

**If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the Company or the suitability for you of investment in the Company, you should consult your stock broker or other independent financial adviser. Prices for shares in the Company may fall as well as rise.**

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

## **MORANT WRIGHT FUNDS (IRELAND) PLC**

### **An umbrella Fund with segregated liability between sub-funds**

(an open-ended umbrella investment company with variable capital and segregated liability between Funds incorporated with limited liability in Ireland under the Companies Act 2014 with registration number 522834 and established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011).

## **P R O S P E C T U S**

### **Manager**

**Capita Financial Managers (Ireland) Limited**

### **Investment Manager**

**Morant Wright Management Limited**

The date of this Prospectus is 23 December 2016

## **IMPORTANT INFORMATION**

This Prospectus should be read in conjunction with the Section entitled "Definitions".

### **The Prospectus**

This Prospectus describes Morant Wright Funds (Ireland) plc (the "Company"), an open-ended investment company with variable capital incorporated in Ireland and authorised by the Central Bank of Ireland (the "Central Bank") as an Undertaking for Collective Investment in Transferable Securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011). The Company is structured as an umbrella fund and may comprise several portfolios of assets, each portfolio of assets being a "Fund". The share capital of the Company ("Shares") may be divided into different classes of shares.

This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Fund. Details relating to Classes may be dealt with in the relevant Fund Supplement or in separate Supplements for each Class. Each Supplement shall form part of, and should be read in conjunction with, this Prospectus. To the extent that there is any inconsistency between this Prospectus and any Supplement, the relevant Supplement shall prevail.

The latest published annual and half yearly reports of the Company will be supplied to subscribers free of charge on request and will be available to the public as further described in the section of the Prospectus headed "Reports and Accounts".

### **Authorisation by the Central Bank**

**The Company is authorised by the Central Bank. Authorisation of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank and the Central Bank is not responsible for the contents of this Prospectus.**

### **Restrictions on Distribution and Sale of Shares**

The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised or the person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence, ordinary residence or domicile.

The Directors may restrict the ownership of Shares by any person, firm or corporation where such ownership would be in breach of any regulatory or legal requirement or may affect the tax status of the Company. Any restrictions applicable to a particular Fund or Class shall be specified in the relevant Supplement for such Fund or Class. Any person who is holding Shares in contravention of the restrictions set out above or, by virtue of his holding, is in breach of the laws and regulations of any competent

jurisdiction or whose holding could, in the opinion of the Directors, cause the Company or any Shareholder or any Fund to incur any liability to taxation or to suffer any pecuniary disadvantage which any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the Company, the Investment Manager, the Depositary, the Administrator and Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the Company.

The Directors have the power under the Articles of Association to compulsorily redeem and/or cancel any Shares held or beneficially owned in contravention of the restrictions imposed by them as described herein.

### **United States of America**

There will be no public offering of Shares in the United States. The Shares will not generally be available to US Persons, unless they are, among other things, "accredited investors" (as defined in Rule 501(a) of Regulation D under the Securities Act) and "qualified purchasers" (as defined in Section 2(a)(51) of the Company Act).

The Shares have not been and will not be registered under the Securities Act or the securities laws of any of the states of the United States, nor is such registration contemplated. The Shares may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any US Person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state laws. Any re-offer or resale of any of the Shares in the United States or to US Persons may constitute a violation of US law.

There is no public market for the Shares in the United States and no such market is expected to develop in the future. The Shares offered hereby are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Articles, the Securities Act and applicable state securities law pursuant to registration or exemption therefrom. The Shares are being offered outside the United States pursuant to the exemption from registration under Regulation S under the Securities Act and inside the United States in reliance on Regulation D promulgated under the Securities Act and Section 4(2) thereof.

The Company has not been and will not be registered under the Company Act pursuant to the provisions of Section 3(c)(7) of the Company Act. Under Section 3(c)(7), a privately offered fund is excepted from the definition of "investment company" if US Person security holders consist exclusively of "qualified purchasers" and the Shares are only offered in the US on a private placement basis.

The Shares have not been filed with or approved or disapproved by any regulatory authority of the United States or any state thereof, nor has any such regulatory authority passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is unlawful.

### **Reliance on this Prospectus**

Statements made in this Prospectus and any Supplement are based on the law and practice in force in the Republic of Ireland at the date of the Prospectus or Supplement as the case may be, which may be subject to change. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares in the Company shall under any circumstances constitute a representation that the affairs of the Company have not changed since the date hereof. This Prospectus will be updated by the Company to take into account any material changes from time to time and any such amendments will be notified in advance to the Central Bank. Any information or representation not contained herein or given or made by any broker, salesperson or other person should be regarded as unauthorised and should accordingly not be relied upon.

Investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or other matters. You should consult your stockbroker, accountant, solicitor, independent financial adviser or other professional adviser.

### **Risk Factors**

Investors should read and consider the section entitled "Risk Factors" in Appendix II before investing in the Company. In addition investors should note that where a Fund's investment policies provide that it may invest a substantial portion of its assets in derivatives it may be subject to the following additional risk;

#### *Derivatives Risk*

Each Fund may be subject to risks associated with derivative instruments. A description of the risks associated with investment in derivative instruments is set out in Appendix II of the Prospectus under the heading "Derivatives Risk" and a description of the types of derivatives in which a particular Fund invests will be disclosed in the relevant Supplement.

Derivatives are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Derivatives will typically be used as a substitute for taking a position in the underlying asset and/or as part of a strategy designed to reduce exposure to other risks, such as interest rate or currency risk. The Funds may also use derivatives for gaining exposure within the limits set out by the Central Bank, in which case their use would involve exposure risk. A Fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. A Fund investing in a derivative instrument could lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that a Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

### **Translations**

This Prospectus and any Supplements may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus and Supplements. To the extent that there is any inconsistency between the English language Prospectus/Supplements and the Prospectus/Supplements in another language, the English language

Prospectus/Supplements will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a prospectus in a language other than English, the language of the Prospectus/Supplement on which such action is based shall prevail.

## DIRECTORY

### Morant Wright Funds (Ireland) plc

<b>Directors</b> Mr. Alasdair McKerrell Mr. Johnny N.C. McClintock Ms. Éilish Finan	<b>Manager</b> Capita Financial Managers (Ireland) Limited, 2 <sup>nd</sup> Floor, 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland.
<b>Investment Manager</b> Morant Wright Management Limited, 43 St James's Place London SW1A 1NS United Kingdom.	<b>Administrator and Registrar</b> Capita Financial Administrators (Ireland) Limited, 2 <sup>nd</sup> Floor, 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland.
<b>Depository</b> BNY Mellon Trust Company (Ireland) Limited, Guild House, Guild Street, Dublin 1, Ireland.	<b>Company Secretary</b> Tudor Trust Limited 33 Sir John Rogerson's Quay, Dublin 2, Ireland.
<b>Auditors</b> KPMG Chartered Accountants, 1 Stokes Place, St. Stephen's Green, Dublin 2.	<b>Legal Advisers in Ireland</b> Dillon Eustace, 33 Sir John Rogerson's Quay, Dublin 2, Ireland.
<b>Registered Office</b> 2 <sup>nd</sup> Floor, 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland.	<b>Legal Advisers as to United States Law</b> Schulte Roth & Zabel International LLP One Eagle Place London SW1Y 6AF United Kingdom.

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## DEFINITIONS

In this Prospectus the following words and phrases have the meanings set forth below:-

All references to a specific time of day are to Irish time

"Accounting Date"	means the date by reference to which the annual accounts of the Company shall be prepared and shall be 31 <sup>st</sup> October in each year or such other date as the Directors may from time to time decide.
"Accounting Period"	means a period ending on the Accounting Date and commencing, in the case of the first such period on the date of incorporation of the Company and, in subsequent such periods, on the day following expiry of the last Accounting Period.
"Act"	means the Companies Act 2014 and every amendment or re-enactment of the same.
"Administrator"	means Capita Financial Administrators (Ireland) Limited or any successor appointed by the Company in accordance with the requirements of the Central Bank.
"Administration Agreement"	means the administration agreement made between the Company, the Manager and the Administrator dated 19 April 2013.
"Advisers Act"	means the US Investment Advisers Act of 1940, as amended.
"Application Form"	means any application form to be completed by subscribers for Shares as prescribed by the Company from time to time.
"Articles"	means the Memorandum and Articles of Association of the Company as amended from time to time in accordance with the requirements of the Central Bank.
"Auditors"	means KPMG, or other such auditor duly appointed in succession thereto.
"Base Currency"	means the currency of account of a Fund as specified in the relevant Supplement relating to that Fund.

"Benefit Plan Investor"	means a "benefit plan investor" as defined in Section 3(42) of ERISA and any regulations promulgated by the US Department of Labor thereunder, being "employee benefit plans" as defined in Section 3(3) of ERISA that are subject to Title I of ERISA, "plans" that are subject to the prohibited transaction provisions of Section 4975 of the Internal Revenue Code, and entities the assets of which are treated as "plan assets" under Section 3(42) of ERISA and any regulations promulgated thereunder.
"Business Day"	means in relation to a Fund such day or days as shall be so specified in the relevant Supplement for that Fund.
"Central Bank"	means the Central Bank of Ireland.
Central Bank Regulations	Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 and Central Bank guidance as may be amended or replaced or issued from time to time;
"CFTC"	means the US Commodity Futures Trading Commission.
"Class"	means a particular division of Shares in a Fund.
"Company"	means Morant Wright Funds (Ireland) plc
"Company Act"	means the US Investment Company Act of 1940, as amended.
"Country Supplement"	means a supplement to this Prospectus specifying certain information pertaining to the offer of Shares of the Company or a Fund or Class in a particular jurisdiction or jurisdictions.
"Dealing Day"	means in relation to a Fund such day or days (being not less than one every fortnight) as shall be specified in the relevant Supplement for that Fund.
"Dealing Deadline"	means in relation to a Fund, such time on any Dealing Day as shall be specified in the relevant Supplement for the Fund.
"Depositary"	means BNY Mellon Trust Company (Ireland) Limited or any successor appointed by the Company in accordance with the requirements of the Central Bank.

"Depository Agreement"	means the Depository agreement made between the Company and the Depository dated 12 October 2016.
"Directors"	means the directors of the Company or any duly authorised committee or delegate thereof.
"EEA"	means the countries for the time being comprising the European Economic Area (being at the date of this Prospectus, European Union Member States, Norway, Iceland and Liechtenstein).
"ERISA"	means the US Employee Retirement Income Security Act of 1974, as amended.
"Exempt Irish Investor"	means "Exempt Irish Investor" as defined in the Section entitled "TAXATION".
"FCA"	means the Financial Conduct Authority of the United Kingdom.
"Fund"	means a sub-fund of the Company which is established by the Directors from time to time with the prior approval of the Central Bank the assets of which are invested in accordance with the investment objective and policies applicable to such sub-fund.
"Initial Price"	means the initial price payable for a Share as specified in the relevant Supplement for each Fund.
"Intermediary"	means "Intermediary" as defined in the section entitled "TAXATION".
"Internal Revenue Code"	means the US Internal Revenue Code of 1986, as amended.
"Investment Manager"	means Morant Wright Management Limited or any successor appointed by the Company in accordance with the requirements of the Central Bank.
"Investment Management Agreement"	means the investment management agreement made between the Company, the Manager and the Investment Manager dated 19 April, 2013.
"Ireland"	means the Republic of Ireland.

"Irish Resident"	means "Irish Resident" as defined in the section entitled "TAXATION".
"Manager"	means Capita Financial Managers (Ireland) Limited or any successor appointed by the Company in accordance with the requirements of the Central Bank.
"Management Agreement"	means the management agreement made between the Company and the Manager dated 19 April, 2013.
"Member"	means a Shareholder or a person who is registered as the holder of one or more non-participating shares in the Company.
"Member State"	means a member state of the European Union.
"Minimum Holding"	means the minimum number or value of Shares which must be held by Shareholders as specified in the relevant Supplement.
"Minimum Subscription"	means the minimum subscription for Shares as specified in the relevant Supplement.
"Money Market Instruments"	means instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time.
"Net Asset Value"	means the Net Asset Value of a Fund or attributable to a Class (as appropriate) calculated as referred to herein.
"OECD Member Country"	means a state which is a member of the Organisation for Economic Co-operation and Development, being at the date of this Prospectus each of Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and the United States.
"Net Asset Value per Share"	means the Net Asset Value of a Fund determined as at the Valuation Point on or with respect to the relevant Dealing Day divided by the number of Shares in issue or deemed to be in issue in that Fund or the Net Asset Value attributable to a Class divided by the number of Shares

issued or deemed to be issued in that Class rounded to such number of decimal places as the Directors may determine.

"Ordinarily Resident in Ireland"	means "Ordinarily Resident in Ireland" as defined in the section entitled "TAXATION".
"Paying Agent"	means one or more paying agents appointed by the Company in accordance with the requirements of the Central Bank.
"Paying Agency Agreement"	means one or more Paying Agency Agreements made between the Company and one or more Paying Agents.
"Prospectus"	the prospectus of the Company and any Supplements and addenda thereto issued in accordance with the requirements of the UCITS Regulations.
"Promoter"	Morant Wright Management Limited.
"Recognised Clearing System"	means "Recognised Clearing System" as defined in the section entitled "TAXATION".
"Recognised Exchange"	means the stock exchanges or markets set out in Appendix III.
"Relevant Declaration"	means "Relevant Declaration" as defined in the section entitled "TAXATION".
"Relevant Period"	means "Relevant Period" as defined in the section entitled "TAXATION".
"SEC"	means the US Securities and Exchange Commission.
"Securities Act"	means the US Securities Act of 1933, as amended.
"Settlement Date"	in respect of receipt of monies for payment of subscriptions or payment of monies for repurchase of shares, the date specified in the relevant Supplement.
"Share"	means a participating share or, save as otherwise provided in this Prospectus, a fraction of a participating share in the capital of the Company designated in one or more Funds or Classes.

"Shareholder"

means a person who is registered as the holder of Shares in the register of Shareholders for the time being kept by or on behalf of the Company.

" Specified US Person "

means (i) a US citizen or resident individual, (ii) a partnership or corporation organized in the United States or under the laws of the United States or any State thereof (iii) a trust if (a) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (b) one or more US persons have the authority to control all substantial decisions of the trust, or (iv) an estate of a decedent that is a citizen or resident of the United States excluding (1) a corporation the stock of which is regularly traded on one or more established securities markets; (2) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i); (3) the United States or any wholly owned agency or instrumentality thereof; (4) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (5) any organization exempt from taxation under section 501(a) or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code; (6) any bank as defined in section 581 of the U.S. Internal Revenue Code; (7) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code; (8) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the Securities Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (9) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code; (10) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code; (11) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; or (12) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code. This definition shall be interpreted in accordance with the US Internal Revenue Code.

"Supplement"	means a supplement to this Prospectus specifying certain information in respect of a Fund and/or one or more Classes.
"Taxes Act"	means "Taxes Act" as defined in the section entitled "TAXATION".
"UCITS"	means an undertaking for collective investment in transferable securities, the sole object of which is the collective investment in transferable securities and/or other liquid financial assets referred to in Regulation 68 of the UCITS Regulations of capital raised from the public and which operates on the principle of risk spreading.
"UCITS Directive"	Directive 2009/65/EEC of the European Parliament and of the Council, as amended, consolidated or substituted from time to time.
"UCITS Regulations"	means the European Communities Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) (as amended consolidated or substituted from time to time) and any regulations or notices issued by the Central Bank pursuant thereto for the time being in force.
"UK"	means the United Kingdom of Great Britain and Northern Ireland.
"Umbrella Cash Accounts"	means (a) a cash account designated in a particular currency opened in the name of the Company on behalf of all Funds into which (i) subscription monies received from investors who have subscribed for Shares are deposited and held until Shares are issued as of the relevant settlement; or (ii) redemption monies due to investors who have redeemed Shares are deposited and held until paid to the relevant investors; or (iii) dividend payments owing to Shareholders are deposited and held until paid to such Shareholders.
"United States"	means the United States of America (including the States and the District of Columbia) its territories, possessions and all other areas subject to its jurisdiction.
"US Person"	means a person or entity described in one or more of the following:

- (1) with respect to any person, any individual or entity that would be a "US person" under Regulation S of the Securities Act;
- (2) with respect to individuals, any US citizen or "resident alien" within the meaning of US income tax laws as in effect from time to time; or
- (3) with respect to persons other than individuals:
  - (i) a corporation or partnership created or organised in the United States or under the laws of the United States or any state; (ii) a trust where (a) a US court is able to exercise primary supervision over the administration of the trust and (b) one or more US persons have the authority to control all substantial decisions of the trust; and (iii) an estate which is subject to US tax on its worldwide income from all sources.

"Valuation Point"

means such time as shall be specified in the relevant Supplement for each Fund by reference to which the Net Asset Value shall be calculated on or such other time as the Directors may determine and notify Shareholders provided that the Valuation Point shall not be prior to the Dealing Deadline. Shareholders will be notified in advance of any change of Valuation Point.

"VAT"

means Value Added Tax as defined in the Value Added Tax Consolidation Act 2010 as amended and updated from time to time.

In this Prospectus, all references to € or Euro are to the lawful unit of single currency in certain member states of the European Union; all references to "Pound Sterling", "Sterling" or "£" are to the lawful currency of the United Kingdom; all references to "Swiss Franc", or "CHF" are to the lawful currency of Switzerland; all references to "Japanese Yen" or "¥" are to the lawful currency of Japan and all references to "US Dollar" or "US\$" are to the lawful currency of the United States.

## 1. THE COMPANY

### General

The Company is an open-ended investment company with variable capital, incorporated in Ireland on 23 January, 2013 under the Act with registration number 522834. The Company has been authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations.

The Company is structured as an umbrella fund consisting of different Funds each comprising one or more Classes. The Shares issued in each Fund will rank *pari passu* with each other in all respects provided that they may differ as to certain matters including currency of denomination, hedging strategies if any applied to the currency of a particular Class, dividend policy, the level of fees and expenses to be charged, subscription or redemption procedures or the Minimum Subscription and Minimum Holding applicable. The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund. A separate portfolio of assets is not maintained for each Class. The investment objective and policies and other details in relation to each Fund are set out in the relevant Supplement which forms part of and should be read in conjunction with this Prospectus.

The Base Currency of each Fund is specified in the relevant Supplement. Any conversion from the designated currency of a particular Class to the Base Currency of the relevant Fund upon subscription, redemption, conversion or payment of distribution or otherwise, shall take place at the prevailing exchange rates as quoted by the Administrator. The value of any shares expressed in the designated currency of a particular Class will be subject to exchange rate risk in relation to the Base Currency. At the date of this Prospectus the Company has established the Funds and Classes with the respective currencies listed in the relevant Supplement. Additional Funds in respect of which a Supplement or Supplements will be issued may be established by the Directors with the prior approval of the Central Bank. Additional Classes in respect of which a Supplement or Supplements will be issued may be established by the Directors and notified to and cleared in advance with the Central Bank or otherwise must be created in accordance with the requirements of the Central Bank.

The proceeds from the issue of Shares in a Fund shall be applied in the records and accounts of the Company for that Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to that Fund subject to the provisions of the Articles. The assets of a Fund will be invested separately in accordance with the investment objective and policies of that Fund as set out in the relevant supplement. A separate pool of assets is not maintained by a Class of Shares.

Each Fund will be treated as bearing its own liabilities. The Company is not liable as a whole to third parties, provided however, that if circumstances exist in which an asset or liability cannot be considered as attributable to a particular Fund, such assets or liability shall be allocated between all Funds pro-rata to their Net Asset Value at the time of allocation.

The assets and liabilities of the Company shall be allocated to each Fund in the following manner:

- (i) for each Fund, the Company shall keep separate books and records in which all transactions relating to the relevant Fund shall be recorded and, in particular, the proceeds from the issue of Shares in each Fund shall be applied in the books of the Company to that relevant Fund, and the

assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions below;

- (iii) where the Company incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset of a particular Fund, such liability shall be allocated to the relevant Fund;
- (iv) in the case where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, the Directors shall have the discretion to determine the basis upon which such asset or liability shall be allocated between the Funds and from time to time subject to the approval of the Depositary to vary such allocations save where the asset or liability is allocated between all Funds pro-rata to their Net Asset Value at the time of allocation; and
- (e) where hedging strategies are used in relation to a Fund or Class, the financial instruments used to implement such strategies shall be deemed to be assets or liabilities (as the case may be) of the relevant Fund as a whole but the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class.

Provided always that the liabilities of or attributable to a Fund shall be discharged solely out of the assets of that Fund and the assets of or attributable to a Fund shall not be applied in satisfaction of any liability incurred on behalf of or attributable to any other Fund and that all liabilities shall (in the event of a winding up of the Company or a repurchase of all of the Shares of the Fund) be binding on the relevant Fund to which they are attributable.

The Company has been established as an umbrella company with segregated liability between Funds. As a result, neither the Company nor any Director, receiver, examiner, liquidator or other person shall apply nor be obliged to apply, the assets of any one Fund in satisfaction of any liability incurred on behalf or attributable to any other Fund. In addition, although each Fund is not a separate legal person:- (i) the Company may sue and be sued in respect of a particular Fund and may exercise the same rights of set-off, if any, between the Funds as apply at law in respect of companies; (ii) the property of a Fund is subject to orders of the court as if the Fund were a separate legal person; and (iii) each Fund may be wound-up as if it were a separate legal person, provided always that the appointment of a liquidator and the powers, rights, duties and responsibilities of the liquidator shall be confined to the Fund which is being wound-up.

### **Investment Objective and Policies**

The specific investment objective and policies of each Fund will be set out in the relevant Supplement to this Prospectus and will be formulated by the Directors at the time of creation of the relevant Fund. There can be no assurance that a Fund will achieve its investment objective.

The investment return to Shareholders of a particular Fund is related to the Net Asset Value of that Fund which in turn is primarily determined by the performance of the portfolio of assets held by that Fund.

The investment objective of a Fund may not be altered and material changes in the investment policy of a Fund may not be made without the prior written approval of all Shareholders or without the approval of Shareholders on the basis of a majority of votes cast at a meeting of the Shareholders of the particular Fund duly convened and held. In the event of a change of the investment objective and/or a material

change of investment policy of a Fund, on the basis of a majority of votes cast at a general meeting, Shareholders in the relevant Fund will be given reasonable notice of such change to enable them redeem their Shares prior to implementation of such a change. In accordance with the requirements of the Central Bank, material changes to the content of the Prospectus and non-material amendments to the investment policy of a Fund shall be notified to Shareholders in the next set of periodic accounts.

Notwithstanding anything else in this Prospectus, neither the Manager nor the Investment Manager shall solely or mechanistically rely on credit ratings in determining the credit quality of an issuer or counterparty.

The list of Recognised Exchanges on which a Fund's investments in securities and financial derivative instruments, other than permitted investments in unlisted securities and over the counter derivative instruments, will be listed or traded is set out in Appendix III.

### **Profile of a Typical Investor**

The profile of a typical investor for each Fund shall be set out in the Supplement for the relevant Fund.

### **Derivative Instruments**

The Company, on behalf of any of its Funds, may invest in financial derivative instruments for the purposes of efficient portfolio management and for investment purposes (as separately outlined in the relevant Supplement) in each case under and in accordance with conditions or requirements imposed by the Central Bank. The financial derivative instruments in which the Company, on behalf of any of its Funds, may invest and the expected effect of investment in such financial derivative instruments on the risk profile of a Fund are disclosed in the relevant Supplement. The purpose of any such investment will be disclosed in the Supplement for the relevant Fund. If other financial derivative instruments may be invested in for a particular Fund, such instruments and their expected effect on the risk profile of such Fund and the extent to which a Fund will be leveraged through the use of financial derivative instruments will be disclosed in the relevant Supplement.

For the purpose of providing margin or collateral in respect of transactions in financial derivative instruments, the Depositary may, on the instructions of the Investment Manager, transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Fund.

### **Efficient Portfolio Management**

Where specified in the relevant Supplement, the Investment Manager may, on behalf of a Fund, engage in techniques and instruments relating to transferable securities and money market instruments for efficient portfolio management purposes subject to the conditions and limits set out in the Central Bank Regulations.

Efficient portfolio management transactions relating to the assets of the Fund may be entered into by the Investment Manager with one or more of the following aims (a) a reduction of risk (including currency exposure risk); (b) a reduction of cost; and (c) generation of additional capital or income for a Fund with a level of risk consistent with the risk profile of a Fund and the risk diversification requirements in accordance with the Central Bank Regulations. In relation to efficient portfolio management operations,

the Investment Manager will look to ensure that the techniques and instruments used are economically appropriate in that they will be realised in a cost-effective way. The use of efficient portfolio management techniques will only be used in line with the best interests of a Fund. The use of efficient portfolio management techniques will not result in a change to the investment objective of a Fund as outlined herein.

Transaction costs may be incurred in respect of efficient portfolio management techniques in respect of a Fund. All revenues from efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the relevant Fund. Any direct and indirect operational costs/fees arising from efficient portfolio management techniques do not include hidden revenue and will be paid to such entities as outlined in the annual report of the Company.

### **Risk Management Process**

In accordance with the requirements of the Central Bank, the Investment Manager will employ a risk management process which will enable it to accurately measure, monitor and manage the risks attached to financial derivative positions and details of this risk management process is described in a statement, a copy of which has been provided to the Central Bank in accordance with its requirements. The Investment Manager 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 and cleared by the Central Bank. The Company will provide on request to Shareholders supplementary information relating to the risk management methods employed by the Investment Manager including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. Information on financial derivatives used for each Fund will be included in the Company's semi-annual and annual reports and accounts. The Company will also provide information to Shareholders on request on the risk management process employed by the Investment Manager on the Company's behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investments held on behalf of each Fund. The commitment approach will be used in calculating the global exposure of the Company or any of its Funds unless otherwise stated in the relevant Supplement.

### **Collateral Management Policy**

In accordance with the requirements of the Central Bank, the Directors, with the assistance from the Investment Manager, will also employ a collateral management policy for and on behalf of the Company and each Fund in respect of collateral received in respect of OTC financial derivative transactions whether used for investment or for efficient portfolio management purposes. Any collateral received by the Company for and on behalf of a Fund on a title transfer basis shall be held by the Depositary. For other types of collateral arrangements, the collateral may be held with a third party custodian which is subject to prudential supervision and which is unrelated to the collateral provider. Particulars of the collateral management policy to be employed in respect of a Fund shall be disclosed in the relevant Supplement.

Where necessary, a Fund will accept collateral from its counterparties in order to reduce counterparty risk exposure generated through the use of over the counter derivative instruments and efficient portfolio management techniques. Save as may be otherwise set out in the Supplement for the relevant Fund, a Fund may receive cash collateral, high quality government bonds, other government-backed securities of

varying maturity and equities to the extent deemed necessary by the relevant Investment Adviser in respect of over-the-counter derivative transactions for a Fund, provided however that such collateral and its re-use must comply with the requirements of the Central Bank and the conditions for the receipt of eligible collateral.

The level of collateral required to be posted may vary by counterparty with which a Fund trades and shall be in accordance with the requirements of the Central Bank. A documented haircut policy is in place for the Company detailing the policy in respect of each class of assets received and which takes into account the characteristics of the assets and the results of any stress tests conducted as required. The haircut policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by the Fund, taking into account the characteristics of the assets received as collateral such as the credit standing or the price volatility and the outcome of any liquidity stress testing policy. Any re-investment of cash collateral shall be diversified in accordance with the requirements of the Central Bank and the conditions for reinvesting collateral. Re-invested cash collateral exposes the Company to certain risks such as the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested.

### **Investment Restrictions**

Investment of the assets of each Fund must comply with the UCITS Regulations. The Directors may impose further restrictions in respect of any Fund. The investment and borrowing restrictions applying to the Company and each Fund are set out in Appendix I. Each Fund may also hold ancillary liquid assets.

### **Borrowing Powers**

The Company may only borrow on a temporary basis and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of each Fund. Subject to this limit the Directors may exercise all borrowing powers on behalf of the Company. In accordance with the provisions of the UCITS Regulations the Company may charge its assets as security for such borrowings.

The Directors shall ensure that, if borrowings of a Fund exceed the value of a back to back deposit, such excess shall be treated as borrowings for the purpose of Regulation 103 of the UCITS Regulations by a Fund.

### **Changes to Investment and Borrowing Restrictions**

It is intended that the Company shall have the power (subject to the prior approval, and in accordance with the requirements, of the Central Bank) to avail itself of any change in the investment and borrowing restrictions specified in the UCITS Regulations and/or the Central Bank UCITS Regulations which would permit investment by the Company in securities, derivative instruments or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited under the UCITS Regulations and/or the Central Bank UCITS Regulations.

### **Hedged Classes**

The Company may (but is not obliged to) enter into certain currency related transactions in order to hedge

the currency exposure of the assets of a Fund attributable to a particular Class into the currency of denomination of the relevant Class for the purposes of efficient portfolio management. The Company may also (but is not obliged) to enter into certain currency related transactions in order to hedge the currency exposure of a Fund where the Fund invests in assets denominated in currencies other than the Base Currency. In addition, a Class designated in a currency other than the Base Currency may be hedged against exchange rate fluctuation risks between the designated currency of the Class and the Base Currency. Any financial instruments used to implement such strategies with respect to one or more Classes shall be assets/liabilities of a Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Where a Class of Shares is to be hedged this will be disclosed in the Supplement for the Fund in which such Class is issued. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. Where the Company seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However over-hedged positions will not exceed 105% of the Net Asset Value of the relevant hedged Share Class and hedged positions will be kept under review to ensure that positions in excess of 100% of Net Asset Value will not be carried forward from month to month. To the extent that hedging is successful for a particular Class the performance of the Class is likely to move in line with the performance of the underlying assets with the result that investors in that Class will not gain if the Class currency falls against the Base Currency and/or the currency in which the assets of the particular Fund are denominated.

### **Dividend Policy**

Under the Articles, the Directors are entitled to pay such dividends on Shares issued in any Class or Fund in the Company at such times as they think fit and as appear to be justified out of (i) net investment income which consists of interest and dividends; (ii) realised profits on the disposal of investments less realised and unrealised losses (including fees and expenses) and; (iii) other funds as may be lawfully distributed from the relevant Fund.

The dividend policy for each Fund or Class will be set out in the relevant Supplement. Dividends which remain unclaimed for six years from the date on which they become payable will subject to Section 623 of the Act be forfeited. On forfeiture such dividends will become part of the assets of the Fund to which they relate.

The income or gains allocated to accumulation type Shares will neither be declared nor distributed but the Net Asset Value per Share of accumulation type Shares will be increased to take account of such income or gains.

Pending payment to the relevant Shareholder, distribution payments will be held in an account in the name of the Company (herein defined as an Umbrella Cash Account) and will be treated as an asset of the Fund until paid to that Shareholder and will not benefit from the application of any investor money protection rules (i.e. the distribution monies in such circumstance will not be held on trust for the relevant Shareholder). In such circumstance, the Shareholder will be an unsecured creditor of the relevant Fund with respect to the distribution amount held by the Company until paid to the Shareholder and the Shareholder entitled to such distribution amount will be an unsecured creditor of the Fund.

In the event of an insolvency of the Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full. Shareholders due dividend monies which are held in an Umbrella Cash Account will rank equally with all other unsecured creditors of the relevant Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the Shareholder may not recover all monies originally paid into an Umbrella Cash Account for onward transmission to that Shareholder.

Your attention is drawn to the section of the Prospectus entitled “Risk Factors” –“Operation of Umbrella Cash Accounts” above.

#### **Publication of Net Asset Value per Share**

The up to date Net Asset Value per Share will be published daily on Bloomberg and in the Financial Times and updated following each calculation of Net Asset Value. In addition, the Net Asset Value per Share may be obtained from the Administrator during normal business hours.

## 2. MANAGEMENT AND ADMINISTRATION

The Directors control the affairs of the Company and are responsible for the formulation of investment policy. The Directors have delegated certain of their duties to the Manager, the Administrator and the Investment Manager.

### **The Promoter**

The Promoter of the Company is Morant Wright Management Limited. The Promoter is a private limited company incorporated under the laws of England and Wales on 7<sup>th</sup> January, 1999 and is regulated by the FCA in the conduct of financial services and investment management activities.

### **Manager**

The Company has appointed Capita Financial Managers (Ireland) Limited as its manager pursuant to the Management Agreement. Under the terms of the Management Agreement, the Manager has responsibility for the management and administration of the Company's affairs and distribution of the Shares, subject to the overall supervision and control of the Directors. Pursuant to the provisions of the Management Agreement the Manager may delegate one or more of its functions subject to the overall supervision and control of the Company.

The Manager is a private limited company, incorporated in Ireland on 22 February, 2006 under registration number 415879 and is ultimately owned by Capita plc. The Manager is authorised and regulated by the Central Bank. The Manager currently acts as manager to a number of Irish Undertakings for Collective Investment in Transferable Securities (UCITS) and Alternative Investment Fund Manager (AIFM) to other collective investment schemes. As at 31 December 2015, Capita plc's funds under management and administration in collective investment schemes and managed accounts totaled approximately £65 billion. The Manager meets its capital adequacy requirements by means of retained reserves, a capital contribution and subordinated loan from its parent company, which is approved by the Central Bank. The Manager is not currently registered with the SEC as an investment adviser under the Advisers Act but may register in the future.

While the Company may trade commodity interests, the Manager, with respect to the Company, is exempt from registration with the CFTC as a commodity pool operator (a "CPO") pursuant to CFTC Rule 4.13(a)(3). Therefore, unlike a registered CPO, the Manager is not required to deliver a CFTC disclosure document to prospective Shareholders, nor is it required to provide Shareholders with certified annual reports that satisfy the requirements of CFTC rules applicable to registered CPOs.

The Manager qualifies for the exemption under CFTC Rule 4.13(a)(3) with respect to the Company on the basis that, among other things: (i) each Shareholder is a "qualified eligible person", as defined under Rule 4.7(a)(2) of the US Commodity Exchange Act, as amended, or an "accredited investor" as defined under SEC rules; (ii) the Shares are exempt from registration under the Securities Act and are offered and sold without marketing to the public in the United States, (iii) participations in the Company are not marketed as or in a vehicle for trading in the commodity futures or commodity options markets; and (iv) at all times that the Company establishes a commodity interest or securities futures position, either (a) the aggregate initial margin and premiums required to establish such positions will not exceed 5% of the liquidation value

of its portfolio; or (b) the aggregate net notional value of its commodity interest and security futures positions will not exceed 100% of the liquidation value of its portfolio.

The directors of the Manager and a summary of their details are set out below:

**Chris Addenbrooke** was technical director of BWD Rensburg (now Rensburg Sheppards) from 1987 to 2001 and formed Northern Registrars in 1988 and was appointed Managing Director in 1988. Northern Administration and Northern Registrars were acquired by Capita in February 2003. Following the acquisition, Chris was appointed CEO of Capita Registrars, one of the largest profit centres of Capita, until 2007 when he was appointed CEO of Capita Fund Solutions, formerly known as Capita Financial Group. Mr. Addenbrooke has managed the design, set-up and implementation of large scale IT administration systems. He has also been involved with CREST since its inception and is represented on a number of industry committees. He has over 25 years' experience in the Financial Services industry.

**Michael Greaney** is Financial Director of the Manager having joined the company in July 2006. Prior to this, Michael spent seven years with ABN Amro in various roles. He was seconded to ABN Dublin in 2005 to act as Deputy CFO, having previously headed up their Shared Services operation in Manchester. Prior to this, he worked in various senior roles in ABN's London operation. He has over twenty years' experience working in financial services having previously worked in West Landesbank and Lloyds TSB. He is also a Qualified ACA, having qualified while working for an audit firm in July '96.

**Raymond O'Neill** has worked in various roles since 1987 in the asset management industry. He currently acts as a non-executive director of several companies including regulated entities, investment funds, service providers and technology companies. His industry experience includes working for entrepreneurial start-ups and large global organisations, having held senior positions while working in London, Dublin, Boston and Bermuda. Raymond was previously CEO and founding member of Kinetic Partners, the boutique global professional services firm. He has also gained experience working for global fund administrators, custodians and a family office. Raymond is a fellow of the Chartered Association of Certified Accountants, a Chartered Financial Analyst and has a diploma from the Institute of Directors on Company Direction.

**Paul Nunan** is Managing Director of Capita Financial Managers (Ireland) Limited and Capita Financial Administrators (Ireland) Limited having joined Capita in March 2006. Prior to this, Mr. Nunan held senior positions in other fund administration companies and has over nineteen years' experience working in the funds industry. Mr. Nunan is a qualified accountant.

The Manager's company secretary is Capita Financial Administrators (Ireland) Limited.

## **Directors**

The Company shall be managed and its affairs supervised by the Directors all of whom are non-executive directors of the Company and whose details are set out below:-

### **Alasdair McKerrell (English)**

Mr. McKerrell is a Director of the Investment Manager and has over 30 years' experience in the financial

services industry. Before his appointment to Morant Wright Management Limited, Mr. McKerrell spent 19 years with Cazenove & Co (latterly JP Morgan Cazenove) where he was a partner and Global Head of Compliance.

In his earlier career, Mr. McKerrell worked in the UK Civil Service. He holds an MA from Fitzwilliam College, Cambridge and a PHD from the University of Bristol. Mr. McKerrell also holds the Securities Industry Diploma.

#### **Johnny N.C. McClintock (Irish)**

Mr. McClintock has over 25 years financial services experience in the United Kingdom, Middle East and Ireland and has held a number of senior positions in investment management firms. He worked for Thornton Management, a south-east Asian investment specialist, from 1987 to 1989. In 1989, he joined Mercury Investment Services Limited in London and where in 1990 he was appointed as Senior Manager and later as a Director in 1992. Mr. McClintock established an office in Bahrain and was Director and Chief Representative in the Middle East for Mercury Asset Management plc from 1994 to 1998. For the period 1998 to 2001, he was a Director and Chief Representative in the Middle East for Merrill Lynch Investment Managers Limited (formerly Mercury Asset Management plc) and was then appointed as Director responsible for Business Development with UK & Irish institutions in 2001. From 2002 to 2007, Mr. McClintock was a Director and Member of the executive committee for Taylor Young Investment Management Limited.

Since 2008, Mr. McClintock has acted as an independent non-executive director of several investment and alternative investment companies based in Ireland

#### **Ms. Éilish Finan (Irish)**

Ms. Finan is a Chartered Director and a Chartered Accountant focused on the Financial Sector. She serves as a Non Executive Director on a number of Boards including: JP Morgan Bank Ireland Plc, New Ireland Assurance Company & MetLife Europe Ltd. Éilish served a 4 year term as a Board member of the National Asset Management Agency (NAMA) from 2009-2013.

Ms. Finan has over 26 years' experience in the Financial Services industry including 17 years with AIG as Executive Director & CFO with global responsibility in Asset Management & Investment Administration, Property Management, Trustee & Custodial Services.

In her earlier career, Ms. Finan worked with KPMG as a Chartered Accountant. Ms. Finan is a fellow of Chartered Accountants Ireland and carries an Electronic Engineering Degree & a BA in Mathematics from Trinity College Dublin. She holds a Diploma in Corporate Governance from the UCD Smurfit Business School and a Diploma in Board Directorship from the UK Institute of Directors. She carries the designation of Certified Bank Director awarded by the Institute of Banking in Ireland.

Pursuant to the Articles of Association, each of the Directors shall be indemnified by the Company against losses and expenses to which any such person may become liable by reason of any contract entered into or any act or thing done by him as such office in the discharge of his duties provided that, as permitted by the Companies Act 2014 such indemnity shall not extend to any of the foregoing sustained or incurred as

a result of any negligence, fraud, wilful default, breach of duty or breach of trust by him or her in relation to the Company and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the Shareholders over all other claims.

The Company acting through the Directors is empowered under the Articles to purchase and maintain for the benefit of persons who are or were at any time Directors or officers of the Company insurance against any liability incurred by such persons in respect of any act or omission in the execution of their duties or exercise of their powers.

### **Investment Manager**

The Manager has appointed Morant Wright Management Limited as investment manager with discretionary powers pursuant to the Investment Management Agreement. Under the terms of the Investment Management Agreement, the Investment Manager is responsible, subject to the overall supervision and control of the Directors, for managing the assets and investments of the Company in accordance with the investment objective and policies of each Fund. The Company shall not be liable for any actions, costs, charges, losses, damages or expenses arising as a result of the acts or omissions of the Investment Manager or for its own acts or omissions in following the advice or recommendations of the Investment Manager. The Investment Manager is also the promoter of the Company. Under the terms of the Investment Management Agreement the Investment Manager has been appointed by the Manager to act as distributor of the Shares of the Company. No distribution or sub-distribution fees will be charged unless otherwise stated in the relevant Supplement.

The Investment Manager is a private limited company incorporated under the laws of England and Wales on 3<sup>rd</sup> February 1999 and is regulated by the FCA in the conduct of financial services and investment management activities. The Investment Manager is also authorised by the Central Bank to act as discretionary investment manager to Irish authorised collective investment schemes

The Investment Manager is currently registered with the SEC as an investment adviser under the Advisers Act. Additional information about the Investment Manager is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

The Investment Manager is exempt from registration with the CFTC as a commodity trading advisor.

As at 30 April 2016, the Investment Manager had assets under management of approximately \$3.8 Billion.

### **Administrator**

The Manager has appointed Capita Financial Administrators (Ireland) Limited as administrator of the Company pursuant to the Administration Agreement with responsibility for the day to day administration of the Company's affairs. The responsibilities of the Administrator include share registration and transfer agency services, valuation of the Company's assets and calculation of the Net Asset Value per Share and the preparation of the Company's semi-annual and annual reports. The Administrator's principal business is the provision of fund administration, accounting, registration, transfer agency and related shareholder services to collective investment schemes and investment funds.

The Administrator is a limited liability company incorporated in Ireland on 22 February, 2006 and is ultimately owned by Capita plc. As at 31 December, 2015, Capita plc's funds under management and administration in collective investment schemes and managed accounts totalled approximately £65 billion.

## **Depository**

The Company has appointed BNY Mellon Trust Company (Ireland) Limited as Depository of all of its assets pursuant to the Depository Agreement.

The Depository is a private limited liability company incorporated in Ireland on 13<sup>th</sup> October 1994. The principal activity of the Depository is to act as the depository and trustee of the assets of collective investment schemes. The Depository is authorised by the Central Bank under the Investment Intermediaries Act, 1995 (as amended).

The Depository is a wholly-owned indirect subsidiary of The Bank of New York Mellon Corporation. The Bank of New York Mellon Corporation is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. The Bank of New York Mellon Corporation is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. As at 30 September 2015, it had US\$28.5 trillion in assets under custody and administration and US\$1.6 trillion in assets under management.

The duty of the Depository is to provide safekeeping, oversight and asset verification services in respect of the assets of the Company and each Fund in accordance with the provisions of the UCITS Regulations. Up-to-date information regarding the details and duties of the Depository, will be made available to investors on request.

The Depository will be obliged, inter alia, to ensure that the sale, issue, repurchase and cancellation of Shares in the Company is carried out in accordance with the UCITS Regulations and the Articles. The Depository will carry out the instructions of the Company, unless they conflict with the UCITS Regulations or the Articles. The Depository is also obliged to enquire into the conduct of the Company in each financial year and report thereon to Shareholders.

Pursuant to the Depository Agreement, the Depository will be liable for loss of financial instruments held in custody or in the custody of any sub-custodian, unless it can prove that loss has arisen as a result of an external event beyond its control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depository shall also be liable for all other losses suffered as a result of the Depository's negligent or intentional failure to fulfil its obligations under the UCITS Regulations.

Under the Depository Agreement, the Depository has power to delegate the whole or any part of its depository functions, however, its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depository has delegated its safe-keeping duties in respect of financial instruments in custody to The Bank of New York Mellon SA/NV and/or The Bank of

New York Mellon. The list of sub-delegates appointed by The Bank of New York Mellon SA/NV or The Bank of New York Mellon is set out in Appendix VI hereto. The use of particular sub-delegates will depend on the markets in which the Company invests.

Potential conflicts of interest affecting the Depositary and its delegates may arise from time to time, including, without limitation, where the Depositary or a delegate has an interest in the outcome of a service or an activity provided to the Company or a transaction carried out on behalf of the Company, which is distinct from the Company's interest, or where the Depositary or a delegate has an interest in the outcome of a service or activity provided to another client or group of clients which is in conflict with the Company's interests. From time to time conflicts may also arise between the Depositary and its delegates or affiliates, such as where an appointed delegate is an affiliated group company and is providing a product or service to the Company and has a financial or business interest in such product or service. The Depositary maintains a conflict of interest policy to address such conflicts.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the Company, applicable law, and its conflicts of interest policy. Up-to-date information regarding the duties of the Depositary, any conflicts of interest that may arise and the Depositary's delegation arrangements will be made available to investors by the Company on request.

### **Company Secretary**

The Company secretary of the Company is Tudor Trust Limited.

### **Paying Agents/Representatives**

Local laws/regulations in EEA Member States may require the appointment of paying agents/representatives/distributors/correspondent banks ("Paying Agents") and maintenance of accounts by such Paying Agents through which subscription and redemption monies or dividends may be paid. Subscription monies from subscribers for Shares in the Company are ordinarily paid to the Administrator and redemption monies are paid out by the Administrator. Redemption payments will only be made to the account of record of a Shareholder. The Depositary continues to liaise with the Company and the Administrator regardless of whether or not Paying Agent has been appointed. Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to the Depositary (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Depositary for the account of the Company or the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder. Fees and expenses payable to a Paying Agent appointed by the Manager on behalf of the Company or a Fund, which will be at normal commercial rates, will be borne by the Company or the Fund in respect of which a Paying Agent has been appointed. All Shareholders of the Company or the Fund on whose behalf a Paying Agent is appointed may avail of the services provided by Paying Agents appointed by or on behalf of the Company.

### **Conflicts of Interest**

The Directors, the Manager, the Investment Manager, the Administrator and the Depositary and their respective affiliates, officers, directors and shareholders, employees and agents (collectively the "Parties")

are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the Company and/or their respective roles with respect to the Company. These activities may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Company may invest. In particular, the Investment Manager may advise or manage other investment funds and other collective investment schemes in which a Fund may invest or which have similar or overlapping investment objectives to or with the Company or its Funds.

Each of the Parties will use its reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly.

There is no prohibition on transactions with the Company by the Manager, the Investment Manager, the Administrator, the Depositary or other entities related to each of the Manager, the Investment Manager, the Administrator, the Depositary including, without limitation, holding, disposing or otherwise dealing with Shares issued by or property of the Company and none of them shall have any obligation to account to the Company for any profits or benefits made by or derived from or in connection with any such transaction provided that such transactions are in the best interests of Shareholders and dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis and

- (a) the value of the transaction is certified by a person who has been approved by the Depositary as being independent and competent (or a person who has been approved by the Manager as being independent and competent in the case of transactions involving the Depositary); or
- (b) the relevant transaction is executed on best terms on an organised investment exchange or other regulated market in accordance with the rules of such exchange or market; or
- (c) where the conditions set out in (a) and (b) above are not practical, the relevant transaction is executed on terms which the Depositary is (or in the case of a transaction involving the Depositary, the Directors are) satisfied conform with normal commercial terms negotiated at arm's length and in the best interests of Shareholders.

The Depositary (or the Manager in the case of transactions involving the Depositary) must document how it has complied with the provisions of paragraph (a), (b) or (c) above. Where transactions are conducted in accordance with (c) above, the Depositary (or the Manager in the case of transactions involving the Depositary) in the case of transactions involving the Depositary must document their rationale for being satisfied that the transaction conformed to the principles outlined above.

The Investment Manager or any of its affiliates or any person connected with the Investment Manager may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by a Fund. Neither the Investment Manager nor any of its affiliates nor any person connected with the Investment Manager is under any obligation to offer investment opportunities of which any of them becomes aware to the Fund or to account to the Fund in

respect of (or share with the Fund or inform the Fund of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the Fund and other clients.

Details of interests of the Directors are set out in the Section of the Prospectus entitled "GENERAL INFORMATION".

### **Commission Rebates and Fee Sharing**

Where the Company or Investment Manager, or any of their delegates, successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities, financial derivative instruments or techniques and instruments for the Company or a Fund, the rebated commission shall be paid to the Company or the relevant Fund as the case may be. However, the Investment Manager may be paid/reimbursed out of the assets of the Company for fees charged by the Investment Manager and reasonable properly vouched costs and expenses directly incurred by the Investment Manager in this regard. Full details of the amount paid under these arrangements will be disclosed in the Company's annual accounts.

The Investment Manager may from time to time at its sole discretion and out of its own resources decide to give rebates to some or all Shareholders or their agents or intermediaries of part of or all of the Investment Manager fee and/or performance fee. The Investment Manager also reserves the right to waive all of the Investment Manager fee, performance fee, sales charge and conversion fee.

### **3. FEES AND EXPENSES**

#### **Establishment Expenses**

All fees and expenses relating to the establishment and organisation of the Company and the first Fund including the fees of the Company's professional advisers will be borne by Company. Such fees and expenses are estimated to amount to €50,000 plus VAT which may, at the discretion of the Directors, be amortised over a period of up to five years. The fees and expenses relating to the establishment of any additional Funds will be set out in the relevant Supplement.

#### **Operating Expenses and Fees**

The Company will pay all its operating expenses and the fees hereinafter described as being payable by the Company. Expenses paid by the Company throughout the duration of the Company, in addition to fees and expenses payable to the Manager, Administrator, the Depositary, the Investment Manager and the Paying Agent appointed by or on behalf of the Company include but are not limited to brokerage and banking commissions and charges, legal and other professional advisory fees, company secretarial fees, Companies Registration Office filings and statutory fees, regulatory fees, auditing fees, translation and accounting expenses, interest on borrowings, taxes and governmental expenses applicable to the Company costs of preparation, translation, printing and distribution of reports and notices, all marketing material and advertisements and periodic update of the Prospectus, stock exchange listing fees, all expenses in connection with registration, listing and distribution of the Company and Shares issued or to be issued, all expenses in connection with obtaining and maintaining a credit rating for any Funds or Classes or Shares, expenses of Shareholders meetings, Directors' insurance premia, expenses of the publication and distribution of the Net Asset Value, clerical costs of issue or redemption of Shares, postage, telephone, facsimile and telex expenses and any other expenses in each case together with any applicable value added tax. Any such expenses may be deferred and amortised by the Company at the discretion of the Directors provided it is permissible to do so in accordance with standard accounting practice. An estimated accrual for operating expenses of the Company will be provided for in the calculation of the Net Asset Value of each Fund. Operating expenses and the fees and expenses of service providers which are payable by the Company shall be borne by all Funds in proportion to the Net Asset Value of the relevant Fund or attributable to the relevant Class provided that fees and expenses directly or indirectly attributable to a particular Fund or Class shall be borne solely by the relevant Fund or Class.

#### **Fees of the Manager**

The annual fees payable to the Manager will be as set out in the relevant Supplement. Each Fund shall bear the reasonably incurred and properly vouched out of pocket expenses of the Manager.

#### **Fees of the Administrator and the Depositary**

The Company shall pay to the Administrator and the Depositary such fees and expenses as shall be disclosed in the relevant Supplement. The Administrator and Depositary shall be entitled to be repaid all of their reasonable out-of-pocket expenses out of the assets of the Company, including legal fees, couriers' fees and telecommunication costs and expenses, transaction charges and the fees, transaction charges

and expenses of any sub-custodian appointed by the Depositary which shall be at normal commercial rates together with VAT, if any, thereon.

### **Investment Manager's Fees**

Details of the fees and expenses payable to the Investment Manager in respect of each Fund will be disclosed in the relevant Supplement. The Investment Manager may waive or reduce the annual management fees charged to certain Shareholders at its discretion. Any such waiver shall be effected by way of a rebate to the relevant Shareholder's account.

### **Paying Agents Fees**

Fees and expenses of Paying Agents appointed by the Company or a Fund which will be at normal commercial rates together with VAT, if any, thereon will be borne by the Company or the Fund in respect of which a Paying Agent has been appointed.

### **Preliminary Charge**

The Company may in its discretion charge a preliminary charge of up to 5 % of the value of the Shares being acquired. Any preliminary charge will be payable to the Company or as it may direct. Details of the preliminary charge, if any, will be specified in the relevant Supplement.

### **Conversion Fee**

The Company may in its discretion charge a fee on the conversion of Shares in any Fund or in any Class to Shares in another Fund or Class up to a maximum of 3% of the Net Asset Value of Shares in the new Fund or Class as outlined under the heading "Conversion of Shares". The Directors do not currently intend to charge any conversion fee and will give one month's notice to Shareholders of any intention to charge such a fee. Where such a fee is to be charged details of the conversion fee will be specified in the Supplement.

### **Anti-Dilution Levy/Duties and Charges**

The Company reserves the right to impose "an anti-dilution levy" representing a provision for market spreads (the difference between the prices at which assets are valued and/or bought or sold), duties and charges and other dealing costs relating to the acquisition or disposal of assets and to preserve the value of the Fund, in the event of receipt for processing of net subscription or net redemption requests including subscriptions and/or redemptions which would be effected as a result of requests for conversion from one Fund into another Fund. Any such provision 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.

### **Directors' Fees**

The Articles of Association authorise the Directors to charge a fee for their services at a rate determined by the Directors up to a maximum fee per Director of €25,000 per annum and may be entitled to special remuneration if called upon to perform any special or extra services to the Company. All Directors will be entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties. Mr. McKerrell has agreed to waive his fee for acting as Director.

### **Allocation of Fees and Expenses**

All fees, expenses, duties and charges will be charged to the relevant Fund and within such Fund to the Classes in respect of which they were incurred. In circumstances in which a liability cannot be considered as attributable to a particular Fund, such liability shall be allocated between all Funds pro-rata to their Net Asset Value at the time of allocation. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees or expenses on an estimated figure for yearly or other periods in advance and accrue them in equal proportions over any period.

### **Financial Statements**

The Administrator is entitled to receive a fee of €7,500 for the preparation of each set of financial statements of the Company and the first Fund. The Administrator will be entitled to an additional fee of €2,000 per set for each Fund established thereafter.

### **Remuneration Policy of the Manager**

The Manager has designed and implements a remuneration policy which is consistent with and promotes sound and effective risk management by having a business model which by its nature does not promote excessive risk taking that is inconsistent with the risk profile or the Articles of Association of the Company nor impair compliance with the Manager's duty to act in the best interests of the Company. The Manager's remuneration policy is consistent with the business strategy, objectives, values and interests of the Manager, the Company and the Shareholders of the Company and includes measures to avoid conflicts of interest.

The Manager's remuneration policy applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls into the remuneration bracket of senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or the Company.

In line with the provisions of the UCITS Directive as may be amended from time to time, the Manager applies its remuneration policy and practices in a way and to the extent that is proportionate to its size, its internal organisation and the nature, scope and complexity of its activities.

Where the Manager delegates investment management functions in respect of the Company or any Fund, it will ensure that any such delegates so appointed by it apply in a proportionate manner the remuneration rules as detailed in the UCITS Directive as amended or, alternatively, are subject to equally effective remuneration policies under their home authorisation.

Details of the remuneration policy of the Manager including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, will be available at <http://www.capitaassetservices.ie/services/fund-solutions.cshtml> and a paper copy will be made available free of charge upon request.

### **Miscellaneous**

When a Fund, as part of its investment policy, invests in units of other collective investment schemes that are managed, directly or indirectly or by delegation, by any company with which the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding (which for this purpose would be more than 10% of the voting rights or share capital) that other company may not charge management, subscription or conversion fees on the account of the Fund's investment in the units of such other collective investment scheme.

## 4. THE SHARES

### General

Shares may be issued on any Dealing Day. Shares issued in a Fund or Class will be in registered form and denominated in the Base Currency specified in the relevant Supplement for the relevant Fund or a currency attributable to the particular Class. Shares will have no par value and will first be issued on the first Dealing Day after expiry of the initial offer period specified in the relevant Supplement at the Initial Price as specified in the relevant Supplement. Thereafter Shares shall be issued at the Net Asset Value per Share. Title to Shares will be evidenced by the entering of the investor's name on the Company's register of Shareholders and no certificates will be issued. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions where applicable from the relevant Shareholder.

The Directors may decline to accept any application for Shares without giving any reason and may restrict the ownership of Shares by any person, firm or corporation in certain circumstances including where such ownership would be in breach of any regulatory or legal requirement or might affect the tax status of the Company or might result in the Company suffering certain disadvantages which it might not otherwise suffer. Any restrictions applicable to a particular Fund or Class shall be specified in the relevant Supplement for such Fund or Class. Any person who holds Shares in contravention of restrictions imposed by the Directors or, by virtue of his holding, is in breach of the laws and regulations of any applicable jurisdiction or whose holding could, in the opinion of the Directors, cause the Company to incur any liability to taxation or to suffer any pecuniary disadvantage which it or the Shareholders or any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the Company, the Manager, the Investment Manager, the Depositary, the Administrator and Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the Company.

The Directors have power under the Articles to compulsorily redeem and/or cancel any Shares held or beneficially owned in contravention of any restrictions imposed by them or in breach of any law or regulation.

### Eligible Investor

While Shares will generally not be issued or transferred to any US Person, the Directors may authorise the purchase by or transfer to a US Person provided that:

- i. such US Person certifies that it is (i) an "accredited investor", as defined in Regulation D promulgated under the Securities Act and (ii) a "qualified purchaser", as defined in Section 2(a)(51) of the Company Act or a "knowledgeable employee", as defined under Rule 3c-5 of the Company Act;
- ii. such issue or transfer does not result in a violation of the Securities Act or the securities laws of any of the states of the United States;
- iii. such issue or transfer will not require the Company to register under the Company Act or to file a prospectus with the CFTC under the US Commodity Exchange Act, as amended;
- iv. such issue or transfer will not cause any assets of the Company or a Fund to be treated as "plan assets" for the purposes of ERISA; and

v. such issue or transfer will not result in any adverse regulatory or tax consequences to the Company, any Fund, the Investment Manager or the Shareholders as a whole.

Each applicant for, and transferee of, Shares who is a US Person will be required to provide such representations, warranties or documentation as may be required by the Directors to ensure that these requirements are met prior to the issue or the registration of any transfer of Shares. If the transferee is not already a Shareholder, it will be required to complete the appropriate Application Form.

Without limiting the generality of the foregoing, the Company will not accept any subscriptions from, and Shares may not be transferred to, any investor, whether or not a US Person if, immediately thereafter, Benefit Plan Investors would hold 25% (or such greater percentage as may be provided in regulations promulgated by the US Department of Labor) or more of the value of any class of Shares so that the assets of the Company will not be treated as "plan assets" for the purpose of Section 3(42) of ERISA and any regulations promulgated thereunder. If the assets of the Company were treated as "plan assets" of a Benefit Plan Investor, the Investment Manager would be a "fiduciary" (as defined in ERISA and the Internal Revenue Code) with respect to each such Benefit Plan Investor and would be subject to the obligations and liabilities imposed on fiduciaries by ERISA and/or the Internal Revenue Code. In such circumstances, the Company would be subject to various other requirements of ERISA and/or the Internal Revenue Code. The Directors reserve the right to redeem all or part of the Shares held by any Shareholder, including, without limitation, to ensure compliance with the percentage limitation on investment in the Company by Benefit Plan Investors as set forth above.

The Directors will seek reasonable assurances that such purchase or transfer does not violate United States securities laws, e.g., require the Shares to be registered under the United States Securities Act of 1933 Act or the Company or any Fund to be registered under the United States Investment Company Act of 1940 or result in adverse tax consequences to the Company or the non-US Shareholders. Each investor who is a US Person will be required to provide such representations, warranties or documentation as may be required to ensure that these requirements are met prior to the issue of Shares.

None of the Company, the Manager, the Investment Manager, the Administrator or the Depositary or any of their respective directors, officers, employees or agents will be responsible or liable for the authenticity of instructions from Shareholders reasonably believed to be genuine and shall not be liable for any losses, costs or expenses arising out of or in conjunction with any unauthorised or fraudulent instructions. The Administrator shall, however, employ reasonable procedures to confirm that instructions are genuine.

### **Operation of Cash Accounts in the name of the Company**

The Company has established cash accounts designated in different currencies at umbrella level in the name of the Company into which subscription monies received from investors of all of the Funds shall be lodged and from which redemption monies shall be paid. Pending payment to the relevant Shareholders, dividend payments shall also be paid into the cash accounts designated in different currencies at umbrella level in the name of the Company. Each of these cash accounts are defined herein as Umbrella Cash Accounts. All subscriptions, redemptions or dividends payable to or from the relevant Fund will be channelled and managed through such umbrella cash accounts and no such accounts shall be operated at the level of each individual Fund. However the Company will ensure that the amounts within an Umbrella Cash Account whether positive or negative can be attributed to the relevant Fund in order to

comply with the requirement that the assets and liabilities of each Fund are kept separate from all other Funds and that separate books and records are maintained for each Fund in which all transactions relevant to a Fund are recorded.

Further information relating to such accounts is set out in the sections below entitled (i) “Application for Shares” – “Operation of Cash Accounts in the name of the Company”; (ii) “Redemption of Shares” - “Operation of Cash Accounts in the name of the Company”; and (iii) “Dividend Policy” respectively. In addition, your attention is drawn to the section of the Prospectus entitled “Risk Factors” –“Operation of Umbrella Cash Accounts” below.

### **Abusive Trading Practices/Market Timing**

The Directors generally encourage investors to invest in the Funds as part of a long-term investment strategy and discourages excessive or short term or abusive trading practices. Such activities, sometimes referred to as “market timing”, may have a detrimental effect on the Funds and Shareholders. For example, depending upon various factors such as the size of the Fund and the amount of its assets maintained in cash, short-term or excessive trading by Shareholders may interfere with the efficient management of the Fund’s portfolio, increased transaction costs and taxes and may harm the performance of the Fund.

The Directors seek to deter and prevent abusive trading practices and to reduce these risks, through several methods, including the following:

- (i) to the extent that there is a delay between a change in the value of a Fund’s portfolio holdings and the time when that change is reflected in the Net Asset Value per Share, a Fund is exposed to the risk that investors may seek to exploit this delay by purchasing or redeeming Shares at a Net Asset Value which does not reflect appropriate fair value prices. The Directors seek to deter and prevent this activity, sometimes referred to as “stale price arbitrage”, by the appropriate use of its power to adjust the value of any investment having regard to relevant considerations in order to reflect the fair value of such investment.
- (ii) the Directors may monitor Shareholder account activities in order to detect and prevent excessive and disruptive trading practices and reserves the right to exercise its discretion to reject any subscription or conversion transaction without assigning any reason therefore and without payment of compensation if, in its judgement, the transaction may adversely affect the interest of a Fund or its Shareholders. The Directors may also monitor Shareholder account activities for any patterns of frequent purchases and sales that appear to be made in response to short-term fluctuations in the Net Asset Value per Share and may take such action as it deems appropriate to restrict such activities.

There can be no assurances that abusive trading practices can be mitigated or eliminated. For example nominee accounts in which purchases and sales of Shares by multiple investors may be aggregated for dealing with the Fund on a net basis, conceal the identity of underlying investors in a Fund which makes it more difficult for the Directors and their delegates to identify abusive trading practices.

### **Application for Shares**

All applications for Shares must be received by the Administrator no later than the relevant Dealing Deadline (Dealing Days, Dealing Deadlines and Valuation Points are specified in the relevant Supplement for each Fund). Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day unless the Directors in their absolute discretion otherwise determine in exceptional circumstances to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day. Dealing is carried out on a forward pricing basis meaning the Net Asset Value next computed after receipt of subscription requests i.e. the Dealing Deadline is before the Valuation Point.

Initial applications should be made using an Application Form which may be sent by facsimile (or such other means as may be prescribed by the Directors from time to time) in accordance with the requirements of the Central Bank subject to prompt transmission to the Administrator of the original signed application form and such other papers (such as documentation relating to money laundering prevention checks) as may be required by the Company or its delegate. Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator by facsimile or such other means as may be permitted by the Directors without a requirement to submit original documentation and such applications should contain such information as may be specified from time to time by the company or its delegate. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions where applicable from the relevant Shareholder.

#### *Fractions*

Subscription monies representing less than the subscription price for a Share will not be returned to the investor but will be retained as part of the assets of the relevant Fund. 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 .01 of a Share.

#### *Method of Payment*

Subscription payments net of all bank charges should be paid by telegraphic or electronic 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 a subsequent Dealing Day.

#### *Currency of Payment*

Subscription monies are payable in the currency of the relevant Class in the Fund. However, the Company may accept payment in such other currencies as the Administrator may agree at the prevailing exchange rate quoted by the Administrator. The cost and risk of converting currency will be borne by the investor.

#### *Settlement Date*

Payment in respect of subscriptions must be received in cleared funds by the Administrator by the relevant Settlement Date. The Company reserves the right to defer the issue of Shares until receipt of cleared

subscription monies has been received. If payment in cleared funds in respect of a subscription has not been received by the relevant Settlement Date, the Directors may (and in the event of non-clearance of funds, shall) cancel the allotment and/or charge the investor interest at the relevant overdraft interest rate as charged on the subscription account as disclosed in the relevant Supplement which will be paid into the relevant Fund together with an administration fee which is payable to the Company. The Directors may waive either of such charges in whole or in part. In addition, the Company has the right to sell all or part of the investor's holdings of Shares in any fund in order to meet such charges.

### **Confirmation of Ownership**

Confirmation of each purchase of Shares will be sent to Shareholders within and no later than the first Business Day following execution of the purchase of Shares. Title to Shares will be evidenced by the entering of the investor's name on the Company's register of Shareholders and no certificates will be issued.

The Company, the Manager and the Administrator may reject any application in whole or in part without giving any reason for such rejection in which event the subscription monies or any balance thereof will be returned without interest, expenses or compensation to the applicant by transfer to the applicant's designated account or by post at the applicant's risk.

### *Anti-Money Laundering Measures*

Measures aimed towards the prevention of money laundering and terrorist financing may require a detailed verification of the applicant's identity, source of wealth and of the source of the subscription monies and where applicable the beneficial owner on a risk sensitive basis. Politically exposed persons ("PEPs"), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, and immediate family member, or persons known to close associates of such persons, must also be identified. Depending on the circumstances of each application, a detailed verification might not be required where the application is made through a recognised intermediary. These exceptions may only apply if the intermediary referred to above is located in a country recognised by Ireland as having equivalent anti-money laundering and counter terrorist financing regulations to that in place in Ireland and satisfies other applicable conditions such as providing a letter of undertaking confirming the intermediary has carried out the appropriate verification checks on the investor and will retain such information in accordance with the required timeframe and will provide such information on request to the Administrator. Intermediaries cannot rely on third parties to meet the obligation to monitor the ongoing business relationship with an investor which remains their ultimate responsibility. These exceptions do not effect the right of the Administrator to request such information as is necessary to verify the identity of an applicant or the source of the subscription monies.

By way of example an individual may be required to produce an original certified copy of a passport or identification card with evidence of his/her address such as a copy of a utility bill or bank statement and proof of tax residence. In the case of corporate applicants this may require production of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business addresses of all directors. Additional information may be required at the Administrator's discretion to verify the source of wealth and source of the subscription monies.

The Administrator and the Company reserves the right to request such information as is necessary to verify the identity of an investor and where applicable the beneficial owner of an investor, source of wealth and the source of the subscription monies. In particular, the Administrator reserves the right to carry out additional procedures in relation to an investor who is classed as a PEP. Verification of the investor's identity is required to take place before the establishment of the business relationship. In any event, evidence of identity is required for all investors as soon as is reasonably practicable after the initial contact. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator or the Company may refuse to accept the application and subscription monies.

The Company, the Manager and the Administrator reserve the right to reject an application, for any reason, in whole or in part in which event the application monies or any balance thereof will be returned without interest to the applicant by transfer to the applicant's designated account or by post at the applicant's risk.

Any failure to supply the Company with any documentation requested by it for anti-money laundering and terrorist financing procedures may result in a delay in the settlement of redemption proceeds or dividend monies. In circumstances where a redemption request is received, the Company will process any redemption request received by a Shareholder, however the proceeds of that redemption will be held in an Umbrella Cash Account and therefore shall remain an asset of the relevant Fund. The redeeming Shareholder will rank as a general creditor of the relevant Fund until such time as the Company is satisfied that its anti-money laundering and terrorist financing procedures have been fully complied with, following which redemption proceeds will be released.

In the event of an insolvency of the Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full. Investors / Shareholders due redemption / dividend monies which are held in a Umbrella Cash Account will rank equally with all other unsecured creditors of the relevant Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the investor/ Shareholder may not recover all monies originally paid into an Umbrella Cash Account for onward transmission to that investor / Shareholder.

Therefore a Shareholder is advised to ensure that all relevant documentation requested by the Company in order to comply with anti-money laundering and terrorist financing procedures is submitted to the Company promptly on subscribing for Shares in the Company.

#### *Data Protection Information*

Prospective investors should note that by completing the Application Form they are providing personal information to the Company, which may constitute personal data within the meaning of data protection legislation in Ireland. This data will be used for the purposes of client identification, administration, statistical analysis, market research, to comply with any applicable legal or regulatory requirements and, if an applicant's consent is given, for direct marketing purposes. Data may be disclosed to third parties including regulatory bodies, tax authorities in accordance with the European Savings Directive, delegates, advisers and service providers of the Company and their or the Company's duly authorised agents and

any of their respective related, associated or affiliated companies wherever located (including outside the EEA) for the purposes specified. By signing the Application Form, investors consent to the obtaining, holding, use, disclosure and processing of data for any one or more of the purposes set out in the application form. Investors have a right to obtain a copy of their personal data kept by the Company on payment of a fee and the right to rectify any inaccuracies in personal data held by the Company.

#### *Operation of Cash Accounts in the name of the Company*

Subscription monies received from an investor in advance of a Dealing Day in respect of which an application for Shares has been, or is expected to be, received will be held in a cash account in the name of the Company (herein defined as an Umbrella Cash Account) and will be treated as an asset of the relevant Fund upon receipt and will not benefit from the application of any investor money protection rules (i.e. the subscription monies in such circumstance will not be held on trust as investor monies for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the relevant Fund with respect to the amount subscribed and held by the Company until such Shares are issued as of the relevant Dealing Day.

In the event of an insolvency of the Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full. Investors who have forwarded subscription monies in advance of a Dealing Day as detailed above and which are held in an Umbrella Cash Account will rank equally with all other unsecured creditors of the relevant Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the investor may not recover all monies originally paid into an Umbrella Cash Account in relation to the application for Shares.

Your attention is drawn to the section of the Prospectus entitled “Risk Factors” –“Operation of Umbrella Cash Accounts” below.

#### **Redemption of Shares**

Shareholders may redeem their Shares on and with effect from any Dealing Day at the Net Asset Value per Share calculated on or with respect to the relevant Dealing Day (save during any period when the calculation of Net Asset Value is suspended).

Requests for the redemption of Shares should be made to the Administrator by facsimile (provided payment is to be made to the account of record) or written communication and should include such information as may be specified from time to time by the Company or its delegate. Requests for redemption received prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any requests for redemption received after the Dealing Deadline for a Dealing Day will be processed on the next Dealing Day provided such requests have been received prior to the Dealing Deadline for that Dealing Day, unless the Directors in their absolute discretion determine otherwise in exceptional circumstances and provided that such requests have been received prior to the Valuation Point for that Dealing Day. Redemption requests will only be accepted for processing where cleared funds and completed documents including documentation relating to money laundering prevention checks are in place from original subscriptions. No redemption payment will be made from an investor holding until the original subscription application form and all documentation required by or on behalf of the Company

(including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed.

In the event of a Shareholder requesting a redemption which would, if carried out, leave the Shareholder holding Shares having a Net Asset Value less than the Minimum Holding, the Company may, if it thinks fit, redeem the whole of the Shareholders holding.

The Company may also compel the redemption of any part of the shareholding of any Shareholder that is a Benefit Plan Investor so as to ensure that restrictions on Benefit Plan Investors described herein are not exceeded.

The redemption price per Share shall be the Net Asset Value per Share.

#### *Method of Payment*

Redemption payments will be made to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing. Redemption payments will only be made to the account of record of a Shareholder.

#### *Currency Payment*

Shareholders will normally be repaid in the currency of the relevant Class in 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 of Payment*

Redemption proceeds in respect of Shares will be paid within such Business Days of the Dealing Deadline for the relevant Dealing Day as set out in the relevant Supplement provided that all the required documentation has been furnished to and received by the Administrator.

#### *Withdrawal of Redemption Requests*

Requests for redemption once submitted may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Fund.

Shares will not receive or be credited with any dividend declared on or after the Dealing Day on which they were redeemed.

In the event of a suspension of the calculation of the Net Asset Value, requests for redemption may, at the discretion of the Directors, be withdrawn or held over for processing until calculation of the Net Asset Value resumes.

#### *Limitations of redemptions*

If the number of Shares to be redeemed on any Dealing Day exceed (a) at least 10% of the total number of Shares in the Fund or (b) at least 10% of the Net Asset Value of the Fund, the Directors or their delegate, the Manager, may at their discretion defer the excess repurchase requests to subsequent Dealing Days and shall repurchase such Shares rateably in accordance with the provisions of the Articles.

#### *“In specie” redemptions*

The Company may, subject to the consent of the individual Shareholders, satisfy any request for redemption of Shares by the transfer in specie to those Shareholders of assets of the relevant Fund having a value equal to the redemption price for the Shares redeemed as if the redemption proceeds were paid in cash and other expenses of the transfer. A determination to provide redemption in specie may be solely at the discretion of the Company where the redeeming Shareholder requests redemption of a number of Shares that represents 5% or more of the Net Asset Value of the relevant Fund provided that any such Shareholder requesting redemption shall be entitled to request the sale of any asset or assets proposed to be distributed in specie and the distribution to such Shareholder of the cash proceeds of such sale, less the costs of such sale which shall be borne by the relevant Shareholder. The nature and type of assets to be transferred in specie to each Shareholder shall be determined by the Company (subject to the approval of the Depositary as to the allocation of assets) on such basis as the Company in its discretion shall deem equitable and not prejudicial to the interests of the remaining Shareholders in the relevant Fund or Class.

#### *Compulsory Redemption of Shares/Deduction of Tax*

Shareholders are required to notify the Administrator through whom Shares have been purchased immediately if they become subject to restrictions on ownership as set out herein and such Shareholders may be required to redeem or transfer their Shares. The Company may compulsorily redeem any Shares which are or become owned, directly or indirectly, by or for the benefit of any person in breach of any restrictions on ownership from time to time as set out herein or if the holding of Shares by any person is unlawful or is likely to result or results in any tax, fiscal, legal, regulatory, pecuniary liability or material administrative disadvantage to the Company or its Shareholders as a whole, or to ensure that restrictions on Benefit Plan Investors described herein are not exceeded. The Company may also redeem any Shares held by any person who holds less than the Minimum Holding. Any such redemption will be affected on a Dealing Day at the Net Asset Value per Share calculated on or with respect to the relevant Dealing Day on which the Shares are to be redeemed. The Company may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by a Shareholder including any interest or penalties payable thereon. The attention of investors in relation to the section of the prospectus entitled “TAXATION” and in particular the section therein headed “Irish Taxation” which details circumstances in which the Company shall be entitled to deduct from payments to Shareholders who are resident or ordinarily resident in Ireland amounts in respect of liability to Irish taxation including any penalties and interest thereon and/or compulsorily redeem Shares to discharge such liability. Relevant Shareholders will indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of an event giving rise to a charge to taxation.

#### *Total Redemption of Shares*

All of the Shares of any Class or any Fund may be redeemed:

- (a) on the giving by the Company of not less than four nor more than twelve weeks' notice expiring on a Dealing Day to Shareholders of its intention to redeem such Shares; or
- (b) if a special resolution is passed by the relevant Class or Fund at a meeting of the Shareholders duly convened and resolved that such Shares should be redeemed.

#### *Operation of Cash Accounts in the name of the Company*

Redemption monies payable to an investor subsequent to a Dealing Day of a Fund as of which Shares of that investor were redeemed (and consequently the investor is no longer a Shareholder of the Fund as of the relevant Dealing Day) will be held in a cash account in the name of the Company (herein defined as an Umbrella Cash Account) and will be treated as an asset of the Fund until paid to that investor and will not benefit from the application of any investor money protection rules (i.e. the redemption monies in such circumstance will not be held on trust for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the relevant Fund with respect to the redemption amount held by the Company until paid to the investor.

In the event of an insolvency of the Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full. Investors due redemption monies which are held in an Umbrella Cash Account will rank equally with all other unsecured creditors of the relevant Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the investor may not recover all monies originally paid into an Umbrella Cash Account for onward transmission to that investor.

Your attention is drawn to the section of the Prospectus entitled "Risk Factors" –"Operation of Umbrella Cash Accounts" below."

#### **Conversion of Shares**

Subject to the Minimum Subscription, Minimum Holding and minimum transaction requirements of the relevant Fund or Classes, Shareholders may request conversion of some or all of their Shares in one Fund or Class ("the Original Fund") to Shares in another Fund or Class or another Class in the same Fund ("the New Fund") in accordance with the formula and procedures specified below. Requests for conversion of Shares should be made to the Administrator by facsimile or written communication and should include such information as may be specified from time to time by the Directors or their delegate. Requests for conversion should be received prior to the earlier of the Dealing Deadline for redemptions in the Original Fund and the Dealing Deadline for subscriptions in the New Fund. Any applications received after such time will be dealt with on the next Dealing Day which is a dealing day for the relevant Funds, unless the Directors in their absolute discretion otherwise determine in exceptional circumstances and provided that such requests have been received prior to the Valuation Point for both the Original Fund and the New Fund. Conversion requests will only be accepted where cleared funds and completed documents are in place from original subscriptions.

Where a conversion request would result in a Shareholder holding a number of Shares of either the Original Fund or the New Fund which would be less than the Minimum Holding for the relevant Fund, the Company or its delegate may, if it thinks fit, convert the whole of the holding in the Original Fund to Shares in the New Fund or refuse to effect any conversion from the Original Fund.

Fractions of Shares which shall not be less than 0.01 of a Share may be issued by the Company on conversion where the value of Shares converted from the Original Fund are not sufficient to purchase an integral number of Shares in the New Fund and any balance representing less than 0.01 of a Share will be retained by the Company in order to defray administration costs.

The number of Shares of the New Fund to be issued will be calculated in accordance with the following formula:-

$$S = \frac{(R \times RP \times ER)}{SP}$$

where:-

- S = the number of Shares of the New Fund that will be issued;
- R = the number of Shares of the Original Fund to be converted;
- RP= the Redemption Price of a Share of the Original Fund calculated as at the relevant Valuation Point following receipt of the conversion notice;
- ER= the currency conversion factor (if any) determined by the Directors as at the relevant Dealing Day as representing the effective rate of exchange applicable to the transfer of assets between the Original Fund and the New Fund after adjusting such rate as may be necessary to reflect the effective cost of making such reinvestment;
- SP= the Subscription Price of a Share of the New Fund calculated as at the next Valuation Point of the New Fund following receipt of the conversion notice.

#### *Conversion Fee*

The Company may in its discretion charge a fee on the conversion of Shares in any Fund or in any Class to Shares in another Fund or Class up to a maximum of 3% of the Net Asset Value of Shares in the new Fund or Class as outlined under the heading "Conversion of Shares". The Directors do not currently intend to charge any conversion fee and will give one month's notice to Shareholders of any intention to charge such a fee. Where such a fee is to be charged details of the conversion fee will be specified in the Supplement.

#### *Withdrawal of Conversion Requests*

Conversion requests once submitted may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of a suspension of calculation of the Net Asset Value of the Funds in respect of which the conversion request was made.

In the event of a suspension of the calculation of the Net Asset Value, requests for conversion may, at the discretion of the Directors, be withdrawn or held over for processing until calculation of the Net Asset Value resumes.

### **Net Asset Value and Valuation of Assets**

The Net Asset Value of each Fund or, if there are different Classes within a Fund, each Class will be calculated by the Administrator as at the Valuation Point on or with respect to each Dealing Day in accordance with the Articles of Association. The Net Asset Value of a Fund shall be determined as at the Valuation Point for the relevant Dealing Day by valuing the assets of the relevant Fund (including income accrued but not collected) and deducting the liabilities of the relevant Fund (including a provision for duties and charges, accrued expenses and fees, including those to be incurred in the event of a subsequent termination of a Fund or Class or liquidation of the Company and all other liabilities). The Net Asset Value attributable to a Class shall be determined as at the Valuation Point for the relevant Dealing Day by calculating that portion of the Net Asset Value of the relevant Fund attributable to the relevant Class subject to adjustment to take account of assets and/or liabilities attributable to the Class. The Net Asset Value of a Fund will be expressed in the Base Currency of the Fund, or in such other currency as the Directors may determine either generally or in relation to a particular Class or in a specific case.

The Net Asset Value per Share shall be calculated as at the Valuation Point on or with respect to each Dealing Day by dividing the Net Asset Value of the relevant Fund or attributable to a Class by the total number of Shares in issue in the Fund or Class at the relevant Valuation Point and rounding the resulting total to three decimal places or such other number of decimal places as may be determined by the Directors from time to time.

In determining the Net Asset Value of the Company and each Fund:-

- (a) Securities which are quoted, listed or traded on a Recognised Exchange save as hereinafter provided at (d), (e), (f), (g), (h) and (i) will be valued at the last traded price. Where a security is listed or dealt in on more than one Recognised Exchange the relevant exchange or market shall be the principal stock exchange or market on which the security is listed. Securities listed or traded on a Recognised Exchange, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount at the Valuation Point.
- (b) The value of any security which is not quoted, listed or dealt in on a Recognised Exchange or which is so quoted, listed or dealt but for which no such quotation or value is available or the available quotation or value is not representative of the fair market value shall be the probable realisation value as estimated with care and good faith by (i) the Directors or (ii) a competent person, firm or corporation (including the Investment Manager) selected by the Directors and approved for the purpose by the Depositary or (iii) any other means provided that the value is approved by the Depositary. Where reliable market quotations are not available for fixed income

securities the value of such securities may be determined using matrix methodology compiled by the Directors whereby such securities are valued by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics.

- (c) Cash on hand or on deposit will be valued at its nominal value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.
- (d) Derivative contracts traded on a regulated market including without limitation futures and options contracts and index futures shall be valued at the settlement price as determined by the market where derivative contract is traded. If the settlement price is not available, the value shall be the probable realisation value estimated with care and in good faith by (i) the Directors (ii) a competent person firm or corporation (including the Investment Manager) selected by the Directors and approved for the purpose by the Depositary or (iii) any other means provided that the value is approved by the Depositary and the rationale/methodologies used shall be clearly documented. OTC derivative contracts including without limitation swap contracts and swaptions will be valued daily either (i) on the basis of a quotation provided by the relevant counterparty and such valuation shall be approved or verified at least weekly by a party who is approved for the purpose by the Depositary and who is independent of the counterparty (the "Counterparty Valuation"); or (ii) using an alternative valuation provided by a competent person appointed by the Directors and approved for the purpose by the Depositary or a valuation by any other means provided that the value is approved by the Depositary (the "Alternative Valuation"). Where such Alternative Valuation method is used the Company will follow international best practise and adhere to the principles on valuation of OTC instruments established by bodies such as IOSCO and AIMA and will be reconciled to the Counterparty Valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained.
- (e) Forward foreign exchange and interest rate swap contracts shall be valued daily by reference to freely available market quotations.
- (f) Notwithstanding paragraph (a) above units in collective investment schemes shall be valued at the latest available net asset value per unit or bid price as published by the relevant collective investment scheme or, if listed or traded on a Recognised Exchange, in accordance with (a) above.
- (g) In the case of a Fund which is a money market fund the Directors may use the amortised cost method of valuation in relation to funds which comply with the Central Bank's requirements for money market funds and where a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the Central Bank's guidelines.
- (h) In the case of a Fund which is a not a money market fund the Directors may value money market instruments on an amortised basis, in accordance with the Central Bank's requirements.
- (i) The Directors may adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof.

- (j) Any value expressed otherwise than in the Base Currency of the relevant Fund shall be converted into the Base Currency of the relevant Fund at the prevailing exchange rate which the Directors or their delegate shall determine to be appropriate.
- (k) If the Directors deem it necessary a specific investment may be valued under an alternative method of valuation approved by the Depositary.

In the absence of negligence, fraud or wilful default, every decision taken by the Directors or any committee of the Directors or any duly authorised person on behalf of the Company in determining the value of any investment or calculating the Net Asset Value of a Fund or Class or the Net Asset Value per Share shall be final and binding on the Company and on present, past or future Shareholders.

Notwithstanding subscription monies, redemption monies and dividend amounts will be held in cash accounts in the name of the Company (herein defined as an Umbrella Cash Accounts) and treated as assets of and attributable to a Fund:-

- (a) any subscription monies received from an investor prior to the Dealing Day of a Fund in respect of which an application for Shares has been, or is expected to be, received will not be taken into account as an asset of the Fund for the purpose of determining the Net Asset Value of that Fund until subsequent to the Valuation Point in respect of the Dealing Day as of which Shares of the Fund are agreed to be issued to that investor;
- (b) any redemption monies payable to an investor subsequent to the Dealing Day of a Fund as of which Shares of that investor were redeemed will not be taken into account as an asset of the Fund for the purpose of determining the Net Asset Value of that Fund; and
- (c) any dividend amount payable to a Shareholder will not be taken into account as an asset of the Fund for the purpose of determining the Net Asset Value of that Fund.

### **Suspension of Valuation of Assets**

The Directors may at any time and from time to time temporarily suspend the determination of the Net Asset Value of any Fund or attributable to a Class and the issue, conversion and redemption of Shares in any Fund or Class:

- a) during the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the Recognised Exchanges on which the relevant Fund's investments are quoted, listed, traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted; or
- b) during the whole or part of any period when circumstances outside the control of the Directors exist as a result of which any disposal or valuation of investments of the Fund is not reasonably practicable or would be detrimental to the interests of Shareholders or it is not possible to transfer monies involved in the acquisition or disposition of investments to or from the relevant account of the Company; or

- c) during the whole or any part of any period when any breakdown occurs in the means of communication normally employed in determining the value of any of the relevant Fund's investments; or
- d) during the whole or any part of any period when for any reason the value of any of the Fund's investments cannot be reasonably, promptly or accurately ascertained;
- e) during the whole or any part of any period when subscription proceeds cannot be transmitted to or from the account of any Fund or the Company is unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- f) upon mutual agreement between the Company and the Depositary for the purpose of winding up the Company or terminating any Fund; or
- g) if any other reason makes it impossible or impracticable to determine the value of a substantial portion of the investments or the Company or any Fund.

Any suspension of valuation of any Fund or Class shall be notified to the Central Bank and the Depositary without delay and, in any event, within the same Dealing Day. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

The Central Bank may also require that the Company temporarily suspends the determination of the Net Asset Value and the issue and redemption of Shares in a Fund if it decides that it is in the best interests of the general public and the Shareholders to do so.

#### **Taxation on the occurrence of certain events**

The attention of investors is drawn to the section of the Prospectus headed "Irish Taxation" and in particular the taxation liability arising on the occurrence of certain events such as the encashment, redemption or transfer of Shares by or payment of dividends to Shareholders who are resident or ordinarily resident in Ireland. If the Company becomes liable to account for tax including any interest or penalties thereon if an event giving rise to a tax liability occurs, the Company shall be entitled to deduct such amount from the payment arising on such event or to compulsorily redeem or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as have a value sufficient after the deduction of any charges to discharge any such liability. The relevant Shareholder shall indemnify and keep the Company indemnified against any loss arising to the Company by reason of the Company becoming liable to account for tax and any interest or penalties thereon on the happening of an event giving rise to a tax liability including if no such deduction, appropriation or cancellation has been made.

## 5. TAXATION

*The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax.*

*The following is a brief summary of certain aspects of Irish taxation law and practice relevant to the transactions contemplated in this Prospectus. It is based on the law and practice and official interpretation currently in effect, all of which are subject to change.*

Dividends, interest and capital gains (if any) which the Company receives with respect to its investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the Company the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

### **Irish Taxation**

The Directors have been advised that on the basis that the Company is resident in Ireland for taxation purposes the taxation position of the Company and the Shareholders is as set out below.

### **Definitions**

For the purposes of this section, the following definitions shall apply.

“**Irish Resident**” in the case of:-

- an individual, means an individual who is resident in Ireland for tax purposes.
- a trust, means a trust that is resident in Ireland for tax purposes.
- a company, means a company that is resident in Ireland for tax purposes.

An individual will be regarded as being resident in Ireland for a tax year if he/she is present in Ireland: (1) for a period of at least 183 days in that tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is present in Ireland for at least 31 days in each period. In determining days present in Ireland, an individual is deemed to be present if he/she is in Ireland at any time during the day. This new test takes effect from 1 January 2009 (previously in determining days present in Ireland an individual was deemed to be present if he/she was in Ireland at the end of the day (midnight)).

A trust will generally be Irish resident where the trustee is resident in Ireland or a majority of the trustees (if more than one) are resident in Ireland.

A company which has its central management and control in Ireland is resident in Ireland irrespective of

where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where:-

- the company or a related company carries on a trade in Ireland, and either the company is ultimately controlled by persons resident in EU Member States or in countries with which Ireland has a double taxation treaty, or the company or a related company are quoted companies on a recognised Stock Exchange in the EU or in a treaty country under a double taxation treaty between Ireland and that country. This exception does not apply where it would result in an Irish incorporated company that is managed and controlled in a relevant territory (other than Ireland), but would not be resident in that relevant territory as it is not incorporated there, not being resident for tax purposes in any territory.

or

- the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

The Finance Act 2014 amended the above residency rules for companies incorporated on or after 1 January 2015. These new residency rules will ensure that companies incorporated in Ireland and also companies not so incorporated but that are managed and controlled in Ireland, will be tax resident in Ireland except to the extent that the company in question is, by virtue of a double taxation treaty between Ireland and another country, regarded as resident in a territory other than Ireland (and thus not resident in Ireland). For companies incorporated before this date these new rules will not come into effect until 1 January 2021 (except in limited circumstances).

It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and prospective investors are referred to the specific legislative provisions that are contained in Section 23A of the Taxes Act.

**“Ordinarily Resident in Ireland”** in the case of:-

- an individual, means an individual who is ordinarily resident in Ireland for tax purposes
- a trust, means a trust that is ordinarily resident in Ireland for tax purposes.

An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2016 to 31 December 2016 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2019 to 31 December 2019.

The concept of a trust's ordinary residence is somewhat obscure and linked to its tax residence.

**“Exempt Irish Investor”** means:-

- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;
- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a qualifying fund manager within the meaning of Section 784A(1)(a) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a qualifying management company within the meaning of Section 739B of the Taxes Act;
- an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- a personal retirement savings account (“PRSA”) administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Asset Management Agency;
- the National Treasury Management Agency or a fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management Agency;
- a company which is within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act in respect of payments made to it by the Company; or
- any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company giving rise to a charge to tax in the Company;

provided that they have correctly completed the Relevant Declaration.

#### **“Intermediary”**

means a person who:-

- carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or
- holds shares in an investment undertaking on behalf of other persons.

#### **“Recognised Clearing System”**

means any clearing system listed in Section 246A of the Taxes Act (including, but not limited to, Euroclear, Clearstream Banking AG, Clearstream Banking SA and CREST) or any other system for clearing shares which is designated for the purposes of Chapter 1A in Part 27 of the Taxes Act, by the Irish Revenue

Commissioners, as a recognised clearing system.

**“Relevant Declaration”**

means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act.

**“Relevant Period”**

means a period of 8 years beginning with the acquisition of a Share by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding Relevant Period.

**“Taxes Act”**, means the Taxes Consolidation Act, 1997 (of Ireland) as amended.

**Taxation of the Company**

The Directors have been advised that, under current Irish law and practice, the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Act., so long as the Company is resident in Ireland. Accordingly the Company is not chargeable to Irish tax on its income and gains.

However, tax can arise on the happening of a “chargeable event” in the Company. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a Relevant Period) of Shares or the appropriation or cancellation of Shares of a Shareholder by the Company for the purposes of meeting the amount of tax payable on a gain arising on a transfer. No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who is neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event provided that a Relevant Declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration or the Company satisfying and availing of equivalent measures (see paragraph headed “*Equivalent Measures*” below) there is a presumption that the investor is Irish Resident or Ordinarily Resident in Ireland. A chargeable event does not include:

- An exchange by a Shareholder, effected by way of an arms-length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company;
- Any transactions (which might otherwise be a chargeable event) in relation to shares held in a Recognised Clearing System as designated by order of the Irish Revenue Commissioners;
- A transfer by a Shareholder of the entitlement to Shares where the transfer is between spouses and former spouses, subject to certain conditions; or
- An exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the Company with another investment undertaking.

If the Company becomes liable to account for tax if a chargeable event occurs, the Company shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the

Company becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

Dividends received by the Company from investment in Irish equities may be subject to Irish dividend withholding tax at the standard rate of income tax (currently 20%). However, the Company can make a declaration to the payer that it is a collective investment undertaking beneficially entitled to the dividends which will entitle the Company to receive such dividends without deduction of Irish dividend withholding tax.

### ***Stamp Duty***

No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. Where any subscription for or redemption of Shares is satisfied by the in specie transfer of securities, property or other types of assets, Irish stamp duty may arise on the transfer of such assets.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B (1) of the Taxes Act or a “qualifying company” within the meaning of Section 110 of the Taxes Act) which is registered in Ireland.

### **Shareholders Tax**

#### *Shares which are held in a Recognised Clearing System*

Any payments to a Shareholder or any encashment, redemption, cancellation or transfer of Shares held in a Recognised Clearing System will not give rise to a chargeable event in the Company (there is however ambiguity in the legislation as to whether the rules outlined in this paragraph with regard to Shares held in a Recognised Clearing System, apply in the case of chargeable events arising on a deemed disposal, therefore, as previously advised, Shareholders should seek their own tax advice in this regard). Thus the Company will not have to deduct any Irish taxes on such payments regardless of whether they are held by Shareholders who are Irish Residents or Ordinarily Resident in Ireland, or whether a non-resident Shareholder has made a Relevant Declaration. However, Shareholders who are Irish Resident or Ordinarily Resident in Ireland or who are not Irish Resident or Ordinarily Resident in Ireland but whose Shares are attributable to a branch or agency in Ireland may still have a liability to account for Irish tax on a distribution or encashment, redemption or transfer of their Shares.

To the extent any Shares are not held in a Recognised Clearing System at the time of a chargeable event (and subject to the discussion in the previous paragraph relating to a chargeable event arising on a deemed disposal), the following tax consequences will typically arise on a chargeable event.

#### *Shareholders who are neither Irish Residents nor Ordinarily Resident in Ireland*

The Company will not have to deduct tax on the occasion of a chargeable event in respect of a

Shareholder if (a) the Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland, (b) the Shareholder has made a Relevant Declaration on or about the time when the Shares are applied for or acquired by the Shareholder and (c) the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration (provided in a timely manner) or the Company satisfying and availing of equivalent measures (see paragraph headed "*Equivalent Measures*" below) tax will arise on the happening of a chargeable event in the Company regardless of the fact that a Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland. The appropriate tax that will be deducted is as described below.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Ordinarily Resident in Ireland no tax will have to be deducted by the Company on the occasion of a chargeable event provided that either (i) the Company satisfied and availed of the equivalent measures or (ii) the Intermediary has made a Relevant Declaration that he/she is acting on behalf of such persons and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Shareholders who are neither Irish Residents nor Ordinarily Resident in Ireland and either (i) the Company has satisfied and availed of the equivalent measures or (ii) such Shareholders have made Relevant Declarations in respect of which the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct, will not be liable to Irish tax in respect of income from their Shares and gains made on the disposal of their Shares. However, any corporate Shareholder which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from their Shares or gains made on disposals of the Shares.

Where tax is withheld by the Company on the basis that no Relevant Declaration has been filed with the Company by the Shareholder, Irish legislation provides for a refund of tax only to companies within the charge to Irish corporation tax, to certain incapacitated persons and in certain other limited circumstances.

#### *Shareholders who are Irish Residents or Ordinarily Resident in Ireland*

Unless a Shareholder is an Exempt Irish Investor and makes a Relevant Declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or unless the Shares are purchased by the Courts Service, tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place) will be required to be deducted by the Company from a distribution (where payments are made annually or at more frequent intervals) to a Shareholder who is Irish Resident or Ordinarily Resident in Ireland. Similarly, tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place) will have to be deducted by the Company on any other distribution or gain arising to the Shareholder (other than an Exempt Irish Investor who has made a Relevant Declaration) on an encashment, redemption, cancellation, transfer or deemed disposal (see below) of Shares by a Shareholder who is Irish Resident or Ordinarily Resident in Ireland.

The Finance Act 2006 introduced rules (which were subsequently amended by the Finance Act 2008) in relation to an automatic exit tax for Shareholders who are Irish Resident or Ordinarily Resident in Ireland in respect of Shares held by them in the Company at the ending of a Relevant Period. Such Shareholders

(both companies and individuals) will be deemed to have disposed of their Shares (“deemed disposal”) at the expiration of that Relevant Period and will be charged to tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place) on any deemed gain (calculated without the benefit of indexation relief) accruing to them based on the increased value (if any) of the Shares since purchase or since the previous exit tax applied, whichever is later.

For the purposes of calculating if any further tax arises on a subsequent chargeable event (other than chargeable events arising from the ending of a subsequent Relevant Period or where payments are made annually or at more frequent intervals), the preceding deemed disposal is initially ignored and the appropriate tax calculated as normal. Upon calculation of this tax, credit is immediately given against this tax for any tax paid as a result of the preceding deemed disposal. Where the tax arising on the subsequent chargeable event is greater than that which arose on the preceding deemed disposal, the Company will have to deduct the difference. Where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal, the Company will refund the Shareholder for the excess (subject to the paragraph headed “15% threshold” below).

#### 10% Threshold

The Company will not have to deduct tax (“exit tax”) in respect of this deemed disposal where the value of the chargeable shares (i.e. those Shares held by Shareholders to whom the declaration procedures do not apply) in the Company (or in the sub-fund within an umbrella scheme) is less than 10% of the value of the total Shares in the Company (or in the sub-fund) and the Company has made an election to report certain details in respect of each affected Shareholder to Revenue (the “Affected Shareholder”) in each year that the de minimus limit applies. In such a situation the obligation to account for the tax on any gain arising on a deemed disposal will be the responsibility of the Shareholder on a self-assessment basis (“self-assessors”) as opposed to the Company or Fund (or their service providers). The Company is deemed to have made the election to report once it has advised the Affected Shareholders in writing that it will make the required report.

#### 15 % Threshold

As previously stated where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal (e.g. due to a subsequent loss on an actual disposal), the Company will refund the Shareholder the excess. Where however immediately before the subsequent chargeable event, the value of chargeable shares in the Company (or in the sub-fund within an umbrella scheme) does not exceed 15% of the value of the total Shares, the Company (or sub-fund) may elect to have any excess tax arising repaid directly by Revenue to the Shareholder. The Company is deemed to have made this election once it notifies the Shareholder in writing that any repayment due will be made directly by Revenue on receipt of a claim by the Shareholder.

#### *Other*

To avoid multiple deemed disposal events for multiple shares an irrevocable election under Section 739D(5B) can be made by the Company to value the Shares held at the 30<sup>th</sup> June or 31<sup>st</sup> December of each year prior to the deemed disposal occurring. While the legislation is ambiguous, it is generally understood that the intention is to permit a fund to group shares in six month batches and thereby make it easier to calculate the exit tax by avoiding having to carry out valuations at various dates during the year resulting in a large administrative burden.

The Irish Revenue Commissioners have provided updated investment undertaking guidance notes which deal with the practical aspects of how the above calculations/objectives will be accomplished.

Shareholders (depending on their own personal tax position) who are Irish Resident or Ordinarily Resident in Ireland may still be required to pay tax or further tax on a distribution or gain arising on an encashment, redemption, cancellation, transfer or deemed disposal of their Shares. Alternatively they may be entitled to a refund of all or part of any tax deducted by the Company on a chargeable event.

### *Equivalent Measures*

The Finance Act 2010 ("Act") introduced measures commonly referred to as equivalent measures to amend the rules with regard to Relevant Declarations. The position prior to the Act was that no tax would arise on an investment undertaking with regard to chargeable events in respect of a shareholder who was neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event, provided that a Relevant Declaration was in place and the investment undertaking was not in possession of any information which would reasonably suggest that the information contained therein was no longer materially correct. In the absence of a Relevant Declaration there was a presumption that the investor was Irish Resident or Ordinarily Resident in Ireland. The Act however contained provisions that permit the above exemption in respect of shareholders who are not Irish Resident nor Ordinarily Resident in Ireland to apply where the investment undertaking is not actively marketed to such investors and appropriate equivalent measures are put in place by the investment undertaking to ensure that such shareholders are not Irish Resident nor Ordinarily Resident in Ireland and the investment undertaking has received approval from the Revenue Commissioners in this regard.

### *Personal Portfolio Investment Undertaking*

The Finance Act 2007 introduced provisions regarding the taxation of Irish Resident individuals or Ordinarily Resident in Ireland individuals who hold shares in investment undertakings. These provisions introduced the concept of a personal portfolio investment undertaking ("PPIU"). Essentially, an investment undertaking will be considered a PPIU in relation to a specific investor where that investor can influence the selection of some or all of the property held by the investment undertaking either directly or through persons acting on behalf of or connected to the investor. Depending on individuals' circumstances, an investment undertaking may be considered a PPIU in relation to some, none or all individual investors i.e. it will only be a PPIU in respect of those individuals' who can "influence" selection. Any gain arising on a chargeable event in relation to an investment undertaking which is a PPIU in respect of an individual on or after 20<sup>th</sup> February 2007, will be taxed at the rate of 60%. Specific exemptions apply where the property invested in has been widely marketed and made available to the public or for non-property investments entered into by the investment undertaking. Further restrictions may be required in the case of investments in land or unquoted shares deriving their value from land.

### **Capital Acquisitions Tax**

The disposal of Shares may be subject to Irish gift or inheritance tax (Capital Acquisitions Tax). However, provided that the Company falls within the definition of investment undertaking (within the meaning of Section 739B (1) of the Taxes Act), the disposal of Shares by a Shareholder is not liable to Capital

Acquisitions Tax provided that (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor Ordinarily Resident in Ireland; (b) at the date of the disposition, the Shareholder disposing ("disponer") of the Shares is neither domiciled nor Ordinarily Resident in Ireland; and (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

With regard to Irish tax residency for Capital Acquisitions Tax purposes, special rules apply for non-Irish domiciled persons. A non-Irish domiciled donee or disponer will not be deemed to be resident or ordinarily resident in Ireland at the relevant date unless;

- i) that person has been resident in Ireland for the 5 consecutive years of assessment immediately preceding the year of assessment in which that date falls; and
- ii) that person is either resident or ordinarily resident in Ireland on that date.

## **United Kingdom**

**The following is a summary of certain aspects of the anticipated United Kingdom ("UK") tax treatment applicable to the Company and of certain UK tax consequences for UK-resident or ordinarily resident persons of acquiring, holding or disposing of Shares, and does not constitute legal or tax advice. It is intended as a general guide only, and is based on current UK legislation and HM Revenue and Customs ("HMRC") published practice as at the date of this Offering Memorandum, both of which are subject to change. The summary is not exhaustive, and further relates only to the position of a Shareholder who is the absolute beneficial owner of the Shares and who owns the Shares as a capital investment. It is not intended to apply to certain classes of Shareholder such as brokers or dealers.**

The following information shall apply to all Classes of Shares and Funds of the Company, unless otherwise specified below.

### *The Company*

The Directors intend that the affairs of the Company should be managed and conducted so that it does not become resident in the United Kingdom for United Kingdom taxation purposes. In these circumstances, and provided that the Company is not trading in the UK through a fixed place of business or agent situated therein that constitutes a "permanent establishment" for UK taxation purposes, the Company will not be subject to UK corporation tax or income tax on its profits. The Directors and the Investment Manager each intend that the respective affairs of the Company and the Investment Manager are conducted so that these requirements are met insofar as this is within their respective control. However it cannot be guaranteed that the necessary conditions will at all times be satisfied.

### *UK Shareholders*

The Directors are advised that the Company is an "Offshore Fund" for the purposes of Part 8 of the Taxation (International and Other Provisions) Act 2010 ("TIOPA") and the Offshore Funds (Tax) Regulations 2009 (the "Regulations") which would have the effect, in certain circumstances, of subjecting investors resident in the UK to income tax or, in the case of a corporate Shareholder, corporation tax on income, with respect to any gains arising to such investors on the sale, redemption or other disposal of

that interest (including a deemed disposal on death) in the Offshore Fund, unless the Company applies to HM Revenue and Customs ("HMRC") for some or all of its share classes to be registered as "Reporting Funds" and to have enjoyed that status throughout the period during which Shares have been held.

It is the intention of the Directors to apply to HMRC in respect of the Company for each Fund and class of Shares to be certified as Reporting Funds and to conduct the Company's affairs in such a manner so as to enable them to do so. Accordingly, the Directors will apply to HMRC for one or more classes of shares in any Fund or Funds to be treated as a separate Reporting Fund (each, "a Reporting Class"). Should such an application be accepted by HMRC, the Company will be required to provide reports to HMRC showing the Reporting Classes' total reportable income and provide reports to UK investors showing their proportionate share of each Reporting Fund's income. Importantly, UK investors will be taxed on the reported income of the Reporting Class, irrespective of how much income is physically distributed, with amounts not received being treated as reinvestments. In addition, the Reporting Class will be required to provide such additional information as is requested by HMRC. A Fund or Share class, once granted Reporting Fund status, may rely on that status going forward subject to continued compliance with the Regulations and Reporting Fund obligations by the Company (or relevant Fund / Share class). UK investors will be required to make a return of their income to include both their actual distribution received as well as their reported income (being their proportionate share of the Reporting Class's income in excess of sums actually distributed). They will be liable to income tax or corporation tax on income (as appropriate) on the total of those sums. Accordingly, a liability to UK tax may arise without a corresponding distribution being made. The UK investor will then be subject to capital gains tax on any gain arising on a subsequent sale, redemption or other disposal of his Shares.

If a Share Class in a Fund that has been a non-Reporting Fund subsequently obtains Reporting Fund status, the "Offshore Fund" rules will continue to apply to a Shareholder who acquired his Shares at a time when the Share Class was not a Reporting Fund (so that income treatment applies on a sale, redemption or other disposal of his interest), unless the Shareholder elects and pays income or corporation tax as appropriate on any gain deemed to have been realised at the transition point. Non-Reporting Funds are under no obligation to provide information to HMRC.

Shareholders who are resident in the UK or who carry on a trade in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on the gross amount of dividends or other distributions paid by the Company whether received by the Shareholder or reinvested on the Shareholder's behalf.

Dividends paid to individuals by the Company are deemed for UK income tax purposes to be dividends paid with dividend tax credits, except where, broadly speaking, over 60% of the Company's investments are invested at any time in an accounting period in interest-paying and economically-similar investments. It is not anticipated that this will be the case. Where dividends paid by the Company are treated for UK income tax purposes as dividends paid with dividend tax credits attached, subject to their personal circumstances, individuals liable to UK income tax at the basic rate will have no further liability to tax on that income. Individuals liable to UK income tax at the higher rate will have to pay income tax (equivalent to 25% of their net receipt) and those liable at the additional rate will also have further income tax (equivalent to 30.55% of their net receipt). Individuals who are exempt from UK tax will not be liable to tax on the dividends, but cannot reclaim their dividend tax credits.

Such Shareholders who are not domiciled in the United Kingdom (and who, where relevant, elect for the remittance basis of taxation for the tax year in which such dividends or other distributions are received) will be subject to United Kingdom income tax on such dividends or distributions only to the extent that such dividends or distributions are remitted to the United Kingdom. These rules are complex and investors are advised to consult their own tax advisors.

The attention of UK resident investors is drawn to the provisions of Regulation 37 of the Regulations and Section 102 of the Taxation of Chargeable Gains Act 1992. This provides that switches of Shares in one Fund for Shares in another Fund will generally be regarded as a taxable disposal and subsequent acquisition of Shares. However, where investors switch between shares of different classes in the same Fund and in relation to the same pool of assets, this will generally not be treated as a disposal and subsequent acquisition of Shares unless the original class of Shares was, at some point during the period of ownership, were non-Reporting Fund Shares and the new share class are Reporting Fund Shares. Where a switch between Funds or classes of shares within a Fund is treated as a disposal and subsequent acquisition of Shares, a Shareholder may be liable, at the time of the switch, to tax on any increase in value between the initial acquisition of the Shares and the deemed disposal.

The attention of persons resident or ordinarily resident in the UK for taxation purposes (and who, if individuals, are also domiciled in the UK for those purposes) is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 ("Section 13"). Section 13 applies to a "participator" in the Company for UK taxation purposes (which term includes a Shareholder) if, at a time when any gain accrues to the Company which constitutes a chargeable gain for those purposes, the Company is itself controlled by a sufficiently small number of persons so as to render the Company a body corporate that would, were it to have been resident in the UK for taxation purposes, be a "close" company for those purposes. The provisions of Section 13 could, if applied, result in such a Shareholder being treated for the purposes of UK taxation of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to the Shareholder directly, that part being equal to the proportion of the gain that corresponds to that Shareholder's proportionate interest in the Company as a "participator". No liability under Section 13 could be incurred by such a Shareholder, however, where such a proportion does not exceed one-tenth of the gain. (It is intended that proposals will be brought forward in Finance Bill 2013 which, if implemented, would increase this threshold to 25%). In the case of Shareholders who are individuals domiciled outside the United Kingdom, Section 13 applies subject to the remittance basis in particular circumstances.

Company is controlled for UK taxation purposes by persons (whether companies, individuals or others) who are resident in the UK for these purposes, or is controlled by two persons, one of whom is resident in the UK for these purposes and has at least 40 per cent. of the interests, rights and powers by which the two persons together control the Company and the other of whom has at least 40 per cent and not more than 55 per cent of such interests, rights and powers, the Company will be a "controlled foreign company" for the purposes of Chapter IV of Part XVII of the Income and Corporation Taxes Act 1988. Where a UK resident company, either alone or together with persons connected or associated with it for UK taxation purposes, has an interest in 25 per cent or more of the "chargeable profits" of a controlled foreign company, the UK resident company may be subject to United Kingdom taxation on an amount calculated by reference to its proportionate interest in those chargeable profits. The chargeable profits of a controlled foreign company do not include its capital gains. Shareholders who are UK resident companies should therefore be aware that they may in some circumstances be subject to UK tax an amount calculated by

reference to undistributed profits of the Company. Such Shareholders should, however, also be aware that United Kingdom Finance Act 2012 will introduce an extensive reform of the United Kingdom controlled foreign company rules, under which the chargeable profits of a controlled foreign company to be apportioned amongst the persons holding interests in the controlled foreign company are to be determined on the basis of a "gateway" test and are also subject to certain specific exemptions. These new rules are complex and any investor concerned about the application of the new rules to its interest in the Company should seek its own, independent advice.

If the Fund is controlled for United Kingdom taxation purposes by persons who are resident in the United Kingdom for these purposes, or is controlled by two persons, one of whom is resident in the United Kingdom for these purposes and has at least 40 percent. of the interests, rights and powers by which the two persons together control the Fund and the other of whom has at least 40 percent. and not more than 55 percent. of such interests, rights and powers, the Fund will be a "controlled foreign company" for the purposes of Part 9A of the Taxation (International and Other Provisions) Act 2010. Where a United Kingdom resident company, either alone or together with persons connected or associated with it for United Kingdom taxation purposes, has an interest in 25 percent. or more of the "chargeable profits" of a controlled foreign company, the United Kingdom resident company may be subject to United Kingdom taxation on an amount calculated by reference to its proportionate interest in those chargeable profits. The chargeable profits of a controlled foreign company are, however, determined by the application of a number of specific "gateway" tests (with only those profits of the controlled foreign company that pass through one or more "gateways" constituting its chargeable profits) and do not, in any event, include its capital gains. The controlled foreign company rules also contain a number of specific exemptions. Shareholders who are United Kingdom resident companies should, however, be aware that they may in some circumstances be subject to United Kingdom tax an amount calculated by reference to undistributed profits of the Fund.

The attention of UK resident and domiciled investors is drawn to Chapter 1, Part 13 of the Income Tax Act, 2007 under which HM Revenue and Customs may seek to cancel tax advantages from certain transactions in securities. It is also intended that proposals will be brought forward in Finance Bill 2013 which, if implemented, would slightly reduce the ambit of these provisions.

The attention of UK resident corporate Shareholders is drawn to Chapter 3, Part 6 of the Corporation Tax Act 2009 (Relationships Treated as Loan Relationships etc.) which may result in the Shares falling within the "Loan Relationship Regime" if the relevant Fund's assets mainly consist of debt or similar instruments. Each Class of Shares is expected to constitute a material interest in an offshore fund for this purpose. An offshore fund fails to satisfy the non-qualifying investments test at any time when its investments consist as to more than 60 per cent by market value of, inter alia, government and corporate debt securities, money placed at interest or holdings in unit trust schemes or offshore funds which do not themselves satisfy the non-qualifying investments test. If the test were failed, Shareholders within the charge to UK corporation tax would be required to account for their interest in the Company under the loan relationships regime, in which case all returns on their Shares in the relevant accounting period (including gains and losses) would be taxed or relieved as income receipt or expense on a fair value basis. If this were to occur, the Shareholder may, depending on its circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of shares).

*Stamp Duty and Stamp Duty Reserve Tax ("SDRT")*

**The following comments are intended as a guide to the general UK Stamp Duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply. Investors are advised to consult their own tax advisors.**

No UK Stamp Duty or SDRT will be payable on the new issue of Shares.

Stamp Duty (at the rate of 0.5 per cent., rounded up where necessary to the next £5 of the amount of the value of the consideration for the transfer where the consideration is more than £1,000) is payable on any instrument of transfer of Shares executed within, or in certain cases brought into, the UK. Provided that no such instrument of transfer (or any agreement of transfer) is executed in, or brought into the UK, and that the Shares are not registered in any register of the Company kept in the UK, any agreement to transfer Shares should not be subject to SDRT.

### **General**

The receipt of dividends (if any) by Shareholders, the redemption, switching or transfer of Shares and any distribution on a winding-up of the Company may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Company. The Directors, the Company and each of the Company's agents shall have no liability in respect of the individual tax affairs of Shareholders.

### **European Union – Taxation of Savings Income Directive**

On 10 November 2015 the Council of the European Union adopted a Council Directive repealing the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as reporting and exchange of information relating to and account for withholding taxes on payments made before those dates). This is to prevent overlap between the Savings Directive and the new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU) (see section entitled "Common Reporting Standards ("CRS") – Customer Information Notice" below).

### **Compliance with US reporting and withholding requirements**

The foreign account tax compliance provisions ("**FATCA**") of the Hiring Incentives to Restore Employment Act 2010 represent an expansive information reporting regime enacted by the United States ("**US**") aimed at ensuring that Specified US Persons with financial assets outside the US are paying the correct amount of US tax. FATCA will generally impose a withholding tax of up to 30% with respect to certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends paid to a foreign financial institution ("**FFI**") unless the FFI enters directly into a contract ("**FFI agreement**") with the US Internal Revenue Service ("**IRS**") or alternatively the FFI is located in a IGA country (please see below). An FFI agreement will impose obligations on the FFI including disclosure of certain information about US investors directly to the IRS and the imposition of withholding tax in the case of non-compliant investors. For these purposes the Company

would fall within the definition of a FFI for the purpose of FATCA.

In recognition of both the fact that the stated policy objective of FATCA is to achieve reporting (as opposed to being solely the collecting of withholding tax) and the difficulties which may arise in certain jurisdictions with respect to compliance with FATCA by FFIs, the US developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and US Governments signed an intergovernmental agreement (“**Irish IGA**”) on the 21<sup>st</sup> December 2012 and provisions were included in Finance Act 2013 for the implementation of the Irish IGA and also to permit regulations to be made by the Irish Revenue Commissioners with regard to registration and reporting requirements arising from the Irish IGA. In this regard, the Revenue Commissioners (in conjunction with the Department of Finance) have issued Regulations – S.I. No. 292 of 2014 which is effective from 1 July 2014. Supporting Guidance Notes (which will be updated on an ad-hoc basis) were issued by the Irish Revenue Commissioners on 1 October 2014. The most recent version issued is dated 4 July 2016.

The Irish IGA is intended to reduce the burden for Irish FFIs of complying with FATCA by simplifying the compliance process and minimising the risk of withholding tax. Under the Irish IGA, information about relevant US investors will be provided on an annual basis by each Irish FFI (unless the FFI is exempted from the FATCA requirements) directly to the Irish Revenue Commissioners. The Irish Revenue Commissioners will then provide such information to the IRS (by the 30<sup>th</sup> September of the following year) without the need for the FFI to enter into a FFI agreement with the IRS. Nevertheless, the FFI will generally be required to register with the IRS to obtain a Global Intermediary Identification Number commonly referred to as a GIIN.

Under the Irish IGA, FFIs should generally not be required to apply 30% withholding tax. To the extent the Company does suffer US withholding tax on its investments as a result of FATCA, the Directors may take any action in relation to an investor's investment in the Company to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or to become a participating FFI gave rise to the withholding.

### **Common Reporting Standards**

On 14 July 2014, the OECD issued the Standard for Automatic Exchange of Financial Account Information (“**the Standard**”) which therein contains the Common Reporting Standard (“**CRS**”). The subsequent introduction of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information and the EU Council Directive 2014/107/EU (amending Council Directive 2011/16/EU) provides the international framework for the implementation of the CRS by Participating Jurisdictions. In this regard, the CRS was implemented into Irish law by the inclusion of relevant provisions in Finance Act 2014 and 2015 and the issuance of Regulation S.I. No. 583 of 2015.

The main objective of the CRS is to provide for the annual automatic exchange of certain financial account information between relevant tax authorities of Participating Jurisdictions

The CRS draws extensively on the intergovernmental approach used for the purposes of implementing FATCA and, as such, there are significant similarities between both reporting mechanisms. However, whereas FATCA essentially only requires reporting of specific information in relation to Specified US Persons to the IRS, the CRS has a significantly wider ambit due to the multiple jurisdictions participating in

the regime.

Broadly speaking, the CRS will require Irish Financial Institutions to identify Account Holders resident in other Participating Jurisdictions and to report specific information in relation to these Account Holders to the Irish Revenue Commissioners on an annual basis (which, in turn, will provide this information to the relevant tax authorities where the Account Holder is resident). In this regard, please note that the Company will be considered an Irish Financial Institution for the purposes of the CRS.

For further information on the CRS requirements of the Company, please refer to the below "Customer Information Notice".

#### *Customer Information Notice*

The Company intends to take such steps as may be required to satisfy any obligations imposed by (i) the Standard and, specifically, the CRS therein or (ii) any provisions imposed under Irish law arising from the Standard or any international law implementing the Standard (to include the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information or the EU Council Directive 2014/107/EU (amending Council Directive 2011/16/EU)) so as to ensure compliance or deemed compliance (as the case may be) with the Standard and the CRS therein from 1 January 2016.

The Company is obliged under Section 891F and Section 891G of the Taxes Consolidation Act 1997 (as amended) and regulations made pursuant to that section to collect certain information about each Shareholder's tax arrangements.

In certain circumstances the Company may be legally obliged to share this information and other financial information with respect to a Shareholder's interests in the Company with the Irish Revenue Commissioners. In turn, and to the extent the account has been identified as a Reportable Account, the Irish Revenue Commissioners will exchange this information with the country of residence of the Reportable Person(s) in respect of that Reportable Account.

In particular, the following information will be reported by the Company to the Irish Revenue Commissioners in respect of each Reportable Account maintained by the Company;

- The name, address, jurisdiction of residence, tax identification number and date and place of birth (in the case of an individual) of each Reportable Person that is an Account Holder of the account and, in the case of any Entity that is an Account Holder and that, after application of the due diligence procedures consistent with CRS is identified as having one or more Controlling Persons that is a Reportable Person, the name, address, jurisdiction of residence and tax identification number of the Entity and the name, address, jurisdiction of residence, TIN and date and place of birth of each such Reportable Person.
- The account number (or functional equivalent in the absence of an account number);
- The account balance or value as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the date of closure of the account;
- The total gross amount paid or credited to the Account Holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the Reporting

Financial Institution is the obligor or debtor, including the aggregate amount of any redemption payments made to the Account Holder during the calendar year or other appropriate reporting period;

- The currency in which each amount is denominated.

Please note that in certain limited circumstances it may not be necessary to report the tax identification number and date of birth of a Reportable Person.

In addition to the above, the Irish Revenue Commissioners and Irish Data Protection Commissioner have confirmed that Irish Financial Institutions (such as the Company) may adopt the “wider approach” for CRS. This allows the Company to collect data relating to the country of residence and the tax identification number from all non-Irish resident Shareholders. The Company can send this data to the Irish Revenue Commissioners who will determine whether the country of origin is a Participating Jurisdiction for CRS purposes and, if so, exchange data with them. Revenue will delete any data for non-Participating Jurisdictions.

The Irish Revenue Commissioners and the Irish Data Protection Commissioner have confirmed that this wider approach can be undertaken for a set 2-3 year period pending the resolution of the final CRS list of Participating Jurisdictions.

Shareholders and prospective investors can obtain more information on the Company's tax reporting obligations on the website of the Irish Revenue Commissioners (which is available at <http://www.revenue.ie/en/business/aeoi/index.html>) or the following link in the case of CRS only: <http://www.oecd.org/tax/automatic-exchange/>.

All capitalised terms above, unless otherwise defined in this paragraph, shall have the same meaning as they have in the Standard and EU Council Directive 2014/107/EU (as applicable).

## **6. GENERAL INFORMATION**

### **1. Incorporation, Registered Office and Share Capital**

- (a) The Company was incorporated in Ireland on 23 January, 2013 as an investment company with variable capital with limited liability under registration number 522834. The Company has no subsidiaries.
- (b) The registered office of the Company is as stated in the Directory at the front of the Prospectus.
- (c) Clause 3.00 of the Memorandum of Association of the Company provides that the Company's sole object is the collective investment in either or both transferable securities and other liquid financial assets referred to in Regulation 68 of the UCITS Regulations of capital raised from the public and the Company operates on the principle of risk spreading.
- (d) The authorised share capital of the Company is 500,000,000,000 Shares of no par value and 2 redeemable non-participating shares of no par value issued at €1.00 each. Non-participating Shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the amount paid up thereon but do not otherwise entitle them to participate in the assets of the Company. The Directors have the power to allot shares in the capital of the Company on such terms and in such manner as they may think fit. Two non-participating Shares currently in issue were taken by the subscribers to the Company and transferred to Morant Wright Management Limited and a nominee of Morant Wright Management Limited.
- (e) As at the date of this Prospectus no Fund has commenced operations and no accounts therefore have been made up and no dividends have been declared.

### **2. Variation of Share Rights and Pre-Emption Rights**

- (a) The rights attaching to the Shares issued in any Class or Fund may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the Shareholders of three-quarters of the issued Shares of that Class or Fund, or with the sanction of an ordinary resolution passed at a general meeting of the Shareholders of that Class or Fund.
- (b) A resolution in writing signed by all the Shareholders and holders of non-participating shares for the time being entitled to attend and vote on such resolution at a general meeting of the Company shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the Company duly convened and held and if described as a special resolution shall be deemed to be a special resolution.
- (c) The rights attaching to the Shares shall not be deemed to be varied by the creation, allotment or issue of any further Shares ranking *pari passu* with Shares already in issue.
- (d) There are no rights of pre-emption upon the issue of Shares in the Company.

### **3. Voting Rights**

The following rules relating to voting rights apply:-

- (a) Fractions of Shares do not carry voting rights.
- (b) Every Shareholder or holder of non-participating shares present in person or by proxy who votes on a show of hands shall be entitled to one vote.
- (c) The chairman of a general meeting of a Fund or Class or any Shareholder of a Fund or Class present in person or by proxy at a meeting of a Fund or Class may demand a poll. The chairman of a general meeting of the Company or at least two members present in person or by proxy or any Shareholder or Shareholders present in person or by proxy representing at least one tenth of the Shares in issue having the right to vote at such meeting may demand a poll.
- (d) On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him and every holder of non-participating shares shall be entitled to one vote in respect of all non-participating shares held by him. A Shareholder entitled to more than one vote need not cast all his votes or cast all the votes he uses in the same way.
- (e) In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
- (f) Any person (whether a Shareholder or not) may be appointed to act as a proxy; a Shareholder may appoint more than one proxy to attend on the same occasion.
- (g) Any instrument appointing a proxy must be deposited at the registered office, not less than 48 hours before the meeting or at such other place or by such other means and by such time as is specified in the notice convening the meeting. The Directors may at the expense of the Company send by post or otherwise to the Shareholders instruments of proxy (with or without prepaid postage for their return) and may either leave blank the appointment of the proxy or nominate one or more of the Directors or any other person to act as proxy.
- (h) To be passed, ordinary resolutions of the Company or of the Shareholders of a particular Fund or Class will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed. Special resolutions of the Company or of the Shareholders of a particular Fund or Class will require a majority of not less than 75% of the Shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Articles.

### **4. Meetings**

- (a) The Directors may convene extraordinary general meetings of the Company at any time. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year. Not more than fifteen months shall elapse between the date of one

annual general meeting of the Company and that of the next provided that so long as the Company holds its first annual general meeting within eighteen months of its incorporation it need not hold it in the year of its incorporation or in the following year.

- (b) Subject to the provisions of the Act permitting a general meeting to be called by shorter notice, not less than twenty one days notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to Shareholders and fourteen days' notice must be given in the case of any other general meeting.
- (c) Two members present either in person or by proxy shall be a quorum for a general meeting provided that the quorum for a general meeting convened to consider any alteration to the Class rights of Shares shall be two Shareholders holding or representing by proxy at least one third of the issued Shares of the relevant Fund or Class. If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of or by Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same time, day and place in the next week or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be a quorum and in the case of a meeting of a Fund or Class convened to consider the variation of rights of Shareholders in such Fund or Class the quorum shall be one Shareholder holding Shares of the Fund or Class in question or his proxy. All general meetings will be held in Ireland.
- (d) The foregoing provisions with respect to the convening and conduct of meetings shall save as otherwise specified with respect to meetings of Funds or Classes and, subject to the Act, have effect with respect to separate meetings of each Fund or Class at which a resolution varying the rights of Shareholders in such Fund or Class is tabled.

## **5. Reports and Accounts**

The Company will prepare an annual report and audited accounts as of 31 October in each year and a half-yearly report and unaudited accounts as of 30 April in each year. The audited annual report and accounts will be published within four months of the Company's financial year end and its semi-annual report will be published within 2 months of the end of the half year period and in each case will be offered to subscribers before conclusion of a contract and supplied to Shareholders and will be available to the public at the office of the Administrator (as set out in the Directory).

## **6. Communications and Notices to Shareholders**

Communications and Notices to Shareholders or the first named of joint Shareholders shall be deemed to have been duly given as follows:

MEANS OF DISPATCH

DEEMED RECEIVED

Delivery by Hand

:

The day of delivery or next following working day if delivered outside usual business hours.

Post	:	2 Business Days after posting.
Fax	:	The day on which a positive transmission receipt is received.
Electronically	:	The day on which the electronic transmission has been sent to the electronic information system designated by a Shareholder.
Publication of Notice or Advertisement of Notice	:	The day of publication in a daily newspaper circulating in the country or countries where shares are marketed.

## 7. Transfer of Shares

- (a) Transfers of Shares may be effected in writing in any usual or common form, signed by or on behalf of the transferor and every transfer shall state the full name and address of the transferor and transferee.
- (b) The Directors may from time to time specify a fee for the registration of instruments of transfer provided that the maximum fee may not exceed 5% of the Net Asset Value of the Shares subject to the transfer on the Dealing Day immediately preceding the date of the transfer.

The Directors may without explanation and in their absolute discretion decline to register any transfer of Shares. Circumstances where the Directors may exercise this discretion include but are not limited to the following:-

- (i) in consequence of such transfer the transferor or the transferee would hold a number of Shares less than the Minimum Holding or the transferee would hold less than the Minimum Subscription;
- (ii) all applicable taxes and/or stamp duties have not been paid in respect of the instrument of transfer;
- (iii) the instrument of transfer is not deposited at the registered office of the Company or such other place as the Directors may reasonably require, accompanied by, such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, such relevant information and declarations as the Directors may reasonably require from the transferee including, without limitation, information and declarations of the type which may be requested from an applicant for Shares in the Company and such fee as may from time to time be specified by the Directors for the registration of any instrument of transfer; or
- (iv) they are aware or reasonably believe the transfer would result in the beneficial ownership of such Shares by a person in contravention of any restrictions on ownership

as set out herein or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the Company or the relevant Fund or Shareholders generally.

- (c) The registration of transfers may be suspended for such periods as the Directors may determine provided always that each registration may not be suspended for more than 30 days.

## **8. Directors**

The following is a summary of the principal provisions in the Articles relating to the Directors:

- (a) Unless otherwise determined by an ordinary resolution of the Company in general meeting, the number of Directors shall not be less than two nor more than nine.
- (b) A Director need not be a Shareholder.
- (c) The Articles contain no provisions requiring Directors to retire on attaining a particular age or to retire on rotation.
- (d) A Director may vote and be counted in the quorum at a meeting to consider the appointment or the fixing or variation of the terms of appointment of any Director to any office or employment with the Company or any company in which the Company is interested, but a Director may not vote or be counted in the quorum on a resolution concerning his own appointment.
- (e) The Directors of the Company for the time being are entitled to such remuneration as may be determined by the Directors and disclosed in the Prospectus and may be reimbursed all reasonable travel, hotel and other expenses incurred in connection with the business of the Company or the discharge of their duties and may be entitled to additional remuneration if called upon to perform any special or extra services to or at the request of the Company. Any additional remuneration payable to the Directors will be provided for in the periodic reports of the Company.
- (f) A Director may hold any other office or place of profit under the Company, other than the office of Auditor, in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine. A Director may not act as a director of the Depositary.
- (g) No Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise, nor shall any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director who is so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, but the nature of his interest must be declared by him at the meeting of the Directors at which the proposal to enter into the contract or agreement is first considered or, if the Director in question was not at the date of that meeting interested in the proposed contract or arrangement, at the next Directors' meeting held after he becomes so interested. A general notice in writing given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or arrangement which may

thereafter be made with that company or firm is deemed to be a sufficient declaration of interest in relation to any contract or arrangement so made.

- (h) A Director may not vote in respect of any contract or arrangement or any proposal whatsoever in which he has any material interest or a duty which conflicts with the interests of the Company and shall not be counted in the quorum at a meeting in relation to any resolution upon which he is debarred from voting unless the Directors resolve otherwise. However, a Director may vote and be counted in quorum in respect of any proposal concerning any other company in which he is interested directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of or beneficially interested in 5 per cent or more of the issued shares of any class of such company or of the voting rights available to members of such company. A Director may also vote and be counted in the quorum in respect of any proposal concerning an offer of Shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Company or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the Company for which the Director has assumed responsibility in whole or in part and in respect of any proposal concerning the purchase of directors' and officers' liability insurance.
- (i) The office of a Director shall be vacated in any of the following events namely:-
- (a) if he resigns his office by notice in writing signed by him and left at the registered office of the Company;
  - (b) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (c) if he becomes of unsound mind;
  - (d) if he is absent from meetings of the Directors for six successive months without leave expressed by a resolution of the Directors and the Directors resolve that his office be vacated;
  - (e) if he ceases to be a Director by virtue of, or becomes prohibited or restricted from being a Director by reason of, an order made under the provisions of any law or enactment;
  - (f) if he is requested by a majority of the other Directors (not being less than two in number) to vacate office;
  - (g) if he is removed from office by ordinary resolution of the Company; or
  - (h) if he ceases to be approved to act as a director by the Central Bank.

## **9. Directors' Interests**

- (a) None of the Directors has or has had any direct interest in the promotion of the Company or in any transaction effected by the Company which is unusual in its nature or conditions or is significant to the business of the Company up to the date of this Prospectus or in any contracts or arrangements of the Company subsisting at the date hereof other than:
- Mr. Alasdair McKerrell is a director of the Investment Manager.
- (b) No present Director or any connected person has any interests beneficial or non-beneficial in the share capital of the Company.
- (c) None of the Directors has a service contract with the Company nor are any such service contracts proposed.

## **10. Termination/Winding Up**

- (a) The Company or a Fund may be wound up if:
- (i) At any time after the first anniversary of the incorporation of the Company, the Net Asset Value of the Company or any Fund falls below €10,000,000 on each Dealing Day for a period of six consecutive weeks and the Shareholders resolve by ordinary resolution to wind up the Company or the relevant Fund;
  - (ii) Within a period of three months from the date on which (a) the Depositary notifies the Company of its desire to retire in accordance with the terms of the Depositary Agreement and has not withdrawn notice of its intention to so retire, (b) the appointment of the Depositary is terminated by the Company in accordance with the terms of the Depositary Agreement, or (c) the Depositary ceases to be approved by the Central Bank to act as a Depositary; no new depositary has been appointed, the Directors shall instruct the Company Secretary to forthwith convene an extraordinary general meeting of the Company at which there shall be proposed an Ordinary Resolution to wind up the Company. Notwithstanding anything set out above, the Depositary's appointment shall only terminate on revocation of the Company's authorisation by the Central Bank. The Depositary has notified the Company of its desire to retire or ceases to be qualified to act as depositary or its appointment has been terminated and no new depositary has been appointed and the Shareholders resolve by ordinary resolution to wind up the Company or any Fund.
  - (iii) The Shareholders resolve by ordinary resolution that the Company or any Fund by reason of its liabilities cannot continue its business and that it be wound up;
  - (iv) The Shareholders resolve by special resolution to wind up the Company or any Fund.

- (b) In the event of a winding up, the liquidator shall apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims.
- (c) The liquidator shall apply the assets of each Fund in satisfaction of liabilities incurred on behalf of or attributable to such Fund and shall not apply the assets of any Fund in satisfaction of any liability incurred on behalf of or attributable to any other Fund.
- (d) The assets available for distribution among the Shareholders shall be applied in the following priority:-
  - (i) firstly, in the payment to the Shareholders of each Class or Fund of a sum in the Base Currency (or in any other currency selected and at such rate of exchange as determined by the liquidator) as nearly as possible equal to the Net Asset Value of the Shares of the relevant Class or Fund held by such Shareholders respectively as at the date of commencement of winding up;
  - (ii) secondly, in the payment to the holders of non-participating shares of one Euro each per share out of the assets of the Company not comprised within any Fund provided that if there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds;
  - (iii) thirdly, in the payment to the Shareholders of each Class or Fund of any balance then remaining in the relevant Fund, in proportion to the number of Shares held in the relevant Class or Fund; and
  - (i) fourthly, any balance then remaining and not attributable to any Fund or Class shall be apportioned between the Funds and Classes pro-rata to the Net Asset Value of each Fund or attributable to each Class immediately prior to any distribution to Shareholders and the amounts so apportioned shall be paid to Shareholders pro-rata to the number of Shares in that Fund or Class held by them.
- (e) The liquidator may, with the authority of an ordinary resolution of the Company, divide among the Shareholders (pro rata to the value of their respective shareholdings in the Company) in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind provided that any Shareholder shall be entitled to request the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such sale. The costs of any such sale shall be borne by the relevant Shareholder. The liquidator may, with like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator shall think fit and the liquidation of the Company may be closed and the Company dissolved, provided that no Shareholder shall be compelled to accept any asset in respect of which there is any liability. Further the liquidator may with like authority transfer the whole or part of the assets of the Company to a company or collective investment scheme (the "Transferee Company") on terms that Shareholders in the Company shall receive from the Transferee Company shares or units in the Transferee Company of equivalent value to their shareholdings in the Company.

- (f) Notwithstanding any other provision contained in the Memorandum and Articles of Association of the Company, should the Directors at any time and in their absolute discretion resolve that it would be in the best interests of the Shareholders to wind up the Company, the Company Secretary shall forthwith at the Directors' request convene an extraordinary general meeting of the Company at which there shall be presented a proposal to appoint a liquidator to wind up the Company and if so appointed, the liquidator shall distribute the assets of the Company in accordance with the Memorandum and Articles of Association of the Company.

## **11. Indemnities and Insurance**

The Directors (including alternates if any), Company Secretary and other officers of the Company and its former directors and officers shall be indemnified by the Company against losses and expenses to which any such person may become liable by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (other than in the case of fraud, negligence or wilful default). The Company acting through the Directors is empowered under the Articles of Association to purchase and maintain for the benefit of persons who are or were at any time Directors or officers of the Company insurance against any liability incurred by such persons in respect of any act or omission in the execution of their duties or exercise of their powers.

No indemnity shall extend from the Company to any matters arising from the negligence, fraud or wilful default, breach of duty or breach of trust by the person, officer, agent or delegate so indemnified except in the case of the Depositary where no such indemnity shall extend to any matters arising from a breach of the minimum standard of liability applicable to the Depositary pursuant to the UCITS Regulations.

## **12. General**

- (a) The Company does not have, nor has it had since incorporation, any employees.
- (b) The rights conferred on Shareholders by virtue of their shareholdings are governed by the Articles of Association, the general law of Ireland and the Act.
- (c) The Company has no subsidiaries.

## **13. Material Contracts**

The following contracts which are or may be material have been entered into otherwise than in the ordinary course of business:-

- (a) *Management Agreement* between the Company and the Manager dated 19 April, 2013 under which the Manager was appointed as manager of the Company. The Management Agreement may be terminated by either party on 90 days written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. The Manager has the power to delegate its duties with the prior approval of the Central Bank. The Management Agreement provides that the Company shall indemnify and keep indemnified and hold harmless the Manager and each of its directors, officers, servants, employees, agents and

appointees from and against any and all actions, proceedings, damages, claims, demands, costs, losses, liabilities and costs or expenses including legal and professional fees and expenses which may be brought against or directly or indirectly suffered or incurred by the Manager in the performance or non-performance of its obligations or duties other than due to the fraud, bad faith, negligence or wilful default of the Manager or persons designated by it of its obligations or duties under the Management Agreement.

- (b) *Investment Management Agreement* between the Company, the Manager and the Investment Manager dated 19 April, 2013 under which the Investment Manager was appointed as investment manager of the Company's assets subject to terms and conditions of the Investment Management Agreement. The Investment Management Agreement provides that the appointment of the Investment Manager may be terminated by either party on 90 days written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. The Investment Manager has the power to delegate its duties in accordance with the Central Bank's requirements and the prior consent of the Company. The Investment Management Agreement provides that the Company shall indemnify the Investment Manager and its delegates, agents and employees against and hold it harmless from any actions, proceedings, damages, claims, costs, demands and expenses including legal and professional expenses brought against or suffered or incurred by the Investment Manager in the performance of its duties other than due to the negligence, fraud, bad faith or wilful default of the Investment Manager, its delegates, agents or employees in the performance of its obligations under the terms and conditions of the Investment Management Agreement.
- (c) *Administration Agreement* between the Company, the Manager and the Administrator dated 19 April, 2013 under which the latter was appointed as Administrator to manage and administer the affairs of the Company, subject to the terms and conditions of the Administration Agreement. The Administration Agreement may be terminated by either party on 90 days written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. The Administrator has the power to delegate its duties with the prior approval of the Company and in accordance with the requirements of the Central Bank. The Administration Agreement provides that the Company shall indemnify the Administrator against all actions, claims, costs, damages, liabilities and expenses (including without limitation, attorney's fees on a full indemnity basis and amounts reasonably paid in settlement) incurred by the Administrator, its directors, officers, shareholders, employees or agents in the performance of its obligations or duties other than due to fraud, negligence, recklessness or wilful default of the Administrator, its directors, officers, employees, servants or agents in the performance of any of its obligations in the Administration Agreement.
- (d) *Depositary Agreement* between the Company and the Depositary dated 12 October 2016 between the Company and the Depositary whereby the Company appointed the Depositary as depositary of all the assets of the Company. The Depositary Agreement may be terminated by either party on 90 days written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice provided that the Depositary shall continue to act as depositary until a successor depositary approved by the Central Bank is appointed by the Company or the Company's authorisation by the Central Bank is revoked. Under the Depositary Agreement, the Depositary has power to delegate the whole or any part of its depositary functions,

however, its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary Agreement provides that the Company shall indemnify and keep indemnified and hold harmless the Depositary and each of its directors, officers, servants, employees and agents from and against any and all actions, proceedings, claims, demands, losses, damages, costs and expenses (including reasonable legal and professional fees and expenses arising therefrom or incidental thereto and including any loss suffered or incurred by the Depositary arising out of the failure of a settlement system to effect a settlement) which may be made or brought against or directly or indirectly suffered or incurred by the Depositary or any of its directors, officers, servants or employees arising out of or in connection with the performance or non-performance of the Depositary's duties other than (i) actions, proceedings, claims, demands, losses, damages, costs and expenses of any nature suffered or incurred as a result of the negligent or intentional failure of the Depositary to properly perform its obligations under the Depositary Agreement or pursuant to the UCITS Directive and (ii) any loss of financial instruments held in custody or in the custody of any sub-custodian, unless it can prove that loss has arisen as a result of an external event beyond its control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

#### **14. Documents Available for Inspection**

Copies of the following documents, which are available for information only and do not form part of this document, may be inspected at the registered office of the Company in Ireland during normal business hours on any Business Day:-

- (a) The Memorandum and Articles of Association of the Company (copies may be obtained free of charge from the Administrator).
- (b) Once published, the latest annual and half yearly reports of the Company (copies of which may be obtained from the Administrator free of charge).

Copies of the Prospectus may also be obtained by Shareholders from the Administrator.

**APPENDIX 1 – PERMITTED INVESTMENTS AND INVESTMENT RESTRICTIONS**

The Company is authorised as a UCITS pursuant to the UCITS Regulations. Pursuant to the UCITS Regulations, a UCITS is subject to the following investment restrictions. It is intended that the Company shall have the power (subject to the prior approval of the Central Bank and as disclosed in an updated Prospectus) to avail itself of any change in the investment and borrowing restrictions laid down in the UCITS Regulations which would permit investment by the Company in securities, derivative instruments or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited under the UCITS Regulations. Shareholders will be advised of such changes in the next succeeding annual or semi-annual report of the Company. Any such change which would result in a change to the investment policy of a Fund will require prior Shareholder approval.

<b>(1)</b>	<b><i>Permitted Investments</i></b>
	Investments of a Fund are confined to:
(i)	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operating regularly, recognised and open to the public in a Member State or non-Member State.
(ii)	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
(iii)	Money market instruments other than those dealt on a regulated market.
(iv)	Units of UCITS.
(v)	Units of AIFs.
(vi)	Deposits with credit institutions.
(vii)	Financial derivative instruments.
<b>(2)</b>	<b><i>Investment Restrictions</i></b>
(i)	A Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in section (1) above.
(ii)	Subject to Paragraph (2), a Fund may invest no more than 10% of its net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1(ii) above) within a year. This restriction will not apply in relation to investment by that relevant Fund in certain US securities known as Rule 144A securities provided that:

	<ul style="list-style-type: none"> <li>the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and</li> <li>the securities are not illiquid securities i.e. they may be realised by a Fund within seven days at the price, or approximately at the price, at which they are valued by the UCITS.</li> </ul>
(iii)	A Fund may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
(iv)	The limit of 10% (in paragraph 2(iii) above) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of that relevant Fund.
(v)	The limit of 10% (in paragraph 2(iii) above) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
(vi)	The transferable securities and money market instruments referred to in paragraph 2(iv) and 2(v) above shall not be taken into account for the purpose of applying the limit of 40% referred to in paragraph 2(iii) above.
(vii)	<p>Deposits with any single credit institution, other than a credit institution specified in Regulation 7 of the Central Bank UCITS Regulations held as ancillary liquidity shall not exceed:</p> <p>(a) 10% of the NAV of the UCITS; or</p> <p>(b) where the deposit is made with the Depository 20% of the net assets of the UCITS.</p> <p>This limit may be raised to 20% in the case of deposits made with the Depository.</p>
(viii)	<p>The risk exposure of a Fund to a counterparty to an over-the-counter derivative ("OTC") may not exceed 5% of net assets.</p> <p>This limit is raised to 10% in the case of credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988 or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.</p>

(ix)	Notwithstanding paragraphs 2(iii), 2(vii) and 2(viii) above, a combination of two or more of the following issued by, made or undertaken with the same body may not exceed 20% of net assets:
	<ul style="list-style-type: none"> <li>• investments in transferable securities or money market instruments;</li> <li>• deposits; and/or</li> <li>• risk exposures arising from OTC derivatives transactions.</li> </ul>
(x)	The limits referred to in paragraphs 2(iii), 2(iv), 2(v), 2(vii), 2(viii) and 2(ix) above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
(xi)	Group companies are regarded as a single issuer for the purposes of paragraphs 2(iii), 2(iv), 2(v), 2(vii), 2(viii) and 2(ix) above. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
(xii)	<p>A Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members,</p> <p>Subject to being included in the Memorandum and Articles of Association of the Company, the individual issuers must be listed in the prospectus and may be drawn from the following list :</p> <p>OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC, Export-Import Bank.</p> <p>The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
<b>(3)</b>	<b><i>Investment in Collective Investment Schemes ("CIS")</i></b>
(i)	A Fund may not invest more than 10% of net assets in other CIS.

(ii)	The CIS in which a Fund may invest are themselves prohibited from investing more than 10 per cent of net assets in other CIS.
(iii)	When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by way of a direct or indirect stake of more than 10% of the capital or votes, that management company or other company may not charge any subscription, conversion or redemption fees on account of the relevant Fund investment in the units of such other CIS.
(iv)	Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.
<b>(4)</b>	<b><i>Index Tracking UCITS</i></b>
(i)	A Fund may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the relevant Fund is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank.
(ii)	The limit in paragraph 4(i) above may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
<b>(5)</b>	<b><i>General Provisions</i></b>
(i)	An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

(ii)	<p>A Fund may acquire no more than:</p> <ul style="list-style-type: none"> <li>(a) 10% of the non-voting shares of any single issuing body;</li> <li>(b) 10% of the debt securities of any single issuing body;</li> <li>(c) 25% of the units of any single CIS;</li> <li>(d) 10% of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (b), (c) and (d) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
(iii)	<p>Paragraph 5(i) and 5(ii) above shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(a) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(b) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(c) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> </ul>
	<ul style="list-style-type: none"> <li>(d) shares held by a Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that state, where under the legislation of that state such a holding represents the only way in which the relevant Fund can invest in the securities of issuing bodies of that state. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in paragraphs 2(iii) to 2(xi), 3(i), 3(ii), 5(i) 5(ii), 5(iv), 5(v) and 5(vi), and provided that where these limits are exceeded, paragraphs 5(v) and 5(vi) above are observed;</li> <li>(e) shares held by an investment company, ICAV, ICAVs or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares at Shareholders' request exclusively on their behalf.</li> </ul>
(iv)	<p>A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.</p>
(v)	<p>A Fund may derogate from the provisions of paragraphs 2(iii) to 2(xii), 3(i), 3(ii), 4(i) and 4(ii) above for six months following the date of its authorisation, provided it observes the principle of risk spreading.</p>
(vi)	<p>If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the relevant Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.</p>

(vii)	<p>A Fund may not carry out uncovered sales of:</p> <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- money market instruments;</li> <li>- units of CIS; or</li> <li>- financial derivative instruments.</li> </ul>
(viii)	A Fund may hold ancillary liquid assets.
<b>(6)</b>	<b><i>Financial Derivative Instruments (“FDIs”)</i></b>
(i)	A Fund’s global exposure relating to FDIs must not exceed its total net asset value.
(ii)	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations).
(iii)	A Fund may invest in FDIs dealt in OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
(iv)	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.
<b>(7)</b>	<b><i>Restrictions on Borrowing and Lending</i></b>
(i)	A Fund may borrow up to 10% of its net assets provided such borrowing is on a temporary basis. The Depositary may give a charge over the assets of a Fund in order to secure borrowings. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding.
(ii)	<p>A Fund may acquire foreign currency by means of a “back-to-back” loan agreement. Foreign currency obtained in this manner is not classed as borrowings for the purposes of the borrowing restrictions set out at (i) above provided that the offsetting deposit:-</p> <ul style="list-style-type: none"> <li>(a) is denominated in the Base Currency of the relevant Fund; and</li> <li>(b) equals or exceeds the value of the foreign currency loan outstanding.</li> </ul> <p>However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purpose of (i) above.</p>

## Appendix II

### RISK FACTORS

Potential investors should consider the following risks in addition to any risks disclosed in the relevant Fund Supplement before investing in any of the Funds.

#### *General*

The risks described herein should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Potential investors should be aware that an investment in a Fund may be exposed to other risks of an exceptional nature from time to time. Investment in the Company carries with it a degree of risk. Different risks may apply to different Funds and/or Classes. Details of specific risks attaching to a particular Fund or Class which are additional to those described in this section will be disclosed in the relevant Supplement. Prospective investors should review this Prospectus and the relevant Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares.

Prospective Investors are advised that the value of Shares and the income from them may go down as well as up and, accordingly, an investor may not get back the full amount invested and an investment should only be made by persons who can sustain a loss on their investment. Past performance of the Company or any Fund should not be relied upon as an indicator of future performance. The difference at any one time between the sale price (to which may be added a sales charge or commission) and the redemption price of Shares means an investment should be viewed as medium to long term.

The attention of potential investors is drawn to the taxation risks associated with investing in the Company. Please refer to the Section of the Prospectus entitled "TAXATION".

The securities and instruments in which the Company invests are subject to normal market fluctuations and other risks inherent in investing in such investments and there can be no assurance that any appreciation in value will occur.

There can be no guarantee that the investment objective of a Fund will actually be achieved.

#### *Liquidity of Investment*

Shares of the Funds cannot be assigned, transferred, pledged or otherwise encumbered except on the terms and conditions set forth in the Articles as described herein.

### ***Liquidity Risk***

Not all securities or instruments invested in by the Funds will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Funds may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity.

### ***Financial Market Crisis***

As at the date of this Prospectus, the global financial markets have in recent times been subject to pervasive and fundamental disruptions and dramatic instability. The extent to which the underlying causes of instability are pervasive throughout global financial markets and have the potential to cause further instability is not yet clear but these underlying causes have led to extensive and unprecedented governmental intervention and regulators in many jurisdictions have implemented or proposed a number of wide-ranging emergency regulatory measures including restrictions on the short selling of financial and other stocks in many jurisdictions. Such intervention has in certain cases been implemented on an “emergency” basis without much or any notice with the consequence that some market participants’ ability to continue to implement certain strategies or manage the risk of their outstanding positions has been suddenly and / or substantially eliminated. In addition, due to the uncertain stability of global financial institutions, the security of assets held by any financial institution cannot be guaranteed, notwithstanding the terms of any agreement with such institution. Given the complexities of the global financial markets and the limited time frame within which governments have been able to take action, these interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies. It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed on the markets and / or the effect of such restrictions on the ability of any Fund to implement its investment objective / investment policy. However, the Directors believe that there is a likelihood of increased regulation of the global financial markets, and that such increased regulation could be materially detrimental to the performance of the relevant Fund.

### ***Investment and Trading Risks in General***

All investments made by Funds risk the loss of capital. No guarantee or representation is made that a particular Fund’s program will be successful, and investment results may vary substantially over time.

Past results of the Funds are not necessarily indicative of future performance. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

### ***Cyber Security Risk***

As the use of technology has become more prevalent in the course of business, the Funds have become potentially more susceptible to operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause a Fund to lose proprietary information, suffer data corruption, or lose operational capacity. This in turn could cause a Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective

measures, and/or financial loss. Cyber security breaches may involve unauthorized access to a Fund's digital information systems (e.g. through "hacking" or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e. efforts to make network services unavailable to intended users). In addition, cyber security breaches of a Fund's third party service providers (e.g., administrators, transfer agents, depositaries and sub-advisers) or issuers that a Fund invests in can also subject a Fund to many of the same risks associated with direct cyber security breaches. Like with operational risk in general, the Funds have established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially since the Funds do not directly control the cyber security systems of issuers or third party service providers.

### **Fraud Risk**

None of the Company, the Manager, the Investment Manager, the Administrator or the Depositary or any of their respective directors, officers, employees or agents will be responsible or liable for the authenticity of or acting upon instructions from Shareholders, including but not limited to requests for redemptions of Shares, reasonably believed to be genuine, and shall not in any event be liable for any losses, costs or expenses arising out of or in conjunction with any unauthorized or fraudulent instructions. Although, the Administrator shall employ reasonable procedures to seek to establish that instructions are genuine and that the subscription, redemption and switching procedures of the Company are adhered to, as appropriate. In the event that a Fund suffers a loss due to the payment of redemption monies to, for example, a fraudster who has successfully redeemed a Shareholder's holding or part thereof, the Net Asset Value of that Fund shall be reduced accordingly and in the absence of any negligence, fraud, recklessness or willful default on the part of the Manager and the Administrator or the absence of any negligence, fraud, recklessness or willful default on the part of the Investment Manager and Depositary, the Company will not be compensated for any such loss which will therefore be absorbed by the Shareholders equally.

### **Foreign Exchange Risk**

A particular Fund may invest in assets that are denominated in currencies that are different to its Base Currency. Shareholders may be exposed to foreign exchange risks. The ability to hedge foreign exchange risks may be affected by limited forward or option markets for the hedging of the Base Currency against the currency of investment. Where there is a foreign exchange risk exposure for a relevant Fund, the Company may, where it is appropriate, hedge the risk. This will be effected at the Fund level and the margins and premiums payable for such transactions shall not exceed the Net Asset Value of the Fund. Performance may be strongly influenced by movements in FX rates because currency positions held by Funds may not correspond with the securities positions held.

### **Market Capitalisation Risk**

The securities of small-to-medium-sized (by market capitalisation) companies, or financial instruments related to such securities, may have a more limited market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports.

### ***Dependence on Key Personnel***

The performance of the Funds is largely dependent on the services of a limited number of persons at the Investment Manager. If the services of all or a substantial number of such persons were to become unavailable, the result of such a loss of key management personnel could be substantial losses for the Funds.

### ***Foreign Account Tax Compliance Act***

The foreign account tax compliance provisions (“**FATCA**”) of the Hiring Incentives to Restore Employment Act 2010 which apply to certain payments are essentially designed to require reporting of Specified US Person’s direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service, with any failure to provide the required information resulting in a 30% US withholding tax on direct US investments (and possibly indirect US investments). In order to avoid being subject to US withholding tax, both US investors and non-US investors are likely to be required to provide information regarding themselves and their investors. In this regard the Irish and US Governments signed an intergovernmental agreement (“**Irish IGA**”) with respect to the implementation of FATCA (see section entitled “*Compliance with US reporting and withholding requirements*” for further detail) on 21 December 2012.

Under the Irish IGA (and the relevant Irish regulations and legislation implementing same), foreign financial institutions (such as the Company) should generally not be required to apply 30% withholding tax.

To the extent the Company however suffers US withholding tax on its investments as a result of FATCA, or is not in a position to comply with any requirement of FATCA, the Administrator acting on behalf of the Company may take any action in relation to a Shareholder’s investment in the Company to redress such non-compliance and/or ensure that such withholding is economically borne by the relevant Shareholder whose failure to provide the necessary information or to become a participating foreign financial institution or other action or inaction gave rise to the withholding or non-compliance, including compulsory redemption of some or all of such Shareholder’s holding of shares in the Company.

Shareholders and prospective investors should consult their own tax advisor with regard to US federal, state, local and non-US tax reporting and certification requirements associated with an investment in the Company.

### ***Common Reporting Standard***

The OECD developed the Common Reporting Standard (“**CRS**”) to address the issue of offshore tax evasion on a global basis. The CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges are expected to begin in 2017. Ireland has legislated to implement the CRS. As a result the Company will be required to comply with the CRS due diligence and reporting requirements, as adopted by Ireland. Shareholders may be required to provide additional information to the Company to enable the Company to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any

resulting penalties or other charges and/or compulsory redemption of its Shares in the relevant Fund. Shareholders and prospective investors should consult their own tax advisor with regard to with respect to their own certification requirements associated with an investment in the Company.

### ***Equity Risk***

Investing in equity securities may offer a higher rate of return than those investing in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might suddenly and substantially decrease in value.

### ***Geographical Concentration Risk***

Certain Funds with a geographical focus may be more volatile than a broad-based fund, such as a global equity fund, as they are more susceptible to fluctuations in value resulting from adverse conditions in the countries in which they invest.

### ***Market Risk***

Some of the Recognised Exchanges in which a Fund may invest may be less well-regulated than those in developed markets and may prove to be illiquid, insufficiently liquid or highly volatile from time to time. This may affect the price at which a Fund may liquidate positions to meet redemption requests or other funding requirements.

### ***Exchange Control and Repatriation Risk***

It may not be possible for Funds to repatriate capital, dividends, interest and other income from certain countries, or it may require government consents to do so. Funds could be adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

### ***Redemption Risk***

Large redemptions of Shares in a Fund might result in a Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets.

### ***Credit Risk***

There can be no assurance that issuers of the securities or other instruments in which a Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. Funds will also be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of

transactions in financial derivative instruments and may bear the risk of counterparty default.

### ***Currency Risk***

Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the Base Currency. It may not be possible or practical to hedge against such exchange rate risk. The Fund's Investment Manager may, but is not obliged to, mitigate this risk by using financial instruments.

Funds may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the prices of a Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. Performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the securities positions held.

A Fund may enter into currency exchange transactions and/or use techniques and instruments to seek to protect against fluctuation in the relative value of its portfolio positions as a result of changes in currency exchange rates or interest rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. The successful execution of a hedging strategy which matches exactly the profile of the investments of any Fund cannot be assured. It may not be possible to hedge against generally anticipated exchange or interest rate fluctuations at a price sufficient to protect the assets from the anticipated decline in value of the portfolio positions as a result of such fluctuations.

### ***Share Currency Designation Risk***

A Class of Shares of a Fund may be designated in a currency other than the Base Currency of the Fund. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency.

### ***Changes in Interest Rates***

The value of Shares may be affected by substantial adverse movements in interest rates.

### ***Valuation Risk***

A Fund may invest some of its assets in illiquid and/or unquoted securities or instruments. Such investments or instruments will be valued by the Directors or their delegate in good faith in consultation with the Investment Manager as to their probable realisation value. Such investments are inherently

difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or “close-out” prices of such securities.

### ***Accounting, Auditing and Financial Reporting Standards***

The accounting, auditing and financial reporting standards of many of the countries in which a Fund may invest may be less extensive than those applicable to US and European Union companies.

### ***Emerging Markets Risk***

A Fund may invest directly or indirectly in securities of companies based in emerging countries or issued by the governments of such countries. Investing in securities of such countries and companies involves certain considerations not usually associated with investing in securities of developed countries or of companies located in developed countries, including political and economic considerations, such as greater risks of expropriation, nationalisation and general social, political and economic instability; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; certain government policies that may restrict a Fund’s investment opportunities; and problems that may arise in connection with the clearance and settlement of trades. In addition, accounting and financial reporting standards that prevail in certain of such countries generally are not equivalent to standards in more developed countries and, consequently, less information is available to investors in companies located in these countries than is available to investors in companies located in more developed countries. There is also less regulation, generally, of the securities markets in emerging countries than there is in more developed countries. Placing securities with a Depositary in an emerging country may also present considerable risks.

### ***Settlement and Credit Risks***

The trading and settlement practices of some of the stock exchanges or markets on which a Fund may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by the Fund. In addition, Funds will be exposed to credit risk on parties with whom they trade and will bear the risk of settlement default. The Depositary may be instructed by the Investment Manager to settle transactions on a delivery free of payment basis where the Investment Manager believes that this form of settlement is appropriate. Shareholders should be aware, however, that this may result in a loss to a Fund if a transaction fails to settle and the Depositary will not be liable to the Fund or to the Shareholders for such a loss if the Depositary is acting pursuant to specific proper instructions.

### ***Derivatives Risk***

#### ***General***

The prices of derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and

economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of techniques and instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select the Fund's securities and (4) the possible absence of a liquid market for any particular instrument at any particular time, and (5) possible impediments to effective portfolio management.

#### *Liquidity of Futures Contracts*

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Fund from liquidating unfavourable positions.

#### *Forward Trading*

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Fund.

#### *Legal Risk*

The use of OTC derivatives may expose the Funds to a number of risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations.

#### *Correlation Risk*

The prices of derivatives may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements. The prices of exchange traded derivatives may also be subject to changes in price due to supply and demand factors.

#### ***Counterparty Risk***

Each Fund will have credit exposure to counterparties by virtue of positions in forward exchange rate and other financial or derivative contracts held by the Fund. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights.

The Funds will also be exposed to a credit risk on parties with whom it trades securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments.

### ***Absence of Regulation; Counterparty Default***

In general, there is less government regulation and supervision of transactions in the OTC markets (in which currencies, spot and option contracts, certain options on currencies and swaps are generally traded) than of transactions entered into on Recognised Exchanges. In addition, many of the protections afforded to participants on some Recognised Exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions. OTC options are not regulated. OTC options are non-exchange traded option agreements, which are specifically tailored to the needs of an individual investor. These options enable the user to structure precisely the date, market level and amount of a given position. The counterparty for these agreements will be the specific firm involved in the transaction rather than a Recognised Exchange and accordingly the bankruptcy or default of a counterparty with which the Fund trades OTC options could result in substantial losses to the Fund. In addition, a counterparty may not settle a transaction in accordance with its terms and conditions because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Counterparty exposure will be in accordance with the Fund's investment restrictions set out in Appendix I. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result.

### ***Liquidity***

A listing of Shares of a Fund or Class on a stock exchange will not necessarily provide liquidity to investors.

### ***Risk Factors Not Exhaustive***

The investment risks set out in this Prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the Company or any Fund may be exposed to risks of an exceptional nature from time to time.

### ***Cross-Liability for other Funds***

The Company is an open-ended umbrella variable capital investment company with segregated liability between Funds. As a result, as a matter of Irish law, any liability attributable to a particular Fund may only be discharged out of the assets of that Fund, and the assets of other Funds may not be used to satisfy the liability. In addition any contract entered into by the Company will by operation of law include an implied term to the effect that the counterparty to the contract may not have recourse to assets of the Funds other than the Fund in respect of which the contract was entered into. These provisions are binding both on creditors and in any insolvency.

### ***Operation of Umbrella Cash Accounts***

The Company has established cash accounts designated in different currencies at umbrella level in the name of the Company into which subscription monies received from investors of all of the Funds shall be lodged and from which redemption monies shall be paid. Pending payment to the relevant Shareholders, dividend payments shall also be paid into the cash accounts designated in different currencies at umbrella level in the name of the Company. Each of these cash accounts are defined herein as Umbrella Cash Accounts. All subscriptions, redemptions or dividends payable to or from the relevant Fund will be channelled and managed through such umbrella cash accounts and no such accounts shall be operated at the level of each individual Fund.

Certain risks associated with the operation of the Umbrella Cash Accounts are set out below in the sections entitled (i) "Application for Shares" – "Operation of Cash Accounts in the name of the Company"; (ii) "Redemption of Shares" - "Operation of Cash Accounts in the name of the Company"; and (iii) "Dividend Policy" respectively.

In addition, investors should note that in the event of the insolvency of another Fund of the Company, recovery of any amounts to which a relevant Fund is entitled, but which may have transferred to such other insolvent Fund as a result of the operation of the Umbrella Cash Account(s) will be subject to the principles of Irish trust law and the terms of the operational procedures for the Umbrella Cash Accounts. There may be delays in effecting and/or disputes as to the recovery of such amounts, and the insolvent Fund may have insufficient funds to repay the amounts due to the relevant Fund.

In circumstances where subscription monies are received from an investor in advance of a Dealing Day in respect of which an application for Shares has been, or expected to be, received and are held in an Umbrella Cash Account, any such investor shall rank as a general creditor of the Fund until such time as Shares are issued as of the relevant Dealing Day. Therefore in the event that such monies are lost prior to the issue of Shares as of the relevant Dealing Day to the relevant investor, the Company on behalf of the Fund may be obliged to make good any losses which the Fund incurs in connection with the loss of such monies to the investor (in its capacity as a creditor of the Fund), in which case such loss will need to be discharged out of the assets of the relevant Fund and therefore will represent a diminution in the Net Asset Value per Share for existing Shareholders of the relevant Fund.

Similarly in circumstances where redemption monies are payable to an investor subsequent to a Dealing Day of a Fund as of which Shares of that investor were redeemed or dividend monies are payable to an investor and such redemption / dividend monies are held in an Umbrella Cash Account, any such investor /Shareholder shall rank as an unsecured creditor of the relevant Fund until such time as such redemption/

dividend monies are paid to the investor/ Shareholder. Therefore in the event that such monies are lost prior to payment to the relevant investor/ Shareholder, the Company on behalf of the Fund may be obliged to make good any losses which the Fund incurs in connection with the loss of such monies to the investor/ Shareholder (in its capacity as a general creditor of the Fund), in which case such loss will need to be discharged out of the assets of the relevant Fund and therefore will represent a diminution in the Net Asset Value per Share for existing Shareholders of the relevant Fund.

**These provisions, while binding in an Irish Court which would be the primary venue for an action to enforce a debt against the Company, have not been tested in other jurisdictions, and there remains a possibility that a creditor might seek to attach or seize assets of one Fund in satisfaction of an obligation owed in relation to another Fund in a jurisdiction which would not recognise the principle of segregation of liability between Funds.**

### Appendix III - Recognised Exchanges

The following is a list of regulated stock exchanges and markets on which a Fund's investments in securities and financial derivative instruments other than permitted investment in unlisted securities and OTC derivative instruments, will be listed or traded and is set out in accordance with the Central Bank's requirements. With the exception of permitted investments in unlisted securities (and OTC derivative instruments) investment in securities and derivative instruments will be restricted to the stock exchanges and markets listed below. The Central Bank does not issue a list of approved stock exchanges or markets.

(i) any stock exchange which is:-

- located in any Member State of the European Union; or
- located in any Member State of the European Economic Area (European Union, Norway, Iceland and Liechtenstein); or
- located in any of the following countries:-

Australia  
Canada  
Hong Kong  
Japan  
New Zealand  
Switzerland  
United States of America

(ii) any of the following stock exchanges or markets:-

Argentina	-	Bolsa de Comercio de Buenos Aires
Argentina	-	Bolsa de Comercio de Cordoba
Argentina	-	Bolsa de Comercio de Rosario
Argentina	-	Bolsa de Comercio de Mendoza
Argentina	-	Bolsa de Comercio de La Plata
Bahrain	-	Bahrain Stock Exchange
Bangladesh	-	Dhaka Stock Exchange
Bangladesh	-	Chittagong Stock Exchange
Bermuda	-	Bermuda Stock Exchange
Botswana	-	Botswana Stock Exchange
Brazil	-	Bolsa de Valores do Rio de Janeiro
Brazil	-	Bolsa de Valores da Bahia-Sergipe-Alagoas
Brazil	-	Bolsa de Valores do Extremo Sul
Brazil	-	Bolsa de Valores Minas-Espírito Santo-Brasília
Brazil	-	Bolsa de Valores do Paraná
Brazil	-	Bolsa de Valores de Pernambuco e Paraíba
Brazil	-	Bolsa de Valores de Santos

Brazil	-	Bolsa de Valores de Sao Paulo
Brazil	-	Bolsa de Valores Regional
Brazil	-	Brazilian Futures Exchange
Brazil	-	Bolsa de Mercadorias e Futuros
Chile	-	Bolsa de Comercio de Santiago
Chile	-	Bolsa Electronica de Chile
China (Peoples' Rep. of – Shanghai)	-	Shanghai Securities Exchange
China (Peoples' Rep. of – Shenzhen)	-	Shenzhen Stock Exchange
Colombia	-	Bolsa de Bogota
Colombia	-	Bolsa de Medellin
Colombia	-	Bolsa de Occidente
Costa Rica	-	Bolsa Nacional de Valores
Croatia	-	Zagreb Stock Exchange
Egypt	-	Cairo and Alexandria Stock Exchange
Egypt	-	Alexandria Stock Exchange
Ghana	-	Ghana Stock Exchange
Hong Kong	-	Hong Kong Stock Exchange
India	-	Calcutta Stock Exchange
India	-	Chennai Stock Exchange
India	-	Cochin Stock Exchange
India	-	Gauhati Stock Exchange
India	-	Hyderabad Stock Exchange
India	-	Ludhiana Stock Exchange
India	-	Magadh Stock Exchange
India	-	Pune Stock Exchange
India	-	The Stock Exchange – Ahmedabad
India	-	Uttar Pradesh Stock Exchange
India	-	Bangalore Stock Exchange
India	-	Delhi Stock Exchange
India	-	Mumbai Stock Exchange
India	-	National Stock Exchange of India
Indonesia	-	Indonesia Stock Exchange
Israel	-	Tel-Aviv Stock Exchange
Jamaica	-	Jamaican Stock Exchange
Jordan	-	Amman Financial Market
Kazakhstan (Rep. Of)	-	Central Asian Stock Exchange
Kazakhstan (Rep. Of)	-	Kazakhstan Stock Exchange
Kenya	-	Nairobi Stock Exchange
Kuwait	-	Kuwait Stock Exchange
Lebanon	-	Beirut Stock Exchange
Malaysia	-	Kuala Lumpur Stock Exchange
Mauritius	-	Stock Exchange of Mauritius

Mexico	-	Bolsa Mexicana de Valores
Morocco	-	Societe de la Bourse des Valeurs de Casablanca
Namibia	-	Namibian Stock Exchange
Nigeria	-	Nigerian Stock Exchange
Nigeria	-	Nigerian Stock Exchange in Lagos
Nigeria	-	Nigerian Stock Exchange in Kaduna
Nigeria	-	Nigerian Stock Exchange in Port Harcourt
Pakistan	-	Islamabad Stock Exchange
Pakistan	-	Karachi Stock Exchange
Pakistan	-	Lahore Stock Exchange
Peru	-	Bolsa de Valores de Lima
Philippines	-	Philippine Stock Exchange
Russia	-	Moscow Exchange
Saudi Arabia	-	Saudi Stock Exchange
Singapore	-	Singapore Stock Exchange
South Africa	-	JSE Securities Exchange
South Korea	-	Korea Stock Exchange
	-	KOSDAQ Market
Sri Lanka	-	Colombo Stock Exchange
Taiwan (Republic of China)	-	Taiwan Stock Exchange Corporation
Taiwan (Republic of China)	-	Gre Tai Securities Market
Thailand	-	Stock Exchange of Thailand
Tunisia	-	Bourse des Valeurs Mobilieres de Tunis
Turkey	-	Istanbul Stock Exchange
Ukraine	-	Ukrainian Stock Exchange
Venezuela	-	Maracaibo Stock Exchange
Venezuela	-	Caracas Stock Exchange
Venezuela	-	Venezuela Electronic Stock Exchange
Vietnam	-	Ho Chi Minh City Securities Trading Center
Zimbabwe	-	Zimbabwe Stock Exchange
Zambia	-	Lusaka Stock Exchange

(iii) any of the following markets:

The Moscow Exchange;

the market organised by the International Capital Market Association;

the market conducted by the "listed money market institutions", as described in the Financial Conduct Authority publication "The Investment Business Interim Prudential Sourcebook (which replaces the "Grey Paper") as amended from time to time;

AIM - the Alternative Investment Market in the UK regulated and operated by the London Stock Exchange;

The London International Financial Futures and Options Exchange (LIFFE); and

The London Securities and Derivatives Exchange.

JASDAQ in Japan.

In Europe:

NASDAQ Europe;

NASDAQ in the United States;

The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;

The OTC market in the United States regulated by the Financial Industry Regulation Authority (also described as the OTC market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

The French market for Titres de Créances Négotiables (OTC market in negotiable debt instruments);

the OTC market in Canadian Government Bonds, regulated by the Investment Industry Regulatory Organisation of Canada;

SESDAQ (the second tier of the Singapore Stock Exchange.)

- (iv) All stock exchanges listed in (i) and (ii) above on which permitted financial derivative instruments may be listed or traded and the following derivatives exchanges:

All derivatives exchanges in a Member State of the European Economic Area (European Union, Norway, Iceland, Liechtenstein);

in the United States of America, the

- American Stock Exchange
- Chicago Stock Exchange
- Chicago Board of Trade;
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;
- USFE (US Futures Exchange);
- New York Futures Exchange;
- New York Board of Trade;

- New York Mercantile Exchange;
- New York Stock Exchange
- Pacific Exchange
- Philadelphia Stock Exchange
- Eurex US
- International Securities Exchange

- SWX Swiss Exchange US

in Canada, the

- Montreal Exchange
- Toronto Stock Exchange

in China, the Shanghai Futures Exchange;

in Hong Kong, the Hong Kong Futures Exchange;

in Japan, the

- Osaka Securities Exchange;
- Tokyo Financial Exchange;
- Tokyo Stock Exchange;

in Singapore, on the

- Singapore Exchange;
- Singapore Commodity Exchange.

In Switzerland, on the

- Swiss Options & Financial Futures Exchange
- EUREX

- the Taiwan Futures Exchange;
- Taiwan Stock Exchange
- Kuala Lumpur Options and Financial Futures Exchange;
- Jakarta Futures Exchange;
- Korea Futures Exchange;
- Osaka Mercantile Exchange;
- Tokyo International Financial Futures Exchange;
- Australian Stock Exchange;
- Sydney Futures Exchange;
- the Bolsa de Mercadorias & Futuros, Brazil;
- the Mexican Derivatives Exchange (MEXDER);
- the South African Futures Exchange;
- Hong Kong Exchanges & Clearing;

- Bursa Malaysia Derivatives Berhad;
- The Stock Exchange, Mumbai.

For the purposes only of determining the value of the assets of a Fund, the term “Recognised Exchange” shall be deemed to include, in relation to any derivatives contract utilised by a Fund, any organised exchange or market on which such contract is regularly traded.