of €2,000 in respect of the Fund together with all agreed transaction fees (which will be at normal commercial rates) and out of pocket expenses properly incurred by it. The Depositary will also charge third party transaction fees and sub-custodian fees and charges at normal commercial rates.

TAXATION

United Kingdom Taxation

In relation to accounting periods commencing on or after 1 January 2016, the Directors of the Company intend to manage the affairs of the Orchard Fund Class G Inc (GBP Distributing), Orchard Fund Class S (GBP Distributing), Orchard Fund Class B (GBP Distributing), Orchard Fund Class A (GBP Accumulating), Orchard Fund Class GA (Accumulating GBP) and Orchard Fund Class SA (Accumulating GBP) (the “Share Classes”) in such a way that they qualify for reporting fund status for UK tax purposes, and make the necessary applications to HM Revenue & Customs for certification as reporting funds.

In relation to the accounting periods up to and including those ending 31 December 2018 the Directors have successfully applied for and intend to continue obtaining reporting fund status in respect of the Share Classes.