

The Directors of the Company whose names appear on the last page of this Offering Supplement accept responsibility for the information contained herein. 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 Offering Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information as of the date hereof. The Directors accept responsibility accordingly.

Offering Supplement

February 17th, 2020

relating to the offering of non-voting participating
Investor Shares in

DIAMOND INCENTIVE FUND

a Sub-Fund of

PURITY SICAV plc [SV510]

A collective investment scheme organised as a multi-fund public limited liability company with variable share capital registered under the laws of Malta

Abalone Asset Management Limited
(Investment Manager)

Fexserv Fund Services Limited
(Administrator, Registrar and Transfer Agent)

Dolfin Asset Services Limited
(Depositary)

***Important Notice:** This Offering Supplement may not be distributed unless accompanied by, and is to be read in conjunction with, the Offering Memorandum issued by the Company.*

Diamond Incentive Fund, a sub-fund of Purity SICAV plc (the “Company”) is a Notified AIF under the Investment Services Act (List of Notified AIFs) Regulations and which is available to Eligible Investors as detailed in the Offering Memorandum and this Offering Supplement.

The Company and the Sub-Fund have been entered onto the List of Notified AIFs on the basis of a notification submitted to the Malta Financial Services Authority (“MFSA”) by the AIFM.

The Directors of the Company confirm that the Investment Manager is in possession of an Alternative Investment Fund Manager license granted by the MFSA under the Investment Services Act and that they have reviewed and approved this document.

The entry of the Company and the Sub-Fund on the List of Notified AIFs is not an endorsement, guarantee or statement of approval by the MFSA nor is the MFSA responsible for the contents of this document or the selection or adequacy of its governing body or service providers.

The MFSA has made no assessment or value judgment of the soundness of the Company or for the accuracy or completeness of statements made or opinions expressed with regard to it.

The MFSA has not reviewed or approved this document. Any person making statements to the contrary may be prosecuted under the Maltese Criminal Code under Chapter 9 of the Laws of Malta. Investors must rely solely upon their own and their advisors' due diligence in making any decision to invest.

Shares in the Sub-Fund/s may only be marketed outside Malta to Eligible Investors as defined in the Offering Memorandum.

The Company is a non-retail collective investment scheme.

Table of Contents

	PAGE
IMPORTANT INFORMATION	1
SECTION 1 DEFINITIONS	2
SECTION 2 KEY FEATURES	3
SECTION 3 THE OFFERING	10
SECTION 4 RISK FACTORS	12
SECTION 5 FEES, CHARGES AND EXPENSES	14
SECTION 6 SPECIFICITIES OF A DIAMOND FUND	17
SECTION 7 GENERAL INFORMATION	19
SECTION 8 ADDITIONAL INFORMATION CONCERNING THE OFFERING OF SHARES IN SWITZERLAND	20
DIRECTORY	22

IMPORTANT INFORMATION

This Offering Supplement may not be distributed unless accompanied by, and is to be read in conjunction with, the latest Offering Memorandum issued by the Company and its Memorandum and Articles. The attention of investors is also drawn, in particular, to the section entitled “**Important Notices**” in the Offering Memorandum which also applies to this Offering Supplement and the offering of Investor Shares made thereby.

This offer is an offer only to the person to whom a copy of this document has been furnished by the Company and/or its authorised agents and this on the basis that the person falls within the definition of a Qualifying Investor or Professional Investor as defined in the Offering Memorandum. The Company is not authorised to, and does not intend to, offer Investor Shares to the general public.

Status

The Company and its Sub-Fund qualify as listed Notified Alternative Investment Fund (“**NAIF**”). The Sub-Fund is managed by an AIFM in terms of the Investment Services Act (List of Notified AIFs) Regulations, 2016 (L.N. 219 of 2016)

Investor Shares in the Sub-Fund may only be marketed outside Malta to Eligible Investors as defined in the Offering Memorandum.

SECTION 1 | DEFINITIONS

Terms used in this Offering Supplement shall, unless otherwise defined or the context otherwise requires, have the same meaning as those defined in the Offering Memorandum.

In this Offering Supplement, the following words shall have the meanings set opposite them:

Offering Period	The period which shall commence on the first Business Day after the Closing Date and shall remain open unless otherwise determined by the Board during which Investors may subscribe for Investor Shares at the Offering Price.
Offering Price	The NAV per Investor Share calculated at the close of business on the Valuation Day.
Redemption Day	The first Business Day of each calendar week or such other Business Day as the Board may from time to time determine after the expiration of the Initial Offering Period.
Redemption Price	The price at which Investor Shares shall be redeemed, which shall be equivalent to the NAV per Investor Share, calculated at the close of business on the Valuation Day.
Subscription Day	Any day during the Initial Offering Period and the first Business Day of each calendar week or such other Business Day, as the Board may from time to time determine after the expiration of the Initial Offering Period.
Valuation Day	The Business Day immediately preceding a Subscription Day.
Valuation Point	11:59pm (23:59 hours) (CET) on the Valuation Day.

This Offering Supplement shall, in addition, be subject to the same rules of interpretation as those set out in the Offering Memorandum. Please see “**Section 1 | Interpretation**” of the Offering Memorandum for further details.

SECTION 2 | KEY FEATURES

The Sub-Fund and the Investor Shares

Name of the Sub-Fund	Diamond Incentive Fund
Segregation	The Sub-Fund is a segregated portfolio whose assets and liabilities are to be treated as a patrimony separate from the assets and liabilities of each other sub-Fund and of the Company. Please refer to the Offering Memorandum for further details.
Classes of Investor Shares	The Sub-Fund is comprised of four (4) Classes of Investor Shares: Class A Investor Shares; Class B Investor Shares; Class C Investor Shares; Class D Investor Shares;
Accounting Currency	USD
Base Currency	Class A Investor Shares denominated in USD; Class B Investor Shares denominated in EUR; Class C Investor Shares denominated in GBP; Class D Investor Shares denominated in CHF;
ISIN(s)	Class A Investor Shares: MT7000025227; Class B Investor Shares: MT7000025235; Class C Investor Shares: MT7000025243; Class D Investor Shares: MT7000025250;
Dividend Policy	The Board may proceed at any time and at its sole discretion to the distributions of cash dividends or distributions in <i>specie</i> .
Tax Status	The Sub-Fund is expected to be classified as a Non-Prescribed Fund . Please refer to “ Section 14 Taxation ” of the Offering Memorandum for further details on the tax treatment of Non-Prescribed Funds and shareholdings in such funds.

Investment Objective, Policies and Restrictions

Investment Objective	The Sub-Fund’s investment objective is to achieve a superior return in the long-term by building a portfolio of high-quality diamonds and thereby providing investors with a unique access to the diamond market. There is no guarantee that the investment objective of the Sub-Fund will be achieved and
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Investment Policies

investment results may vary substantially over time.

The Sub-Fund has the flexibility to invest in and trade in diamonds on the basis of the carat weight, colour grade, clarity grade and cut grade. In particular the Sub-Fund will be investing in diamonds which have, *inter alia*, the following common characteristics:

- (a) brilliant cut certified by the Gemological Institute of America [www.gia.edu] or the International Gemological Institute [www.igi.org] or any other institute having the same standard and reputation of those mentioned above;
- (b) a rating ranging from Excellent to Very Good in relation to the cut, polish and symmetry;
- (c) fluorescence ranging from none to slight/faint;
- (d) laser inscribed.

The Sub-Fund will be mainly focused on investments in the following three categories of diamonds:

- Diamond A having the following characteristics:
 - (i) Default carat weight: 1.00 ct
 - (ii) Colour Grade: D
 - (iii) Purity: Flawless or Internally Flawless.

- Diamond B having the following characteristics:
 - (i) Default carat weight: 0.90 ct;
 - (ii) Colour Grade: D
 - (iii) Purity: Very Very Slightly Included (VVS₁).

Or

- (i) Default carat weight: 0.90 ct;
- (ii) Colour Grade: E
- (iii) Purity: Flawless or Internally Flawless.

- Diamond C having the following characteristics:
 - (i) Default carat weight: 0.70 ct;
 - (ii) Colour Grade: D
 - (iii) Purity: Very Very Slightly Included (VVS₁).

Or

- (i) Default carat weight: 0.70 ct;
- (ii) Colour Grade: E
- (iii) Purity: Flawless or Internally Flawless.

The Sub-Fund will be primarily focusing on the acquisition of diamonds which fulfill the criteria outlined in relation to Diamond A. Nonetheless, in view of its uniqueness and rarity (1 diamond in 1000 can be classified as Diamond A), the Sub-Fund will also include within its portfolio diamonds which fulfill the criteria outlined in relation to Diamonds B and C.

The Sub-Fund will be acquiring the diamonds from Go Diamonds International (Swiss) SA, a Swiss

limited liability company based in Lugano, Switzerland, specializing in the supply of certified diamonds for investment purposes whether in Switzerland or in any other jurisdiction.

The Sub-Fund will be acquiring the diamonds from Go Diamonds International (Swiss) SA at a discount of ca 30.50% on the Rapaport Price published weekly. The Rapaport Price List is the international benchmark used by dealers to establish diamond prices in all major diamond markets.

The diamonds will be held in the storage vaults of SLC SA. Further information in relation to the storage arrangements and the insurance coverage are provided in Section 6 of this Offering Document.

The Sub-Fund may also employ financial derivatives instruments particularly forwards for hedging purposes only to cover currency risk. These could also be over-the-counter derivatives instruments. The Sub-Fund will keep cash for liquidity purposes.

The Sub-Fund may commence the investment program before the closing of the Initial Offering Period.

Securities Financing Transactions

The Sub-Fund shall not make use of securities financing transaction, total return swap, repurchase and reverse repurchase agreement and securities lending transactions and therefore it will be not subject to the reporting obligations under Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

Investment and Borrowing Restrictions

The Investment Manager will generally aim to limit the leverage employed in respect of the Sub-Fund to 300% of the Sub-Fund's Net Asset Value calculated in accordance with the commitment approach (the "**Leverage Limit**").

The Sub-Fund shall, at the request of investors and without delay, inform them of the maximum level of leverage it may employ, when calculated according to the gross and commitment methods, and shall also inform investors of any changes to the maximum level of leverage the sub-Fund may employ at any point in time.

The investment restrictions will not be considered as being actively breached as a result of investments being disposed of during, if applicable, the liquidation phase of the Sub-Fund (and, Investors should note that in light of the nature of the investments of the Sub-Fund, the process in relation to disposal of Investments may require an extended amount of time).

Buy-Back Program

The Board and/or the AIFM, where relevant, will monitor the applicable investment restrictions but shall not be required to take immediate remedial action to comply with any such restriction, if (a) the failure to comply with the restriction results in an event which is beyond the control of the Board and/or the AIFM or (b) the Board and/or the AIFM deem it advisable or in the best interest of the Sub-Fund to dispose of or otherwise take action with respect to the relevant investment.

For the avoidance of doubt, the Leverage Limit applies only on the date the debt is incurred. It shall not be an on-going obligation of the Sub-Fund to meet this constraint by reducing its existing indebtedness as a result of a decline in the value of any of its existing investments.

Following the lapse of the first twelve months from the date of the first subscription, the Sub-Fund may implement a buy-back program in relation to those diamonds held in its portfolio to satisfy redemption requests in cash from the investors of the Sub-Fund. The twelve-month period will only apply to those investors who wish to receive the redemption proceeds in cash. For avoidance of doubt, no twelve months lock-up period will apply to those investors who wish to receive redemption proceeds in kind.

Through the buy-back program which will run on a monthly basis, Go Diamonds International (Swiss) SA will propose to acquire 1.5% per month of all the diamonds held in storage. The reference price which will be taken into consideration when calculating the buy-back price will be that of Diamond A based on the last published Rapaport price less a discount of 32.35%. Therefore, by way of example:

- Value of diamonds held in the Sub-Fund portfolio of **USD 1,000,000**
- Buy-back ability of 1.5% amounts to **USD 15,000**
- An investor who has invested USD 20,000 will be able to sell the holding in 2 months.

The Sub-Fund shall be of unlimited duration.

Duration of the Sub-Fund

The Initial Offering

Initial Offering Period (“IOP”)

The Initial Offering period will be from the date on which the Sub-Fund is duly recorded in the MFSA NAIF list until the Closing Date.

Closing Date

31st December 2019, unless otherwise resolved by the Board of the Company at its sole discretion and communicated to the Investors.

Initial Offering Price

Class A – USD 1,000.00
 Class B – EUR 1,000.00
 Class C – GBP 1,000.00
 Class D – CHF 1,000.00

Number of Investor Shares on Offer

Class A Investor Shares – 200,000
 Class B Investor Shares – 200,000
 Class C Investor Shares – 200,000
 Class D Investor Shares – 200,000

Fees and Charges**Investment Management Fee**

The Sub-Fund will pay to the Investment Manager an annual Investment Management Fee calculated on the NAV of every share class at each Valuation Point and payable monthly in arrears in relation to all classes of Investor Shares as follows:

- **0.2%** per annum for Sub-Fund's Net Asset Value up to twenty million Euro (EUR 20,000,000);
- **0.16%** per annum for Sub-Fund's Net Asset Value between twenty million Euro (EUR 20,000,000) and fifty million Euro (EUR 50,000,000); and
- **0.13%** per annum for the Sub-Fund's Net Asset Value in excess of fifty million Euro (EUR 50,000,000);

The accrual of this fee will be calculated on the NAV of the share class on every Valuation Day and paid monthly in arrears. The Investment Management Fee are subject to an annual minimum of thirty thousand Euro (EUR 30,000).

The Investment Management Fee will be charged during the Initial Offering Period.

Performance Fee

None

Depositary Fee

- 0.10% (ten basis points) for the Sub-Fund's Gross Asset Value up to EUR 25,000,000;
 - 0.075% (seven point five basis points) for the Sub-Fund's Gross Asset Value in excess of EUR 25,000,000;
- subject to a minimum annual fee of twenty thousand Euro (EUR 20,000).

The Depositary will also be charging a transaction fee as follows:

- EUR 250 per transaction, up to 10 transactions;
- EUR 175 per transaction, in excess of 10 transactions.

Fee for storage of assets	A fee ranging between 0.6% and 0.75% of the value of the assets held. SLC SA, which will be entrusted with the storage of the assets will pay the relevant insurance premium from the fee levied. The insurance premium amount is estimated at approximately 0.3% of the assets value of the diamonds covered by the insurance.
Administration Fee	<p>For fund administration and accounting services, up to five basis points (0.05%) of the Sub-Fund's NAV, subject to a minimum annual fee of fifteen thousand Euro (EUR 15,000).</p> <p>Transfer Agent and Investors Services are charged at one hundred and fifty Euro (EUR 150) per subscription in cash and five hundred Euro (EUR 500) for any contribution in kind.</p> <p>Preparation of financial statements is charged at one thousand and five hundred Euro (EUR 1,500) per annum.</p> <p>Other optional services, such as regulatory reporting, are quoted and may be contracted separately.</p>
Audit Fee	EUR 10,000 per annum.
Company Secretary	Two thousand Euro (EUR 2,000) plus VAT, where applicable, and the <i>pro rata</i> of two thousand Euro (EUR 2,000) plus VAT where applicable) to be divided among all the sub-funds of the Company per annum.
Subscription Charge	Up to 2% of the amount subscribed at the sole discretion and as determined by the Board per subscription received. The Subscription Charge, where applicable, shall be paid to the Investment Manager which shall, in turn pay them, where due, to any duly appointed distributor.
Redemption Charge	Up to 2% of the amount redeemed at the sole discretion and as determined by the Board per redemption received. The Redemption Charge, where applicable, shall be paid to the Investment Manager which shall, in turn pay them, where due, to any duly appointed distributor.

Reference is also made to “**Section 5 | Fees, Charges and Expenses**” of this document.

Minimum Subscription, Holding and Redemption Requirements

Minimum Initial Subscription	<p>Class A Investor Shares – the USD equivalent of EUR 100,000.00</p> <p>Class B Investor Shares – EUR100,000.00</p> <p>Class C Investor Shares – the GBP equivalent of EUR 100,000.00</p> <p>Class D Investor Shares – the CHF equivalent of EUR 100,000.00</p>
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Minimum Additional Subscription	Class A Investor Shares – USD 10,000 Class B Investor Shares – EUR 10,000 Class C Investor Shares – GBP 10,000 Class D Investor Shares – CHF 10,000
Minimum Holding	Class A Investor Shares – the USD equivalent of EUR 100,000.00 Class B Investor Shares – EUR 100,000.00 Class C Investor Shares – the GBP equivalent of EUR 100,000.00 Class D Investor Shares – the CHF equivalent of EUR 100,000.00
Minimum Redemption	Class A Investor Shares: USD 10,000.00 Class B Investor Shares: EUR 10,000.00 Class C Investor Shares: GBP 10,000.00 Class D Investor Shares: CHF 10,000.00

Notice Periods

Subscription Notice Period	15:00pm CET, two (2) Business Days prior to the relevant Subscription Day.
Subscription Settlement Date	15:00pm CET, at least two (2) Business Days prior to the relevant Subscription Day.
Redemption Notice Period	15:00pm CET, three (3) Business Days prior to the relevant Redemption Day, subject to any Deferral of Redemption that may apply as specified below.

SECTION 3 | THE OFFERING

Share Offer

Up to 5 billion (five billion) Investor Shares with no nominal value at the Base currency are on offer.

The offering of the Investor Shares at the Initial Offering Price shall be open on the inclusion of the Sub-Fund in the List of Notified AIFs by the MFSA and shall close on the Closing Date. The Board is entitled to close the Initial Offering Period at any time prior to the Closing Date or to extend it beyond the Closing Date at its sole discretion.

After the Closing Date, the Sub-Fund will offer further Investor Shares for subscription at the Offering Price.

Subscription of Investor Shares

Subscription for Investor Shares can be made at the Initial Offering Price during the Initial Offering Period and thereafter at the prevailing Offering Price, by:

- i. submission to the Company at the office of the Administrator of a properly executed Subscription Agreement including the Investor Declaration Form and those documents required in the AML Supplement; and.
- ii. remitting the related subscription monies.

In respect of each subscription for Investor Shares during the Offering Period, the Subscription Notice Period shall run as from the first Business Day following receipt by the Company at the office of the Administrator of both:

- a. the documents listed under (i) above; and
- b. confirmation that the full amount subscribed for the Investor Shares has been received in cleared funds.

The Investor Shares will be issued on the first Subscription Day following the expiration of the said Subscription Notice Period. Full details of the application and subscription process appear in **"Section 10 | Acquisition of Investor Shares"** of the Offering Memorandum.

A specimen Subscription Agreement and Investor Declaration Form may be obtained from the Administrator.

Redemption of Investor Shares

Investors are directed to **"Section 11 | Redemption of Investor Shares"** of the Offering Memorandum where the procedures relating to the redemption of Investor Shares and the conditions applicable thereto are outlined. In terms of the Memorandum and Articles, redemption requests are, once made, irrevocable.

In respect of each redemption request, the Redemption Notice period shall commence following receipt by the Company at the office of the Administrator of a valid redemption form. The Investor Shares will be redeemed on every Redemption Day following the expiration of the said Redemption Notice period.

A specimen Redemption Notice may be obtained from the Administrator.

Net redemption proceeds will be paid to redeeming investors immediately upon the processing of a redemption request.

The Board reserves the right to set a Redemption Day and to limit the redemption amount on such redemption days. Investors will be notified at least one month in advance of a proposed Redemption Day. To the extent that redemptions received for a Redemption Day exceed the maximum redemption amount set by the Board, all redemptions received in respect of that Redemption Day will be affected on a pro-rata basis.

Redemption in kind

Without prejudice to the provisions of the Offering Memorandum in relation to the procedures to be followed in case of redemption in kind, investors will be able to request a redemption of the holding in kind. In accepting such requests, the Sub-Fund will primarily opt to redeem the holdings through the provision of diamonds which fulfill the criteria of Diamond A. As mentioned elsewhere in this Offering Supplement, the reference price which will be taken into consideration when calculating redemption price will be that of Diamond A based on the last published Rapaport price less a discount of 32.35%. However given the uniqueness of Diamond A, where the Sub-Fund can not redeem the holdings through the provision of diamonds which fulfill the criteria of Diamond A, the Board or the Investment Manager, as applicable, can provide the investor with a bundle of diamonds which fulfill the criteria of Diamonds B and C plus the difference, if any, to be paid in cash.

Deferral of Redemption

THE BOARD MAY IN ITS EXCLUSIVE DISCRETION, AND TO THE BEST INTEREST OF THE SUB-FUND, LIMIT OR SUSPEND THE REDEMPTIONS EFFECTED ON ANY REDEMPTION DAY UP TO 100% OF THE REDEMPTION REQUESTS FOR EACH RELEVANT REDEMPTION DAY IF THE SUB-FUND HOLDS ANY ASSET THAT CANNOT BE LIQUIDATED WITHIN FIVE BUSINESS DAYS; IN SUCH CASE, ALL REDEMPTIONS RECEIVED IN RESPECT OF THAT REDEMPTION DAY WILL BE AFFECTED ON A PRO-RATA BASIS (DEPENDING ON THE CASH AVAILABE) OR POSTPONED UNTIL THE COMPANY WILL HAVE LIQUIDATED ASSETS AND ENOUGH CASH WOULD BE AVAILABLE TO PAY THE REDEMPTION PROCEEDS.

SECTION 4 | RISK FACTORS

Risk Factors

Investors are directed to 'Section 3 | Risk Factors' of the Offering Memorandum the risk factors applicable to investment in shares of the Company, including in Investor Shares, are explained.

IN EVALUATING THE POTENTIAL AND SUITABILITY OF AN INVESTMENT IN THE SUB-FUND, CAREFUL CONSIDERATION SHOULD BE GIVEN BY PROSPECTIVE INVESTORS TO THE FOLLOWING RISK FACTORS WHICH RELATE TO THE MANAGEMENT OF THE SUB-FUND AND THE MARKETS IN WHICH THE SUB-FUND'S ASSETS WILL BE INVESTED.

INVESTMENT IN THE SUB-FUND SHOULD BE REGARDED AS A LONG-TERM INVESTMENT. THERE CAN BE NO GUARANTEE THAT THE INVESTMENT OBJECTIVE OF THE SUB-FUND SET OUT HEREIN WILL BE ACHIEVED.

POTENTIAL INVESTORS ARE EXPECTED TO BE AWARE OF THE RISKS OF INVESTING IN THE SUB-FUND AND ANY PERSON CONSIDERING AN INVESTMENT IN THE SUB-FUND MUST HAVE THE FINANCIAL SOPHISTICATION AND EXPERTISE TO EVALUATE ITS MERITS AND RISKS.

In addition, the following Risk Factors (which are definitely not the only risks relating to the Sub-Fund) are specific to the Sub-Fund:

Conflicts of Interest

Generally, there may be conflicts of interest between the interests of the Company and the interests of the Investment Manager, the Portfolio Manager, the Investment Advisor, the Administrator and their respective affiliates and the Directors to generate fees, commissions and other revenues. In the event that such a conflict of interest arises, the Board will endeavour to ensure that it is resolved in the best interest of the Company.

Furthermore, the Investment Manager may have equity stakes in the funds (or fund managers) to which they are providing their services, or own or have an interest in one or more assets that are also owned by such funds. Members of the Investment Committee of the Investment Manager as well as founder shareholders of the Company may be involved in the target private companies which will be providing services to the Sub-Fund in the attainment of its investment objective. Furthermore, holders of Founder Shares of the Company may also be engaged as Services Providers to the Company. In this regard, the Sub-Fund shall cause the acquisition or other disposition of the assets comprised in its portfolio to be conducted on an arm's length basis with full knowledge of the commercial benefit and risk involved.

Illiquid nature of diamonds

Diamonds are characterized as being illiquid and infungibles. Illiquidity usually makes purchases or sales of an asset at desired prices or in desired quantities difficult or impossible. It results from the above that, except as otherwise provided in case of the so-called buy-back program, under certain circumstances, the Sub-Fund may be unable to liquidate its investments, and this may affect the capacity of the Sub-Fund to satisfy redemption requests. An asset's level of fungibility is determined by its ability to be interchanged with other assets of the same type, thus facilitating and expediting the process of trading and exchange. Given the unique nature and the rarity of the diamonds in which the Sub-Fund will be investing, the exchange of one diamond for another is something which cannot be attained. There are no

identical diamonds existing in the world and even if two diamonds can be matched in value, the characteristics of the stones would not be identical.

Lack of diversification

The portfolio of the Sub-Fund is not diversified given the proposed investment. This may cause the performance of the Sub-Fund to be dependent upon the performance of the diamond industry and thereby increasing the volatility of the Sub-Fund.

Risks inherent to the diamond market

The Sub-Fund's sole investment strategy is that of acquiring specific categories of diamonds. The marketability of diamonds is affected by and dependent on numerous factors beyond the control of the Sub-Fund such as market fluctuations, general economic activity, actions taken by diamond companies or nations where diamonds are mined, the supply of rough diamonds to the market, consumer demand for polished diamonds and the availability and pricing of other substitute material (including synthetic diamonds), government regulation relating to taxation, royalties, production levels, imports and exports, land tenure and land use, mining licences, health and safety and the environment.

Risk of theft

The Sub-Fund will be ensuring that the diamonds are at all times covered by adequate insurance policies and subject to robust security systems, procedures and arrangements. Despite these best efforts, there can be no guarantee that there will be no occurrences of theft of diamonds as a consequence of which, the Sub-Fund could incur costs which could affect its operations.

Pricing transparency

Whilst the Investment Manager will be using the Rapaport price list as the main source of information in relation to the valuation of the diamonds, the Rapaport is solely a benchmark which takes into account the basic factors of carat weight, colour grade, clarity grade and cut grade. Moreover, the Rapaport only takes into consideration white colourless diamonds. Furthermore, there are issues which need to be factored in and which are determined by the market namely supply and demand. Therefore, whilst the Investment Manager's valuation committee will be analysing the information provided in the Rapaport for the purpose of arriving at the most accurate valuation possible, investors should keep these shortcomings present.

SECTION 5 | FEES, CHARGES AND EXPENSES

Investment Management Fee

The Sub-Fund will pay to the Investment Manager an annual Investment Management Fee calculated on the NAV at each Valuation Point and payable monthly in arrears in relation to all the classes of Investor Shares as follows:

- **0.2%** per annum for Sub-Fund's Net Asset Value up to twenty million Euro (EUR 20,000,000);
- **0.16%** per annum for Sub-Fund's Net Asset Value between twenty million Euro (EUR 20,000,000) and fifty million Euro (EUR 50,000,000); and
- **0.13%** per annum for the Sub-Fund's Net Asset Value in excess of fifty million Euro (EUR 50,000,000)

The accrual of this fee will be calculated on the NAV of each share class on every Valuation Day and paid monthly in arrears. The Investment Management Fee are subject to an annual minimum of thirty thousand Euro (EUR 30,000).

The Investment Management Fee will be charged during the Initial Offering Period.

The Investment Manager will be reimbursed for all properly incurred and approved out-of-pocket expenses including but not limited to fees, commissions, charges and expenses paid or borne in relation to the acquisition or disposal of any of the Sub-Fund investment. For avoidance of doubt such fees, commission, charge and expenses may be due to the Investment Manager for services provided directly to the Sub-Fund in relation to but not limited to the acquisition or disposal of an investment, were applicable, other than those related to its management functions.

Performance Fee

None

Administration Fee

The Company shall pay the Administrator out of the assets of each Sub-Fund an administration fee (the "**Administration Fee**") up to five basis points (0.05%) of the Sub-Fund's NAV, subject to a minimum annual fee of fifteen thousand Euro (EUR 15,000) (excluding VAT thereon if any). The Administration Fee is calculated by reference to the **Net Asset Value at each Valuation Point and shall be payable monthly in arrears.**

In addition to the Administration Fee, the Administrator is also entitled to receive out of the assets of each Sub-Fund agreed-upon fixed fees for the preparation of financial statements, investor transactions and maintenance of investor accounts or other ancillary services it may provide to the Company, including but not limited to, regulatory reporting (e.g. FATCA Reporting, CRS Reporting and AIFMD Annex IV Reporting). In particular, Transfer Agent and Investors Services are charged at one hundred and fifty Euro (EUR 150) per subscription in cash and five hundred Euro (EUR 500) for any contribution in kind. The preparation of financial statements is charged at one thousand and five hundred Euro (EUR 1,500) per annum.

Other optional services, such as regulatory reporting, are quoted and may be contracted separately.

The Company shall be responsible for all disbursements and reasonable out-of-pocket expenses incurred by the Administrator in the proper performance of its duties.

Depository Fee

The Company shall pay the Depository a depository fee (the “**Depository Fee**”) out of the assets of each Sub-Fund amounting to:

- 0.10% (ten basis points) for the Sub-Fund’s Gross Asset Value up to EUR 25,000,000;
 - 0.075% (seven point five basis points) for the Sub-Fund’s Gross Asset Value in excess of EUR 25,000,000;
- subject to a minimum annual fee of twenty thousand Euro (EUR 20,000).

The fee is payable quarterly in arrears and will be based upon the average monthly closing balances for the quarter.

The Depository will also be charging a transaction fee as follows:

- EUR 250 per transaction, up to 10 transactions;
- EUR 175 per transaction, in excess of 10 transactions.

The Company will be responsible for all disbursements and reasonable out-of-pocket expenses incurred by the Depository in the proper performance of its duties in accordance with the Depository Agreement.

Storage Fees

The Company shall pay SLC SA a fee ranging between 0.6% and 0.75% of the value of the assets held . SLC SA will pay the relevant insurance premium from the Fee it receives and this is estimated at approximately 0.3% of the assets value of the diamonds covered by the insurance.

Audit Fee

The Company pays to the Auditor an annual recurring Audit Fee of EUR 10,000 (excluding VAT thereon if any). The Audit Fee shall be payable annually in arrears.

Subscription Charge

Up to 2% of the amount subscribed at the sole discretion and as determined by the Board per subscription received. The Subscription Charge, where applicable, shall be paid to the Investment Manager which shall, in turn pay them, where due, to any duly appointed distributor.

Redemption Charge

Up to 2% of the amount redeemed at the sole discretion and as determined by the Board per redemption received. The Redemption Charge, where applicable, shall be paid to the Investment Manager which shall, in turn pay them, where due, to any duly appointed distributor.

Other Expenses

The Sub-Fund shall bear the costs incurred for the establishment and notification of the Sub-Fund and the offering of the Investor Shares. In particular, it shall incur a fee of EUR 1,600 payable to the MFSA in respect of the initial inclusion of the Notified AIF in the Notified AIF List of then MFSA and an annual renewal of notification fee of EUR 600 payable to the MFSA on each subsequent anniversary of the date of inclusion of the Sub-Fund in the List of Notified AIFs of the Sub-Fund.

The Sub-Fund will bear its own operating expenses, including, but not limited to, fees payable to the Administrator, Investment Manager, organisational and investment expenses (reasonably determined to be related to the investment of the Sub-Fund's assets), administrative expenses, marketing expenses, legal and licensing expenses, government fees, audit, interest and shareholder communication expenses and other expenses associated with the operation of the Sub-Fund.

The Sub-Fund may reimburse the Investment Manager for the investment expenses incurred in connection with its rendering investment advice and other services to the Sub-Fund (including, without limitation, compensation for ongoing operational, systems, research and due diligence). The Investment Manager and the Administrator will be responsible to track the expenses of the Sub-Fund. Preliminary and ongoing legal, printing and continuous offering documentation expenses, subject to a maximum of EUR 50,000 borne by the Sub-Fund in connection with the continuous offering of Investor Shares, will be capitalized and then amortised by writing off equal instalments on each Valuation Day over five (5) years (and thereafter as incurred).

Whilst the Investment Manager considers that such a valuation methodology is appropriate such policy may conflict with International Financial Reporting Standards.

The Sub-Fund will also be subject to other fees including, its *pro-rata* share of the operating expenses of the Company as set out in the Offering Memorandum.

SECTION 6 | SPECIFICITIES OF A DIAMOND FUND

Storage of the Assets

The diamonds acquired by the Sub-Fund will be held in the name of the Sub-fund with third parties who will be entrusted with the storage of such assets.

The Investment Manager and the Sub-Fund have appointed SLC SA with registered office at Via Gemmo 3, CH-6900, Lugano Switzerland as the entity entrusted with the storage of the Sub-Fund' assets.

The obligation of the Depositary in relation to the diamonds, which are considered as 'Other Assets' in accordance with the AIFMD and the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, will be limited to:

- (a) Verification of ownership of such assets and the maintaining of a record of the assets;
- (b) The assessment of whether the Sub-Fund holds the ownership on the basis of the information or documents provided by the Sub-Fund, and where available, on external evidence.

The Depositary will also be responsible to keep records up-to-date.

In this regard, the Sub-Fund and the Investment Manager have, with the consent of the Depositary entered into an agreement with SLC SA according to which, the diamonds will be stored in a vault of SLC SA located in a Custom Free Trade Zone in Switzerland. The vault would only be accessible to a designated Swiss Customs Officer and an identified official of SLC SA as well as to the extent required, by the Investment Manager, the Board, the Auditor and the Depositary.

The Investment Manager together with the Sub-Fund selected SLC SA based on the following criteria:

- (a) it is of a good repute and has extensive experience in the safekeeping and storage of precious stones, jewellery and investment diamonds;
- (b) it has the required secured premises which are accessible via a biometric access procedure with 24/7 video recording camera;
- (c) it has recognised ability in the reception and handling of precious stones, jewellery and investment diamonds;
- (d) it has recognised ability in stock management and indeed in conjunction with the Swiss Customs Officer will keep an inventory of all the diamonds held in storage identifying any movements in and out of the diamonds;
- (e) it is managed and controlled by fit and proper individuals.

The Depositary and the Investment Manager will ensure on an ongoing basis that the above-mentioned criteria are fulfilled by SLC SA by way of provision therefrom of audit and facility reports and by way of performing, where opportune, onsite visits. In particular, SLC SA will promptly provide the Depositary and the Investment Manager with updated information in relation to the storage of the assets upon request. Thereafter, SLC SA will provide the Depositary and the Investment Manager with semi-annual inventory reports detailing the diamonds deposited, notification reports on inventory changes and audit reports of new deliveries. Evidence of such reviews will be provided upon demand to both the auditor and the Investment Manager and, to the extent required by any applicable laws, to the regulatory authorities.

As far as the inventory reports mentioned above are concerned, these will detail the number of diamonds deposited including category and features. Furthermore, representatives of the Depositary, the Investment Manager, the auditor, where necessary, any any other party duly

appointed by the Depositary or the Investment Manager will have access during business hours to the vaults in order to be able to inspect the precious stones deposited

From time to time, the Investment Manager may, in agreement with the Depositary, enter into specific arrangements with other entities in other countries for the purposes of storage of the assets of the Sub-Fund on condition that these entities are eligible according to the above-mentioned criteria.

Any party duly appointed by the Investment Manager such as the security company providing for the transportation of the diamonds, will take reasonable care to ensure that during transportation the diamonds are covered by insurance considered by market practice as necessary and appropriate and inform the Depositary of such insurance. As soon as deposited with SLC SA, the diamonds will be covered by an insurance taken by SLC SA directly. The relevant insurance will cover damages which may be incurred for theft, violence, fire or flood.

Transportation to and from the storage vaults will be made by logistic companies selected by the Investment Manager from amongst top rated professional security companies specialised in the sector of transportation of diamonds. The Depositary shall be informed of the company selected as service provider to the Sub-Fund's assets.

Insurer

The transportation of the diamonds to and from the storage vaults will be covered by the security company providing for the transportation.

SLC SA will insure the diamonds against any damages whilst in storage through an insurance policy underwritten by Lloyds. The insurance will cover 100% of the asset value as identified in the latest Rapaport price less 32.35%.

Accounting Principles and Valuation Methods

In addition to the accounting principles detailed under the relevant section in the Offering Memorandum, the Investment Manager may apply other accounting principles and valuation methods.

The valuation of diamonds will be based upon valuations provided by the Valuation Committee of the Investment Manager. The Valuation Committee is currently composed of individuals who are competent to value Level 1, 2 and 3 assets. Nonetheless, for the purpose of this Sub-Fund, this committee is being augmented by another individual who is specialised in the valuation of precious stones and particularly diamonds. The Valuation Committee will be using the Rapaport Diamond Report which is a report providing the benchmark for the pricing of diamonds. The prices outlined in this report are based on the size, colour and clarity of individual diamonds. The Investment Manager may also avail itself of ad hoc appointed specialists who will assist in the valuation of diamonds. A description of the applied valuation methodology will be further outlined in the annual report of the Sub-Fund.

The Investment Manager may require additional valuations to be provided particularly in the case of changes to the general economic situation.

SECTION 7 | GENERAL INFORMATION

The Rights of Shareholders

The rights of Shareholders are stated in the Memorandum and Articles of the Company and in the Companies Act. The Investor Shares entitle Shareholders to participate in the movements, both positive and negative, in value of the assets of the Sub-Fund. It is not expected that the Company will declare any dividends and for a Shareholder to receive the benefits of any growth in the capital value of the Investor Shares, the Shareholder is entitled to request the redemption of the Investor Shares held by him at any time and the Investor Shares will, subject to the relevant Redemption Notice Period, be repurchased by the Company on the next Redemption Day following such request. **The Investor Shares are non-voting shares.** On winding up of the Sub-Fund the holders of the Investor Shares shall be entitled to their share of the value of the assets of the Sub-Fund.

Share Capital and Accounts

All amounts received by the Company on the issue of Investor Shares, initially and subsequently, will be credited as share capital of the Company and will form part of the net assets of the Sub-Fund. Separate accounts are kept for the assets of the Sub-Fund.

Fractional Shares

Fractional Shares will be issued up to four (4) decimal places.

Shares in Issue

As of the date of this Offering Supplement, there are no Investor Shares in issue but only Founder Shares in issue.

Duration of the Sub-Fund

The Sub-Fund has been constituted for an indefinite period.

Sub-Fund Income

The Board may proceed at any time to the distributions of assets of the Sub-Fund, in cash or in kind, provided that the Board will focus on the distributions of cash. In the case of a distribution in kind, the Board will assure to respect the principle of equality of all shareholders.

SECTION 8 | ADDITIONAL INFORMATION CONCERNING THE OFFERING OF SHARES IN SWITZERLAND

Shares of the Fund (the “Shares” and the “Fund”) can be offered in Switzerland exclusively to Qualified Investors as defined by Article 10 § 3 of the Collective Investment Scheme Act (CISA) and Article 6 of the Collective Investment Scheme Ordinance (CISO) (Qualified Investors). The Fund has not been and will not be registered with the Swiss Financial Market Supervisory Authority (FINMA). This Offering Memorandum and/or any other offering materials relating to the Interests in the Fund may be made available in Switzerland solely to Qualified Investors.

Information for Swiss based Qualified Investors

- The domicile of the Fund is Malta.
- The Representative of the Fund in Switzerland is:
OpenFunds Investment Services AG
Seefeldstrasse 35, CH-8008 Zurich
Tel +41 44 500 3108,
Website: www.open-funds.ch

The statutory documents of the Fund such as the Offering Memorandum and Offering Supplement, the Key Investor Information Document (if any), the Memorandum and Articles of Association, the Annual and Semi-Annual reports and/or any other legal documents as defined in Article 15 CISA in conjunction with Article 13a CISO may be obtained free of charge from the Representative. The place of performance and jurisdiction for Interests of the Fund offered or distributed in or from Switzerland are the registered office of the Representative.

- The Paying Agent in Switzerland:
Società Bancaria Ticinese SA
Piazza Collegiata 3, 6501 Bellinzona
Tel +41 91 821 51 21,
Fax. + 41 91 825 66 18,
Website: www.bancaria.ch

Subscriptions and redemptions of Interests of the Fund as well as distributions may be made through the Paying Agent. A handling commission of CHF 150 per transaction will be charged by the Paying Agent and deducted from the subscription or redemption amount paid or received. If a subscription or redemption is made through the Paying Agent, instructions and money must be received by the Paying Agent at least 72 hours before the appropriate dealing cut-off time.

- Publications to Swiss investors in respect of the Shares of the Fund are effected by the Representative.

Remuneration of distributors, retrocessions and rebates

The Financial Intermediaries do not pay any retrocessions to third parties as remuneration for distribution activity in respect of Fund units in or from Switzerland.

In respect of distribution in or from Switzerland, the Financial Intermediaries do not pay any rebates to reduce the fees or costs incurred by the investor and charged to the Fund.

Mentioning of other funds in the Offering Memorandum

OpenFunds Investment Services AG acts as Representative only to Purity SICAV plc – Diamond Incentive Fund. In case there is any reference made in the Offering Memorandum to any other fund, that fund is not legally represented in Switzerland by OpenFunds Investment Services AG.

DIRECTORY

Directors of the Company	Massimiliano Marchese David Grech Andrea Maria Vittorio Venturini
Registered Office	Purity SICAV plc Skyway Offices, Block C, Office 1 179 Marina Street Pieta PTA 9042 Malta
Investment Manager	Abalone Asset Management Limited Skyway Offices, Block C, Office 1 179 Marina Street Pieta PTA 9042 Malta
Administrator, Registrar and Transfer Agent	Fexserv Fund Services Limited Nu Bis Centre, Mosta Road, Lija, Malta LJA9012.
Depository	Dolfin Asset Services Limited 89, Level 5 St. John's Street Valletta, VLT 1165 Malta
Auditor	BDO Malta Triq it-Torri Msida MSD 1824 Malta
Legal Advisors	Please refer to the Offering Memorandum.
Tax Advisors	Please see the Offering Memorandum.
Company Secretary	Fexserv Fund Services Limited Nu Bis Centre, Mosta Road, Lija, LJA9012 Malta.