

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. Shares are offered on the basis of the information contained in the Prospectus, this Supplement and the documents referred to herein.

The Directors of Blackfriars Developing Markets Funds p.l.c. (the "Company"), whose names appear in the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. 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 Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

Neither the admission of the Shares of Blackfriars Oriental Focus Fund (the "**Fund**") to the Official List, nor the approval of this document pursuant to the listing requirements of the Irish Stock Exchange, shall constitute a warranty or representation by the Irish Stock Exchange as to the competence of service providers or any other party connected with the Company, the adequacy of information contained in this document or the suitability of the Company for investment purposes.

BLACKFRIARS DEVELOPING MARKETS FUNDS P.L.C.

(an open-ended umbrella investment company with variable capital incorporated with limited liability under the laws of Ireland, registered number 335843, with segregated liability between sub-funds)

**Blackfriars Oriental Focus Fund
SUPPLEMENT TO PROSPECTUS**

**Investment Manager
BLACKFRIARS ASSET MANAGEMENT LIMITED**

Distribution of this Supplement is not authorised in any jurisdiction unless it is accompanied by a copy of the most recent annual and any subsequent semi-annual report of the Company. Such reports, the Prospectus and this Supplement together form the Prospectus for the issue of Shares.

Dated: 13 December 2016

Blackfriars Oriental Focus Fund is a sub-fund of Blackfriars Developing Markets Funds p.l.c., an investment company with variable capital currently regulated pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as same may be amended or replaced from time to time (the "Regulations"). The Company is structured as an umbrella fund in which different sub-funds may be created from time to time with the prior approval of the Central Bank. There is one other Fund currently established in the Company, namely the Blackfriars Developing Markets Focus Fund.

A description of Blackfriars Developing Markets Funds p.l.c., its management and administration, fees and expenses, taxation and risk factors is contained in the Prospectus.

Shareholders should note that some or all of the dividends of the Fund may be paid from the capital of the Fund. The policy of paying dividends from capital will have the following effects: (i) capital will be eroded, (ii) distribution is achieved by forgoing the potential for future capital growth and (iii) the cycle may continue until all capital is depleted. Shareholders should also note that the payment of dividends out of capital may have different tax implications to distributions out of income and therefore tax advice should be sought in this regard.

This Supplement forms part of the Prospectus of the Company dated 13 December 2016 (the "Prospectus") and should be read in the context of and together with the Prospectus. In particular, investors should read the risk factors set out in the Prospectus. An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.

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

DEFINITIONS

In this Supplement the words and expressions listed below have the meanings set opposite them, except where the context otherwise requires:

“A Shares”	A Dollar Shares, A Sterling Shares and A Euro Shares;
“Base Currency”	the currency of account of the Fund which is US Dollars;
“B Shares”	B Dollar Shares, B Sterling Shares and B Euro Shares;
“Business Day”	a day on which banks are open for business in Dublin or such other day as the Directors may, with the approval of the Custodian, determine;
“Central Bank”	the Central Bank of Ireland;
“Dealing Day”	each Business Day together with such other day or days as the Directors shall determine and notify to Shareholders, and further provided that there should be at least two dealing days per month;
“Dealing Deadline”	4pm (Irish time) on the Business Day preceding the Dealing Day;
“Dollar Shares”	A Dollar Shares and B Dollar Shares;
“Euro Shares”	A Euro Shares and B Euro Shares;
“Fund”	Blackfriars Oriental Focus Fund;
“Investment Manager”	Blackfriars Asset Management Limited;
“Shares”	participating shares of no par value in the capital of the Company and which have been designated A Dollar Shares, B Dollar Shares, A Sterling Shares, B Sterling Shares, A Euro Shares and B Euro Shares with reference to the Fund;
“Sterling Shares”	A Sterling Shares and B Sterling Shares;
“Supplement”	this supplement and any addendum hereto made from time to time;
“Valuation Point”	12pm (Irish time) on the Dealing Day.

Unless otherwise stated, all capitalised terms shall have the same meaning herein as in the Prospectus.

Introduction

Six classes of Shares are available in the Fund, A Dollar Shares and B Dollar Shares which are denominated in U.S. Dollars, A Sterling Shares and B Sterling Shares which are denominated in Pounds Sterling and A Euro Shares and B Euro Shares which are denominated in Euro, all of which may be purchased and/or redeemed as described in this Supplement and the Prospectus. A single portfolio of assets is maintained for the Fund, which is invested in accordance with the investment objective, policies, powers and restrictions set out in this Supplement.

Profile of a Typical Investor

The Fund is suitable for investors who plan to invest for at least five years and who are willing to accept the risks and volatility associated with investing primarily in Asian stock markets.

Base Currency

The Base Currency of the Fund is U.S. Dollars.

Investment Objective and Policy

The investment objective of the Fund is to achieve long term capital growth through investment in global equity markets. In normal circumstances growth companies the Asian region will comprise the substantial majority of investments held by the Fund.

The investment policy of the Fund is to invest primarily in equity and equity related securities (such as fixed or floating rate convertible bonds and warrants), although investment may also be made in bonds issued by corporate and governmental issuers and other forms of debt instrument (such as promissory notes which are freely transferable and certificates of deposit). The Fund is not managed against, nor constrained by, any equity or bond index or benchmark. The Fund will not invest in open-ended collective investment schemes. However, the Fund may invest up to 10% in the shares/units of listed closed-ended investment companies, partnerships or trusts which may be regarded by the Fund as listed transferable securities in accordance with the requirements of the Central Bank.

There may be periods when holding certain equities will not be in the best interests of the Fund. During such periods, the Fund may lower its equity exposure and invest in bonds issued by corporate and governmental issuers and debt instruments (such as promissory notes which are freely transferable and certificates of deposit). As set out in "Risk Factors" in Part I of the Prospectus, no issuer or rating criteria have been established for the debt instruments in which the Fund may invest. The Fund may also hold cash for ancillary liquidity purposes.

With the exception of permitted investments in unlisted securities, investment by the Fund is restricted to the Recognised Markets as set out in Part V: Recognised Markets of the Prospectus. For the avoidance of doubt, the Fund may invest in emerging markets.

Participation Notes

The Fund may use participation notes to trade in otherwise restricted markets. For example, the Fund may obtain exposure to India through participation notes.

Participation notes are instruments issued by registered foreign institutional investors ("FII") to overseas investors who wish to invest in a restricted market such as the Indian Stock Market without registering themselves with the Securities and Exchange Board of India. Participation notes are generally not rated and are designed to provide a return which is directly linked to the performance of a particular equity security or basket of equity securities. Brokers buy Indian stocks and issue participation notes that represent ownership of underlying stock. Any dividends or capital gains

collected from underlying securities go back to the investors. The participation notes in which the Fund may invest will not include embedded derivatives or leverage.

The Fund may invest in or use FDI to achieve its investment objective.

Investment Process

The Investment Manager intends to employ, in relation to the Fund, bottom-up company specific analysis to identify growth companies in Asia. By undertaking extensive, disciplined internal research and by utilising external contacts and networks, the Investment Manager is well positioned to identify investment opportunities for clients.

Although the Investment Manager will seek to be pragmatic in the use of the most appropriate investment style for prevailing market conditions, over the long term it is believed that investments in the shares of companies offering the prospect of sustainable growth will generate superior investment returns. The Investment Manager will seek to identify companies that will benefit either from exposure to favourable macroeconomic conditions or from a competitive advantage born out of proprietary technology or superior management strategy.

Investment and Borrowing Powers and Restrictions

The investment and borrowing powers of the Fund and the investment restrictions to which it is subject are summarised in Part IV: Investment Restrictions of the Prospectus.

Financial Derivative Instruments

The Fund may invest in financial derivative instruments for investment and/or hedging purposes under and in accordance with conditions or requirements imposed by the Central Bank. The types of financial derivative instrument in which the Fund may invest and the purposes of each such investment are as follows:

- *Forward Foreign Exchange Contracts:* Forward foreign exchange contracts may be used to hedge some or all of the exchange risk/currency exposure arising as a result of the fluctuation between the currency in which the Net Asset Value per Share is computed and the currencies in which the Fund's investments are denominated. In addition, forward foreign exchange contracts may be used to protect the value of the currency of each class from the adverse movements of other currencies. Please see the section headed "Class Currency Hedging" below for further details.
- *Warrants:* The Fund may purchase warrants to gain exposure to equity. Warrants may also be attached to other securities (such as equity or bond instruments) that the Fund may wish to purchase.
- *Convertible Bonds and Convertible Debentures:* The Fund may purchase convertible bonds and convertible debentures to gain bond exposure and equity exposure. A convertible bond/debenture may be viewed as a bond/debenture with an embedded option to exchange bond for equity.
- *Futures:* The Fund may use index futures, currency futures and equity futures. Futures may be used to gain exposure to currency and equity. For example, purchased futures may serve as a long hedge of the investments of the Fund and sold futures may serve as a limited short hedge of the investments of the Fund. Futures may also be used to manage equity and currency exposure when the Fund experiences large subscriptions, redemptions or cash flows.

- *Options:* The Fund may purchase options to gain exposure to equity and currency. Call options may be purchased by the Fund to (i) provide exposure to increases in the market (e.g. with respect to temporary cash positions); and (ii) to hedge against an increase in the price of securities that the Fund intends to purchase. Put options may be purchased by the Fund to (i) hedge against a decrease in the market generally; and (ii) hedge against a decrease in the price of securities held by the Fund. The purpose behind the Fund writing call options is typically to seek enhanced returns and when, in the opinion of the Investment Manager, the exercise price together with the option premium received would represent an acceptable sale price for some or all of the holding. Put options, covered by cash, may be written when, in the opinion of the Investment Manager, the exercise price less the option premium received, would represent an acceptable purchase price for a holding.

Details of the risks associated with derivative instruments are set out in the section entitled “Risk Factors” in the Prospectus. It is not anticipated that the Fund shall receive collateral in respect of OTC financial derivative transactions.

Risk Management Process

The Company employs a risk management process which enables it to accurately measure, monitor and manage the various risks associated with financial derivative positions and details of this process have been provided to the Central Bank. The Company will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been submitted to the Central Bank. The Company will provide on request to Shareholders supplementary information relating to the risk management methods employed by the Company including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

Policy in relation to Leverage and Global Exposure

Any additional exposure created by the use of financial derivative instruments will not exceed the Net Asset Value of the Fund. Global exposure and leverage shall not exceed 100% of the Net Asset Value of the Fund on a permanent basis. The commitment approach will be utilised to measure the position exposure of the Fund.

Class Currency Hedging

In the interests of seeking the optimal protection of a Shareholder’s interest, the Fund may, where practicable, engage in foreign exchange hedging transactions for each class (where the profits, gains, losses, costs, income and expenditure consequent upon such hedging transactions are allocated solely to the relevant class). Currency hedged share classes will carry the reference ('hedged') in the name of the share class. Foreign exchange transactions with respect to the Dollar Shares may be undertaken with a view to protecting the value of that class in US Dollars from the adverse movements of other currencies. Foreign exchange transactions with respect to the Sterling Shares may be undertaken with a view to protecting the value of that class in pounds sterling from the adverse movements of other currencies. Foreign exchange transactions with respect to the Euro Shares may be undertaken with a view to protecting the value of that class in Euro from the adverse movements of other currencies. Performance among classes may, however, vary due to their different currency exposure. Any currency exposure of a class may not be combined with or offset against that of any other class. Investors should be aware that this strategy may substantially limit Shareholders of the relevant class from benefiting if the designated currency of the class falls against the base currency of the Fund and the currencies in which the assets of the Fund are denominated.

Although the Company does not intend to over-hedge or under-hedge positions, over or under-hedging may arise due to factors outside the control of the Company. The Company will not permit over hedged positions to exceed 105% of the Net Asset Value of a hedged class. Hedged positions will be kept under review to ensure that over hedged positions do not exceed 105% of the Net Asset Value of a hedged class. This review will incorporate a procedure to ensure that positions materially in excess of 100% will not be carried forward from month to month.

The annual and semi-annual accounts of the Fund will indicate how transactions undertaken to provide protection against exchange rate risks have been utilised.

Risk Factors

Investors' attention is drawn to the risk factors set out in Part I: Risk Factors of the Prospectus and in particular to those set out under the heading "Emerging Markets Securities Risks".

Share Class Denominations

The Shares are being made available to investors in six differently denominated classes for ease of subscription in three currencies to enable investors other than those whose assets are denominated in U.S. Dollars to gain exposure to the U.S. Dollar denominated asset class without the attendant foreign exchange costs and to enable investors to have access to a class with a Net Asset Value per Share denominated in the currency of choice of the investor.

Distribution and Reinvestment Policy

Dividends may be paid out of capital and/or the net investment income and/or realised and unrealised capital gains less realised and unrealised capital losses of the Fund.

Unless a Shareholder elects otherwise, any distributions will be applied in the purchase of further Shares (or fractions thereof) as applicable.

The Fund will normally go "ex dividend" on the next Business Day following 31 December in each year, and the annual distribution will be paid to Shareholders on the register at the close of business on 31 December of that year, on or before 30 June in each year.

Payments of dividends to holders of registered Shares who opt for cash (rather than the purchase of further Shares as described above) will be made in the currency of denomination of the Shares in question by telegraphic transfer or cheque (sent at the Shareholder's risk) to such Shareholders at the relevant address in the register of Shareholders. In the event that Shares are held in joint names, dividends may be sent to the first named Shareholder appearing in the register.

Shares shall rank for dividends as and from the beginning of the accounting period in which they were issued.

No dividends or other amount payable to Shareholders shall bear interest against the Company. All dividends unclaimed after a period of six years shall be forfeited and shall revert to the Company for the benefit of the Fund.

Purchases and Redemptions of Shares

Dollar Shares, Sterling Shares and Euro Shares in the Fund may be purchased on each Dealing Day at prices in U.S. Dollars, Pounds Sterling and Euro respectively. The minimum initial investment in any Class A Shares or Class B Shares is U.S.\$10,000 (or its equivalent in Sterling for the A Sterling Shares and Euro for the A Euro Shares). The minimum additional investment in any Class A or Class B Shares is U.S.\$2,500 (or its equivalent in Sterling for the A Sterling Shares and Euro for the A Euro

Shares). The Directors may waive these minima at their discretion in respect of specific applications or generally. Shares in the Fund are redeemable on each Dealing Day at a price in U.S. Dollars for the Dollar Shares, Sterling for the Sterling Shares and Euros for the Euro Shares. The minimum residual holding following a redemption of Shares prescribed by the Directors for any Class A Shares or Class B Shares is a value of U.S.\$5,000 (or its equivalent in Sterling for the A Sterling Shares and Euros for the A Euro Shares).

In respect of subscriptions, the settlement date for the receipt of monies for subscription for Shares shall be three Business Days following the relevant Dealing Day.

The settlement date for the dispatch of monies for the redemption of Shares will be three Business Days following the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator.

Investment Management Charges

The Investment Manager is paid a basic investment management fee (the “**Investment Management Fee**”) by the Fund in respect of the A Shares and the B Shares, which accrues on each Dealing Day and is payable monthly in arrears. In respect of A Shares, the Fund will pay a monthly investment management fee calculated at the rate of 1.5% per annum of the Net Asset Value of the class of A Shares. In respect of B Shares, the Fund will pay a monthly investment management fee calculated at the rate of 0.9% per annum of the Net Asset Value of the class of B Shares concerned.

Administration Charges

The Administrator is entitled to receive an administration charge and fees in respect of its duties as administrator and registrar. The administration charge accrues daily and is paid monthly in arrears at a rate of 0.016% per annum of the Fund’s net assets subject to a minimum monthly fee of Euro 2,725 plus value added tax (if any). In addition, the Administrator is entitled to charge the Fund for certain other fees (e.g. for the preparation of financial statements). The fees are exclusive of value added tax (if any).

Remuneration of the Custodian

The Fund pays safekeeping fees based on the Net Asset Value of the Fund that vary, from 0.005% to 1.50% per annum, depending on the country in which the security is traded and held, subject to a minimum annual fee, exclusive of transaction charges and out-of-pocket expenses, of up to Euro 60,000 in total for all of the sub-funds of the Company. The Fund shall also be subject to transaction charges, which shall not exceed normal commercial rates. The Custodian shall also be entitled to reimbursement of properly vouched out of pocket expenses incurred by the Custodian, or any sub-custodian, for the benefit of the Fund out of the assets of the Fund in respect of which such charges and expenses were incurred. The Custodian shall be entitled to a further fee payable out of the assets of the Fund accruing daily and payable monthly in arrears at the end of each calendar month at an annual rate of up to 0.03% of the Net Asset Value of the Fund, subject to a minimum annual fee for the Fund, exclusive of out-of-pocket expenses, of up to Euro 17,200 for depositary oversight and cash flow monitoring and reconciliation.

Subject to the minimum fees detailed above, the Custodian is entitled to a fee (which includes safe keeping fees and out of pocket expenses) accruing daily and payable monthly of no more than 1.5% per annum of the Net Asset Value of the Fund. For further information on charges and the ongoing charges figure (**OCF**), please refer to the key investor information document for the Fund.

Anti-Dilution Levy

In calculating the subscription or redemption price for the Company the Directors may on any Dealing Day when there are net subscriptions or redemptions adjust the subscription or redemption price by

adding or deducting an anti-dilution levy to cover dealing costs and to preserve the value of the underlying assets of the Company.

An anti-dilution levy may be payable by the Shareholder from time to time as determined by the Investment Manager on behalf of the Company. The anti-dilution levy represents a provision for market spreads (the difference between the prices at which assets are valued and bought or sold), duties and charges and other dealing costs relating to the acquisition or disposal of assets.

If charged, the anti-dilution levy would be paid to the Company and would become part of the property of the relevant Fund thus protecting the value of the continuing Shareholders' interests.

The anti-dilution levy may be applied in the event of a net subscription or redemption position on any particular Dealing Day. Any such provision shall not exceed 0.35% of the Net Asset Value per Share and will be added to the price at which Shares will be issued in the case of net subscription requests and deducted from the price at which Shares will be redeemed in the case of net redemption requests including the price of Shares issued or redeemed as a result of requests for conversion.

Further information on how the anti-dilution levy is applied can be obtained on request from the Investment Manager.

Establishment and Other Expenses

The initial costs of establishing the Fund were borne by the Fund and were amortised over the first five years of the Fund's operations.

The Fund will also bear a proportion of ongoing operational fees and expenses of the Company, details of which are set out in Part I: Fees and Expenses of the Prospectus.