

## TENDERCAPITAL FUNDS PLC

An open-ended umbrella investment company with segregated liability between sub-funds

A company incorporated with limited liability as an open-ended umbrella investment company with variable capital under the laws of Ireland with registered number 519833

## PROSPECTUS

This Prospectus is dated 27 May 2022

The Directors of the Company, whose names appear in the section entitled **Directors of the Company** below, 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 such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

## 1. INTRODUCTION

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The information contained in this Prospectus, or any document referred to in it, including the relevant Supplement is not to be construed as legal, tax or investment advice. **If you are in any doubt about the information contained in those documents, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.**

Defined terms used in this Prospectus shall have the meanings attributed to them in the **Definitions** section below.

**This Prospectus describes TENDERCAPITAL FUNDS PLC (the Company), an open ended investment company with variable capital incorporated on 8 November 2012 under the Companies Act 2014. The Company has been authorised by the Central Bank pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) as amended, supplemented or consolidated from time to time (the Regulations). This authorisation however, does not constitute a warranty by the Central Bank as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company. Authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of the Prospectus and the Supplements.**

The Company is structured as an open-ended umbrella investment company with segregated liability between sub funds. Shares representing interests in different Funds of the Company may be issued from time to time by the Directors. Within each Fund, the Directors may issue Shares or more than one Class. All Shares of each Class will rank *pari passu* save as provided for in the relevant Supplement. A separate portfolio of assets will be maintained for each Fund (and accordingly not for each Class of Shares) and will be invested in accordance with the investment objective and strategies applicable to the particular Fund. As the Company has segregated liability between its Funds, any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund.

Particulars relating to individual Funds and the Classes of Shares available therein are set out in the relevant Supplement. Each Supplement shall form part of, and should be read in conjunction with, this Prospectus.

On the introduction of any new Fund (for which prior Central Bank approval is required) or any new Class of Shares (which must be issued in accordance with the requirements of the Central Bank and notified to and cleared in advance by the Central Bank), the Company will prepare and will issue a new or updated Supplement setting out the relevant details of each such Fund or new Class of Shares as the case may be.

Where there is insufficient income or gains to pay dividends in respect of Distributing Shares and where set out in the relevant Supplement, the Company may pay dividends to those Shareholders out of capital. The effect of this is that capital will be eroded to allow dividends to be paid, thereby reducing the potential for future capital growth. This cycle may continue until all capital is depleted. Distributions out of capital may have different tax implications to distributions from income and investors should seek advice in this regard.

Distribution of this Prospectus and the relevant Supplement is not authorised in any jurisdiction after publication of the most recent annual report and audited accounts of the Company for the period up to 31 December unless accompanied by a copy of such report and accounts or the then latest published semi-annual report and unaudited accounts (or the then last published annual

report and audited accounts, if more recent). Such reports, this Prospectus and the relevant Supplement together form the prospectus for the issue of Shares in the Company.

Application may be made to Euronext for the listing of Shares issued and available for issue, to be admitted to the Official List and trading on the Main Securities Market of Euronext. This Prospectus together with the relevant Supplement, including all information required to be disclosed by Euronext requirements, comprises listing particulars for the purpose of the listing of such Shares on the Euronext. Notwithstanding any application to list the Shares, the Directors do not anticipate that an active secondary market will develop in such Shares.

Neither the admission of Shares of the Company to the Official List and to trading on the Main Securities Market of Euronext nor the approval of the Prospectus pursuant to the listing requirements of Euronext shall constitute a warranty or representation by Euronext as to the competence of service providers to or any other party connected with the Company, the adequacy of information contained in the Prospectus or the suitability of the Company for investment purposes.

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

The distribution of this Prospectus and any Supplement and the offering or purchase of Shares may be restricted in certain jurisdictions and, accordingly, persons into whose possession this Prospectus and/or Supplement comes are required to inform themselves about, and to observe, such restrictions. This Prospectus does not constitute, and may not be used for the purpose of, an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised or in which the person making such offer or solicitation is not qualified to do.

Shares are offered only on the basis of the information contained in the current Prospectus and relevant Supplement. The Company's annual and half yearly reports are incorporated by reference and are available on request as further described in the section entitled **Documents Available for Inspection** in this Prospectus. No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription or sale of Shares other than those contained in the current Prospectus and the relevant Supplement and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Company.

The Directors have the power to impose restrictions on the holding of Shares directly or indirectly by (and consequently to redeem Shares held by) such persons or entities as described under the **Mandatory Redemptions** section of this Prospectus.

### **United States**

The Shares have not been and will not be registered under the Securities Act or the securities laws of any state or political subdivision of the United States and may not, except in a transaction which does not violate US securities laws, be directly or indirectly offered or sold in the US or to or for the benefit of any US Person. Neither the Company nor any Fund will be registered under the Investment Company Act of 1940.

The Investment Manager is not a registered investment adviser under the US Investment Advisers Act of 1940, as amended or the Private Fund Investment Advisers Registration Act 2010 and is not obligated to pursue or obtain any such registration with respect to the Company or the Funds.

Notwithstanding the foregoing, Shares of a Fund may be placed with a limited number of sophisticated institutional investors who are resident in the US or who are US Persons, pursuant to an exemption from the registration requirements of the Securities Act or in circumstances which do not cause the Company to be required to register under the Investment Company Act or the

Private Fund Investment Advisers Registration Act 2010 or cause any Investment Manager to become subject to the provisions thereof. This Prospectus is not an offer to sell to any person, a solicitation to any person to buy Shares in the Company or any Fund in any state or jurisdiction in which such an offer would be prohibited by law or to any person that is not an **accredited investor** as defined in the rules and regulations promulgated under the Securities Act.

## **United Kingdom**

The Company is a recognised scheme under section 264 of the FSMA. The Company will provide the facilities, including the provision of copies of the prospectus, key investor information document and other information required by the Collective Investment Schemes Sourcebook published by the FCA regulations governing such schemes at the offices of the Facilities Agent in the UK as specified in the 'Directory' section of this Prospectus. The Company does not have a permanent place of business in the UK.

## **Risk Factors**

Investors should read and consider the section of this Prospectus entitled **Risk Factors** before investing in the Company.

**The value of and income from Shares in a Fund may go up or down and Shareholders may not get back the amount they have invested in the Fund.**

**The Directors are permitted to impose a Subscription Charge of up to 5% of the Net Asset Value per Share. A Redemption Charge of up to 3% of the Net Asset Value per Share may also be imposed. Details of any applicable charges will be disclosed in the relevant Supplement. In the event that such charges are imposed, the difference at any time between the sale and repurchase price of Shares means that any investment in the Company should be viewed as medium to long term.**

**Shareholders should note that the investment management fees, or a portion thereof, may be charged to the capital of the Company and accordingly, on redemptions of holdings, shareholders may not receive back the full amount invested.**

**Shareholders should also note that where there is not sufficient income or capital gains to cover the fees and expenses of the Company that all/part of such fees and expenses may be charged to the capital of the Company. This may have the effect of lowering the capital value of your investment so that income will be achieved by foregoing the potential for future capital growth.**

**As certain Funds may invest more than 20% in emerging markets, an investment in those Funds should only be made by those persons who could sustain a loss on their investment, should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors.**

## **Reliance on this Prospectus**

This Prospectus and any other documents referred to in it and the relevant Supplement(s) should be read in their entirety before making an application for Shares. Statements made in this Prospectus and any Supplement are based on the laws and practice in force in Ireland at the date of Prospectus or Supplement, as the case may be, which may be subject to changes. Neither the delivery of this Prospectus or any Supplement or key investor information document nor the offer, placement, allotment or issue of any of the Shares shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus or any Supplement or key investor information document is correct as of any time subsequent to the date this Prospectus or the relevant Supplement or key investor information document. This Prospectus and the Supplements or key investor information document may from time to time be updated in

accordance with the requirements of the Central Bank and intending subscribers should enquire of the Distributor or the Administrator as to the issue of any later versions or as to the issue of any reports and accounts of the Company.

The contents of this Prospectus are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters. Each prospective investor must rely upon such investor's own representatives, as to legal, economic, tax and related aspects of the investment described herein and as to its suitability for such investor.

**Prospective investors should inform themselves as to (a) the legal requirements within their own jurisdictions, (b) any exchange control requirements and foreign exchange restrictions, (c) the income and other tax consequences and (d) any other governmental or other consents or formalities which may apply in their own jurisdictions and which might be relevant to the purchase, holding or disposal of Shares.**

This Prospectus may be translated into other languages. Any such translation shall only contain the same information and have the same meanings as this English language document. To the extent that there is any inconsistency between this English language document and the document in another language, this English language document shall prevail except to the extent (but only to the extent) required by the laws of any jurisdiction where the Shares are sold so that in an action based upon disclosure in a document of a language other than English, the language of the document on which such action is based shall prevail.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Constitution of the Company, copies of which are available as mentioned herein.

The Company is required to and will comply with the Central Bank UCITS Regulations (as defined herein).

As at the date of this Prospectus, the Company does not have any outstanding mortgages, charges, debentures, or other borrowings, including bank overdrafts and liabilities made under acceptance credits, obligations made under finance leases, hire purchase commitments, guarantees or other contingent liabilities.

This Prospectus and the relevant Supplement shall be governed by and construed in accordance with Irish law.

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## 2. DEFINITIONS

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**Accounting Date** means the date by reference to which the annual accounts of each Fund shall be prepared and shall be 31 December in each year or such other date as the Directors in accordance with the requirements of the Central Bank may determine and (in the case of the termination of the Company or of a Fund) the date on which the final payment or cash and/or Investments shall have been made to Shareholders;

**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;

**Accumulating Shares** means Shares of the Company carrying no right to any distribution of income but the income and capital gains attributable to such Shares is retained within the relevant Fund and reflected in the Net Asset Value of such Shares;

**Administration Agreement** means the agreement dated 15 November 2019 between the Manager, the Company and the Administrator as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;

**Administrator** means Apex Fund Services (Ireland) Limited or any successor thereto duly appointed as the administrator of the Company and each Fund in accordance with the requirements of the Central Bank;

**Applicant** means any person who completes and submits the Subscription Agreement to the Administrator in accordance with the manner set out in the Prospectus and any Supplement;

**Application Form** means the application form for subscription of Shares;

**Articles** means the Articles of Association of the Company as amended from time to time;

**Base Currency** means in relation to any Fund such currency as is specified in the Supplement for the relevant Fund;

**Benchmark Regulation** means Regulation (EU) 2061/1011 of the European Parliament and the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014;

**Business Day** means in relation to any Fund such day or days as is or are specified in the Supplement for the relevant Fund;

**Cash Subscription and Redemption Account** means a subscription and redemption account at sub-fund level;

**Central Bank** means the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the Company;

**Central Bank UCITS Regulations** means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (S.I. No. 230 of 2019) as amended, supplemented, consolidated or otherwise modified from time to time;

**CIS** means an open ended collective investment scheme within the meaning of Regulation 4(3) of the Regulations and which is prohibited from investing more than 10% of its assets in another such collective investment scheme;

**Class or Classes** means one or more particular division of Shares in a Fund;

**Companies Act** means the Irish Companies Act 2014 (as amended, consolidated or supplemented from time to time) including any regulations issued pursuant thereto, insofar as they apply to open-ended investment companies with variable capital;

**Company** means Tendercapital Funds plc;

**Connected Person** means the persons defined as such in the section headed **Portfolio Transactions and Conflicts of Interest**;

**Constitution** means the Memorandum and Articles of Association of the Company;

**Currency Share Class** means a Class of Shares denominated in a currency other than the Base Currency of the relevant Fund;

**Data Protection Legislation** means the EU Data Protection Directive 95/46/EC and the EU Privacy & Electronic Communications Directive 2002/58/EC, any amendments and replacement legislation including GDPR, European Commission decisions, binding EU and national guidance and all national implementing legislation.

**Depository** means European Depository Bank SA, Dublin Branch or any successor thereto duly appointed depository of the Company in accordance with the requirements of the Central Bank;

**Depository Agreement** means the agreement dated 15 November 2019 between the Company, the Manager and the Depository as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;

**Dealing Day** means in respect of each Fund such Business Day or Business Days as is or are specified in the Supplement for the relevant Fund provided that there shall be at least two dealing days at regular intervals per month;

**Dealing Deadline** means in relation to applications for subscription, redemption or switching of Shares in a Fund, the day and time specified in the Supplement for the relevant Fund;

**Directors** means the Directors of the Company for the time being and any duly constituted committee or delegate thereof, each a **Director**;

**Distributing Shares** means Shares in a Fund in respect of which the net income and capital gains arising may be distributed;

**Distributor** means the Investment Manager and/or any additional or successor or addition thereto duly appointed as the distributor for the Company in accordance with the requirements of the Central Bank;

**ECAI** means a credit rating agency which satisfies the criteria of an external credit assessment institution in accordance with the Basel III framework for more resilient banks and banking systems issued by the Basel Committee in December 2010 and recognised by the Central Bank of Ireland;

**EEA** means the European Economic Area which comprises the Member States together with Iceland, Liechtenstein and Norway;

**EEA Member State** means a member state of the EEA;

**ESG** means 'environmental, social and governance' criteria, which are three central factors in measuring the sustainability and ethical impact of an investment in an issuer's securities. By way of example, the 'environmental' aspect may cover issues such as biodiversity and land use, carbon emissions, energy, efficiency, the 'social' aspect may include employment issues, welfare, human

rights, healthcare, community relations, privacy and data security, and the 'governance' aspect may cover elements such as business ethics, board committees and pay (**ESG Aspects**). These examples are indicative only and do not necessarily determine the policy of specific Funds. For more precise information, investors should consult the investment policy of the relevant Funds and the websites that may be listed there;

**ESG Characteristics** has the meaning specified in the Supplement for the relevant Fund;

**ESG Considerations** means the environmental, social and governance factors the relevant Fund considers in measuring the sustainability and ethical impact of an investment in an issuer's securities (**ESG Factors**). Consideration of environmental factors involves the analysis of historical information and the quantification of the preparedness for climate change of the investee companies. Consideration of social factors involves the analysis of various factors which could impede the economic activity of the investee companies and materially affect the value of an investment. The social factors considered include, among others, labour practice, customer privacy, data security, access and affordability, product quality and safety, customer welfare, selling practices and product labelling. The consideration of governance factors involves the analysis of the investee companies' approach to good governance practices. Such governance practices include sound management structures, employee relations, remuneration of staff and tax compliance;

**ESG Provider** means a provider of ESG research, reporting, screening, data, rating and/or analysis, including but not limited to third party index providers, consulting firms or members of the Tendercapital Group;

**EU** means the European Union;

**Euro, EUR or €** means the lawful currency of the Eurozone or any successor currency;

**Euronext** means The Irish Stock Exchange plc trading as Euronext Dublin;

**Eurozone** means those countries who use the Euro as their lawful currency;

**Facilities Agent** means the Investment Manager or any successor company appointed as facilities agent of the Company in the UK;

**FATCA** means the US Foreign Account Tax Compliance Act (as amended, consolidated or supplemented from time to time), including any regulations issued pursuant thereto (including any intergovernmental agreement between the United States and any other jurisdiction which facilitates the implementation of any law or regulation relating to FATCA);

**FCA** means the Financial Conduct Authority of the United Kingdom or any successor regulatory authority thereto;

**FSMA** means the United Kingdom Financial Services and Markets Act 2000 as amended, consolidated, supplemented or re-enacted from time to time including any regulations issued pursuant thereto;

**Fund** means a separate portfolio of assets which is invested in accordance with the investment objective and strategies as set out in the relevant Supplement and to which all liabilities, income and expenditure attributable or allocated to such Fund shall be applied and charged and **Funds** means all or some of the Funds as the context requires and any other funds as may be established by the Company from time to time with the prior approval of the Central Bank;

**GDPR** means Regulation (EU) 2016/679 known as the General Data Protection Regulation;

**Hedged Currency Share Class** means a Currency Share Class whose denominated currency is hedged against the Base Currency of the relevant Fund;

**Hedged Share Class** means a Share Class in respect of which the Company may conduct currency hedging transactions as specified in the Supplement for the relevant Fund where the benefits and costs of such hedging transactions will accrue solely to holders of Shares of such Class, and which may be a Hedged Currency Share Class;

**Initial Issue Price** means the price per Share at which Shares are initially offered in a Fund or Class during the Initial Offer Period (excluding the Subscription Charge, if any) as specified in the Supplement for the relevant Fund;

**Initial Offer Period** means the period during which Shares in a Fund are initially offered at the Initial Issue Price as specified in the Supplement for the relevant Fund;

**Investment Company Act** means the United States Investment Company Act of 1940 as amended;

**Investment Management and Distribution Agreement** means the agreement dated 15 November 2019 between the Company, the Manager and the Investment Manager as substituted, amended, supplemented, novated or otherwise modified from time to time in accordance with the requirements of the Central Bank UCITS Regulations;

**Investment Manager** means Tendercapital Limited, or any successor or addition thereto duly appointed in accordance with the requirements of the Central Bank and/or as specified in the Supplement in respect of each Fund as the investment manager for that relevant Fund;

**Ireland** means the Republic of Ireland;

**Issue Price** means the Net Asset Value per Share of the relevant Fund or Class as at the Valuation Point plus a provision for any duties and charges as set out in this Prospectus or in the relevant Supplement and any Subscription Charge;

**Management Agreement** means the agreement dated 15 November 2019 between the Manager and the Company as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;

**Manager** means Waystone Management Company (IE) Limited or such other person for the time being appointed as manager by the Company as successor thereto, in accordance with the requirements of the Central Bank;

**Member State** means a member state of the EU;

**Memorandum of Association** means the Memorandum of Association of the Company;

**Minimum Additional Investment Amount** means such amount (if any) as the Directors may from time to time prescribe as the minimum additional investment amount required by each Shareholder for Shares of each Class in a Fund as is specified in the Supplement for the relevant Fund;

**Minimum Initial Investment Amount** means such amount (if any) as the Directors may from time to time determine as the minimum initial investment amount required by each Applicant for Shares of each Class in a Fund as is specified in the Supplement for the relevant Fund;

**Minimum Fund Size** means such amount (if any) as the Directors may decide for a Fund and as set out in the Supplement for the relevant Fund;

**Minimum Redemption Amount** such amount (if any) as the Directors may from time to time prescribe as the minimum redemption amount for Shares of any Class in a Fund as is specified in the Supplement for the relevant Fund;

**Minimum Shareholding** means such number or value of Shares of any Class (if any) as specified in the Supplement for the relevant Class of Shares within a Fund;

**month** means a calendar month;

**Net Asset Value** or **NAV** means in respect of the assets of a Fund or attributable to a Class thereof the amount determined in accordance with the Articles as described in the **Calculation of Net Asset Value/Valuation of Assets** section of this Prospectus;

**Net Asset Value per Share** means the Net Asset Value of a Fund divided by the number of Shares in issue in that Fund or the Net Asset Value attributable to a Class divided by the number of Shares issued in that Class rounded to such number of decimal places as the Directors may determine in accordance with the Articles and as further described in the **Calculation of Net Asset Value/Valuation of Assets** section below as the Net Asset Value per Share;

**Non-Member State** means a state which is not a Member State;

**OECD** means the Organisation for Economic Co-operation and Development;

**OECD Member State** means a member state of the OECD;

**OTC derivative** means a financial derivative instrument dealt in over the counter and not dealt in on a Regulated Market;

**Paying Agent** means one or more paying agents that may be appointed by the Company in certain jurisdictions;

**Person Closely Associated** in relation to a Director, means -

(a) the spouse of the Director,

(b) dependent children of the Director,

(c) other relatives of the Director, who have shared the same household as that person for at least one year on the date of the transaction concerned,

(d) any person -

(i) the managerial responsibilities of which are discharged by a person -

(a) discharging managerial responsibilities within the issuer, or

(b) referred to in paragraph (a), (b) or (c) of this definition,

(ii) that is directly or indirectly controlled by a person referred to in subparagraph (i) of paragraph (d) of this definition,

(iii) that is set up for the benefit of a person referred to in subparagraph (i) of paragraph (d) of this definition, or

(iv) the economic interests of which are substantially equivalent to those of a person referred to in subparagraph (i) of paragraph (d) of this definition;

**Personal Data** means any data relating to a living individual who can be identified directly from that data or indirectly in conjunction with other information;

**Prospectus** means the current prospectus of the Company and any Supplements and addenda thereto;

**Redemption Charge** means in respect of a Fund the charge payable (if any) on a redemption of Shares as is specified in the Supplement for the relevant Fund;

**Redemption Price** means the Net Asset Value per Share of the relevant Fund or Class as at the Valuation Point less any duties and charges as set out in this Prospectus or in the relevant Supplement and less any Redemption Charge;

**Redemption Proceeds** means the amount reflecting the Net Asset Value of the Shares to be redeemed on the relevant Dealing Day less a provision for any duties and charges as set out in this Prospectus or in the relevant Supplement and less any Redemption Charge;

**Regulated Market** means any exchange or market on which the Company may invest and which is regulated, recognised, open to the public and operating regularly and which is set out in Appendix 1 hereto;

**Regulations** means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended, supplemented, consolidated or otherwise modified from time to time;

**Related Companies** has the meaning assigned thereto in Section 2(10) of the Companies Act.

**Relevant Period** means a period of 8 years beginning with the acquisition of a Share and each subsequent period of 8 years beginning immediately after the preceding relevant period;

**Securities Act** means the United States Securities Act of 1933, as amended;

**Settlement Date** means in respect of receipt of monies for subscription for Shares or dispatch of monies for the redemption of Shares, the date specified in the Supplement for the relevant Fund, unless otherwise approved by the Directors and notified to the Administrator. In the case of redemptions this date will be no more than ten Business Days after the relevant Dealing Deadline;

**SFDR** means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector, as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time;

**Shares** means participating shares in the Company representing interests in a Fund and where the context so permits or requires any Class of participating shares representing interests in a Fund and Share means any one of them;

**Shareholders** means registered holders of Shares, and each a **Shareholder**;

**Subscription Agreement** means the agreement pursuant to the provisions of which an Applicant agrees to purchase Shares in and become a Shareholder of the Company as prescribed by the Company or the Manager from time to time and which may be obtained from the Distributor, the Facilities Agent and the Administrator;

**Subscription Charge** means in respect of a Fund, the charge payable (if any) on the subscription for Shares as is specified in the Supplement for the relevant Fund;

**Sustainability Factors** means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters;

**Sustainability Risk** means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment;

**Sterling, Pound, GBP, £** means the lawful currency of the United Kingdom or any successor currency thereto;

**Supplement** means any supplement to the Prospectus issued on behalf of the Company from time to time;

**UCITS** means an undertaking for collective investment in transferable securities established pursuant to the UCITS Directive;

**UCITS Directive** means Council Directive No 2009/65/EC of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to UCITS as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 as regards depositary functions, remuneration policies and sanctions, including its mandatory implementing regulations on an EU or Home Member State level, as amended, supplemented, consolidated or otherwise modified from time to time;

**Unhedged Currency Share Class** means a Class of Shares where typically, Shares may be applied and paid for, income payments calculated and paid and redemption proceeds paid in a currency other than the Base Currency of the relevant Fund on the basis of a currency conversion at the prevailing spot currency exchange rate of the relevant Base Currency for the currency of the relevant Share Class;

**United Kingdom and UK** means the United Kingdom of Great Britain and Northern Ireland;

**United States and US** means the United States of America, (including each of the states, the District of Columbia and the Commonwealth of Puerto Rico) its territories, possessions and all other areas subject to its jurisdiction;

**US Dollars, USD, US\$ Dollars and \$** means the lawful currency of the United States or any successor currency;

**US Person** means, unless otherwise determined by the Directors, a person resident in the US, a citizen of the US, a corporation, partnership or other entity created or organised in or under the laws of the US, an estate or trust treated as a resident of the US for income tax purposes, or any person falling within the definition of the term US Person under Regulation S of the US Securities Act and includes: (i) any natural person resident in the US; (ii) any partnership or corporation organized or incorporated under the laws of the US; (iii) any estate of which any executor or administrator is a US Person; (iv) any trust of which any trustee is a US Person; (v) any agency or branch of a non-United States entity located in the US; (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary, organized, incorporated, or (if an individual) resident in the US; and (viii) any partnership or corporation if: (A) organized or incorporated under the laws of any non-US jurisdiction; and (B) formed by a US Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of the Securities Act) who are not natural persons, estates or trusts;

**US Related Investor** means an investor in which a US Person owns, or by virtue of attribution by application of Section 958 of the US Code is deemed to own, or has the opportunity to acquire, 10% or more of the voting power or ownership or beneficial interest in that investor; and

**Valuation Point** the point in time by reference to which the Net Asset Value of a Fund and the Net Asset Value per Share are calculated as is specified in the Supplement for the relevant Fund.

References in the Prospectus to the Company or the Directors shall, where required under the Central Bank UCITS Regulations, be deemed to refer to the Manager acting in its capacity as "responsible person" in respect of the Company or the relevant Fund, as defined in Regulation 2(1) of the Central Bank UCITS Regulations.



### **3. FUNDS**

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The Company has adopted an umbrella structure which may be comprised of different Funds with segregated liability between its Funds, to provide both individual and institutional investors with a choice of Shares in different Funds. Each Fund may be differentiated by its specific investment objective, strategy, currency of denomination or other specific features as described in the relevant Supplement. A separate pool of assets is maintained for each Fund and is invested in accordance with each Fund's respective investment objective. Because the Company has segregated liability between its Funds, any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund. Shares may be issued in relation to each Fund.

#### **3.1. Classes**

Each Fund may comprise of one or more Classes. The different Classes of Shares available for issue in each Fund will be set out in a Supplement for the relevant Fund. The different Classes of Shares in a Fund may, inter alia, have the following distinguishing features: currency of denomination; may be Hedged Share Classes or Unhedged Currency Share Classes; levels of fees and expenses charging structures, and may have different Minimum Initial/Minimum Additional Investment Amounts. The different Classes of Shares within a Fund together represent interests in the single pool of assets maintained for that Fund.

#### **3.2. Shares**

Within each Fund and Class, the Company may issue Accumulating Shares and Distributing Shares which shall represent interests in the same distinct portfolio of investments. The net income per Distributing Share may be distributed or re-invested in accordance with the dividend policy for the Fund as set out in the relevant Supplement and may be in the form of additional Shares to Shareholders. No declarations or distributions shall be made in respect of the Accumulating Shares.

#### **3.3. Investment Objective and Strategies**

The investment objective and policies of each Fund will be formulated by the Directors at the time of the creation of that Fund. Details of the investment objective and policies for each Fund of the Company appear in the Supplement for the relevant Fund.

Any change in the investment objective or material change in investment policies of a Fund will be subject to the prior written approval of all Shareholders of the Fund or approval by ordinary resolution passed at a general meeting of the relevant Fund duly convened or held. Subject and without prejudice to the preceding sentence of this paragraph, in the event of a change of investment objective and/or policies of a Fund on the basis of an ordinary resolution passed at a general meeting of the Shareholders of the Fund, a reasonable notification period must be given to each Shareholder of the Fund to enable a Shareholder to have its Shares repurchased prior to the implementation of such change.

The Investment Manager has been given full discretion in the investment and reinvestment of the assets of each Fund, provided that it complies with the Fund's investment objective, policies and restrictions in exercising that discretion. Each Fund's asset allocation shall be determined solely by the Investment Manager. Accordingly, the exposure of each Fund to individual issuers, instruments or markets shall be determined from time to time solely by the Investment Manager in accordance with the requirements of the Central Bank.

The list of Regulated Markets 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 1.

### 3.4. **Environmental, Social and Corporate Governance Factors**

The ESG integration is the practice of incorporating relevant ESG information or analysis, along with traditional measures, into the investment decision-making process to improve the long-term financial performance of portfolios. Unless otherwise stated in the Fund's documentation or investment objective, the inclusion of such a statement does not imply that the Fund has an ESG-aligned investment objective; rather, it describes how ESG information is considered as part of the overall investment process.

Pursuant to Article 6 of SFDR, financial market participants, such as the Manager, are required to disclose in the prospectus of UCITS funds they manage, the manner in which Sustainability Risks are integrated into the investment decision making process and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the financial products they make available, being the Funds.

#### Integration of Sustainability Risks

The extent to which Sustainability Risks represent potential or actual material risks to a Fund is considered by the Investment Manager in its investment decision making and risk monitoring for all of the Funds. Along with any other material risk, the Investment Manager will consider Sustainability Risks in order to seek to maximize long-term risk-adjusted returns for a Fund. In the event that a Sustainability Risk arises, this may cause the Investment Manager to determine that a particular investment is no longer suitable and to sell it or decide not make an investment in it.

The Investment Manager considers the main negative consequences of investment decisions on Sustainability Risks when making investments on behalf of the Funds. As noted in the section on the relevant Funds, the Funds may be established with investment policies that seek to promote environmental and social characteristics in addition to taking into account good governance practices.

#### Assessment of Likely Impacts on Returns

An assessment is undertaken of the likely impacts of the Sustainability Risks on the returns of the Funds.

Assessment of Sustainability Risks is complex and requires subjective judgements, which may be based on data which is difficult to obtain and may be incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that the Investment Manager will correctly assess the impact of Sustainability Risks on the Company's investments or proposed investments.

The impacts following the occurrence of a Sustainability Risk may be numerous and may vary depending on the specific risk, region and asset class. In general, where a Sustainability Risk occurs in respect of an asset, there could be a negative impact on, or entire loss of, its value.

Any Sustainability Risk can either represent a risk on its own or have an impact on other risks and contribute significantly to other risks, such as market risks, operational risks, liquidity risks or counterparty risks.

Further detail to address Article 8 at the level of the Funds is available in the relevant Supplement.

#### ESG Policy

Since its creation, the Investment Manager has put responsible investment and corporate responsibility as one of its founding pillars, based on the conviction that economic and financial actors have a greater responsibility towards a sustainable society and that ESG is a long-term driver of financial performance.

Moreover, the Investment Manager is a signatory since 2017 to the internationally recognised Principles for Responsible Investment (**PRI**) and, as such, has developed an internal procedure for the analysis, evaluation and classification of issuers according to ESG Factors (the **ESG Policy**), as further detailed below. The PRI constitutes the basis of the responsible investment strategy adopted by the Investment Manager and incorporates the essential elements described below. As the PRI are becoming the global standard in responsible investing, it was a natural framework for the Investment Manager to adopt those principles in order to further strengthen its on-going commitment to responsible investing and ESG matters generally. The Investment Manager encourages the investment team to utilise ESG knowledge in the investment decision-making process within the relevant strategies. A strong ESG proposition can enhance investment returns by allocating capital to more promising and more sustainable opportunities.

The Investment Manager's ESG Policy describes an ESG strategy that is based on three main areas:

#### 1. Investment criteria

The Investment Manager does not consider for its investment process:

- (i) corporate issuers involved in the manufacturing or sale of weapons prohibited by the United Nations and/or utilisation violates fundamental humanitarian principles,
- (ii) government or sovereign issuers involved in systematic human rights violations.
- (iii) an illegal economic activity (that is, any production, trade or other activity, which is illegal under the laws or regulations applicable to the Fund or the relevant investment);

The Funds will adopt certain ESG criteria in their investment strategy. Different Funds may use one or more ESG Providers and may apply the ESG criteria differently. The adoption of ESG criteria may affect the investment performance of a Fund and the Funds may therefore perform differently than comparable funds that do not use such criteria. Exclusion criteria based on ESG principles used in the Fund's investment policy may preclude the Fund from purchasing certain securities at times when purchase would be favourable, and/or may cause the Fund to sell securities due to their ESG Characteristics at times when such sale would otherwise be unfavourable. In the event of a change in the ESG Characteristics of a security held by a Fund that causes the Investment Manager to liquidate the security in question, the Fund, the Company, the Manager and the Investment Manager disclaim any liability in connection with such change.

Whilst the exclusion criteria are one of the pillars on which the Investment Manager's ESG Policy is based, the Investment Manager does not deem exclusions alone as the most important way of integrating ESG Considerations into its investment process.

#### 2. ESG analysis:

The Investment Manager makes use of ESG analysis carried out by third party ESG Providers. Such ESG Providers consider different environmental (which may include, by way of example only, and not limited to, biodiversity, emissions, energy efficiency and energy performance), social (to include, as examples only, and not limited to, human rights, social and employee matters,) and governance indicators (to include, as examples only, and not limited to, corporate social responsibility, internal governance and compliance) , and assign scores and ratings to issuers, which the Investment Manager has analysed when assessing prospective issuers for investment.

The Investment Manager actively monitors the ESG scores and ratings provided by third party ESG Providers. The Investment Manager has adopted a process with ESG ratings in order to identify, assess and, if necessary, avoid exposure to issuers with poor ESG ratings. This process is managed by an ESG team composed of different functions, being investment, risk, compliance and legal and supervised by the board of directors of the Investment Manager (the **ESG Team**). The ESG Team provides advisory support to the Board of Directors of the Investment Manager in the definition, review and implementation of the ESG Policy. The Board of Directors of the Investment Manager defines the ESG Policy and any subsequent revisions to the same and periodically

verifies that the ESG Policy has been correctly implemented based on checks and controls carried out by the Investment Manager. The ESG Policy is re-assessed at least once a year to determine whether any update is required, taking into account national and international trends in responsible investment.

3. Active monitoring of ESG scores and ratings provided by third party ESG Providers.

The Investment Manager has adopted a process to actively monitor issuers' ESG ratings in order to identify, assess and, if necessary, avoid exposure to issuers with poor ESG ratings. This process, roles and interaction between the ESG Team and the Board of Directors of the Investment Manager is the same as for the ESG analysis.

Further details of the Investment Manager's ESG Policy that applies to all of the Funds are available on the Investment Manager's website: <https://tendercapital.com>

The investments underlying the Funds do not take into account the EU criteria for environmentally sustainable economic activities.

Principal Adverse Impacts

Pursuant to Article 4 and Article 7 of SFDR, financial market participants are required to publish details on whether or not they consider principal adverse impacts of their investment decisions on Sustainability Factors.

The Manager and Investment Manager, do not currently consider the principal adverse impacts of its investment decisions on Sustainability Factors, due to the lack of information and data available to adequately assess such principal adverse impacts.

3.5. **Cross Investment**

A Fund may invest in other Funds where provided for in the Supplement for the investing Fund. Actual limits of such investment will be set out in the Supplement and will be in accordance with the section headed **Investment in other collective investment schemes** under the **Investment Restrictions** section below. Cross investment in a Fund may not be made if that Fund holds Shares in another Fund.

3.6. **Investment Restrictions**

The investment restrictions for each Fund will be formulated by the Directors at the time of the creation of the Fund. The Articles provide that investments may only be made as permitted by the Articles and the Regulations. In any event, each Fund will comply with the Regulations and the Central Bank UCITS Regulations.

The following general investment restrictions apply to each Fund except where restrictions are expressly or implicitly disapplied in accordance with the requirements of the Central Bank. In that case, the Supplement for the relevant Fund will set out the extent to which such investment restrictions do not apply and specify if any additional restrictions apply.

1. **Permitted Investments**

Investments of a Fund must be confined to:

- 1.1. 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, operates regularly, is recognised and open to the public in a Member State or non-Member State and is listed in Appendix 1;

- 1.2. recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year;
- 1.3. money market instruments, other than those dealt in on a Regulated Market;
- 1.4. shares or units of UCITS;
- 1.5. shares or units of AIFs;
- 1.6. deposits with credit institutions; and
- 1.7. financial derivative instruments.

## 2. **Investment Limits**

- 2.1. A Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1 above.
- 2.2. A Fund shall not invest any more than 10% of its Net Asset Value in securities of the type to which Regulation 68(1)(d) of the Regulations apply. This restriction will not apply in relation to investment by a Fund in certain U.S. securities known as Rule 144A securities provided that the securities have been issued with an undertaking to register the securities with the U.S. Securities and Exchange Commission within one year of issue and the securities are not illiquid securities, i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.
- 2.3. A Fund may invest no more than 10% of its Net Asset Value 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%
- 2.4. Subject to the prior approval of the Central Bank, the limit of 10% (as described in paragraph 2.3 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 Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund.
- 2.5. The limit of 10% (as described in paragraph 2.3 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.
- 2.6. The transferable securities and money market instruments referred to in paragraphs 2.4 and 2.5 above shall not be taken into account for the purpose of applying the limit of 40% referred to in paragraph 2.3.
- 2.7. Cash booked in accounts and held as ancillary liquidity shall not exceed 20% of the net assets of a Fund.
- 2.8. The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of its Net Asset Value.

This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basel Capital Convergence Agreement of July 1988 or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

- 2.9. Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of a Fund's Net Asset Value: investments in transferable securities or money market instruments; deposits; and/or counterparty risk exposures arising from OTC derivatives transactions.
- 2.10. The limits referred to in paragraphs 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of a Fund's Net Asset Value.
- 2.11. Group companies are regarded as a single issuer for the purposes of paragraphs 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above. However, a limit of 20% of a Fund's Net Asset Value may be applied to investment in transferable securities and money market instruments within the same group.
- 2.12. A Fund may invest up to 100% of its Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, Non-Member State or public international body of which one or more Member States are members.

The individual issuers may be drawn from the following list:

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.

The Fund must hold securities from at least six different issues, with securities from any one issue not exceeding 30% of the Net Asset Value of the Fund.

### 3. **Investment in other collective investment schemes**

- 3.1. A Fund may not invest more than 20% of its Net Asset Value in any one CIS.
- 3.2. Investment in AIFs may not, in aggregate, exceed 30% of the Fund's Net Asset Value.
- 3.3. A Fund may not invest in another single structure CIS or a sub-fund of an umbrella CIS, which itself invests more than 10% of its net assets in other CIS.
- 3.4. When a Fund invests in the shares or units of other CIS that are managed, directly or by delegation, by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, the Investment Manager or other company may not charge subscription, switching or redemption fees on account of the investment by the Fund in the shares or units of such other CIS.
- 3.5. Where a commission (including a rebated commission) is received by the Investment Manager by virtue of an investment in the shares or units of another CIS, this commission must be paid into the property of the Fund.

- 3.6. Investment by a Fund in another Fund of the Company is subject to the following additional provisions:
- (i) investment must not be made in a Fund which itself holds Shares in another Fund within the Company; and
  - (ii) the investing Fund may not charge an annual management fee in respect of that portion of its assets invested in other Funds within the Company. This provision is also applicable to the annual fee charged by the Investment Manager where such fee is paid directly out of the assets of the Fund.

#### 4. **Index Tracking UCITS**

- 4.1. A Fund may invest up to 20% of its Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of the 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.
- 4.2. The limit in paragraph 4.1 above may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

#### 5. **General Provisions**

- 5.1. The Company acting in connection with all the CIS it manages, or the Manager may not acquire any shares carrying voting rights that would enable it to exercise significant influence over the management of an issuing body.
- 5.2. A Fund may acquire no more than:
- (i) 10% of the non-voting shares of any single issuing body;
  - (ii) 10% of the debt securities of any single issuing body;
  - (iii) 25% of the shares or units of any single CIS;
  - (iv) 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in sub-paragraphs (ii), (iii) and (iv) 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.

- 5.3. Paragraphs 5.1 and 5.2 above shall not be applicable to:
- (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
  - (ii) transferable securities and money market instruments issued or guaranteed by a Non-Member State;
  - (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
  - (iv) 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 Non-Member State, where under the legislation of

that Non-Member State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that Non-Member State. This waiver is applicable only if in its investment strategies the company from the Non-Member State complies with the limits laid down in paragraphs 2.3, 2.11, 3.1, 3.2, 5.1, 5.2 above and paragraphs 5.4, 5.5 and 5.6 below, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed;

(v) shares held by an investment company 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 or units at the request of share or unit holders exclusively on their behalf.

5.4. A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments that form part of their assets.

5.5. The Central Bank may allow recently authorised Funds to derogate from the provisions of paragraphs 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 above for six months following the date of their authorisation, provided they observe the principle of risk spreading.

5.6. 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 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.

5.7. The Company may not carry out uncovered sales of transferable securities; money market instruments; shares or units of CIS; or financial derivative instruments.

5.8. A Fund may hold ancillary liquid assets.

## 6. **Financial Derivative Instruments (FDI)**

6.1. A Fund's global exposure relating to FDI must not exceed its total net asset value.

6.2. 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).

6.3. A Fund may invest in FDI dealt in over-the-counter (OTC) provided that the counterparties to the OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

6.4. Investment in FDI are subject to the conditions and limits laid down by the Central Bank.

## 3.7. **Benchmark Regulation**

3.7.1. The Benchmark Regulation entered into force in June 2016 and became fully applicable in the EU on 1 January 2018 (save that certain provisions, including those related to 'critical benchmarks', took effect as at 30 June 2016), subject to certain transitional provisions. The Benchmark Regulation applies to 'contributors' to, 'administrators' of, and 'users' of benchmarks in the EU. It, among other things, (a) requires EU benchmark administrators to be authorised or registered and to comply with requirements relating to the administration of benchmarks, (b) prohibits the use in the EU of benchmarks



provided by EU administrators which are not authorised or registered in accordance with the Benchmark Regulation, and (c) prohibits the use in the EU of benchmarks provided by non-EU administrators which are not (i) authorised or registered and subject to supervision in a jurisdiction in respect of which an 'equivalence' decision has been adopted in accordance with the Benchmark Regulation, or (ii) where such equivalence decision is pending, 'recognised' by the competent authorities of the applicable EU Member State(s). An exception to this is that a benchmark provided by a non-EU administrator can itself be endorsed for use in the EU by an EU authorised or registered administrator or an EU-based supervised entity, following authorisation of the endorsement by the relevant competent authority.

- 3.7.2. The Benchmark Regulation requires the Company to produce and maintain a contingency plan setting out the actions that it would take in the event that a benchmark (as defined by the Benchmark Regulation) materially changes or ceases to be provided.
- 3.7.3. The Company is required under the Benchmarks Regulation to use only benchmarks which are provided by authorised benchmark administrators that are present in the register of administrators maintained by the European Securities and Markets Authority, provided that a benchmark administrator may continue to provide an existing benchmark which may be used by a Fund until 1 January 2020 or until such time as an application for authorisation or registration by the administrator has been refused. Information stating whether a benchmark used by a Fund is provided by an administrator included in the register will be set out in Supplement of the relevant Fund.

### **3.8. Borrowing and Lending Powers and Restrictions**

The Company may borrow up to 10% of a Fund's Net Asset Value at any time and the Depositary may charge the assets of such Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding. Assets of a Fund may not be passed outside the Depositary's custody network to secure borrowings. The Company may acquire foreign currency by means of a back to back loan agreement(s). Foreign currency obtained in this manner is not classed as borrowings for the purposes of the borrowing restrictions set out above provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding. Where the offsetting deposit is not denominated in the Base Currency of the relevant Fund, changes in the exchange rate between the Base Currency and the currency of the offsetting deposit may lead to a depreciation of the value of the offsetting deposit as expressed in the Base Currency.

Without prejudice to the powers of the Company to invest in transferable securities, money market instruments and other financial instruments referred to in paragraph 1 of the Investment Restrictions under the heading Permitted Investments above, the Company may not lend to, or act as guarantor on behalf of, third parties.

A Fund may acquire transferable securities, money market instruments and other financial instruments referred to in paragraph 1 of the Investment Restrictions above which are not fully paid. The Company may not carry out uncovered sales of transferable securities, money market instruments and other financial instruments.

A Fund may engage in leverage through the use of financial derivative instruments to the extent permitted by the Central Bank UCITS Regulations. The extent to which a Fund may be leveraged, if any, will be set out in the relevant Supplement.

Any particular borrowing restrictions for a Fund will appear in the Supplement for the relevant Fund.

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

It is intended that the Company shall have the power (subject to the prior approval of the Central Bank) to avail itself of any change in the investment and borrowing restrictions specified in the 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 Regulations.

### **3.10. Utilisation of FDI and Efficient Portfolio Management**

Subject to the Regulations and the conditions of, and within the limits laid down by, the Central Bank, each Fund may utilise FDI including equivalent cash settled instruments dealt on a regulated market and/or OTC derivatives for investment purposes, details of which shall be set out in the Supplement of the relevant Fund, where applicable.

The Investment Manager, on behalf of each Fund, may also use investment techniques and instruments, including FDI, relating to transferable securities and other financial instruments including but not limited to futures and options, forward currency contracts, warrants, repurchase agreements, reverse repurchase agreements, swap agreements, stocklending agreements, and when-issued securities for efficient portfolio management and/or hedging purposes subject to the conditions and within the limits prescribed from time to time by the Central Bank. Such techniques may involve the lending of portfolio securities by a Fund, but such stocklending must be secured by adequate collateral and will be subject to the conditions and limits set out in the Central Bank UCITS Regulations.

Techniques and instruments utilised for the purposes of efficient portfolio management may only be used in accordance with the investment strategy of the relevant Fund. Any such technique or instrument should be reasonably believed by the Investment Manager to be economically appropriate to the efficient portfolio management of the relevant Fund, i.e., the use of such a technique or instrument may only be undertaken for the purpose of one or more of the following:

- (a) a reduction in risk;
- (b) a reduction in cost; or
- (c) an increase in capital or income returns to a Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in the Regulations and the Central Bank UCITS Regulations.

The specific techniques and instruments to be utilised by each Fund (if any) are set out in the Supplement for the relevant Fund.

For the purpose of providing margin or collateral in respect of transactions in FDI, the Company may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Fund.

Where any such operations concern the use of derivative transactions, this will be set out in the relevant Supplement and the Company will employ a risk-management process which enables it to accurately measure, monitor and manage at any time the risk of a Fund's positions and their contribution to the overall risk profile of the portfolio of assets of a Fund. It must employ a process for accurate and independent assessment of the value of OTC derivatives. Before utilising any FDI on behalf of a Fund, the Manager must file a risk management process with the Central Bank and in accordance with particular requirements of the Central Bank shall specify, for that purpose, the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in any FDI applicable to a

Fund. A Fund will not employ any instruments that are not included in the existing risk management process which has been cleared by the Central Bank. Prior to investing in financial derivative instruments which are not included in the cleared risk management process, a revised risk management process report will be cleared by the Central Bank. The Company will ensure that a Fund's global exposure to FDI does not exceed the total Net Asset Value of its portfolio and that counterparty risk exposure to any OTC derivative transactions never exceeds the limits permitted under the Regulations.

The Company will on request provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments in respect of the relevant Funds.

### **Operational Costs/Fees**

Direct and indirect operational costs and/or fees arising from the use of techniques and instruments for efficient portfolio management purposes on behalf of a Fund may be deducted from the revenue delivered to the relevant Fund. These costs and/or fees will be charged at normal commercial rates and will not include hidden revenue.

Where applicable, the entities to which such direct and indirect operational costs and/or fees have been paid during the annual period to the relevant accounting year end of the Fund (including whether such entities are related to the Company or Depositary) will be disclosed in the annual report for such period".

## **3.11. Collateral Policy**

### **3.11.1. Types of Collateral**

#### **3.8.1.1 Non Cash Collateral**

Non-cash collateral must, at all times, meet with the following requirements:

- (i) **Liquidity:** Non-cash collateral should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the Regulations (paragraphs 5.1-5.3 in the section entitled "Investment Restrictions" at 3.4 above);
- (ii) **Valuation:** Collateral must be capable of being valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (iii) **Issuer credit quality:** Collateral received should be of high quality;
- (iv) **Correlation:** Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty;
- (v) **Diversification (asset concentration):** Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of

20% of the Net Asset Value of the relevant Fund. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of deviation, a Fund may receive collateral up to 100% of the Net Asset Value of the Fund in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong, provided that the Fund must hold securities from at least six different issues, with securities from any one issue not exceeding 30% of the Net Asset Value of the Fund. Please see section 2.12 of Investment Limits (above) for individual issuers.

- (vi) **Immediately available:** Collateral received should be capable of being fully enforced by the Company at any time without reference to or approval from the relevant counterparty; and

Non-cash collateral received cannot be sold, pledged or reinvested by the Fund.

### 3.8.1.2 Cash Collateral

Reinvestment of cash collateral must be in accordance with the following requirements:

- (i) cash received as collateral may only be invested in the following:
  - (a) deposits with a credit institution which is in one of the categories, set out in Regulation 7(2) of the Central Bank Regulations being; credit institutions authorised in an EEA Member State or; credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or; credit institutions in a third country deemed equivalent pursuant to Article 107(4) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories;
  - (b) high quality government bonds;
  - (c) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on an accrued basis;
  - (d) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049);
- (ii) invested cash collateral must be diversified in accordance with the requirements in section 3.8.1.1 (v) above;
- (iii) invested cash collateral may not be placed on deposit with the counterparty or a related entity.

### 3.11.2. Level of Collateral Required

Unless otherwise specified in a Supplement for a Fund, the levels of collateral required are as follows:

Repurchase agreements	at least 100% of the exposure to the counterparty
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Reverse repurchase agreements	at least 100% of the exposure to the counterparty
Lending of portfolio securities	at least 100% of the exposure to the counterparty
OTC derivatives	Such collateral to ensure, in any event, that counterparty exposure is managed within the limits set out in <b>Investment Restrictions</b> above

### 3.11.3. Haircut Policy

In the event that the Company may be required to apply a haircut in relation to the calculation of the value of non-cash collateral received, the value of non-cash collateral received will be calculated as the market value of the respective assets multiplied by the applicable valuation percentage. The valuation percentage will depend on factors such as liquidity, price volatility, issuer credit quality and remaining maturity and will take into account the results of stress tests, where applicable. It is not expected that the non-cash collateral which the Company may receive will have high price volatility.

The types of non-cash collateral which may be accepted will be valued on the basis of the following percentages or such other percentage as agreed with the counterparty from time to time:

Asset Issuer Credit Quality	Valuation Percentage
Sovereign and Corporate Bonds - AAA*	95% - 100% dependent on remaining maturity
Sovereign and Corporate Bonds - AA*	90%
Sovereign and Corporate Bonds - A*	85%
Sovereign and Corporate Bonds – BBB*	80%

\* the rating applied will be the lower of the ratings between Moody's, S&P, and Fitch.

### 3.12. Share Class Hedging

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 Share Class for the purposes of efficient portfolio management. In addition, a Currency Share Class may be hedged against exchange rate fluctuation risks between the denominated currency of the Currency Share Class and the Base Currency of the Fund in which that Class of Shares is issued. Any financial instruments used to implement such strategies with respect to one or more Hedged Share Classes shall be assets/liabilities of a Fund as a whole but will be attributable to the relevant Hedged Share Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Hedged Share Class. Where a Share Class is to be hedged this will be disclosed in the Supplement for the Fund in which such Share Class is issued. Any currency exposure of a Hedged Share Class may not be combined with or offset against that of any other Share Class of a Fund. The currency exposure of the assets attributable to a Hedged Share Class may not be allocated to other Share 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, the Company shall

ensure that under-hedged positions do not fall short of 95% of the proportion of the Net Asset Value of the Share Class which is to be hedged and keep any under-hedged positions under review to ensure it is not carried forward from month to month and that over-hedged positions do not exceed 105% of the Net Asset Value of the relevant Share Class and hedged positions will be kept under review to ensure that positions materially in excess of 100% of the Net Asset Value will not be carried forward from month to month. To the extent that hedging is successful for a particular Hedged Currency Share Class the performance of the Hedged Currency Share Class is likely to move in line with the performance of the underlying assets with the result that Shareholders in that Hedged Currency Share Class will not gain if the Hedged Currency Share Class currency falls against the Base Currency and/or the currency in which the assets of the particular Fund are denominated. A Hedged Share Class will not be leveraged as a result of such currency hedging transactions.

In the case of an Unhedged Currency Share Class a currency conversion will take place on subscriptions, redemptions, switches and distributions at prevailing exchange rates. The value of the Share expressed in the Share Class currency will be subject to exchange rate risk in relation to the Base Currency.

### 3.13. **Stocklending**

The Company has power to lend all of the securities and may do so from time to time, as and when considered appropriate in the interests of Shareholders and in accordance with applicable regulations and market practice. Securities lending arrangements will be entered into for the purposes of efficient portfolio management. In accordance with normal market practice, borrowers may be required to provide collateral to the Company of a value of at least equal to the market value of any securities loaned in accordance with the Company' collateral policy as set out in section 3.8 above. The income generated from these arrangements will accrue to the relevant Fund net of any operational costs/ fees, including transaction expenses in connection with such loans. For securities lending made with connected persons of the Depositary, it must be made on arm's length commercial terms as detailed in section 5.7 below. If the Company chooses to engage in stocklending, this will be detailed in the relevant Supplement.

### 3.14. **Dividend Policy**

The Directors decide the dividend policy and arrangements relating to each Fund and details are set out where applicable in the relevant Supplement. Under the Articles, the Directors are entitled to declare dividends out of the relevant Fund being: (i) net income (i.e. income less expenses); (ii) realised gains net of realised and unrealised losses; (iii) realised and unrealised gains net of realised and unrealised losses; (iv) net income and realised gains net of realised and unrealised losses; (v) net income and realised and unrealised gains net of realised and unrealised losses; and/or (vi) capital.

No declarations or distributions shall be made in respect of the Accumulating Shares. The net income earned per Accumulating Share will be accumulated and reinvested on behalf of Shareholders of Accumulating Shares.

The Directors may satisfy any dividend due to Shareholders in whole or in part by distributing to them in specie any of the assets of the relevant Fund, and in particular any investments to which the relevant Fund is entitled. A Shareholder may require the Company instead of transferring any assets in specie to him, to arrange for a sale of the assets and for payment to the Shareholder of the net proceeds of same. The Company will be obliged and entitled to deduct an amount in respect of Irish taxation from any dividend payable to a Shareholder in any Fund who is or is deemed to be a Taxable Irish Person and pay such sum to the Irish tax authorities. Dividends (if any) will be paid in accordance with the policy of Euronext, where applicable.

Dividends not claimed within six years from their due date will lapse and revert to the relevant Fund.

Dividends payable to Shareholders will be paid by electronic transfer to the bank account designated by the Shareholder in the original Subscription Agreement (or as otherwise agreed with the Directors) at the expense of the payee and will be paid within the time frame as provided for in the relevant Supplement.

Distribution payments in cash will be made in the currency of denomination of the relevant Share Class unless the relevant Supplement provides otherwise.

The dividend policy for each Fund and the type of Shares available therein are set out in the Supplement for the relevant Fund. Any change in the dividend policy for a Fund will be notified to all Shareholders in that Fund in advance and full details of such a change will be provided in an updated Supplement for that Fund.

## 4. RISK FACTORS

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### 4.1. General

The risks described below should not be considered to be an exhaustive list of the risks which potential investors should consider in addition to all of the information in this Prospectus and the relevant Supplement before investing in a Fund. Different risks may apply to different Funds and/or Classes. Details of risks specific to any Fund or Class in addition to those set out below will be disclosed in the relevant Supplement. Potential investors should be aware that an investment in a Fund may also be exposed to normal market fluctuations and other risks from time to time. Although care is taken to understand and manage the risks described below and in the relevant Supplement, the Funds and accordingly the Shareholders in the Funds will ultimately bear the risks associated with the investments of the Funds. Potential investors should consult their professional financial and tax advisers before making an investment. 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 (from which may be deducted a redemption fee) means an investment should be viewed as medium to long term. The attention of potential investors is also drawn to the taxation risks associated with investing in the Company, an overview of which are set out in the Section of the Prospectus entitled **Taxation**.

Among the principal risks of investing in the Funds which could adversely affect their Net Asset Value, yield and total return, are:

### 4.2. General Risks

An investment in a Fund is neither insured nor guaranteed by any government, government agencies or instrumentalities or any bank guarantee fund. Shares of a Fund are not deposits or obligations of, or guaranteed or endorsed by, any bank and the amount invested in Shares may fluctuate up and/or down. An investment in a Fund involves certain investment risks, including the possible loss of principal and there is no assurance that that any appreciation in the value of investments will occur or that the investment objective of a Fund will actually be achieved and results may vary substantially over time. A Fund's investment strategy may carry considerable risks.

The Funds will be investing in assets selected by the Investment Manager in accordance with the respective investment objectives and policies of the Fund. The value of investments and the income from them, and therefore the value of and income from Shares relating to each Fund, will be closely linked to the performance of such investments. Investments made by the Investment Manager will be speculative and an investment in a Fund, therefore, involves a degree of risk.

Past performance of the Company or any Fund should not be relied upon as an indicator of future performance. 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.

### 4.3. Market Risk

The value of securities may be affected by a decline in the entire market of an asset class in which investments are made thus affecting the prices and values of the assets in the Fund. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. During a general downturn in the



securities markets, multiple asset classes may decline in value simultaneously. Equity securities generally have greater price volatility than fixed-income securities. In addition, some of the Regulated Markets on 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. The higher the volatility of the market in which a Funds invests, the greater the market risk. Such markets are subject to greater fluctuations in return.

#### **4.4. Liquidity Risk**

Liquidity risk is the risk of a Fund having insufficient realisable cash, investments and borrowing capacity to fund redemption requests net of subscriptions. A Fund's assets primarily comprise realisable securities which can be readily sold in normal market conditions. However not all securities or instruments invested in by a Fund may be listed or rated and consequently liquidity of such securities or instruments may be low. A Fund may also encounter difficulties in disposing of assets at their fair market price due to adverse market conditions. A Fund's liabilities arise primarily through its exposure to redemption of Shares that Shareholders wish to sell. The Investment Manager endeavours to manage the Funds' investments, including cash, to meet its liabilities. However, investments may need to be sold if insufficient cash is available to finance such redemptions. If the size of disposals is sufficiently large, or the market is illiquid, then there is a risk that either the investments might not be sold or the price at which they are sold may adversely affect the Net Asset Value of a Fund. The Directors may, at their discretion, elect to restrict the total number of Shares redeemed in a Fund on any Dealing Day to a maximum percentage of the outstanding Shares in the Fund, in which case all requests will be scaled down pro rata to the number of Shares requested to be redeemed. The remaining balance of Shares may be redeemed on the next Dealing Day provided no such restriction is applicable.

#### **4.5. Credit Risk**

Credit risk also arises from the uncertainty surrounding the ultimate repayment of principal and interest or other investments by the issuers of such securities. There can be no assurance that the issuers of 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 other instruments. A Fund will also be exposed to a credit risk in relation to the counterparties with whom a Fund trades and may bear the risk of settlement default. Changes in the credit quality of an issuer and/or security or other instrument could affect the value of a security or other instrument or a Fund's share price.

#### **4.6. Portfolio Currency Risk**

A Fund's investments and, where applicable, the investments of any collective investment scheme in which a Fund invests, may be acquired in a wide range of currencies other than the Base Currency of the Fund. Changes in the exchange rate between the Base Currency of the Fund 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 Investment Manager may, but is not obliged to, mitigate this risk by using financial instruments.

A Fund may from time to time utilise techniques and instruments to seek to protect (hedge) 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.

A Fund may enter into currency exchange and other 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 or interest rate, they also limit any potential gain that might be realised should the value of the hedged currency or interest rate 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. Fund performance may be strongly influenced by movements in FX rates because currency positions held by the Fund may not always correspond with the securities positions held.

#### 4.7. **Share Class Currency Risk**

A Currency Share Class will be denominated in a currency other than the Base Currency of the Fund. Changes in the exchange rate between the Base Currency and such denominated currency of a Currency Share Class may lead to a depreciation of the value of such Shares as expressed in the denominated currency. The Investment Manager may try but is not obliged to mitigate this risk by using financial instruments such as those described under the heading **Portfolio Currency Risk**, for Hedged Currency Share Classes provided that such instruments shall in no case exceed 105% of the Net Asset Value attributable to the relevant Hedged Currency Share Class of the Fund. Investors should be aware that this strategy may substantially limit Shareholders of the relevant Hedged Currency Share Class from benefiting if the denominated currency falls against the Base Currency and/or the currency/currencies in which the assets of the Fund are denominated. In such circumstances Shareholders of the relevant Hedged Currency Share Class of the Fund may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the costs of the relevant financial instruments. Financial instruments used to implement such strategies shall be assets/liabilities of the Fund as a whole. However, the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Hedged Currency Share Class of the Fund.

#### 4.8. **Custody and Settlement Risk**

As a Fund may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Funds which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risks in circumstances where by the Depositary will have no liability. Such risks include (i) a non-true delivery versus payment settlement, (ii) a physical market, and as a consequence the circulation of forged securities, (iii) poor information in relation to corporate actions, (iv) registration process that impacts the availability of the securities, (v) lack of appropriate legal/fiscal infrastructure advices, and (vi) lack of compensation/risk fund with the relevant Central Depositary. Furthermore, even when a Fund settles trades with counterparties on a delivery-versus-payment basis; it may still be exposed to credit risk to parties with whom it trades. The insolvency of the Depositary, or of any local broker, sub-custodian bank or clearing corporation used by the Depositary, may result in the loss of all or a substantial portion of the Fund's assets or in a significant delay in the Fund having access to those assets.

#### 4.9. **Political and Regulatory Risk**

The value of a Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and

regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

#### 4.10. **Taxation Risk**

The income and gains of a Fund from its assets may suffer withholding tax which may or may not be reclaimable in the countries where such income and gains arise. If the position changes in the future and either the application of a higher or lower rate results in an additional payment of tax or a repayment to the relevant Fund respectively, the Net Asset Value will not be re-stated and the benefit or the cost will be allocated to the existing Shareholders of the relevant Fund rateably at the time of the adjustment.

In addition, potential Applicants' attention is drawn to the taxation risks associated with investing in the Company and in the Funds. See section headed **Taxation**.

#### 4.11. **Legal and Regulatory Risks**

Legal and regulatory (including taxation) changes could adversely affect the Company. Regulation (including taxation) of investment vehicles such as the Company is still evolving and therefore subject to change. In addition, many governmental agencies, self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. In some jurisdictions the interpretation and implementation of laws and regulations and the enforcement of Shareholder's rights under such laws and regulations may involve significant uncertainties, may not be consistent with those of other nations and may vary from region to region. Furthermore, there may be differences in accounting and auditing standards, reporting practices and disclosure requirements to those generally accepted internationally. The information provided in this Prospectus is based upon the laws and regulations as at the date of the Prospectus but it is not exhaustive and does not constitute legal or tax advice. Laws and regulations of any country may change from time to time. Any change in the taxation legislation in Ireland or in any jurisdiction where a Fund is registered, listed, marketed, or invested could affect the tax status of the Fund, the value of the Fund's investments in the affected jurisdiction, the Fund's ability to achieve its investment objective, and/or alter the post tax returns to Shareholders. The effect of any future legal or regulatory (including taxation) change on the Company is impossible to predict, but could be substantial and have adverse consequences on the rights and returns of Shareholders.

#### 4.12. **Valuation Risk**

A Fund may invest some of its assets in unquoted securities or instruments and/or securities which may become illiquid due to market conditions. Such investments or instruments will be valued by the Directors or their delegate in good faith as to their probable realisation value as set out in this Prospectus. 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.

In addition, assets in which a Fund invests may be valued on a less frequent basis than the Fund. Accordingly there is a risk that (i) the valuations of a Fund may not reflect the true value of assets held by a Fund at a specific time which could result in losses or inaccurate pricing for a Fund and/or (ii) the valuations may not be available at the relevant Valuation Point so that some of the assets of the Fund may be valued at their probable realisation value.

#### 4.13. **Investment Manager Risk**

The Administrator may seek the advice of the Investment Manager with respect to the valuation of certain investments and Shareholders should be aware of an inherent conflict of interest between the involvement of the Investment Manager in recommending the valuation price of a Fund's investment and the Investment Manager's other duties and responsibilities in relation to the Funds.

#### **4.14. Securities of Other Investment Companies**

Investing in other investment companies involves substantially the same risks as investing directly in the underlying instruments, but may involve additional expenses at the investment company-level, such as portfolio management fees and operating expenses. The Company and/or the Investment Manager will not have control over the activities of any investment company or collective investment scheme invested in by a Fund. Administrators of collective investment schemes and companies in which a Sub-Fund may invest may manage the collective investment schemes or be managed in a manner not anticipated by the Company or the Investment Manager.

#### **4.15. Investing in Fixed Income Securities**

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. A Fund could lose money if the issuer or guarantor of a fixed income security is unable to make timely principal and/or interest payments, or to otherwise honour its obligation. The credit quality of debt instruments is often assessed by rating agencies. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of depreciation and default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments and may be subject to wider fluctuations in yield, wider bid-offer spreads, greater liquidity premium and accentuated market expectations and consequently greater fluctuations in market values to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time. Changes in such ratings, or the expectations of such changes, may cause changes in yield and market values.

The volume of transactions effected in certain international bond markets may be appreciably below that of the world's largest markets. Accordingly, a Fund's investment in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

#### **4.16. Equity Markets Risk**

Investments in equity securities offer the potential for substantial capital appreciation. However, such investments also involve risks, including issuer, industry, market and general economic related risks. Although the Investment Manager may attempt to reduce these risks by utilising various techniques described in this Prospectus and where applicable in the Supplement for a relevant Fund, adverse developments or perceived adverse developments in one or more of these areas could cause a substantial decline in the value of equity securities owned by a Fund.

#### **4.17. Market Capitalisation Risk - Micro, Small and Mid-Sized Company Shares**

A Fund may invest in equity securities of micro, small and mid-sized (by market capitalisation) companies. Investment in such securities involves special risks. Among other things, the prices of securities of micro, small and mid-sized companies generally are more volatile than those of larger companies; the securities of smaller companies generally are less liquid; and smaller companies generally are more likely to be adversely affected by poor economic or market conditions. The prices of micro-sized companies generally are even more volatile and their markets are even less liquid relative to both small and larger companies. Investments in securities of companies with smaller market capitalisations are generally considered to offer greater opportunity for appreciation

but also may involve greater risks than customarily are associated with more established 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. Transactions involving such securities, particularly those transactions which are large in size, are likely to have a greater impact on the costs of running a Fund than similar transactions in securities of a company with a large market capitalisation and broad trading market due to the relatively illiquid nature of markets in securities of small and medium sized companies. The securities of smaller companies may be subject to more abrupt fluctuations in market price than larger, more established companies. Smaller companies may have limited product lines, markets or financial resources, or they may be dependent upon a limited management group. In addition to exhibiting greater volatility, smaller company shares may, to a degree, fluctuate independently of larger company shares (i.e., small and/or micro company shares may decline in price as the prices of larger company shares rise or vice versa).

#### 4.18. **Debt Securities**

The prices of debt securities fluctuate in response to perceptions of the issuer's creditworthiness and also tend to vary inversely with market interest rates. The value of such securities is likely to decline in times of rising interest rates. Conversely, when rates fall, the value of these investments is likely to rise. The longer the time to maturity the greater are such variations. A Fund which invests in such securities is subject to credit risk (i.e., the risk that an issuer of securities will be unable to pay principal and interest when due, or that the value of a security will suffer because investors believe the issuer is less able to pay). This is broadly gauged by the credit ratings of the securities in which a Fund invests. However, ratings are only the opinions of the agencies issuing them and are not absolute guarantees as to quality. Not all government securities are backed by the full faith and credit of their national government. Some are backed only by the credit of the issuing agency or instrumentality. Accordingly, there is at least a chance of default on these government securities in which a Fund may invest, which may subject a Fund to credit risk. To the extent a Fund invests in medium or low-rated securities and unrated securities of comparable quality, the Fund may realise a higher current yield than the yield offered by higher-rated securities, but investment in such securities involves greater volatility of price and risk of loss of income and principal, including the probability of default by or bankruptcy of the issuers of such securities. Low-rated and comparable unrated securities (collectively referred to as **low-rated** securities) likely have quality and protective characteristics that, in the judgment of a rating organisation, are outweighed by large uncertainties or major risk exposures to adverse conditions, and are predominantly speculative with respect to an issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation. Although the prices of low-rated securities are generally less sensitive to interest rate changes than are higher rated securities, the prices of low-rated securities may be more sensitive to adverse economic changes and developments regarding the individual issuer. When economic conditions appear to be deteriorating, medium or low-rated securities may decline in value due to heightened concern over credit quality, regardless of the prevailing interest rates. Investors should carefully consider the relative risks of investing in high yield securities and understand that such securities are not generally meant for short-term investing. Adverse economic developments can disrupt the market for low-rated securities, and severely affect the ability of issuers, especially highly leveraged issuers, to service their debt obligations or to repay their obligations upon maturity, which may lead to a higher incidence of default on such securities. Low-rated securities are especially affected by adverse changes in the industries in which the issuers are engaged and by changes in the financial condition of the issuers. Highly leveraged issuers may also experience financial stress during periods of rising interest rates. In addition, the secondary market for low-rated securities, which is concentrated in relatively few market makers, may not be as liquid as the secondary market for more highly rated securities. As a result, a Fund could find it more difficult to sell these securities or may be able to

sell the securities only at prices lower than if such securities were widely traded. Therefore, prices realised upon the sale of such low-rated securities, under these circumstances, may be less than the prices used in calculating the Fund's Net Asset Value. Low-rated securities also present risks based on payment expectations. If an issuer calls an obligation for redemption, the Fund may have to replace the security with a lower yielding security, resulting in a decreased return for investors. If the Fund experiences unexpected net redemptions, it may be forced to sell its higher-rated securities, resulting in a decline in the overall credit quality of the Fund's investment portfolio and increasing the exposure of the Fund to the risks of low-rated securities. Changes in economic conditions or developments regarding individual issuers of medium or low-rated securities are more likely to cause price volatility and weaken the capacity of such securities to make principal and interest payments than is the case for higher grade debt securities. Investment in such lower rated debt securities may limit a Fund's ability to sell such securities at fair value. Judgment plays a greater role in pricing such securities than in the case of securities having more active markets. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the values and liquidity of lower rated debt securities, especially in a thinly traded market. The ratings issued by rating agencies represent the opinions of those agencies. Such ratings are relative and subjective, and are not absolute standards of quality. Unrated debt securities are not necessarily of lower quality than rated securities, but they may not be attractive to as many buyers. The rating agencies may change, without prior notice, their ratings on particular debt securities held by a Fund, and downgrades in ratings are likely to adversely affect the price of the relevant debt securities. Credit risk is more pronounced for investments in fixed-income securities that are rated below Investment Grade or which are of comparable quality. The risk of default may be greater and the market for these securities may be less active, making it more difficult to sell the securities at reasonable prices, and also making valuation of the securities more difficult. A Fund may incur additional expenses if an issuer defaults and it tries to recover some of the losses in bankruptcy or other similar proceedings.

#### **4.19. Investment Grade Debt Securities**

Some investment-grade debt securities may possess speculative characteristics and may be more sensitive to economic changes and to changes in the financial conditions of issuers.

#### **4.20. Lower-Quality Debt Securities**

Lower-quality debt securities include all types of debt instruments that have poor protection with respect to the payment of interest and repayment of principal, or may be in default. These securities are often considered to be speculative and involve greater risk of loss or price changes due to changes in the issuer's capacity to pay. The market prices of lower-quality debt securities may fluctuate more than those of higher-quality debt securities and may decline significantly in periods of general economic difficulty, which may follow periods of rising interest rates.

The market for lower-quality debt securities may be thinner and less active than that for higher-quality debt securities, which can adversely affect the prices at which the former are sold. Adverse publicity and changing investor perceptions may affect the liquidity of lower-quality debt securities and the ability of outside pricing services to value lower-quality debt securities.

#### **4.21. Preferred Securities**

In the event an issuer is liquidated or declares bankruptcy, the claims of owners of bonds take precedence over the claims of those who own preferred securities and common stock.

#### **4.22. Asset-Backed Securities**

Payment of interest and re-payment of principal may be largely dependent upon the cash flows generated by the assets backing the securities and, in certain cases, supported by letters of credit, surety bonds, or other credit enhancements. Asset-backed security values may also be affected by

other factors including changes in interest rates, the availability of information concerning the pool and its structure, the creditworthiness of the servicing agent for the pool, the originator of the loans or receivables, or the entities providing the credit enhancement. In addition, these securities may be subject to prepayment risk.

#### 4.23. **Cyber Security Risk**

The Company and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g., through "hacking" or malicious software coding) for the purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber security attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting the Company, and each Fund, the Administrator or the Depositary or other relevant service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with the ability to calculate the Net Asset Value of a Fund; impediments to trading for a Fund's portfolio; the inability of Shareholders to transact business with a Fund; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which a Fund invests, counterparties with which a Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks cannot be and/or have not been identified.

#### 4.24. **Emerging Market Risk**

To the extent that a Fund invests in emerging markets, the following risks shall also apply:

- (a) 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 a Fund. In addition, a Fund will be exposed to credit risk on parties with whom it trades 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 and the Depositary agrees that this form of settlement is common market practice. 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 a Fund or to the Shareholders for such a loss.
- (b) Currency fluctuations can be severe in developing countries that have both floating or fixed exchange rate regimes. The latter can undergo sharp one-time devaluations.
- (c) Disclosure and regulatory standards may be less stringent in certain securities markets than they are in developed countries and there may be less publicly available information on the issuers than is published by or about issuers in such developed countries. Consequently some of the publicly available information may be incomplete and/or inaccurate. In some countries the legal infrastructure and accounting and reporting standards do not provide the same degree of shareholder protection or information to investors as would generally apply in many developed countries. In

particular, greater reliance may be placed by the auditors on representations from the management of a company and there may be less independent verification of information than would apply in many developed countries. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently from international accounting standards.

- (d) The performance of a Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements. A Fund may also be exposed to risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership.
- (e) Local custody services remain underdeveloped in many emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances a Fund may not be able to recover or may encounter delays in the recovery of some of its assets. Such circumstances may include uncertainty relating to, or the retroactive application of legislation, the imposition of exchange controls or improper registration of title. In some emerging market countries evidence of title to shares is maintained in **book-entry** form by an independent registrar who may not be subject to effective government supervision, which increases the risk of the registration of a Fund's holdings of shares in such markets being lost through fraud, negligence or mere oversight on the part of such independent registrars. The costs borne by a Fund in investing and holding investments in such markets will generally be higher than in organised securities markets. As at the date of this Prospectus, MSCI Barra classified the following 26 countries as emerging markets – Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Malaysia, Mexico, Peru, Pakistan, Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, Korea, Taiwan, Thailand, Turkey and United Arab Emirates.
- (f) Prices of securities traded in emerging markets tend to be less liquid and more volatile.

#### 4.25. **Risks associated with Investment in other Collective Investment Schemes (CIS)**

A Fund may invest in one or more collective investment schemes. As a shareholder of another collective investment scheme, a Fund would bear, along with other shareholders, its *pro rata* portion of the expenses of the other collective investment scheme, including management and/or other fees (excluding subscription or redemption charges). These fees would be in addition to the fees payable to the Investment Manager and other expenses which a Fund bears directly in connection with its own operations. For details of the maximum level of management fees that may be charged by a Fund by virtue of its investment in other collective investment schemes please refer to the Supplement for the relevant Fund.

Some of the CIS that a Fund may invest in may in turn invest in FDIs which will result in this Fund being indirectly exposed to the risks associated with such FDI.

The Funds will not have an active role in the day-to-day management of the collective investment schemes in which they invest. Moreover, Funds will generally not have the opportunity to evaluate the specific investments made by any underlying collective investment schemes before they are made. Accordingly, the returns of a Fund will primarily depend on the performance of these unrelated underlying fund managers and could be substantially adversely affected by the unfavourable performance of such underlying fund managers.

#### 4.26. **Investment in CIS**

The investment policy of certain Funds may permit a Fund to invest up to 100% in collective investment schemes. Such collective investment schemes may deal with a different frequency and



on different days than the Fund. This characteristic of the Fund is likely to result from time to time in the Fund achieving less exposure to such collective investment schemes than would otherwise have been the case.

Furthermore, some of the underlying collective investment schemes may be valued by fund administrators affiliated to underlying fund managers, or by the underlying fund managers themselves, resulting in valuations which are not verified by an independent third party on a regular or timely basis. Accordingly there is a risk that the valuations of the Fund may not reflect the true value of such underlying collective investment scheme holdings at a specific Valuation Point, which could result in significant losses for the Fund.

A Fund may be subject to risks associated with any underlying collective investment schemes which may use 'side pockets' (used to separate investments which may be difficult to sell from more liquid investments). The use of side pockets by such underlying collective investment schemes may restrict the ability of a Fund or the Shareholders to fully redeem out of the underlying collective investment scheme until such investments have been removed from the side pocket. Accordingly, the Fund may be exposed to the performance of the underlying collective investment scheme's investment for an indefinite period of time until such investment is liquidated.

A Fund investing 100% in other collective investment schemes will have more exposure to any consequence or loss resulting from such default events than other Funds which do not aim to be fully invested in collective investment schemes.

#### 4.27. **Derivatives and Techniques and Instruments Risk**

While the prudent use of financial derivative instruments (**FDI**) can be beneficial, FDI also involve risks different from, and in certain cases greater than, the risks presented by more traditional investments.

A Fund may from time to time utilize various financial instruments both for investment purposes and for risk management purposes in order to seek to: (i) protect against possible changes in the market value of the Fund's investment portfolio resulting from fluctuations in the currency exchange rates, securities markets and/or changes in interest rates, (ii) protect the Fund's unrealized gains in the value of the Fund's investment portfolio, (iii) facilitate the sale of any such investments, (iv) enhance or preserve returns, spreads or gains on any investment in the Fund's portfolio, (v) hedge the interest rate or currency exchange rate on any of the Fund's liabilities or assets, (vi) protect against any increase in the price of any securities the Fund anticipates purchasing at a later date or (vii) for any other reason that the Investment Manager deems appropriate. Where a Fund utilizes financial instruments for any of the above purposes, it will be set out in the Supplement for that Fund. The risk factors below are relevant to a Fund where the Supplement states the Fund uses the derivative in question for that particular purpose.

##### *Techniques and Instruments*

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 or the ability to meet redemption requests.

### *Derivatives*

Derivatives, in general, involve special risks and costs and may result in losses to a Fund. The successful use of derivatives requires sophisticated management, and a Fund will depend on the ability of the Investment Manager to analyse and manage derivatives transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. In addition, correlation between the particular derivative and an asset or liability of a Fund may prove not to be what the Investment Manager expected. Some derivatives are **leveraged** and therefore may magnify or otherwise increase investment losses to the Fund. Other risks arise from the potential inability to terminate or sell derivatives positions. A liquid secondary market may not always exist for a Fund's derivatives positions at any time. In fact, many over-the-counter instruments will not be liquid and may not be able to be **closed out** when desired. Over-the-counter instruments such as swap transactions also involve the risk that the other party will not meet its obligations to the Funds. The participants in **over-the-counter** markets are typically not subject to credit evaluation and regulatory oversight as are members of **exchange based** markets, and there is no clearing corporation which guarantees the payment of required amounts. This exposes a Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions 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 relevant Fund to suffer a loss.

There is a possibility that the agreements governing the FDI techniques may be terminated due, for instance, to supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. There is also a risk if such agreements are not legally enforceable or if the derivative transactions are not documented correctly.

### *Counterparty Risk*

The Funds will be exposed to a credit risk on the counterparties with which they trade in relation to non-exchange traded contracts such as futures, options, swaps, repurchase transactions and forward exchange rate contracts. Non-exchange traded contracts are not afforded the same protections as may apply to participants trading such contracts on organised exchanges, such as the performance guarantee of an exchange clearing house. Non-exchange traded contracts are agreements specifically tailored to the needs of an individual investor which 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 company or firm involved in the transaction rather than a recognised exchange and accordingly the insolvency, bankruptcy or default of a counterparty with which a Fund trades such contracts could result in substantial losses to a Fund. If settlement never occurs the loss incurred by the Fund will be the difference between the price of the original contract and the price of the replacement contract or, in the case where the contract is not replaced, the absolute value of the contract at the time it is voided. Furthermore, in some markets 'Delivery versus Payment' may not be possible in which case the absolute value of the contract is at risk if the Fund meets its settlement obligations but the counterparty fails before meeting its obligations under the relevant contract. Furthermore, if the creditworthiness of a derivative counterparty declines, the risk that the counterparty may not perform could increase, potentially resulting in a loss to the portfolio. Regardless of the measures a Fund may implement to reduce counterparty credit risk there can be no assurance that a counterparty will not default or that a Fund will not sustain losses on the transactions as a result.

### *OTC Markets Risk*

Where any Fund acquires securities on OTC markets, there is no guarantee that the Fund will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

#### *Futures Contracts*

Positions in futures contracts may be closed out only on an exchange that provides a secondary market for such futures. However, there can be no assurance that a liquid secondary market will exist for any particular futures contract at any specific time. Thus, it may not be possible to close a futures position. In the event of adverse price movements, a Fund would continue to be required to make daily cash payments to maintain its required margin. In such situations, if a Fund has insufficient cash, it may have to sell portfolio securities to meet daily margin requirements at a time when it may be disadvantageous to do so. In addition, a Fund may be required to make delivery of the instruments underlying futures contracts it holds. The inability to close options and futures positions also could have an adverse impact on the ability to effectively hedge the Fund. The risk of loss in trading futures contracts in some strategies can be substantial, due both to the low margin deposits required and the extremely high degree of leverage involved in futures pricing. As a result, a relatively small price movement in a futures contract may result in immediate and substantial loss (as well as gain) to the investor. Thus, a purchase or sale of a futures contract may result in losses in excess of the amount of investment in the contract. The relevant Fund also incurs the risk that the Investment Manager will incorrectly predict future stock market trends. Utilisation of futures transactions by a Fund does involve the risk of imperfect or no correlation where the securities underlying the futures contracts have different maturities than a Fund's securities being hedged. It is also possible that a Fund could both lose money on futures contracts and also experience a decline in the value of its other securities. There is also a risk of loss by a Fund of margin deposits in the event of the bankruptcy of a broker with whom a Fund has an open position in a futures contract or related option. Finally, 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 standardised; 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.

#### *Foreign Exchange Transactions*

Where a Fund utilises derivatives which alter the currency exposure characteristics of transferable securities held by the Fund, the performance of the Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

#### *Options*

Because option premiums paid or received by a Fund will be small in relation to the market value of the investment underlying the options, trading in options could cause a Fund's Net Asset Value to

be subject to more frequent and wider fluctuations than would be the case if a Fund did not utilise options. Upon the exercise of a put option written by a Fund, it may suffer a loss equal to the difference between the price at which a Fund is required to purchase the underlying asset and its market value at the time of the option exercise, less the premium received for writing the option. Upon the exercise of a call option written by a Fund, it may suffer a loss equal to the excess of the market value of the asset at the time of the option's exercise over the price at which the Fund is obliged to sell the asset, less the premium received for writing the option. No assurance can be given that a Fund will be able to effect closing transactions at a time when it wishes to do so. If a Fund cannot enter into a closing transaction, it may be required to hold assets that it might otherwise have sold, in which case it would continue to be at market risk on such assets and could have higher transaction costs, including brokerage commissions. In addition, options that are not exchange traded will subject a Fund to risks relating to its counterparty, such as the counterparty's bankruptcy, insolvency, or refusal to honour its contractual obligations.

### *Swaps*

Payments under a swap contract may be made at the conclusion of the contract or periodically during its term. If there is a default by the counterparty to a swap contract, a Fund will be limited to contractual remedies pursuant to the agreements related to the transaction. There is no assurance that swap contract counterparties will be able to meet their obligations pursuant to swap contracts or that, in the event of default, the Fund will succeed in pursuing contractual remedies. The Fund thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to swap contracts. In addition, because swap contracts are individually negotiated and ordinarily non-transferable, there also may be circumstances in which it would be impossible for a Fund to close out its obligations under the swap contract. Under such circumstances, a Fund might be able to negotiate another swap contract with a different counterparty to offset the risk associated with the first swap contract. Unless a Fund is able to negotiate such an offsetting swap contract, however, it could be subject to continued adverse developments, even after the Investment Manager has determined that it would be prudent to close out or offset the first swap contract. The use of swaps involves investment techniques and risks different from and potentially greater than those associated with ordinary portfolio securities transactions. If the Investment Manager is incorrect in its expectations of market values or interest rates, the investment performance of a Fund would be less favourable than it would have been if this portfolio management technique were not used.

### *Credit Default Swaps*

Credit default swaps (**CDS**) provide a measure of protection against defaults of debt issuers. A Fund's use of CDS does not assure their use will be effective or will have the desired result.

The buyer in a CDS contract is obligated to pay the seller a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference asset has occurred. If a credit event occurs, the seller must pay the buyer the full notional value of the reference asset that may have little or no value. If the Fund is a buyer and no credit event occurs the Fund's losses will be limited to the periodic stream of payments over the term of the contract. As a seller, the Fund will receive a fixed rate of income throughout the term of the contract, provided that there is no credit event. If a credit event occurs, the seller must pay the buyer the full notional value of the reference obligation.

There is no assurance that CDS counterparties will be able to meet their obligations pursuant to swap contracts or that, in the event of default, the Fund will succeed in pursuing contractual remedies. The Fund thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to CDS contracts. As a buyer of a CDS, the Fund is exposed to the failure to make payment by the counterparty in the event of a credit event. As a seller of a CDS, the

Fund is exposed to non-payment of the periodic stream of payments over the term of the contract and to the full notional value of the reference obligation in the event of a credit event.

#### *Structured Notes*

The structured note needs to be bifurcated between the host contract and the embedded derivative. The embedded derivative (e.g. an option) then needs to be viewed as a stand-alone FDI for risk management purposes and is subject to the same risks as the equivalent FDI.

A Fund may not be able to hedge its exposure to the underlying derivative should it wish to do so due to the possibility of there not being availability on the market of an equivalent offsetting FDI. Sale of a structured note may also not be possible as they may also be illiquid as discussed above under Liquidity Risk.

Structured notes will subject a Fund to risks relating to its counterparty, such as the counterparty's bankruptcy, insolvency, or refusal to honour its contractual obligations.

#### *Repurchase Agreements*

The value of the security purchased may be more or less than the price at which the counterparty has agreed to purchase the security. If the other party to a repurchase agreement should default, the Fund might suffer a delay or loss to the extent that the proceeds from the sale of the underlying securities and other collateral held by the Fund in connection with the repurchase agreement are less than the repurchase price. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or its failure to repurchase the securities as agreed, the Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement.

#### *Reverse Repurchase Agreements*

Reverse repurchase transactions involve risks in that (a) in the event of the failure of the counterparty with which cash of a Fund has been placed there is the risk that collateral received may realise less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; and that (b) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the Fund to meet redemption requests, security purchases or, more generally, reinvestment.

#### *Stock-Lending Risk*

As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. However, a Fund could experience delays and costs in recovering the securities loaned or in gaining access to the collateral. The collateral will typically be maintained at a value of at least equal to the market value of any securities loaned. However in the event of a sudden market movement there is a risk that the value of the collateral may fall below the value of the securities transferred.

#### *Collateral Risk*

Cash received as collateral may be invested in other eligible securities, including shares of a short term money market fund in accordance with the requirements of the Central Bank. Investing this cash subjects that investment, as well as the securities loaned, to market appreciation or depreciation and the risks associated with such investments, such as failure or default of the issuer of the relevant security.

### *Risks associated with Warrants*

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities, and is exercisable against the original issuer of the securities. Warrants often involve a high degree of gearing, so that a relatively small movement in the price of the underlying security results in a disproportionately large movement, favourable or unfavourable in the price of the warrant. The prices of warrants can therefore be volatile.

#### **4.28. Borrowing**

If a Fund borrows money, its share price may be subject to greater fluctuation until the borrowing is paid off. If the Fund makes additional investments while borrowings are outstanding, this may be considered a form of leverage.

#### **4.29. Cross Liability**

The Company has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund. While the provisions of the Companies Act provide for segregated liability between Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditors' claims.

Additional risk factors (if any) in respect of each Fund are set out in the Supplement for the relevant Fund.

#### **4.30. Use of Cash Subscription and Redemption Account Risk**

Subscription monies received in respect of a Fund in advance of the issue of Shares will be held in the Cash Subscription and Redemption Account and will be treated as an asset of the relevant Fund. Investors will be unsecured creditors of the Fund with respect to the amount subscribed until Shares are issued on the Dealing Day. As such, investors will not benefit from any appreciation in the NAV of the Fund or any other Shareholder rights (including dividend entitlement) until such time as Shares are issued on the relevant Dealing Day. In the event of an insolvency of the Fund, there is no guarantee that the Fund will have sufficient funds to pay unsecured creditors in full.

Payment of redemption proceeds and dividends in respect of a particular Fund is subject to receipt by the Administrator of original subscription documents and compliance with all anti-money laundering procedures. Notwithstanding this, redeeming Shareholders will cease to be Shareholders, with regard to the redeemed Shares, and will be unsecured creditors of the particular Fund, from the relevant Dealing Day. Pending redemptions and distributions, including blocked redemptions or distributions, will, pending payment to the relevant Shareholder, be held in the Cash Subscription and Redemption Account. Redeeming Shareholders and Shareholders entitled to such distributions will be unsecured creditors of the Fund, and will not benefit from any appreciation in the NAV of the Fund or any other Shareholder rights (including further dividend entitlement), with respect to the redemption or distribution amount held in the Cash Subscription and Redemption Account. In the event of an insolvency of the Fund, there is no guarantee that the Fund will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to distributions should ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

#### **4.31. Brexit**

The United Kingdom ceased to be a Member State of the European Union with effect from 31 January 2020 and was subsequently subject to a transition period which ended on 31 December 2020 during which the UK continued to have access to the EU single market and the UK and the EU negotiated the terms of their future relationship. The Trade and Cooperation Agreement (the

**TCA**) between the EU and the UK agreed on 24 December 2020 does not include an EU-wide arrangement for financial services.

Ireland remains a member of the EU and the Company and the Funds remain EU-regulated UCITS. However, the Company may be negatively impacted by changes in law and tax treatment resulting from the UK's departure from the EU particularly as regards any UK situate investments which may potentially be held by a Fund in question. In addition, UK domiciled investors in a Fund may be impacted by changes in law, particularly as regards UK taxation of their investment in a Fund, resulting from the UK's departure from the EU.

There is likely to be a degree of continued market uncertainty regarding this exit process which may also negatively impact the value of investments held by a Fund. The precise impact on each Fund of the UK's withdrawal from the EU, the implementation of the TCA and how those areas of the UK-EU relationship which the TCA does not address, including in particular EU financial market access, are dealt with in the future is difficult to determine. As such, no assurance can be given that such matters would not adversely affect a Fund in a variety of ways.

#### 4.32. Custody Risks

Except where a stricter standard of liability is imposed on the Depositary and/or its sub-custodians or delegates under applicable law and regulations such as the Regulations in respect of certain assets, each Fund's assets and cash which are held in custody may be borrowed, lent or otherwise used and, in the event of the insolvency of the Depositary or any sub-custodian or delegate that holds such assets and/or cash, the Fund might not be able to recover equivalent assets or cash in full and the Fund may rank as one of the unsecured creditors of the Depositary and/or any sub-custodian or delegate (as the case may be).

Although the Depositary has agreed that: (i) it shall, or shall procure that its sub-custodian(s)/delegate(s) shall, open, maintain and operate a separate segregated account on behalf of the each Fund and it shall credit all assets (other than cash) received by it from or for the account of the Fund; and (ii) that it shall seek to procure where assets are held by any sub-custodian/delegate that such assets are held by such sub-custodian/delegate in accordance with the segregation requirements of Regulations, there is a risk that the Depositary or any sub-custodian/delegate may not hold such assets or cash in a segregated account. Consequently, there is a risk of the Fund losing such assets or cash upon the insolvency, bankruptcy or liquidation of the Depositary or any sub-custodian or delegate.

Upon the insolvency, bankruptcy or liquidation of the Depositary (or a sub-custodian or delegate) and subject to limited investor protection (such as the Central Bank's rules on client assets), each Fund will, in respect of financial assets credited to securities accounts and held in the name of the Depositary (or a sub-custodian or delegate), only have rights in common with other customers of the Depositary (or a sub-custodian or delegate) and will not have ownership of, or rights with respect to, any specific financial assets maintained by the Depositary (or a sub-custodian or delegate) even if the Fund's assets are segregated from those of the Depositary's other customers.

In such circumstances, there may be a substantial delay before the Fund recovers its assets from the Depositary (or a sub-custodian or delegate) (e.g. delays caused by legal proceedings brought against the Depositary (or a sub-custodian or delegate)), during which time the relevant Fund's assets may become substantially impaired.

To the extent that the Depositary holds assets of a Fund outside Ireland, the United Kingdom, the United States or other similarly regulated jurisdictions (or through sub-custodians or delegates that are organised outside such jurisdictions), the relevant protective legislation may not apply and those assets could be subject to laws and regulations that are less favourable to the Company, including with respect to the priority of any claims the Fund may have upon a bankruptcy, insolvency or liquidation of the Depositary (or a sub-custodian or delegate). This may result in the relevant Fund being an unsecured creditor of the Depositary (or the sub-custodian or delegate) rather than

the owner (along with other customers of the Depositary (or the sub-custodian or delegate)) of specific segregated assets that were previously included in the Fund's assets.

#### Sub-Custodians/Delegates

The Depositary may appoint sub-custodians and/or delegates to hold assets of a Fund. The sub-custody networks used by the Depositary (or its sub-custodians and/or delegates) may be extensive, may comprise numerous sub-custodians and may be subject to change from time to time (including on a daily basis) and accordingly it is not practical for the name and registered office or principal place of business details in respect of each such sub-custodian to be disclosed in this Prospectus. As a result, a potential investor will not necessarily know the identity of any such sub-custodians appointed by the Depositary or its sub-custodians and/or delegates or be able to make an assessment of them.

#### Depositary Look-Through

In the event that a Fund invests in assets through financial and, as the case may be, legal structures which it/the Investment Manager does not directly or indirectly control or where a Fund invests in fund of funds structures or master-feeder structures where the underlying funds have a depositary which keeps in custody the assets of such funds, or which provides ownership verification and record-keeping functions for the assets of such funds (as the case may be), the Depositary is under no obligation to carry out its duties on a look through basis down to the assets of the underlying funds and will not do so.

### **4.33. Sustainability Risks**

Sustainability Risks may arise in respect of an issuer itself, its affiliates or in its supply chain and/or apply to a particular economic sector, geographical or political region. Environmental Sustainability Risks, including risks arising from climate change, are associated with events or conditions affecting the natural environment. Social risks may be internal or external to an issuer and are associated with employees, local communities, customers or populations of companies or countries and regions. Governance risks are associated with the quality, effectiveness and process for the oversight of day to day management of companies and issuers.

Loss of investment value following a Sustainability Risk may occur in numerous ways. For investments in a corporate issuer, losses may result from damage to its reputation with a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital. Laws, regulations and industry norms play a significant role in controlling the impact of sustainability matters on many industries, particularly in respect of environmental and social factors. Any changes in such measures, such as increasingly stringent environmental or health and safety laws, can have a material impact on the operations, costs and profitability of businesses. A corporate may also suffer the impact of fines and other regulatory sanctions. The time and resources of the corporate's management team may be diverted from furthering its business and be absorbed seeking to deal with the Sustainability Risk, including changes to business practices and dealing with investigations and litigation. Sustainability Risks may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and value of assets held by businesses to which a Fund is exposed may also be adversely impacted by a Sustainability Risk. Further, certain industries face considerable scrutiny from regulatory authorities, non-governmental organisations and special interest groups in respect of their impact on sustainability which may cause affected industries to make material changes to their business practices which can increase costs and result in a material negative impact on the profitability of businesses. Such scrutiny may also materially impact the consumer demand for a business's products and services which may result in a material loss in value of an investment linked to such businesses.



Sustainability Risks are relevant as both standalone risks, and also as cross-cutting risks which manifest through many other risk types which are relevant to the assets of a Fund. For example, the occurrence of a Sustainability Risk can give rise to financial and business risk, including though a negative impact on the creditworthiness of other businesses.

#### 4.34. **Pandemic Risk**

An outbreak of an infectious disease, pandemic or any other serious public health concern could occur in any jurisdiction in which the Company may invest, leading to changes in regional and global economic conditions and cycles which may have a negative impact on the Company's investments and consequently its Net Asset Value. Any such outbreak may also have an adverse effect on the wider global economy and/or markets which may negatively impact the Company's investments more generally. In particular, such outbreak may necessitate amendments to contracts, including leases. In addition a serious outbreak of infectious disease may also be a force majeure event under contracts that the Company has entered into with counterparties thereby relieving a counterparty of the timely performance of the services such counterparties have contracted to provide to the Company (the nature of the services will vary depending on the agreement in question). In a worst case scenario, this may result in the Company being delayed in calculating its Net Asset Value, processing dealing in Shares, undertaking independent valuations or processing trades. However each of the Manager, Depositary and Administrator have business continuity plans in place which are tested regularly.

#### 4.35. **Risk Factors Not Exhaustive**

The investment and other risks set out in this Prospectus and in any Supplement 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.

## **5. MANAGEMENT OF THE COMPANY**

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### **5.1. Directors of the Company**

The Directors are responsible for managing the business of the Company in accordance with the Articles. The Board of Directors has delegated certain of their duties to the Administrator and the Investment Manager. All Directors are non-executive. The Directors of the Company are described below:

#### **Alessandro Chiarini**

Alessandro is CEO of Tendercapital Limited. He provides advice on a series of projects; from checks/controls regarding internal processes, compliance procedures, service providers, to advisory work on UCITSIV and AIMFD Directives, and also on Company and fund marketing materials including press coverage, setup and control of prospectuses for new fund launches.

Prior to joining Tendercapital Limited, Alessandro co-founded an alternative investment advisory business in Paris for an equity market neutral fund. He aided in the entire setup and provided research advisory services. The fund was particularly successful during the very negative months of Q4/08 and Q1/09, but subsequently and voluntarily shut down in 2010, due to difficulty in implementing expansion plans.

In 2006, Alessandro joined an alternative investment advisory business in Spain, Absolute Capital Management SL. Alessandro provided advisory services and equity research, focussing particularly on long/short equity and derivative strategies. He was also nominated as a marketing expert for the company and a few funds, updating marketing materials and frequently on the road for investor presentations.

Prior to joining Absolute Capital Management SL, Alessandro was employed by Jefferies International where he helped build up the European equity efforts, and coordinated successfully with the sales and research teams to increase the firm's exposure to European institutional clients. Alessandro was previously Head of Italy for UK equities for Panmure Gordon Ltd, a well known UK equity Investment Bank. Alessandro remained within the German/UK merged WestLB Panmure group for nearly seven years, working in European equity sales. He became co-head of the entire desk and managed directly an Italian/German team. Alessandro also coordinated the sales efforts within the double-hub structure London-Dusseldorf. In 2004, the original Panmure team was spun off from WestLB and sold to Lazard & Co., and Alessandro continued with European equity sales and also acted as chief liaison for the Lazard's Managing Director's weekly meeting, providing an equity markets review until he joined Jefferies International.

Alessandro Chiarini is an Italian national, but has lived and worked for over thirty years abroad, in the USA, the UK, and Europe. Alessandro holds a Degree in Business and Finance from the University of Rome.

#### **Conor MacGuinness**

Conor MacGuinness is a Managing Director of DMS Governance where he has responsibility for working with the global client base in understanding the requirements and options open to them in the European fund space.

He was previously Vice President with BNY Mellon, a position he held from 2005 until 2013. In this role he has managed a team of client service professionals covering a range of asset manager clients worth approximately US\$100 billion in assets under management. Prior to this, from August 1999 to August 2004, Conor worked as a Team Leader with Man Investments, a leading provider of alternative investment solutions to private and institutional clients worldwide. He has extensive experience in UCITS, AIFs, alternative investment vehicles and private equity structures.

Conor holds an MBA from the UCD Michael Smurfit School of Business, a Certificate in Investment Management from the Society of Investment Analysts in Ireland and a Bachelor of Arts Degree in Accounting and Finance from Dublin City University.

### **Raymond O'Neill**

Raymond O'Neill has worked in the asset management industry since 1987. He acts as a Director of various entities including regulated companies and investment funds. His industry experience includes working for entrepreneurial start-ups and large global organisations in London, Dublin, Boston and Bermuda.

He previously was CEO and a founding member of Kinetic Partners, a boutique global professional services firm. Raymond has also worked at a senior level for Bank of Bermuda and Investors Bank & Trust in their fund administration and global custody divisions.

He is a Fellow of the Chartered Association of Certified Accountants, a Chartered Financial Analyst and has obtained the Diploma in Company Direction from the Institute of Directors. Raymond is a founding member of the Irish Fund Directors Association and sits on its Council.

### **Christian Currivan**

Christian Currivan graduated from University College Cork in 1995 and holds a master's degree in Commercial Law from University College Dublin. He is admitted as a solicitor in Ireland in 2001, passed the California Bar exam in 2014 and was admitted as an attorney at law in 2017. He received his professional legal training with A&L Goodbody Solicitors.

Post qualifying, Christian worked in the banking and structured finance group of Matheson Solicitors and in 2003 was appointed as In-House Counsel to Deutsche International Corporate Services (Ireland) Limited, there he specialised in compliance and regulation and has extensive experience in the regulated banking and investment markets. He then embarked on a career as a professional director and has 13 years' experience acting as a non-executive director of various types of investment vehicles.

For the purposes of this Prospectus, the address of all of the Directors is the registered office of the Company.

No Director has:

- (i) had any unspent convictions in relation to indictable offences; or
- (ii) been a director of any company or partnership which, while he was a director with an executive function or partner at the time of or within the 12 months preceding such events, been declared bankrupt, went into receivership, liquidation, administration or voluntary arrangements; or
- (iii) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or
- (iv) been disqualified by a court from acting as a director of a company or from acting in the management or conduct of affairs of any company.

Save for the information disclosed herein, no further information is required to be given in respect of the Directors pursuant to the listing requirements of Euronext.

## **5.2. Manager**

The Company has appointed Waystone Management Company (IE) Limited as Manager of the Company pursuant to the Management Agreement.

The Manager will be responsible for the management and general administration of the Company with power to delegate such functions subject to the overall supervision and control of the Manager. In accordance with the requirements of the Central Bank, the Manager delegates certain of its fund administration duties to the Administrator and some of its portfolio management functions to the Investment Manager. The liability of the Manager to the Company will not be affected by the fact that it has delegated certain of its functions.

The Manager was incorporated in Ireland as a private limited company on 7 August 2012. It is a 100% subsidiary of Waystone (Ireland) Limited, a limited liability company incorporated in Ireland, which is a 100% subsidiary of Waystone Governance Limited, a Cayman incorporated private limited company which is regulated by the Cayman Islands Monetary Authority. The company secretary of the Manager is Waystone Centralised Services (IE) Limited.

The Management Agreement contains provisions governing the responsibilities of the Manager in relation to the management and administration of the Company. The Management Agreement will continue in force unless and until terminated by either party giving to the other not less than 6 months written notice although in certain circumstances this notice period will not apply (e.g. the insolvency of either party, unremedied breach after notice, etc.). The Management Agreement contains indemnities in favour of the Manager other than matters arising by reason of its negligence, wilful misconduct or fraud.

The Manager and Waystone Governance Limited are part of the Waystone group of companies (the **Waystone Group**). The Waystone Group is a worldwide leader in fund governance, based in Dublin, Waystone also has offices in Cashel, Cayman, Luxembourg, London, Hong Kong, Singapore and New York led by principals experienced in their specialist markets.

The Waystone Group has expanded beyond its initial focus of offering independent directors to Cayman domiciled hedge funds to offering complementary services to its hedge fund clients, to include investment management, corporate services, banking and trust services, and insurance.

The directors of the Manager are as follows:

**Conor MacGuinness**

Mr. MacGuinness's biography is at section 5.1. He is a director of the Manager and the Company.

**Tim Madigan**

Tim Madigan is independent non-executive chairperson for the Company as well as for the Manager's UK fund management company. He serves as an independent non-executive director for a number of investment funds, both Irish-domiciled (UCITS and AIFs) and Luxembourg-domiciled (AIFs), as well as for an Irish cross-border life insurance company (where he also acts as chair of the Audit Committee). He was previously an independent non-executive director of a UK life insurance company (where he also acted as chair of the Risk & Compliance Committee).

From 2010 to 2011, Mr Madigan was finance director of Aviva Investment Management Europe, where he led the set-up of the finance function for Aviva Europe's Dublin based centre of excellence, established to manage treasury assets and investment management mandates. Prior to this, Mr Madigan was managing director of cross-border life insurance company Aviva Life International from 2006 to 2010 (previously he was finance director for that company). In this role

he chaired the Investment Committee as well as leading a strategic review of business in 2009 following the onset of the global financial crisis.

He holds a bachelor's degree in Business Studies (Finance) from the University of Limerick, is a Fellow of the Association of Chartered Certified Accountants and is a Certified Investment Fund Director. He served as an elected Council member of the Irish Fund Directors Association from 2016 to 2020.

### **David McGeough**

Mr. McGeough is a lawyer by professional qualification and has over 25 years' experience in the international asset management industry. Mr. McGeough serves as a non-executive director of a number of investment funds and hedge funds. Mr. McGeough spent five years as a partner, chief operating officer, general counsel and member of the international management committee of Vega Asset Management from 2002 to 2007. Mr. McGeough was instrumental in the development of the Vega business into a \$14 billion multi strategy asset management business. He was directly responsible for the establishment and build out of investment trading operations in London, New York and Dublin trading a variety of strategies including global macro, fixed income, credit, structured credit, long short equity, commodities and other strategies.

Prior to that, he held the role of chief operating officer, and subsequently, chief executive officer of Mobileaware, an international technology company in which the principal shareholders were Intel, Island Capital (the investment vehicle for the Telecom billionaire, Denis O'Brien) and various U.S. and European private equity firms. Prior to joining Mobileaware in January 2001, Mr. McGeough was a partner and Head of the Investment Funds and Asset Management Advisory Group and of the Capital Markets Group at Matheson's, a large international law firm headquartered in Dublin. At Matheson's, Mr. Mc Geough advised many of the world's largest asset managers, global custodians, prime brokers, fund administrators and institutional investors.

Mr. McGeough is a qualified solicitor and holds a Bachelor of Civil Law Degree (magna cum laude) from University College Dublin law school. He has also served as a member of the Advisory Group to the Office of the Prime Minister of Ireland on matters concerning the financial services and asset management industry.

### **Siobhan Moloney**

Siobhán Moloney is Global Head of Legal: M&A and is based in Waystone's Dublin, Ireland location. She came to Waystone from the Asset Management division of A&L Goodbody LLP. Siobhán is responsible for legal strategy within the Waystone group with a focus on M&A transactions and leads from a legal perspective on strategic matters affecting the group. She sits on the board of the Waystone management company and other operational entities within the group.

Siobhán is a graduate of University College Dublin and received her Diploma in Finance Law from the Law Society of Ireland.

### **Caoimhghin O'Donnell**

Caoimhghin joined Waystone in 2017, bringing with him over 18 years of extensive fund administration and fund accounting experience. As Chief Operations Officer, Europe, Caoimhghin

is responsible for growth in Europe along and has a rigorous focus on risk and compliance with MiFID, AIFM and EMIR regulations.

Caoimhghin began his career at CICM FM (Commerzbank AG) where he began working in Investment Management before moving on to manage on number of high-profile, strategic projects. He subsequently became Head of Fund Administration at CICM, with responsibility for the day-to-day activity of the company's core business and fund administration, working with over fifty funds totalling EUR 6 billion.

Caoimhghin later joined Daiwa Securities Trust and Banking Europe as Senior Operations Manager, Fund Services, where he took responsibility for the company's core business of Fund Administration, servicing both group business and third-party client business. He led both the Fund Accounting and Operations teams during this time.

Prior to joining Waystone, Caoimhghin spent over 12 years working with the Bank of New York Mellon as Managing Director, AIS Fund Accounting EMEA with responsibility for Fund Accounting and Financial Reporting services for EMEA, where he led a team of over 300 accounting professionals in 6 locations across Europe. Caoimhghin has a BSc in Actuarial Mathematics and Statistics from the Heriot-Watt University, Edinburgh.

#### **Denise Coughlan**

As Chief Risk Officer, Denise brings to Waystone over 15 years' experience working within the global financial services industry in both commercial risk and compliance-based roles. Denise is responsible for the design, oversight and execution of the Waystone Group Risk Management Framework (RMF). Denise joined Waystone initially as European Head of Compliance, where she oversaw compliance within the Waystone European regulated firms. Prior to joining Waystone, Denise held the position of Compliance Manager at GE Capital where she gained a detailed knowledge of markets infrastructure with a focus on global derivatives compliance. Denise started her career at Harvest Financial Services Ltd where she held the role of Chairperson of their Compliance Committee. Denise holds a Bachelor of Arts Degree (Hons) in Politics and Sociology from University College Dublin and the Qualified Financial Adviser designation from the Institute of Bankers.

### **5.3. Investment Manager & Distributor**

The Manager has appointed Tendercapital Limited, the promoter of the Company, to act as the Investment Manager of the Funds pursuant to an Investment Management and Distribution Agreement (further details of which are set out in the section entitled **Material Contracts** below). Tendercapital Limited is also the Distributor of the Company.

Tendercapital Limited is a limited liability company which manages strategies and products for high net worth individuals. Tendercapital Limited has expertise in different asset classes and has its goal is to preserve capital and to provide consistent returns. Tendercapital Limited is authorised and regulated in the United Kingdom by the FCA. Its registered office is at 42 Brook Street, London W1K 5DB, United Kingdom.

Subject to the overall supervision of the Directors and to each Fund's investment objectives, policies and restrictions, the Investment Manager will manage the investment and re-investment of each Fund's assets.

The Investment Manager, with the prior approval of the Central Bank, may from time to time seek the advice of or recommendation of any adviser, analyst, consultant or other suitably qualified person to assist it in the performance of its duties.

Tendercapital Limited has also been appointed to act as Distributor of the Company pursuant to the Investment Management and Distribution Agreement (further details of which are set out in the section entitled **Material Contracts** below) and will promote the distribution and marketing of the Shares, and may collect subscription and redemption orders for the Shares on behalf of the Company.

#### 5.4. **Depository**

European Depository Bank SA, Dublin Branch has been appointed as Depository of the Company in accordance with the terms of the Depository Agreement. The Depository is regulated by the Central Bank and is the Irish branch of European Depository Bank SA, a Luxembourg public limited liability company (société anonyme), registered with the Luxembourg Trade and Companies Register under number B 10700. European Depository Bank SA was incorporated on 20 February 1973 under the laws of the Grand Duchy of Luxembourg and maintains its registered office at 2, Place François-Joseph Dargent, L-1413 Luxembourg. European Depository Bank SA has a banking licence granted in accordance with the Luxembourg law of 5 April 1993 on the Financial Sector, as amended. It is registered on the official list of Luxembourg credit institutions and is subject as such to the supervision of the Commission de Surveillance du Secteur Financier (CSSF). On 15 March 2019, European Depository Bank SA registered pursuant to the EU (Branch Disclosure) Regulations 1993 as having established a branch in Ireland. The Depository's principal business is the provision of depository services to collective investment schemes.

The duty of the Depository is to provide safekeeping, oversight and verification services in respect of the assets of the Company and each Fund in accordance with the provisions of the Regulations.

The Depository is responsible for the custody of financial instruments of each Fund that are required to be held in custody under the Regulations, and the verification of ownership of other assets of each Fund. In the case of a loss of a financial instrument that is held in custody by the Depository or its sub-custodian or delegate and for which the Depository is liable pursuant to the Regulations, the Depository is required to return without undue delay, a financial instrument of identical type or the corresponding amount to the Company in respect of the relevant Fund(s). The liability of the Depository shall in principle not be affected by any delegation(s) of its custody function and the Depository shall be liable to the Company or the Shareholders for the loss of financial instruments held in custody by the Depository or a third party to whom the custody of financial instruments has been delegated. The Depository shall not be liable for a loss of such a financial instrument (i) in the event it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary; or (ii) where it has contractually discharged its liability in compliance with the relevant provisions of the Regulations.

The Depository is also responsible for cash monitoring and oversight of the Company and each Fund by ensuring that, amongst others, that: (i) the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with the Regulations and the Articles; (ii) the value of Shares is calculated in accordance with the Regulations and the Constitution; (iii) it carries out written instructions from the Company or the Investment Manager unless such instructions conflict with the Articles or the Depository Agreement; (iv) in transactions involving the assets of the Company any consideration is remitted to it within time limits which are acceptable market practice in the context of the particular transaction; (v) the income of each Fund is applied in accordance with the Regulations and the Articles; (vi) it has enquired into the conduct of the Company in each Accounting Period and reported thereon to the Shareholders; and (vii) it sends to the Central Bank any information and returns which the Central Bank considers it necessary to receive from the Depository and notifies the Central Bank promptly of any material breach of the conditions imposed by the Central Bank or provisions of this Prospectus. The oversight and monitoring duties of the Depository may not be delegated by the Depository to a third party.

The Depository's safekeeping duties with respect to financial instruments and other assets of the Company are set out in the Depository Agreement.

The Depositary will be responsible for the segregation of the assets of each of the Funds in accordance with the requirements of the Regulations and the Central Bank.

Under the Depositary Agreement, the Depositary is only permitted to delegate (i) the custody of financial instruments; or (ii) its verification obligations in relation to those assets that are not required to be held in custody by the Depositary. In order to discharge its responsibilities under the Regulations and the Central Bank UCITS Regulations, the Depositary must exercise care and diligence in choosing and appointing a delegate and in accordance with the Regulations. The Depositary must continue to exercise all due skill, care and diligence in the periodic review and on-going monitoring of the delegate to whom it has delegated its safe keeping and verification obligations. The list of sub delegates appointed by the Depositary is set out in Appendix 2 hereto.

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.

#### 5.5. **Administrator**

The Administrator was incorporated in Ireland as a private limited company on 26 January 2007 with registration number 433608 pursuant to the Companies Acts 2014 with its registered office at 2<sup>nd</sup> Floor, Block 5 Irish Life Centre, Abbey Street Lower, D01 P767, Ireland and is engaged in the business of administration of collective investment schemes.

The Administrator's principal business is the provision of administration services to collective investment schemes and will be responsible for the day-to-day administration of the Company.

The Administrator is authorised by the Central Bank to provide investment business services to collective investment schemes. Its services include the calculation of the Net Asset Value, calculation of management and performance fees, establishing and maintaining a register of Shareholders, carrying out the issue and redemption of Shares and assisting in the preparation of the Company's financial statements, and acting as registrar and transfer agent.

The Administration Agreement between the Administrator, the Manager and the Company may be terminated by each party on 90 calendar days' notice in writing to the other parties although in certain circumstances the Administration Agreement may be terminated immediately by any party.

The Administration Agreement provides that the Company shall indemnify the Administrator and hold it harmless from and against all liabilities, damages, costs, claims, regulatory fines and expenses (including and without limitation reasonable legal fees and amounts reasonably in settlement with the agreement of the Company, such agreement not to be unreasonably withheld) incurred by the Administrator, their directors, officers, employees, servants, or agents in the performance of any of their individual obligations or duties under the Agreement (including and without limitation complying with instructions given to the Administrator by or on behalf of the Company) save where such



liabilities, damages, costs, claims, regulatory fines and expenses arise from the Administrator's breach of contract, negligence, fraud, bad faith or wilful default.

#### 5.6. **Facilities Agent**

The Manager has appointed Tendercapital Limited as Facilities Agent to maintain the facilities required of a recognised scheme by the rules contained in the FCA Collective Investment Schemes Sourcebook. The Facilities Agent is regulated by the FCA in the conduct of its investment business. The Facilities Agent also acts as the Investment Manager and Distributor for the Company. The registered address of the Facilities Agent is set out in the Directory.

The Articles of the Company together with other documents listed in the Prospectus can be inspected and copies obtained free of charge at the offices of the Facilities Agent. Further copies of the Prospectus or copies of the annual and half yearly reports of the Company may also be obtained, free of charge, from the Facilities Agent. Complaints concerning the Company may be lodged with the Facilities Agent for forwarding to the Company.

#### 5.7. **Paying Agents/Correspondent Banks**

Local laws/regulations in EEA Member States may require the appointment of paying agents/representatives/distributors/correspondent banks (**Paying Agent(s)**) and maintenance of accounts by such agents through which subscription and redemption monies or dividends may be paid. 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 Administrator (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 Administrator for the account of the Company or the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder.

The Company may, in accordance with the requirements of the Central Bank, appoint Paying Agents in one or more countries. Where a Paying Agent is appointed in a particular country it will maintain facilities whereby Shareholders who are resident in the relevant country can obtain payment of dividends and redemption proceeds, examine and receive copies of the Articles of Association and periodic reports and notices of the Company and make complaints if and when appropriate which shall be forwarded to the Company's registered office for consideration.

#### 5.8. **Portfolio Transactions and Conflicts of Interest**

Subject to the provisions of this section the Directors, the Manager, the Investment Manager, the Administrator, the Depositary, the Distributor, the Facilities Agent, any Shareholder and any of their respective subsidiaries, affiliates, associates, officers, shareholders, employees, agents or delegates (each a Connected Person) may contract or enter into any financial, banking or other transaction with one another or with the Company. This includes, without limitation, investment by the Company in securities of any Connected Person or investment by any Connected Persons in any company or bodies any of whose investments form part of the assets comprised in any Fund or be interested in any such contract or transactions. In addition, any Connected Person may invest in and deal in Shares relating to any Fund or any property of the kind included in the property of any Fund for their respective individual accounts or for the account of someone else. In the event of a conflict arising, each Connected Person shall ensure that the conflict will be resolved fairly.

Each Connected Person is 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 securities (in circumstances in which fees 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 Manager and/or Investment Manager may be involved in advising or managing other investment funds which have similar or overlapping investment objectives to or with the Company or Funds. Each Connected person 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 and in the best interests of Shareholders. The Investment Manager will endeavour to ensure a fair allocation of investments among each of its clients.

Any cash of the Company may be deposited, subject to the provisions of the Central Bank Acts, 1942 to 2014 with any Connected Person or invested in certificates of deposit or banking instruments issued by any Connected Person. Banking and similar transactions may also be undertaken with or through a Connected Person.

Any Connected Person may also deal as agent or principal in the sale or purchase of securities and other investments to or from the relevant Fund. There will be no obligation on the part of any Connected Person to account to the relevant Fund or to Shareholders for any benefits so arising, and any such benefits may be retained by the relevant party, provided that such transactions are conducted at arm's length, are in the best interests of the Shareholders of that Fund and:

- (a) a certified valuation by a person approved by the Depositary (or the Directors in the case of a transaction involving the Depositary) as independent and competent; 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 the Directors are in the case of a transaction involving the Depositary) satisfied conform with normal commercial terms negotiated at arm's length and are consistent with the best interests of Shareholders.

In the event of such a transaction:

- (i) the Depositary or, in the case of a transaction involving the Depositary, the Company shall document how it has complied with the above;
- (ii) where a transaction is conducted in accordance with (c) above the Depositary or, in the case of a transaction involving the Depositary, the Company shall document its rationale for being satisfied that the transaction conforms with the requirements set out above.

A Connected Person may also, in the course of its business, have potential conflicts of interest with the Company in circumstances other than those referred to above. A Connected Person will, however, have regard in such event to its obligations under its agreement with the Company and, in particular, to its obligations to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise and will endeavour to ensure that such conflicts are resolved fairly as between the Company, the relevant Funds and other clients. The Investment Manager will ensure that investment opportunities are allocated on a fair and equitable basis between the Company and its other clients.

As the fees of the Investment Manager are based on the Net Asset Value of a Fund, if the Net Asset Value of the Fund increases so too do the fees payable to the Investment Manager and accordingly there is a conflict of interest for the Investment Manager in cases where the Investment Manager is responsible for determining the valuation price of a Fund's investments.

Directors of the Company affiliated with the Investment Manager are not permitted to purchase Shares in the Company.

Conflicts of interest may arise for the Depositary or its delegates where the Depositary or its delegates:

- (a) is likely to make a financial gain, or avoid a financial loss at the expense of the Company or its investors;
- (b) has an interest in the outcome of a service or an activity provided to the Company or of a transaction carried out on behalf of the Company which is distinct from the Company's interest;
- (c) has a financial or other incentive to favour the interest of another client or group of clients over the interests of the Company;
- (d) carries on the same activities for the Company and for other clients that adversely affect the Company; or
- (e) is in receipt of inducement in the form of monies, good or services other than the standard commission or fee for that service.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to investors on request.

#### 5.9. **Soft Commissions**

It is not intended, unless disclosed in the relevant Supplement, that any soft commission arrangements will be entered into in relation to any Fund created in respect of the Company. In the event that the Investment Manager, the Depositary, the Administrator or any of their respective subsidiaries, affiliates, associates, agents or delegates does enter into soft commission arrangement(s) they shall ensure that such arrangement(s) shall (i) be consistent with best execution standards (ii) assist in the provision of investments services to the relevant Fund and (iii) brokerage rates will not be in excess of customary institutional full-service brokerage rates. Details of any such arrangement will be contained in the next following report of the Fund. In the event that this is the unaudited semi-annual report, details shall also be included in the following annual report.

## **6. SHARE DEALINGS**

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### **6.1. Subscription for Shares**

Issues of Shares will normally be made with effect from a Dealing Day in respect of applications received on or prior to the Dealing Deadline. The Dealing Deadline relating to each Fund is set out in the Supplement for the relevant Fund. The Directors may nominate additional Dealing Days upon advance notice to Shareholders.

Applications for the initial subscription for Shares should be submitted in writing or sent by facsimile (with the original and supporting documentation in relation to money laundering prevention checks to follow promptly by post) to the Administrator on or prior to the Dealing Deadline. A Subscription Agreement may be obtained from the Administrator or the Distributor. Applications received after the Dealing Deadline for the relevant Dealing Day shall be deemed to have been received by the next Dealing Deadline. The Administrator may in consultation with the Investment Manager, on an exceptional basis accept applications received after the Dealing Deadline provided they are received prior to the Valuation Point for the relevant Dealing Day. Applications will be irrevocable unless the Administrator in consultation with the Investment Manager otherwise agrees.

Subsequent subscription requests may be sent by facsimile. An original need not follow by post in respect of such applications for the additional issue of Shares. Any changes to a Shareholder's registration or payment details or payment instructions will only be made on receipt of an original instruction. No redemption payment may be made to a Shareholder until the original Subscription Agreement has been received (including any documentation required in connection with anti-money laundering requirements) and the anti-money laundering procedures have been completed.

The Minimum Initial Investment Amount for Shares of each Fund that may be subscribed for by each Applicant on initial application and the Minimum Shareholding for Shares of each Fund is set out in the Supplement for the relevant Fund.

Fractions of up to three decimal places of a Share may be issued. Subscription moneys representing smaller fractions of Shares will not be returned to the Applicant but will be retained as part of the assets of the relevant Fund.

Under the Articles, the Directors have absolute discretion to accept or reject in whole or in part any applications for Shares without assigning any reason therefore. The Subscription Agreement contains certain conditions regarding the application procedure for and the holding of Shares in the Company and certain indemnities in favour of the Directors, the Investment Manager, the Administrator, the Depositary, the Distributor and the other Shareholders for any loss suffered by them as a result of certain Applicants acquiring or holding Shares.

If an application is rejected, the Administrator at the cost and risk of the Applicant will, subject to any applicable laws, return application monies or the balance thereof, without interest, by electronic transfer to the account from which it was paid within 6 Business Days of the rejection.

The Company has established a Cash Subscription and Redemption Account at Fund level. All subscriptions, redemptions and dividends or cash distributions payable to or from a Fund will be channelled and managed through the Cash Subscription and Redemption Account.

### **6.2. Issue Price**

The Initial Issue Price for Shares in the relevant Fund shall be the amount set out in the Supplement for the relevant Fund.

Unless otherwise stated in the Supplement of the relevant Fund, the issue price at which Shares of any Class of any Fund will be issued on a Dealing Day when Shares are in issue after the Initial Offer Period is the Issue Price.

The Directors may make an adjustment by way of an addition to the subscription amount which will be reflected in the Issue Price when there are net subscriptions to include a charge/anti-dilution levy which the Investment Manager considers represents an appropriate figure to cover dealing costs and/or to preserve the value of the underlying assets of the relevant Fund. Any such charge/levy shall be retained for the benefit of the relevant Fund and the Directors reserve the right to waive such charge at any time.

A Subscription Charge of up to 5% of the Issue Price may be charged by the Directors for payment to the Investment Manager or Distributor or their nominee. Details of such charge, if any, will be set out in the relevant Supplement.

### 6.3. **Payment for Shares**

Payment in respect of the issue of Shares must be made by the relevant Settlement Date by wire transfer in cleared funds in the currency of denomination of the relevant Share Class.

It is the responsibility of Applicants to transmit payment for subscriptions promptly, with clear customer identification. Applicants shall be responsible for their own bank charges, including any lifting fees or commissions. The value received in the Fund's bank account must equal the subscription amount.

If payment in full has not been received by the Settlement Date, or in the event of non-clearance of funds, all or part of any allotment of Shares made in respect of such application may, at the discretion of the Directors, be cancelled, or, alternatively, the Administrator may treat the application as an application for such number of Shares as may be purchased with such payment on the Dealing Day next following receipt of payment in full or of cleared funds. In such cases the Directors may charge the Applicant for any resulting loss incurred by the relevant Fund. The Directors reserve the right to charge interest at a reasonable commercial rate on subscriptions which are settled late.

### 6.4. **In Specie Issues**

The Directors may in their absolute discretion accept payment for Shares of a Fund in specie, and may allot Shares in the Fund provided that arrangements are made to vest in the Depositary on behalf of the Company investments which would form part of the assets of the relevant Fund and provided that (a) the Depositary is satisfied that there is unlikely to be any material prejudice to existing Shareholders in the relevant Fund; and (b) such investments would qualify as an investment of the relevant Fund in accordance with its investment objective, strategies and restrictions. The number of Shares to be issued in this way shall be the number which would have been issued for cash against the payment of a sum equal to the value of the investments. The value of the investments to be vested shall be calculated by applying the valuation methods described under the section entitled **Calculation of Net Asset Value/ Valuation of Assets** below.

### 6.5. **Anti-Money Laundering Provisions**

Measures provided for under the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 to 2021 (as may be amended, supplemented, consolidated or otherwise modified from time to time) (the **AML Act**) which is aimed towards the prevention of money laundering, require identification and verification of the identity of each Investor and its beneficial owners, as applicable, and on-going due diligence of the Applicant and the Applicant's account with the Company.

The Company and the Administrator each reserve the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may on the instruction of the Directors refuse to accept the application. None of the Company, the Directors, the Manager,

the Investment Manager, the Depositary or the Administrator shall be liable to the applicant or Shareholder where an application for Shares is not processed or Shares are compulsorily redeemed in such circumstances. The Administrator may refuse to pay redemption proceeds where the requisite information for verification purposes has not been produced by a Holder.

Depending on the circumstances of each application, a detailed verification of the source of funds may not be required where: (a) the application is made through a recognised intermediary, or (b) investment is made by a recognised intermediary or financial institution. These exceptions may only apply if the financial institution or intermediary referred to above is located in a country which has equivalent anti-money laundering legislation to that in place in Ireland. Applicants may contact the Administrator in order to determine whether they meet the above exceptions.

The Application Form may contain certain indemnities in favour of, amongst others, the Company, the Administrator, the Depositary, the Manager and the relevant distributor in the event that the applicant fails to comply with the requirements of the Application Form, including the anti-money laundering requirements, for any loss suffered by them as a result.

#### **6.6. Form of Shares and Confirmation of Ownership**

Shares will be in non-certificated and registered form. A contract note providing details of a trade on a Shareholder's account and confirmation of ownership evidencing entry in the register will normally be issued within 5 Business Days of the month end after the relevant Dealing Day and upon receipt of all original documentation required by the Administrator. Share certificates will not be issued.

#### **6.7. Data Protection**

The Company may hold some or all of the following types of Personal Data in relation to investors and prospective investors (and their officers, employees and beneficial owners); name, address/other contact details (telephone, email address), date/place of birth, gender, tax number, bank details, photographic ID, proofs of address (usually utility bills) as furnished by investors and Shareholders when completing the subscription agreement or redemption applications. The Company may also obtain further Personal Data on those individuals by way of PEP (Politically Exposed Person) checks, sanctions checks, negative news checks and screening checks. The Company is obliged to verify the Personal Data and carry out ongoing monitoring. Where you have furnished Personal Data in respect of your officers, employees and beneficial owners to the Company, you must furnish the information in this notice on data protection to them.

In the course of business, the Company will collect, record, store, adapt, transfer and otherwise process Personal Data. The Company is a data controller within the meaning of Data Protection Legislation and will hold any Personal Data provided by or in respect of investors in accordance with Data Protection Legislation.

The Company and/or any of its delegates or service providers and its or their duly authorised agent (including the Administrator, Depositary, Investment Manager, Distributor, money laundering reporting officer, Paying Agent or representative agents and their sub-contractors) may process Shareholders' or prospective investors' Personal Data for any one or more of the following purposes and on the following legal bases:

- (1) to operate the Funds, including managing and administering a Shareholder's investment in the relevant Fund and/or transfer agency or analysis and any related accounts on an on-going basis which enables the Company to satisfy its contractual duties and obligations to the shareholder and any processing necessary for the preparation of the contract with the shareholder;
- (2) to comply with any applicable legal, tax or regulatory obligations on the Company for

example, under the Companies Act, the Central Bank UCITS Regulations, the Regulations, anti-money laundering and counter-terrorism and tax legislation, requirements or guidance, including FATCA and CRS and/or fraud prevention and reporting and record-keeping requirements;

- (3) for any other legitimate business interests of the Company or a third party to whom Personal Data is disclosed, where such interests are not overridden by the interests of the investor, including for statistical analysis, market research purposes and to perform financial and/or regulatory reporting; or
- (4) for any other specific purposes where investors have given their specific consent and where processing of Personal Data is based on consent, the investors will have the right to withdraw it at any time.

Shareholders have a right to object to the processing of their Personal Data where that processing is carried out for the Company's legitimate interests.

The Company and/or any of its delegates or service providers may disclose or transfer Personal Data, whether in Ireland or elsewhere (including to entities situated in countries outside of the EEA), to other delegates, duly appointed agents and service providers of the Company (and any of their respective related, associated or affiliated companies or sub-delegates) and to third parties including advisers, regulatory bodies, taxation authorities, auditors, technology providers for the purposes specified above.

The Company and/or any of its delegates and service providers will not transfer Personal Data to a country outside of the EEA unless that country ensures an adequate level of data protection or appropriate safeguards are in place. The European Commission has prepared a list of countries that are deemed to provide an adequate level of data protection which, to date, includes Switzerland, Guernsey, Argentina, the Isle of Man, Faroe Islands, Jersey, Andorra, Israel, New Zealand and Uruguay. Further countries may be added to this list by the European Commission at any time. The US is also deemed to provide an adequate level of protection where the US recipient of the data is privacy shield-certified. If a third country does not provide an adequate level of data protection, then the Company and/or any of its delegates and service providers will ensure that it puts in place appropriate safeguards such as the model clauses (which are standardised contractual clauses, approved by the European Commission) or binding corporate rules, or relies on one of the derogations provided for in Data Protection Legislation.

Personal Data will be retained by or on behalf of the Company for the duration of a Shareholder's investment and otherwise in accordance with applicable legal obligations applicable to the Company. The Company will take all reasonable steps to destroy or erase the data from its systems when it is no longer required.

Shareholders and investors have a right of access to their Personal Data kept by or on behalf of the Company, the right to amend and rectify any inaccuracies in their Personal Data held by or on behalf of the Company and the right to data portability of their personal data held by or on behalf of the Company, subject to any restrictions imposed by Data Protection Legislation and any statutory obligations to retain information, including but not limited to, any money laundering, counter-terrorism, or tax legislation. Further information in relation to data protection rights is available on the website of the Office of the Data Protection Commissioner at [www.dataprotection.ie](http://www.dataprotection.ie).

Where processing is carried out on behalf of the Company, the Company shall engage a data processor, within the meaning of Data Protection Legislation, which implements appropriate technical and organisational security measures in a manner that such processing meets the requirements of Data Protection Legislation, and ensures the protection of the rights of investors. The Company will enter into a written contract with the data processor which will set out the data processor's specific mandatory obligations laid down in Data Protection Legislation, including to

process Personal Data only in accordance with the documented instructions from the Company.

As part of the Company's business and ongoing monitoring, the Company may from time to time carry out automated decision-making in relation to investors, including, for example, profiling of investors in the context of anti-money laundering reviews, and this may result in an investor being identified to the revenue authorities, law enforcement authorities and to other entities where required by law, and the Company terminating its relationship with the investor.

Shareholders and investors are required to provide Personal Data for statutory and contractual purposes. Failure to provide the required Personal Data will result in the Company being unable to permit, process, or release the investor's investment in the Funds and this may result in the Company terminating its relationship with the investor. Investors have a right to lodge a complaint with the Data Protection Authority if they are unhappy with how the Company is handling their Personal Data.

Any questions about the operation of the Company's data protection policy should be referred in the first instance to the Board of Directors.

#### 6.8. **Limitations on Purchases**

Shares may not be issued or sold by the Company during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under **Suspension of Calculation of Net Asset Value** below. Applicants for Shares will be notified of such postponement and, unless withdrawn, their applications will be processed as at the next Dealing Day following the ending of such suspension.

Shares may not be directly or indirectly offered or sold in the United States or purchased or held by or for U.S. Persons unless the Directors determine that (i) the transaction is permitted under an exemption available under the Securities Act (ii) the relevant Fund and Company continues to be entitled to an exemption from registration as an investment company under the Investment Company Act if such person holds Shares and (iii) such holding of Shares shall not cause the Company to incur any adverse US taxation consequences .

Shareholders are required to notify the Company and the Administrator immediately in the event that they become a US Person and the Company may, at the discretion of the Directors, redeem or otherwise dispose of the Shares held by such Shareholder to non US Persons.

#### 6.9. **Redemption of Shares**

All requests for the redemption of Shares should be made to the Administrator in writing or by facsimile. All such requests must quote the relevant Shareholder account number, the relevant Fund(s) and Share Class and any other information that the Administrator reasonably requires and must be signed by or on behalf of the Shareholder by a person authorised by the Shareholder with the ability to bind the Shareholder and where the details of any such authorised person have been previously provided to the Administrator before payment of Redemption Proceeds can be made.

Redemption requests by facsimile received in the prescribed format, containing all required information, and signed by or on behalf of the Shareholder by an authorised person will be treated as definite orders. Requests received on or prior to the relevant Dealing Deadline will, subject as mentioned in this section and in the relevant Supplement, normally be dealt with on the relevant Dealing Day. Redemption requests received after the Dealing Deadline shall, unless the Directors otherwise agree on an exceptional basis and provided they are received before the relevant Valuation Point, be treated as having been received by the following Dealing Deadline.

Shareholders must notify the Administrator with a copy to the Investment Manager of any withdrawals of a redemption request by the Dealing Deadline unless otherwise specified in the



relevant Supplement. The Administrator, in consultation with Investment Manager may on an exceptional basis accept such withdrawals on less notice.

If requested, the Directors may, in their absolute discretion and subject to the prior approval of the Depositary and notification to all of the Shareholders in the relevant Fund, agree to designate additional Dealing Days and Valuation Points for the redemption of Shares relating to any Fund.

The Directors or the Administrator may decline to effect a redemption request which would have the effect of reducing the value of any holding of Shares relating to any Fund below the Minimum Shareholding for that Class of Shares of that Fund. Any redemption request having such an effect may be treated by the Company as a request to redeem the Shareholder's entire holding of that Class of Shares.

The Administrator will not accept redemption requests, which are incomplete, until all the necessary information is received in the prescribed form by the Administrator.

No redemption payment may be made to a Shareholder until the original Subscription Agreement and all documentation required by the Administrator, including any document in connection with the AML Act or other requirements and any anti-money laundering procedures have been completed, sent to and received by the Administrator.

The Company has established a Cash Subscription and Redemption Account at Fund level. All subscriptions, redemptions and dividends or cash distributions payable to or from a Fund will be channelled and managed through the Cash Subscription and Redemption Account.

#### **6.10. Redemption Price**

The price at which Shares will be redeemed on a Dealing Day is the Net Asset Value per Share of the relevant Class on the relevant Dealing Day less any duties and charges as set out in this Prospectus or the relevant Supplement. The method of establishing the Net Asset Value of any Fund and the Net Asset Value per Share of any Class of Shares in a Fund is set out in the Articles as described herein under the section entitled **Calculation of Net Asset Value/Valuation of Assets** below.

A Redemption Charge of up to 3% of the Redemption Price may be charged. Details of such charge, if any, and the recipients of such Redemption Charge will be set out in the relevant Supplement.

The Directors may make an adjustment by way of a deduction from either the Redemption Price or the Redemption Proceeds when there are net redemptions to include a charge/anti-dilution levy which the Investment Manager considers represents an appropriate figure to cover dealing costs and to preserve the value of the underlying assets of the relevant Fund. Any such charge/levy shall be retained for the benefit of the relevant Fund and the Directors reserve the right to waive such charge at any time.

#### **6.11. Payment of Redemption Proceeds**

Redemption Proceeds will not be paid until the original Subscription Agreement and all documentation required by the Administrator, including any document in connection with the AML Act or other requirements and any anti-money laundering procedures have been completed, sent to and received by the Administrator.

The Redemption Proceeds (minus any charge provided for above or in the relevant Supplement and after deduction of Irish tax (if any) applicable to the payment) will be paid at the Shareholder's risk and expense by electronic transfer to an account in the name of the Shareholder in the currency of denomination of the relevant Share Class (or in such other currency as the Directors shall determine) by the Settlement Date. In respect of redemption requests received by facsimile or

other electronic methods (such as in pdf format sent by email or FTP upload), payment of such Redemption Proceeds will be made to the registered Shareholder.

Any redemptions for which instructions are received within a 24 hour period of a change being made to the Shareholder's bank mandate instructions on record will be sent to the old mandate instructions.

#### 6.12. **Limitations on Redemption**

The Company may not redeem Shares of any Fund during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under the section entitled **Suspension of Calculation of Net Asset Value** below. Shareholders requesting redemption of Shares will be notified of such postponement and, unless withdrawn, their applications will be processed as at the next Dealing Day following the ending of such suspension.

The Directors may at their discretion limit the number of Shares of any Fund redeemed on any Dealing Day to Shares representing 10% or more of the outstanding Shares in any Fund or Shares representing 10% or more of the total Net Asset Value of that Fund on that Dealing Day. In this event, the limitation will apply *pro rata* so that all Shareholders wishing to have Shares of that Fund redeemed on that Dealing Day realise the same proportion of such Shares. Shares not redeemed, but which would otherwise have been redeemed, will be carried forward for redemption on the next Dealing Day (subject always to the foregoing limit). If requests for redemptions are so carried forward, the Administrator will inform the Shareholders affected.

#### 6.13. **In Specie Redemptions**

The Directors may at the request of the Shareholder satisfy a redemption request by a distribution of investments of the relevant Fund in specie provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Fund. In addition, the Articles contain special provisions where a redemption request received from a Shareholder would result in Shares representing more than 5% of the Net Asset Value of any Fund being redeemed by the Company on any Dealing Day. In such a case, the Company may satisfy the redemption request by a distribution of investments of the relevant Fund in specie provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Fund. Where the Shareholder requesting such redemption receives notice of the Company's intention to elect to satisfy the redemption request by such a distribution of assets that Shareholder may require the Company, instead of transferring those assets, to arrange for their sale and the payment of the proceeds of sale to that Shareholder less any costs incurred in connection with such sale. The particular assets to be transferred will be determined by the Directors in consultation with the Investment Manager on such basis as the Directors in their discretion, with the approval of the Depositary, consider not to be prejudicial to the interests of the remaining Shareholders in the Fund. The value of the assets to be transferred will be determined on the same basis as used in calculating the Net Asset Value and may be adjusted as the Directors in consultation with the Investment Manager may determine to reflect the liabilities of the Fund as a result of the transfer of such assets. Any shortfall between the value of the assets transferred on a redemption in specie and the redemption proceeds which would have been payable on a cash redemption will be satisfied in cash. Any decline in the value of the assets to be transferred in settlement of a redemption between the relevant Dealing Day and the day on which such assets are delivered to the redeeming Shareholder will be borne by the redeeming Shareholder.

#### 6.14. **Mandatory Redemptions**

The Company, at the discretion of the Directors, may redeem any holding which is less than the Minimum Shareholding. In such circumstances, the Company will give thirty (30) days' prior written notice to Shareholders whose Shares are being redeemed to allow them to purchase sufficient additional Shares of the Fund to avoid such redemption.

The Company may compulsorily redeem all of the Shares of any Fund if the Net Asset Value of the relevant Fund is less than the Minimum Fund Size specified in the Supplement for the relevant Fund.

The Company reserves the right to impose restrictions on the holding or transfer of Shares directly or indirectly by or to (and consequently to redeem Shares held by):

- (i) a person or entity who, in the opinion of the Directors is a US Person as defined herein or falling within the definition of U.S. Person under FATCA unless the Directors determine (i) the transaction is permitted under an exemption available under the Securities Act and (ii) the relevant Fund and the Company continue to be entitled to an exemption from registration as an investment company under the securities laws of the US, including the Investment Company Act and (iii) does not cause the Company to incur any adverse US taxation or regulatory or legal consequences;
- (ii) a person or entity who breached or falsified representations on the Subscription Agreement;
- (iii) a person or entity who appears to be in breach of any law or requirement of any country or government authority or by virtue of which such person or entity is not qualified to hold Shares or if the holding of the Shares is unlawful;
- (iv) a person or entity who has not provided the required tax documentation or supporting documentation for money laundering prevention checks;
- (v) a person or entity if the holding of the Shares by that person or entity is unlawful or is less than the Minimum Shareholding or Minimum Initial Investment Amount set for that Class of Shares by the Directors;
- (vi) a person or entity in circumstances which (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant), in the opinion of the Directors, might result in the relevant Fund incurring any liability to taxation or suffering any pecuniary liability to taxation or suffering other pecuniary, legal, regulatory or material administrative disadvantage which the relevant Fund might not otherwise have incurred or suffered (including where the relevant Fund suspects market timing) or might result in the relevant Fund being required to comply with registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply or is otherwise prohibited by the Articles of Association;
- (vii) a person under the age of 18 years or of unsound mind;
- (viii) any transfer in regard to which any payment of taxation remains outstanding; and
- (ix) in any other circumstances set out in the Articles.

If it shall come to the notice of the Directors or if the Directors shall have reason to believe that any Shares are owned directly or beneficially by any person or persons in breach of any restrictions imposed by the Directors, the Directors shall be entitled to (i) give notice (in such form as the Directors deem appropriate) to such person requiring such person to request in writing the redemption of such Shares in accordance with the Articles of Association and/or (ii) as appropriate, compulsorily redeem and/or cancel such number of Shares held by such person and 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 such person including any interest or penalties payable thereon.

Any outstanding proceeds of such compulsory redemption will not be paid unless the original Subscription Agreement signed by or on behalf of the Shareholder has been received by the Administrator and all documentation required by the Administrator, including any document in connection with the AML Act or other requirements and any anti-money laundering procedures have been completed.

#### 6.15. Exchange of Shares

Unless otherwise determined by the Directors, Shareholders will be able to apply to exchange on any Dealing Day all or part of their holding of Shares of any Class in any Fund (the **Original Class**) for Shares in another Class in a Fund which are being offered at that time (the **New Class**) (such Class being in the same Fund or in a separate Fund) provided that all the criteria for applying for Shares in the New Class have been met (including being entitled to the same tax treatment/benefits under taxation treaties as the other Shareholders in the New Class) and by giving notice to the Administrator on or prior to the Dealing Deadline for the relevant Dealing Day. The Directors may in their sole and absolute discretion accept requests for exchange received after the relevant Dealing Deadline in exceptional circumstances provided they are received prior to the relevant Valuation Point. The Directors may at their discretion nominate an additional Dealing Day to facilitate applications for exchange of Shares which will be notified in advance to all Shareholders. The Investment Manager shall pay all costs associated with additional Dealing Days. The general provisions and procedures relating to the issue and redemption of Shares will apply equally to exchanges, save in relation to charges payable, details of which are set out below and in the relevant Supplement.

When requesting the exchange of Shares as an initial investment in a Fund, Shareholders should ensure that the value of the Shares exchanged is equal to, or exceeds, the Minimum Initial Investment Amount for the relevant New Class specified in the Supplement for the relevant Fund. In the case of an exchange of a partial holding only, the value of the remaining holding must also be at least equal to the Minimum Shareholding for the Original Class.

The Directors may deduct a charge on an exchange of Shares which the Investment Manager considers represents an appropriate figure to cover, inter alia, dealing costs, stamp duties, market impact and to preserve the value of the underlying assets of the Fund when there are net subscriptions and redemptions. Any such charge will be retained for the benefit of the relevant Fund the Directors reserve the right to waive such charge at any time.

The Directors may impose an exchange charge of up to 3% of the Redemption Proceeds of the Shares being exchanged which shall be payable as the Directors, in their discretion determine.

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

$$S = \frac{R \times (RP \times ER) - EC}{IP}$$

IP

where:

- R** = the number of Shares of the Original Class to be exchanged;
- S** = the number of Shares of the New Class to be issued;
- RP** = the Redemption Price per Share of the Original Class as at the Valuation Point for the relevant Dealing Day;
- ER** = in the case of exchange of Shares designated in the same Base Currency is 1. In any other case, it is the currency conversion factor determined by the Directors at

the Valuation Point for the relevant Dealing Day as representing the effective rate of exchange applicable to the transfer of assets relating to the Original and New Classes of Shares after adjusting such rate as may be necessary to reflect the effective costs of making such transfer;

**EC** = the exchange charge and/or other charge when there are net subscriptions and redemptions (if any); and

**IP** = the Issue Price per Share of the New Class as at the Valuation Point for the applicable Dealing Day.

Where there is an exchange of Shares, Shares of the New Class will be allotted and issued in respect of and in proportion to the Shares of the Original Class in the proportion S to R.

#### 6.16. **Limitations on Exchanges**

Shares may not be exchanged for Shares of a different Class during any period when the calculation of the Net Asset Value of the relevant Fund or Funds is suspended in the manner described under the section entitled Suspension of Calculation of Net Asset Value below. Applicants for the exchange of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

#### 6.17. **Transfer of Shares**

Shares in each Fund will be transferable by instrument in writing via the completion of a Stock Transfer Form, in common form or in any other written form approved by the Directors and signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor and transferee. The Directors may decline to register any transfer of Shares unless the instrument of transfer is deposited at the registered office of the Company or with the Administrator together with such other evidence as may reasonably be required to show the right of the transferor to make the transfer and/or any evidence required to discharge the Company's and the Administrator's duties under the AML Act and any other applicable regulations or procedures.

The transferee will be required to complete a Subscription Agreement and any other documentation required by the Administrator in addition to providing any documentation or information under the AML Act or its anti-money laundering procedures.

No Share transfer will be permitted until the original Subscription Agreement and transfer instruction of the transferor and all documentation required by the Administrator, including any document in connection with the AML Act or other requirements and any anti-money laundering procedures have been received by the Administrator from the transferor.

The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the share register in respect thereof.

Shares may not be transferred to any person as described in the **Mandatory Redemptions** section of the Prospectus.

If the transferor is, or is deemed to be, or is acting on behalf of a Taxable Irish Person, the Company is entitled to redeem and cancel a sufficient portion of the transferor's Shares as will enable the Company to pay the tax payable in respect of the transfer to the Revenue Commissioners in Ireland.

In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Company as having any title to or interest in the Shares registered in the names of such joint Shareholders.

## 6.18. Dealing Restrictions

### *Market Timing*

The Company, at its discretion, reserves the right to refuse to accept any application for initial or subsequent subscription or to compulsorily redeem Shares held by any Shareholder, without giving any reason where the Company suspects market timing. Without limiting the foregoing, and as further described below, the Company may not be used as a vehicle for frequent trading in response to short term market fluctuations (so called **market timing**). Accordingly, the Company may reject any subscriptions (or compulsorily redeem Shares) from any investor that it determines is engaged in market timing or other activity which it believes is harmful to the Company or any Fund. If a subscription is rejected, subscription proceeds will be returned without interest to the Applicant, as soon as practicable.

### *Excessive Trading Policies*

The Company emphasises that all investors and Shareholders are bound to place their subscription, redemption or switching order(s) no later than the relevant Dealing Deadline for transactions in the Fund's Shares.

Excessive trading into and out of a Fund can disrupt portfolio investment strategies and increase the Fund's operating expenses. The Funds are not designed to accommodate excessive trading practices. The Directors reserve the right to restrict, reject or cancel purchase, redemption and switching orders as described above, which represent, in their sole judgment, excessive trading.

Shareholders seeking to engage in excessive trading practices may deploy a variety of strategies to avoid detection, and there is no guarantee that the Company or its agents will be able to recognise such Shareholders or curtail their trading practices. The ability of the Company and its agents to detect and curtail excessive trading practices may also be limited by operational systems and technological limitations.

To the extent that the Company or its agents are unable to curtail excessive trading practices in a Fund, these practices may interfere with the efficient management of the Fund's portfolio, and may result in the Fund engaging in certain activities to a greater extent than it otherwise would, such as maintaining higher cash balances, using a line of credit and engaging in portfolio transactions. Increased portfolio transactions and the use of a line of credit would correspondingly increase a Fund's operating costs and decrease the Fund's investment performance, and maintenance of a higher level of cash balances would likewise result in lower Fund investment performance during periods of rising markets.

## **7. CALCULATION OF NET ASSET VALUE/VALUATION OF ASSETS**

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The Net Asset Value of each Fund shall be calculated by the Administrator as at the Valuation Point for each Dealing Day by valuing the assets of the Fund and deducting therefrom the liabilities of the Fund. The Net Asset Value of a Fund divided by the number of Shares of the relevant Fund in issue as at the relevant Valuation Point is equal to the Net Asset Value of a Share of the relevant Fund. Where there is more than one Class in issue in a Fund, the Net Asset Value per Share of the relevant Class is calculated by determining that proportion of the Net Asset Value of the relevant Fund which is attributable to the relevant Class at the Valuation Point and by dividing this sum by the total number of Shares of the relevant Class in issue at the relevant Valuation Point (which is set out in the Supplement for the relevant Fund).

Where a Class of Shares is denominated in a currency other than the Base Currency of the relevant Fund the Directors shall at the time of creation of such Class determine if such Class of Shares shall be constituted as a Hedged Share Class or an Unhedged Currency Share Class. The costs and gains/losses of any hedging transactions relating to a Hedged Share Class shall accrue solely to the Shareholders in such Class and shall not form part of the assets of the relevant Fund or constitute a liability of the relevant Fund. Any hedging transaction relating to a Hedged Share Class shall be valued in accordance with the provisions of the Articles. Hedged Share Classes must not be leveraged as a result of such hedging transactions.

The price at which Shares of any Class will be issued on a Dealing Day, after the Initial Offer Period, is based on the Net Asset Value per Share or Net Asset Value per Share of the relevant Class (where there is more than one Class in issue in a Fund) plus a provision for any duties and charges, including such sum (if any) as the Administrator may consider represents the appropriate provision for fiscal and purchase charges, as set out in this Prospectus or in the relevant Supplement and which have not already been included in determining the Net Asset Value. At the discretion of the Directors, where there are net subscriptions on a Dealing Day, the Issue Price may be adjusted by adding an anti-dilution levy to cover dealing costs and preserve the value of the underlying assets of a Fund. Any such charge shall be retained for the benefit of the relevant Fund. The price at which Shares of any Class will be redeemed on a Dealing Day, is based on the Net Asset Value per Share or Net Asset Value per Share of the relevant Class (where there is more than one Class in issue in a Fund) less a provision for any duties and charges, including such sum (if any) as the Administrator may consider represents the appropriate provision for fiscal and sales charges, as set out in this Prospectus or in the relevant Supplement and which have not already been included in determining the Net Asset Value. At the discretion of the Directors, where there are net redemptions on a Dealing Day, the Redemption Price may be adjusted by deducting an anti-dilution levy to cover dealing costs and preserve the value of the underlying assets of a Fund. Any such charge shall be retained for the benefit of the relevant Fund. The Net Asset Value and the Net Asset Value per Share will in each case be rounded to three decimal places or such other number of decimal places as the Directors may determine.

In addition and at the discretion of the Directors, the Administrator may, in calculating the redemption price, deduct such sum as they consider fair and which is approved by the Depositary, in respect of redemption or exchange requests which will necessitate a Fund breaking deposits at a penalty or realising investments at a discount in order to realise assets to provide monies to meet such redemption or exchange requests or, in the event that the Fund borrows funds to meet any such redemption or exchange request, a sum to meet the cost of such borrowing.

The Articles provides for the method of valuation of the assets and liabilities of each Fund and of the Net Asset Value of each Fund. The Company has delegated the calculation of the Net Asset Value to the Administrator. The assets and liabilities of a Fund will be valued as follows:-

In general, the Articles provide that the value of any investments quoted, listed or dealt in on a Regulated Market shall be calculated by reference to the last traded price, except in the case of

fixed income securities which will be valued at the latest mid-market prices, in each case as at the relevant Valuation Point provided that the value of any investment listed or dealt in on a Regulated Market but acquired or traded at a premium or at a discount outside the relevant market may with the approval of the Depositary be valued taking into account the level of premium or discount as at the date of valuation of the investment and the Depositary must ensure the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.

Where such investment is quoted, listed or dealt in on more than one Regulated Market, the price will be the last traded price on the exchange which constitutes the main Regulated Market for such security or the one which the Directors or their delegate determine provides the fairest criteria in ascribing a value to such security.

The value of any investment which is not quoted, listed or dealt in on a Regulated Market or of any investment which is normally quoted, listed or dealt in on a Regulated Market but in respect of which no price is currently available or the current price of which does not in the opinion of the Directors reflect the fair market value thereof in the context of currency, marketability dealing costs and/or such other considerations as are deemed relevant, shall be the probable realisation value estimated with care and in good faith by (i) the Directors or (ii) by a competent person appointed by the Directors and approved for such purpose by the Depositary or (iii) any other means provided that the value is approved by the Depositary. In determining the probable realisation value of any such investment, the Directors may accept a certified valuation from a competent independent person, or in the absence of any independent person, (notwithstanding that the Investment Manager has an interest in the valuation), the Investment Manager, who in each case shall be approved by the Depositary to value the relevant securities. Where reliable market quotations are not available for fixed income securities, the value of such securities may be determined by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics. The matrix methodology will be compiled by the Directors or a competent person, firm or corporation appointed by the Directors and in each case approved for the purpose by the Depositary or any other means provided that the value is approved by the Depositary.

Units or shares in open-ended CIS other than those valued in accordance with the foregoing paragraphs shall be valued at the latest available net asset value per unit or share or class or bid price thereof as published by the CIS after deduction of any redemption charge as at the Valuation Point for the relevant Dealing Day.

The Articles further provide that cash in hand or on deposit and other liquid assets, prepaid expenses, cash dividends, interest declared or accrued and not yet received and tax reclaims filed and not yet received as at the relevant Valuation Point shall normally be valued at their face value (unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof); certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable investments shall each be valued at each Valuation Point at the last traded price on the Regulated Market on which these assets are traded or admitted for trading (being the Regulated Market which is the sole Regulated Market or in the opinion of the Directors or the delegate the principal Regulated Market on which the assets in question are quoted or dealt in).

The value of any over the counter derivative contracts shall be the quotation from the counterparty to such contracts at the Valuation Point and shall be valued daily. The valuation will be approved or verified weekly by a party independent of the counterparty who has been approved, for such purpose, by the Depositary. Alternatively, the value of any over-the-counter derivative contract may be the quotation from an independent pricing vendor or that calculated by the Fund itself and shall be valued daily. Where an alternative valuation is used by the Fund, the Fund will follow international best practice and adhere to specific principles on such valuation by bodies such as IOSCO and AIMA. Any such alternative valuation must be 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 such value is approved by the Depositary. Any such alternative valuation must be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise they must be promptly investigated and explained.

The value of any exchange traded futures contracts, share price index, futures contracts and options and other derivative instruments shall be the settlement price as determined by the Regulated Market in question as at the Valuation Point provided that where such settlement price is not available for any reason as at a Valuation Point, such value shall be the probable realisation thereof estimated with care and in good faith by (i) the Directors or (ii) a competent person appointed by the Directors and approved for such purpose by the Depositary (iii) any other means provided that the value is approved by the Depositary.

Forward foreign exchange contracts shall be valued by reference to the prevailing market maker quotations, namely, the price as at the Valuation Point at which a new forward exchange contract of the same size and maturity could be undertaken, or if unavailable, at the settlement price provided by the counterparty. In the latter case, the settlement price shall be valued at least daily by the counterparty and shall be verified at least weekly by a party who is independent from the counterparty and approved for such purpose by the Depositary.

Notwithstanding the foregoing valuation rules, in the event of substantial or recurring net subscriptions (where total subscriptions of a Fund exceeds total redemptions), the Directors may adjust the Net Asset Value per Share to reflect the value of the Company's assets using the closing market dealing offer price, where available, as at the relevant Valuation Point in order to preserve the value of the shareholding of continuing Shareholders. In the event of substantial or recurring net redemptions (where total redemptions of any Fund exceeds total subscriptions), the Directors may adjust the Net Asset Value per Share to reflect the value of the Company's assets using the closing market dealing bid price, where available, in order to preserve the value of the shareholding of continuing Shareholders. Where any such adjustment is made, it shall be applied consistently with respect to the assets of the Fund and no additional charge or anti-dilution levy will be included in the Issue Price or deducted from the subscription monies received or deducted from the Redemption Price or Redemption Proceeds to preserve the value of the underlying assets of a Fund on the relevant Dealing Day. Valuation policies will be applied on a consistent basis throughout the life of the Company.

If in any case a particular value is not ascertainable as provided above or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant investment, then in such case the method of valuation of the relevant investment shall be such as the Directors or another competent person appointed by the Directors shall determine, such method of valuation to be approved by the Depositary.

Notwithstanding the generality of the foregoing, the Directors may with the approval of the Depositary adjust the value of any such assets if, having regard to currency, anticipated rate of dividend, applicable rate of interest, maturity, liquidity, marketability and/or such other considerations as the Directors or the Investment Manager may deem relevant, the Directors considers that such adjustment is required to reflect the fair value thereof as at any Valuation Point.

Any value expressed otherwise than in the Base Currency of the Fund (whether of any investment or cash) and any non-Base Currency borrowing shall be converted into the Base Currency at the rate which the Administrator shall determine to be appropriate in the circumstances.

The value of any collateral received by a Fund in accordance with the Collateral Policy in the Prospectus will be valued on a mark-to-market basis in line with market practise.

Any particular valuation provisions applicable to a Fund are set out in the Supplement for the relevant Fund.

## 7.1. Suspension of Calculation of Net Asset Value

The Directors may at any time temporarily suspend the calculation of the Net Asset Value of any Fund and the issue, redemption and exchange of Shares and the payment of redemption proceeds during:

- (i) during any period when any of the Regulated Markets on which a meaningful portion of the investments of the relevant Fund, from time to time, are quoted, listed or dealt in is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or
- (ii) during any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a meaningful portion of the investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the relevant Fund or if, in the opinion of the Directors, the Net Asset Value of the Fund cannot be fairly calculated; or
- (iii) during any breakdown in the means of communication normally employed in determining the price of a meaningful portion of the investments of the relevant Fund, or when, for any other reason the current prices on any Regulated Market of any of the investments of the relevant Fund cannot be promptly and accurately ascertained; or
- (iv) during any period during which any transfer of funds involved in the realisation or acquisition of investments of the relevant Fund or when payments due on the redemption of Shares from Shareholders cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange; or
- (v) during any period when the Directors are unable to repatriate funds required for the purpose of making payments due on the redemption of Shares in the relevant Fund; or
- (vi) during any period when the Directors consider it to be in the best interests of the Shareholders of the relevant Fund; or
- (vii) upon mutual agreement between the Company and the Depositary, any period following the circulation to Shareholders of a notice of a general meeting at which a resolution for the purpose of terminating the Company or any Fund is to be proposed; or
- (viii) when any other reason makes it impracticable to determine the value of a meaningful portion of the assets of the Company or any Fund.

Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as practicable.

Shareholders who have requested issue or redemption of Shares of any Class or the exchange of Shares of one Class to another will be notified of any such suspension in such manner as may be directed by the Directors and, unless withdrawn but subject to the limitation referred to above, their requests will be dealt with on the first relevant Dealing Day after the suspension is lifted. Any such suspension will be notified on the same Business Day to the Central Bank and if the Shares are listed on Euronext or such other exchange within the same time frame and will be communicated without delay to the competent authorities in any country in which the Shares are registered for sale.

## **8. NOTIFICATION OF PRICES**

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The Net Asset Value per Share of each Class of Shares in each Fund will be available from the Administrator and will (where listed) be notified without delay to Euronext following calculation on each Valuation Point and will be published on [www.tendercapital.com](http://www.tendercapital.com) or such other websites or newspapers as the Directors may decide from time to time and as notified to the Shareholders in advance. Such prices will be the up to date prices applicable to the previous Dealing Day's trades and are therefore only indicative after the relevant Dealing Day.

## **9. FEES AND EXPENSES**

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### **9.1. Establishment Expenses**

The cost of establishing the Company, obtaining authorisation from any authority, listing the Shares on Euronext, where applicable, filing fees, the preparation and printing of this Prospectus, marketing costs and the fees of all professionals relating to it will be borne by the Company. The costs of establishing Funds may be borne by the Company or the relevant Fund and where appropriate details thereof will be set out in the relevant Supplement. In the event of a merger between a Fund and any other fund whereby a Fund receives the assets and liabilities of a fund as a result of the merger, the merging fund's unamortised formation expenses may also be transferred as part of the merger and amortised over a period which shall be disclosed in the Supplement for the relevant Fund.

### **9.2. Operating & Service Providers' Fees and Expenses**

The Company may pay out of the assets of each Fund the fees and expenses payable to the Manager, the Investment Manager, Administrator, the Depositary, the Distributor, any other distributors, the Facilities Agent, any Paying Agent, the fees and expenses of sub-custodians (which in the case of the Facilities Agent, any Paying Agent and sub-custodians will be at normal commercial rates), the fees and expenses of any investment advisers or any other delegates of the Company, the fees and expenses of the Directors, any fees in respect of circulating details of the Net Asset Value, stamp duties, all taxes and VAT, company secretarial fees, any costs incurred in respect of meetings of Shareholders, marketing and distribution costs, investment transaction charges, costs incurred in respect of the distribution of income to Shareholders, pricing and bookkeeping costs, the fees and expenses of any other facilities agent or representative appointed in compliance with the requirements of another jurisdiction (which will be at normal commercial rates), any amount payable under indemnity provisions contained in the Articles or any agreement with any appointee of the Company, all sums payable in respect of directors' and officers' liability insurance cover, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors, tax and legal advisers, regulatory fees, the fees connected with listing the Shares on Euronext, the fees connected with registering the Company for sale in other jurisdictions, the fees and expenses in connection with obtaining and maintaining a credit rating for any Fund, Class or Shares. The costs of printing and distributing this Prospectus, KIIDs, reports, accounts and any explanatory memoranda, any necessary translation fees, the costs of publishing prices and any costs incurred as a result of periodic updates of the Prospectus or KIIDs, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law) may also be paid out of the assets of the Company. In the event of a merger between a Fund and any other fund whereby a Fund receives the assets and liabilities of a fund as a result of the merger, the liabilities of the merging fund which have been transferred to the Fund and the costs and expenses of the merger may be paid out of the assets of the relevant Fund. Further details of such fee arrangements shall be disclosed in the Supplement for the relevant Fund. The fees payable out of the assets of each Fund to the Investment Manager and, if applicable, the Distributor shall be paid as the Investment Manager and/or Distributor shall direct the Company and/ or its delegates. All recurring expenses and fees will be charged against current income or against realised and unrealised capital gains, or, where there is not sufficient income or capital gains to cover the fees and expenses of the Company, against the capital or assets of the Company in such manner and over such period as the Directors may from time to time decide.

If a Fund invests a substantial proportion of its net assets in other CIS the maximum level of the management fees that may be charged in respect of that Fund and to the other CIS in which it intends to invest will be set out in the relevant Supplement. Details of such fees will also be contained in the Company's annual report.

When a Fund invests in the shares of other CIS and those other CIS are managed directly or by delegation, by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, the Investment Manager or other company shall not charge subscription, conversion or redemption fees on account of the investment of the Fund in the shares of such other CIS.

**9.3. Management fee**

The Manager shall be paid such fees and in such manner as set out in the relevant Supplement.

**9.4. Investment Manager Fees**

The Investment Manager shall be paid such fees and in such manner as set out in the relevant Supplement.

**9.5. Administrator Fees**

The Administrator shall be paid such fees and in such manner as set out in the relevant Supplement.

**9.6. Depositary Fees**

The Depositary shall be paid such fees and in such manner as set out in the relevant Supplement.

**9.7. Distributor Fees**

Fees and expenses of the Distributor which will be at normal commercial rates together with VAT, if any, thereon may be borne by the Company.

**9.8. Facility Agent/Paying Agents Fees**

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

**9.9. Directors Fees**

Unless and until determined from time to time by the Company in general meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors. The Directors will be entitled to remuneration for their services as directors provided however that the aggregate emoluments of such Directors shall not exceed €55,000 (excluding VAT) or such other amount as may be approved by a resolution of the Directors or the Shareholders in general meeting. In addition, all of the Directors will be entitled to be reimbursed out of the assets of each Fund for their reasonable out of pocket expenses incurred in discharging their duties as directors, including all travelling, hotel and other out of pocket expenses properly incurred by them in connection with their attendance at meetings of Directors or committees established by the Directors or separate meetings of the holders of any Class of Shares of the Company or otherwise in connection with the discharge of their duties.

**9.10. Subscription Charge**

Shareholders may be subject to an initial charge calculated as a percentage of Issue Price as specified in the relevant Supplement subject to a maximum of 5% of the Issue Price of Shares purchased by Shareholders. The Subscription Charge may be waived or reduced at the absolute discretion of the Distributor or any sub-distributor appointed. Any such fee will be payable to the Distributor for its absolute use and benefit.

#### 9.11. **Redemption Charge**

Shareholders may be subject to a redemption Charge calculated as a percentage of redemption monies as specified in the relevant Supplement, subject to a maximum of 3% of the Redemption Price of Shares being redeemed. Details of such charge, if any, and the recipients of such Redemption Charge will be set out in the relevant Supplement. In the event of a redemption fee being charged, Shareholders should view their investment as medium to long-term. The Directors may differentiate between Shareholders of the Fund by waiving or reducing the Redemption Charge chargeable to certain Shareholders.

#### 9.12. **Exchange Charge**

The Directors may impose an exchange charge of up to 3% of the repurchase amount of the Shares being exchanged for Shares in another Fund or another Share Class.

#### 9.13. **Anti-Dilution Levy/ Duties & Charges**

The Directors reserve 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 underlying assets of a Fund, in the event of receipt for processing of net subscription or redemption requests of a Fund, including as a result of requests for exchange from one Fund into another Fund which shall for this purpose be treated as a redemption request into another Fund (which shall for this purpose be treated as a subscription request). Any such provision will be determined by the Manager as representing an appropriate figure for such purposes and will be agreed by the Directors and will be added to the price at which Shares will be issued in the case of net subscription requests of the Fund and deducted from the price at which Shares will be redeemed in the case of net redemption requests of the Fund. The Directors may also apply a provision for market spreads and duties and charges in any other case where it considers such a provision to be in the best interests of a Fund. Any such sum will be paid into the account of the relevant Fund.

#### 9.14. **Allocation of Fees**

Such fees, duties and charges will be charged to the Fund and within such Fund to the Class or Classes in respect of which they were incurred or, where an expense is not considered by the Directors to be attributable to any one Fund or Class, the expense will be allocated by the Directors with the approval of the Depositary, in such manner and on such basis as the Directors in their discretion deem fair and equitable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

#### 9.15. **Remuneration Policy**

The Manager is subject to remuneration policies, procedures and practices (together, the **Remuneration Policy**). The Remuneration Policy is consistent with and promotes sound and effective risk management. It is designed not to encourage risk-taking which is inconsistent with the risk profile of the Funds. The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Company and the Funds, and includes measures to avoid conflicts of interest. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the Funds, and ensures that no individual will be involved in determining or approving their own remuneration. The Remuneration Policy will be reviewed annually.

Details of the up-to-date Remuneration Policy, including a description of how remuneration and

benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee (if any), are available via [www.dmsgovernance.com](http://www.dmsgovernance.com). The Remuneration Policy summary will be made available for inspection and a paper copy may be obtained, free of charge, at the registered office of the Company.

## 10. TAXATION

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### 10.1. General

**The following statements are by way of a general guide to potential investors and Shareholders only and do not constitute tax advice. Shareholders and potential investors are therefore advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.**

**Shareholders and potential investors should note that the following statements on taxation are based on advice received by the Directors regarding the law and practice in force in the relevant jurisdiction at the date of this document and proposed regulations and legislation in draft form. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely.**

### 10.2. Ireland

#### Taxation of the Company in Ireland

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.

The Company will be regarded as resident in Ireland for tax purposes if its central management and control is exercised in Ireland and the Company is not regarded as resident elsewhere. It is the intention of the Directors that the business of the Company will be conducted in such a manner as to ensure that it is Irish resident for tax purposes.

The Directors have been advised that the Company qualifies as an investment undertaking as defined in Section 739B TCA so long as the Company is resident in Ireland for tax purposes. Under current Irish law and practice, on that basis, it is generally not chargeable to Irish tax on its income and gains.

On the basis that the Company is a UCITS it is outside the scope of Part 27 Chapter 1B TCA dealing with Irish real estate funds. However, Irish tax can arise on a **chargeable event** in the Company. The Company will only be subject to tax on chargeable events in respect of Shareholders who are Taxable Irish Persons (as per the **Certain Irish Tax Definitions** section below).

A chargeable event occurs for example:

- (d) a payment of any kind to a Shareholder by the Company;
- (e) a transfer of Shares; and
- (f) on the eighth anniversary of a Shareholder acquiring Shares and every subsequent eighth anniversary

but does not include any transaction in relation to Shares held in a clearing system recognised by the Irish Revenue Commissioners, certain transfers arising as a result of an amalgamation or reconstruction of fund vehicles and certain transfers between spouses or former spouses.

If a Shareholder is not a Taxable Irish Person at the time a chargeable event arises, no Irish tax will be payable on that chargeable event in respect of that Shareholder.

In the absence of a signed and completed Relevant Declaration being received by the Company that a Shareholder is not a Taxable Irish Person or if the Company has information that would reasonably suggest that a declaration is incorrect, and in the absence of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with (or following the withdrawal of, or failure to meet any conditions attaching to such approval) the Company will be obliged to pay tax on the occasion of a chargeable event (even if in fact the Shareholder is neither resident nor ordinarily resident in Ireland).

If the Company becomes liable to account for tax on a chargeable event which, 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.

Where the chargeable event relates to a payment to an Irish tax resident company or the transfer of Shares by an Irish tax resident company, tax will be deducted at the rate of 25% (subject to the appropriate declaration having been made).

Where the chargeable event is an income distribution, tax will be deducted at the rate of 41% on the amount of the distribution. Where the chargeable event occurs on any other payment to a Shareholder, on a transfer of Shares and on the eight year rolling chargeable event, tax will be deducted at the rate of 41% on the increase in value of the shares since their acquisition. In respect of the eight year rolling chargeable event, there is a mechanism for obtaining a refund of tax where the Shares are subsequently disposed of for a lesser value.

## **Payment**

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.

The Finance Act 2010 amended the legislation in relation to the obligation for a company to hold non-resident tax declarations in respect of certain shareholders. The amendment is designed to allow funds not actively promoting the sale of Irish shares to Irish residents to apply for a waiver from the obligation to obtain non-resident declarations from non-Irish resident Shareholders where **equivalent measures** are put in place by the Company. The **equivalent measures** approach requires that the investment undertaking confirms a number of specific matters to the Revenue Commissioners including that the fund will not actively promote the shares concerned to Irish investors or in Ireland and the fund will not actively distribute in Ireland any offering material in connection with such shares. In order to qualify for this waiver, appropriate approval must have been obtained from the Irish Revenue. The Company has not availed of this waiver as at the date of this prospectus and therefore it will be necessary for the Company to obtain Relevant Declarations from Shareholders unless and until such a waiver is applied for and granted.

## **Irish Dividends**

Dividends received by the Company from investment in Irish equities may be subject to Irish dividend withholding tax at the rate of 25%. However, the Company can make an appropriate declaration (under Schedule 2A TCA) to the payer that it is a collective investment undertaking



within the meaning of Section 739B TCA beneficially entitled to the dividends which will entitle the Company to receive such dividends without deduction of Irish dividend withholding tax.

Other than in the instances described above the Company will have no liability to Irish taxation on income or chargeable gains.

## **Taxation of Shareholders**

### **Interpretation**

Where Shares are denominated in currency other than a Euro denominated currency, certain Irish Resident Shareholders will be liable to tax on chargeable gains at a current rate of 33% on the foreign exchange difference between the foreign currency and the Euro for the duration of the Shareholding period. Persons who are neither Resident in the Republic of Ireland nor Ordinarily Resident in the Republic of Ireland would normally only be liable to this charge if the Shares are held for the purpose of a trade carried on through a branch or agency in the Republic of Ireland.

### **Non – Irish Resident Shareholders**

Shareholders who are neither resident nor ordinarily resident in Ireland in respect of whom the Relevant Declarations have been made will not be subject to tax on any distributions from the Company or any gain arising on redemption, repurchase or transfer of their Shares provided the Shares are not held through a branch or agency in Ireland. No tax will be deducted from any payments made by the Company to those Shareholders who are Foreign Persons. In the absence of a Relevant Declaration (and the Company not being approved to operate equivalent measures), tax will arise on the happening of a chargeable event regardless of the fact that a Shareholder is a Foreign Person.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are Foreign Persons no tax will have to be deducted by the Company on the occasion of a chargeable event provided that 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.

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.

Where a Non-Irish Resident Company holds Shares in the Company which are attributable (directly or indirectly) to an Irish branch or agency, it will be liable to Irish corporation tax, in respect of any income or gains arising from their shareholding in the Company under the self-assessment system (as if it were an Irish taxable Shareholder).

### **Taxation of Irish Resident Shareholders**

#### *Corporate Shareholders*

Corporate Non-Exempt Irish Investors who receive payments from the Company from which tax has been deducted will be treated as having received the net amount of an annual payment chargeable to tax under Case IV of Schedule D from which tax at 25% had been deducted, assuming that the company has provided the Company with its Irish corporate tax reference number in advance of the payment of the distribution. Such Shareholders may also be liable to tax on foreign currency gains as outlined above.

Corporate Non-Exempt Irish Investors whose Shares are held on trading account in connection with a trade will be taxable on any income or gains (grossed up for any tax deducted) as part of that trade with a set off against corporation tax payable for any tax deducted by the Company.

Any Non Exempt Corporate Shareholders who are Resident in the Republic of Ireland and receive a payment from the Company from which tax has not been deducted (for example because the Shares are held in a recognised clearing system) will be fully taxable on that payment under Case IV of Schedule D (except where the Shares are held on a trading account in which case they are taxable under Case I of Schedule D). However, where the payment is in respect of the cancellation, redemption, repurchase or transfer of Shares or the ending of a Relevant Period, such income shall be reduced by the amount of the consideration in money or money's worth given by the Shareholders for the acquisition of the Shares. Such Shareholders may also be liable to tax on foreign currency gains as outlined in the interpretation section above.

#### *Non-Corporate Shareholders*

Tax at a rate of 41% will be deducted and remitted to the Revenue Commissioners by the Company from any income distributions which are made annually or at more frequent intervals to non-corporate Non Exempt Irish Investors.

Tax at the rate of 41% will also be deducted by the Company and remitted to the Revenue Commissioners from any other distribution or gain arising on an encashment, repurchase, transfer, redemption or other disposal of Shares by such a Shareholder.

Tax will also be required to be deducted by the Company and remitted to the Revenue Commissioners in respect of any deemed disposal (on the expiration of a Relevant Period) where the total value of Shares in the Company held by Irish Resident Shareholders (who are not Exempt Irish Residents) is 10% or more of the Net Asset Value of the Company. A deemed disposal will occur at the end of each Relevant Period.

The Company may elect (under Section 739E (2A)(ii) of the TCA) not to account for tax arising on a deemed disposal where the total value of Shares in the Company held by Irish Resident Shareholders (who are not Exempt Irish Residents) is less than 10% of the Net Asset Value of the Company. In this case, such Shareholders will be obliged, on notification from the Company, to account for the tax arising on the deemed disposal under the self-assessment system themselves.

The deemed gain will be calculated as the difference between the increased value (if any) of the Shares held by the Shareholder since their purchase or since the previous deemed disposal of the Shares, if any, whichever is later.

Irish Resident Shareholders should normally only suffer tax once in relation to any income or gains arising related to their holding in the Company. Tax paid in relation to a deemed disposal may be set off against tax due in relation to a subsequent chargeable event.

Such Shareholders may also be liable to tax on foreign currency gains as outlined in the interpretation section above.

With regards to the taxation of Irish Resident individuals or individuals Ordinarily Resident in Ireland who hold Shares in investment undertakings consideration must be given to whether or not the investment undertaking could be considered a Personal Portfolio Investment Undertaking (PPIU). Essentially, an investment undertaking will be considered a PPIU in relation to a specific Shareholder where that Shareholder has influence over 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 Shareholder. Any gain arising on a Chargeable Event in relation to an investment undertaking which is a PPIU in respect of an individual will be taxed at the rate of 60% (80% where details of the payment/disposal are not correctly included in the individual's tax return). Specific

exemptions apply where the property invested in has been clearly identified in the investment undertaking's marketing and promotional literature and the investment is widely marketing to the public. Further restrictions may be required in the case of investments in land or unquoted shares deriving their value from land.

### **Stamp Duty**

On the basis that the Company qualifies as an investment undertaking within the meaning of Section 739B TCA, generally no Irish stamp duty will be payable in Ireland on the subscription, transfer, repurchase or redemption of Shares in the Company provided that no application for Shares or re-purchase or redemption of Shares is satisfied by an in specie transfer of any Irish situated property.

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 marketing securities in question has 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 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 TCA) which is registered in Ireland.

### **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 TCA), the disposal of Shares by a Shareholder is not liable to Capital Acquisitions Tax provided that:

- (g) at the date of the disposition the transferor is neither domiciled nor ordinarily resident in Ireland and at the date of the gift or inheritance the transferee of the Shares is neither domiciled nor ordinarily resident in Ireland; and
- (h) the Shares are comprised in the disposition at the date of the gift or inheritance and the valuation date.

### **10.3. Other tax matters**

The income and/or gains of the Company from its securities and assets may suffer withholding tax in the countries where such income and/or gains arise. 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 repayment to that Company, the net asset value of the Company will not be restated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

### **Automatic exchange of information**

Irish reporting financial institutions, which may include the Fund have reporting obligations in respect of certain investors under FATCA as implemented pursuant to the Ireland – US intergovernmental agreement and/or the OECD's Common Reporting Standard (see below).

### **Information exchange and the implementation of FATCA in Ireland**

With effect from 1 July 2014 the Fund is obliged to report certain information in respect of U.S. investors in the Fund to the Irish Revenue Commissioners who will the share that information with the U.S. tax authorities.

The Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 (FATCA) impose a 30% US withholding tax on certain 'withholdable payments' made on or after 1 July 2014 unless the payee enters into and complies with an

agreement with the U.S. Internal Revenue Service (IRS) to collect and provide to the IRS substantial information regarding direct and indirect owners and account holders.

On 21 December 2012 Ireland signed an Intergovernmental Agreement (IGA) with the United States to Improve International Tax Compliance and to Implement FATCA. Under this agreement Ireland agreed to implement legislation to collect certain information in connection with FATCA and the Irish and U.S. tax authorities have agreed to automatically exchange this information. The IGA provides for the annual automatic exchange of information in relation to accounts and investments held by certain U.S. persons in a broad category of Irish financial institutions and vice versa.

Under the IGA and the Financial Accounts Reporting (United States of America) Regulations 2014 (as amended) implementing the information disclosure obligations, Irish financial institutions such as the Fund are required to report certain information with respect to U.S. account holders to the Revenue Commissioners. The Revenue Commissioners will automatically provide that information annually to the IRS. The Fund (and/or the Administrator or Investment Manager on behalf of the Fund) must obtain the necessary information from investors required to satisfy the reporting requirements whether under the IGA, the Irish Regulations or any other applicable legislation published in connection with FATCA and such information is being sought as part of the application process for units in the Fund. It should be noted that the Irish Regulations require the collection of information and filing of returns with the Revenue Commissioners regardless as to whether the Fund holds any U.S. assets or has any U.S. investors.

If a Shareholder causes the Fund to suffer a withholding for or on account of FATCA (FATCA Deduction) or other financial penalty, cost, expense or liability, the Fund may compulsorily redeem any Shares of such Shareholder and/or take any actions required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically born by such shareholder. While the IGA and the Irish Regulations should serve to reduce the burden of compliance with FATCA, and accordingly the risk of a FATCA withholding on payments to the Fund in respect of its assets, no assurance can be given in this regard. As such, Shareholders should obtain independent tax advice in relation to the potential impact of FATCA before investing.

### **Common Reporting Standard (CRS)**

The Common Reporting Standard (CRS) framework was first released by the OECD in February 2014.

The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local Financial Institutions (FIs) relating to account holders tax resident in other participating countries to assist in the efficient collection of tax. The OECD, in developing the CAA and CRS, have used FATCA concepts and as such the Standard is broadly similar to the FATCA requirements, albeit with numerous alterations. It will result in a significantly higher number of reportable persons due to the increased instances of potentially in-scope accounts and the inclusion of multiple jurisdictions to which accounts must be reported.

Ireland is a signatory jurisdiction to a Multilateral Competent Authority Agreement on the automatic exchange of financial account information in respect of CRS while Sections 891F and 891G of the TCA contain measures necessary to implement the CRS internationally and across the European Union, respectively. Regulations, the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the CRS Regulations), gave effect to the CRS from 1 January 2016.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("DAC II") implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis. Section 891G of the TCA contained measures necessary to implement the DAC II. Regulations, the Mandatory Automatic Exchange of Information in the Field of

Taxation Regulations 2015 (together with the CRS Regulations, the "Regulations"), gave effect to DAC II from 1 January 2016.

Under the Regulations reporting financial institutions, are required to collect certain information on accountholders and on certain Controlling Persons in the case of the accountholder(s) being an Entity, as defined for CRS purposes, (e.g. name, address, jurisdiction of residence, TIN, date and place of birth (as appropriate), the account number and the account balance or value at the end of each calendar year) to identify accounts which are reportable to the Irish tax authorities. The Irish tax authorities shall in turn exchange such information with their counterparts in participating jurisdictions. Further information in relation to CRS and DAC II can be found on the Automatic Exchange of Information (AEOI) webpage on [www.revenue.ie](http://www.revenue.ie)

### **Certain Irish Tax Definitions**

1. **Exempt Irish Resident** means the categories of persons Resident in the Republic of Ireland or Ordinarily Resident in the Republic of Ireland (the **State**), as listed below, that are exempt from tax on the occurrence of a chargeable event where a Relevant Declaration has been provided to the Company (to the extent applicable). In all cases where an investor considers they may be an Exempt Irish Resident they should contact their own taxation advisers to ensure that they meet all necessary requirements:
  - (i) an intermediary, including a nominee, for a Foreign Person;
  - (ii) a qualifying management company within the meaning of section 739B TCA;
  - (iii) a specified company within the meaning of section 734 TCA;
  - (iv) an investment undertaking within the meaning of section 739B of the TCA;
  - (v) an investment limited partnership under the meaning of section 739J of the TCA;
  - (vi) an exempt approved scheme or a retirement annuity contract or trust scheme within the provisions of sections 774, 784 or 785 TCA;
  - (vii) a company carrying on life business within the meaning of section 706 TCA;
  - (viii) a special investment scheme within the meaning of section 737 TCA;
  - (ix) a unit trust to which section 731(5)(a) TCA applies;
  - (x) a charity entitled to an exemption from income tax or corporation tax under section 207(1)(b) TCA;
  - (xi) a person entitled to exemption from income tax and capital gains tax under section 784A(2) TCA, section 787I TCA or section 848E TCA and the units held are assets of an approved retirement fund, an approved minimum retirement fund, a special savings incentive account or a personal retirement savings account (as defined in section 787A TCA);
  - (xii) the Courts Service;
  - (xiii) a Credit Union;
  - (xiv) a company within the charge to corporation tax under section 739G(2) TCA, but only where the fund is a money market fund;
  - (xv) a company within the charge to corporation tax under section 110(2) TCA;

- (xvi) the National Treasury Management Agency or a Fund investment vehicle within the meaning of section 739A(6)(kb) TCA;
- (xvii) the National Asset Management Agency;
- (xviii) the National Pensions Reserve Fund Commission or a Commission investment vehicle (within the meaning given by section 2 of the National Pensions Reserve Fund Act 2000 as amended);
- (xix) the State acting through the National Pensions Reserve Fund Commission or a Commission investment vehicle within the meaning given by section 2 of the National Pensions Reserve Fund Act 2000 (as amended);
- (xx) any other person as may be approved by the directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Company in respect of that Shareholder under Part 27, Chapter 1A of the TCA; and
- (xxi) the Motor Insurer's Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurers Insolvency Compensation Fund under the Insurance Act 1964 (amended by the Insurance (Amendment) Act 2018).

in respect of each of which the appropriate declaration set out in Schedule 2B TCA or otherwise and such other information evidencing such status is in the possession of the Company on the appropriate date.

2. **Taxable Irish Person** means any person, other than

- (i) a Foreign Person; or
- (ii) an Exempt Irish Resident.

3. **TCA** means the Taxes Consolidation Act, 1997, as amended.

4. **Foreign Person** means (i) a person who is neither resident nor ordinarily resident in Ireland for tax purposes who has provided the company with a Relevant Declaration and the Company is not in possession of any information that would reasonably suggest that the declaration is incorrect or has at any time been incorrect, or (ii) the company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with in respect of that person or class of shareholder to which that person belongs, and that approval has not been withdrawn and any conditions to which that approval is subject have been satisfied.

5. **Residence - Company**

Prior to the Finance Act 2014, company residence was determined with regard to the long-established common law rules based on central management and control. These rules were significantly revised in the Finance Act 2014 to provide that a company incorporated in the State will be regarded as resident for tax purposes in the State, unless it is treated as resident in a treaty partner country by virtue of a double taxation treaty. While the common law rule based on central management and control remains in place, it is subject to the statutory rule for determining company residence based on incorporation in the State set out in the revised section 23A TCA 1997.

The incorporation rule for determining the tax residence of a company incorporated in the State applies to companies incorporated on or after 1 January 2015. For companies incorporated in the State before this date, a transition period applied until 31 December 2020.

We would recommend that any Irish incorporated company that considers it is not Irish tax resident seeks professional advice before asserting this in any tax declaration given to the Company.

#### 6. **Residence - Individual**

An individual who will be regarded as being resident in Ireland for a twelve month tax year if s/he:

- (1) Spends 183 days or more in the State in that twelve month tax year;
- or
- (2) has a combined presence of 280 days in the State, taking into account the number of days spent in the State in that tax year together with the number of days spent in the State in the preceding year.

Presence in a tax year by an individual of not more than 30 days in the State will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at any point during that day.

#### 7. **Ordinary Residence - Individual**

The term **Ordinary Residence** as distinct from **Residence**, relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity.

An individual who has been resident in the State for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.

An individual who has been ordinarily resident in the State ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident. Thus, an individual who is resident and ordinarily resident in the State in the tax year 1 January 2021 to 31 December 2021 and departs from the State in that tax year will remain ordinarily resident up to the end of the tax year in 1 January 2024 to 31 December 2024.

#### 8. **Intermediary**

This means a person who:-

- (i) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking resident in Ireland on behalf of other persons;
- or
- (ii) holds units in an investment undertaking on behalf of other persons

#### 9. **PPIU means Personal Portfolio Investment Undertaking**

A PPIU is defined as an undertaking, under the terms of which some or all of the property of the undertaking may be, or was, selected by, or the selection of some or all of the property may be, or was, influenced by:-

- (i) the Shareholder;

- (ii) a person acting on behalf of the Shareholder;
- (iii) a person connected with the Shareholder;
- (iv) a person connected with a person acting on behalf of the Shareholder;
- (v) the investor and a person connected with the Shareholder; or
- (vi) a person acting on behalf of both the Shareholder and a person connected with the Shareholder.

An investment undertaking is not a PPIU if the only property which may or has been selected was available to the public at the time that the property is available for selection by a Shareholder and is clearly identified in the investment undertaking's marketing or other promotional material. The investment undertaking must also deal with all Shareholders on a non-discriminatory basis. In the case of investments deriving 50% or more of their value from land, any investment made by an individual is limited to 1% of the total capital required;

#### 10. **Relevant Declaration**

This means a correctly completed declaration relevant to Shareholders which meets the requirements set out in Schedule 2B of the TCA.

#### 11. **Relevant Period**

This means an 8 year period beginning with the acquisition of the Shares by the Shareholder and each subsequent period of 8 years beginning immediately after the preceding Relevant Period.

### 10.4. **United Kingdom**

**Warning:** The information contained below is provided for UK resident investors only and is based on our understanding of UK tax legislation and the known current HMRC interpretation thereof. This can vary according to individual circumstances and is subject to change. It is intended as a guide only and not a substitute for professional advice. It does not purport to be a complete analysis of all tax considerations relating to the holding of Shares. The information given below does not constitute legal or tax advice, and prospective investors should consult their own professional advisers as to the overall legal and tax implications of subscribing for, purchasing, holding, switching or disposing of Shares under the laws of any jurisdiction in which they may be subject to tax.

This summary in particular does not address the tax consequences for non UK resident persons who hold the shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or permanent establishment). In addition, the summary only addresses the tax consequences for UK Holders who hold the Shares as an investment and not as trading stock. It does not deal with the position of certain classes of investors, such as dealers in securities and insurance companies, trusts and persons who have acquired their Shares by reason of their or another's employment; nor does it deal with the position of individuals who are UK resident but non-domiciled.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The statements are based on current tax legislation, together with HMRC practice, all of which are subject to change at any time, possibly with retrospective effect.

#### **Nature of investment**



Investors will acquire shares in a particular Fund of the Company. The Company an Irish incorporated open-ended investment company with variable capital and is structured as an umbrella company. It is intended that the Company will be authorized as a UCITS scheme in Ireland by the Central Bank.

### **Taxation status of the Company**

We understand that the Company is not a transparent entity for UK taxation purposes. The Directors intend to conduct the affairs of the Company so that it does not become resident in the United Kingdom and does not carry on a trade within the United Kingdom for United Kingdom taxation purposes. Accordingly, whilst the position cannot be guaranteed, the Company should not be subject to United Kingdom income tax or corporation tax other than on certain United Kingdom source income.

If the Company should invest in UK investments any UK source income arising may be subject to UK withholding tax depending on the nature of those investments and whether the Company can make a valid treaty claim to avoid or minimise such withholding tax.

The Investment Manager of the Company is a UK entity. The activity of the Investment Manager on behalf of the Company may, under UK tax legislation, cause the Company to be regarded as carrying on a trade in the UK. If certain conditions are met, the activity of the Investment Manager shall not constitute a UK branch or permanent establishment of the Company by reason of exemptions provided by Chapter 1 of Part 14 of the Income Tax Act 2007 and Chapter 2 of Part 24 Corporation Tax Act 2010. These exemptions, which apply in respect of income tax and corporation tax respectively, are substantially similar and are each often referred to as the Investment Manager Exemption (**IME**).

However, it cannot be assured that the conditions of the IME will be met at all times in respect of the Company. In this regard, further comfort can be obtained from the provisions of s363A Taxation (International and Other Provisions) Act 2010 which provide that, where a corporate fund that is authorised as a UCITS under Article 5 of the UCITS Directive in another EU member state (i.e. the Company) is also treated as resident in that other EU member state for the purposes of any tax imposed by that Member State on Income, then the corporate fund is not to be viewed as UK resident for UK income tax, corporation tax or capital gains tax purposes even if it would be so viewed under general UK tax principles.

Each Share Class of the Company should be treated as an **offshore fund** for the purposes of the UK Offshore Company's tax regime in Section 355 of the Taxation (International and Other Provisions) Act 2010. The UK's reporting fund regime, which is contained in the Offshore Funds (Tax) Regulations 2009 (Statutory Instrument 2009/3001), therefore applies to these Share Classes. Under the reporting fund regime, for UK taxpayers to secure capital gains tax treatment on the disposal of their investment in Shares in a Share Class of the Company, that Share Class would need to be certified as a **reporting fund** through the entire period over which the UK taxpayer held the investment.

To date, the Company has not registered or applied for UK reporting fund status with HMRC in respect of any of its Share Classes. Where it is expected that an application will be made to HMRC for UK reporting fund status in respect of each Share Class of any Fund, this will be specified in the Supplement for the relevant Fund (a **Reporting Fund**) and each of these Share Classes will have UK reporting fund status with effect from the beginning of the first period of account of the Company.

An application for UK reporting fund status for each of the Share Classes of the Reporting Funds must be received by HMRC by the later of (i) the end of first period of account of the Company, and (ii) the expiry of a period of three months beginning with the first day on which interests in the relevant Share Class are made available to investors resident in the UK, if the expectation is that

each Share Class will have UK Reporting Fund Status effective from the beginning of the first period of account of the Company. The Company intends to make Reports to Participants, required under the UK Reporting Fund Regime via a website or by email.

In the event that any Share Class of any Reporting Fund does not apply to HMRC for UK reporting fund status for the first period of account of the Company it should be noted that UK reporting fund status cannot be obtained retrospectively for any period and would therefore generally only be available from the period in which the Directors made the appropriate applications to HMRC (and future periods).

The comments below in relation to the UK taxation of UK resident investors in the Company are based on the assumption that each Share Class of the Reporting Funds of the Company whose will apply to HMRC to be a UK reporting fund from the beginning of the first period of account of the Company, and on the premise that each Reporting Fund Share Class (**RFSC**) will maintain reporting fund status with HMRC over the entire period in which it has UK resident investors. It is important to note that reporting fund status must be maintained on an annual basis by each Share Class. If reporting fund status is revoked by HMRC for any RFSC, that RFSC will be unable to regain reporting fund status and will thereafter be permanently outside the reporting fund regime.

The Directors current view is that the Share Classes of certain Funds of the Company will initially not apply for UK reporting fund status (as identified in the relevant Supplement).

However, in the future the Company may apply for UK reporting fund status with HMRC in respect of some of the Share Classes of such Funds. An application for UK reporting fund status must generally be received by HMRC by the end of first period of account for which it is proposed that a Share Class should have reporting fund status. In this regard it should be noted that UK reporting fund status cannot be obtained retrospectively and would therefore generally only be available from the period in which the Directors made the appropriate applications to HMRC (and future periods). Existing shareholders in a Share Class which subsequently obtained reporting fund status would then need to consider making specified elections to access certain of the benefits associated with reporting fund status.

For completeness, and in the event that the situation may arise, section D below includes some comments in relation to the UK taxation implications of UK resident investors in any Shares Class of any Fund of the company that eventually prove not to have UK Reporting Fund Status (**non RFSC**).

#### **Taxation of UK resident investors**

The general comments at C.1 and C.2 are prepared on the basis that none of the RFSC in the Company are categorised as 'bond funds' under the relevant UK legislation. Broadly, a share class is likely to be viewed as a 'bond fund' for an accounting period if at any time in that accounting period the market value of its 'qualifying investments' being broadly government and corporate debt, securities or cash on deposit (other than cash awaiting investment) or certain derivative contracts or holdings in other funds which at any time in the relevant accounting period are categorised as 'bond funds' exceed more than 60% of the market value of its total assets.

The investment objective for the Funds indicates that certain Funds may invest mainly in a broad range of debt securities including bonds and bond related instruments (i.e. convertible bonds and bonds with warrants) commercial paper and certificates of deposit. Investors' attention is therefore drawn to the fact that each share class in these Funds are likely to be viewed as 'bond funds' for UK tax purposes along with share classes in any other Fund of the Company who fail the 'bond fund' test for any period. However, this would need to be formally confirmed on an annual basis by review of the proportional weighting of the 'qualifying investments' to total assets throughout that period on a Fund basis (as a separate pool of assets is maintained for each Fund).

Dividends and other income distributions paid or deemed to be paid to UK resident and domiciled individual Shareholders in respect of Shares in the Company which are deemed to be 'bond funds' may instead be taxed as 'interest' (as opposed to 'dividends' – discussed in C.2 below). If such dividends are taxed as 'interest' no tax credit would be available in respect of the dividend and the applicable rates of tax would be 20% for basic rate tax payers, 40% for higher rate taxpayers and 50% for additional rate taxpayers.

UK resident corporate Shareholders within the charge to UK corporation tax should note that under the loan relationships regime, if at any time in an accounting period they hold an interest in a 'bond fund' that interest will be treated for that period as if it were rights under a creditor relationship for the purposes of the regime – which is likely to mean total returns from the share class are subject to corporation tax on a mark-to-market basis, and the offshore income gain regime should not apply.

#### *Capital gains – general principles*

The relevance of reporting fund status for UK investors is that gains realized by investors on disposals of investments in reporting funds, which retain their reporting fund status for the entire period in which the investors holds the investment, will in most circumstances be treated as a 'capital disposal' for UK taxation purposes.

#### *UK individual investors in RFSC*

Shareholders who are resident or, if applicable, ordinarily resident in the UK for tax purposes may be liable to capital gains tax in respect of capital disposals of their RFSC Shares.

Any capital increase in the value of the RFSC Shares realised on eventual sale (when compared to deductible costs) is likely to be taxable under the UK capital gains code (current headline rate of 28%), subject to the availability of various exemptions and/ or reliefs. Deductible costs should include the amount initially paid for the RFSC Shares, as well as any accumulated and not distributed amounts that have been taxable as income in the hands of the individual under C.2.1 below.

#### *UK corporate investors in RFSC*

UK corporates may be liable to UK corporation tax at their marginal rate in respect of capital disposals of RFSC Shares.

The deemed distributions received by the corporate throughout their period of ownership of the RFSC Shares may in certain circumstances represent additional base cost on sale of the RFSC Shares.

#### *Income and deemed distributions – general principles*

There are currently three rates of UK income tax charged on gross dividends received by UK individuals: basic rate of 10% (for dividends within the first slice of taxable income up to £ 34,370), higher rate of 32.5% (for dividends within the next £115,630 of taxable income; £150,000 cumulatively) and additional rate of 42.5% (for the dividends within any income over £150,000). A tax credit equivalent to 1/9<sup>th</sup> of the deemed net distribution may be available in certain circumstances. This tax credit, if available, can be offset against the income tax payable on the deemed dividend but cannot give rise to a cash refund from HMRC.

UK corporate investors may be exempt from UK corporation tax on distributions if the distribution falls within one of the dividend exemption categories.

#### *UK individual investors in RFSC*

An investor will be taxed on income accruing in a RFSC on an annual basis, rather than when it is distributed to the investor.

This is the case irrespective of whether any income is physically distributed/ accumulated to a RFSC shareholder in any period in respect of his/ her holding.

UK investors will be viewed as receiving income equivalent to their proportionate share of the **reported income** of the RFSC; which will be the excess of the reportable income over any distributions/ accumulations actually made by the RFSC in respect of that reporting period. If actual dividends/ accumulations received by the Investor for any period exceed their proportionate share of the **reportable income** of the share class for that period then the UK Investor will be taxed on the higher amount.

The tax point for distributions/ accumulations actually received by investors should be the date such distributions/ accumulations were paid/ made. The tax point for any **reported income** should be the date falling 6 months after the end of the reporting period.

For any share class that is not a 'bond fund' the excess of reported income over actual distributions/ accumulations should be viewed as foreign dividends for UK taxation purposes. For any share class that is a 'bond fund' the excess of reported income over actual distributions/ accumulations should be viewed as interest income for UK taxation purposes.

In certain specified circumstances, investors in receipt of dividends can be viewed as receiving trading income. The above summary assumes that all investors will be viewed as holding the shares as investment assets and that the dividends are treated as investment, rather than trading, income for tax purposes.

#### *UK corporate investors*

UK corporate investors may be exempt from UK corporation tax on the the excess of reported income over actual distributions/ accumulations if any actual distribution from the RFSC would fall within one of the dividend exemption categories for corporate recipients.

If the deemed dividends do not fall within one of the dividend exemption categories, then they are likely to represent taxable income in the hands of the corporate investor at their marginal rate of UK corporation tax.

#### *UK exempt investors*

Some investors (e.g. approved pension funds) may be exempt from tax. Different rules may also apply in the case of certain non-residents (for more details, please consult your tax advisor).

### **UK resident investors in non RFSC**

#### *Capital Gains*

Shareholders who are resident or, if applicable, ordinarily resident in the UK for tax purposes may be liable to capital gains tax in respect of capital disposals of their non RFSC Shares. In broad terms, gains realised on disposals of investments in non RFSC are likely to taxable as an income receipt (without credit for any indexation which would otherwise be available) in the hands of the investors as an offshore income gain under the UK offshore fund regime.

#### *Income received from non RFSC*

A UK resident investor in a non RFSC should only have a potential liability to UK tax in respect of actual distributions received. The tax point for such distributions is likely to be the date on which

such distributions were paid. These distributions should be viewed as foreign dividend income for UK individual investors.

Dividends and other income distributions paid or deemed to be paid to UK resident and domiciled individual Shareholders in respect of Shares in the Company which are deemed to be 'bond funds' may instead be taxed as 'interest' (as opposed to 'dividends'). If such dividends are taxed as 'interest' no tax credit would be available in respect of the dividend and the applicable rates of tax would be 20% for basic rate tax payers, 40% for higher rate taxpayers and 50% for additional rate taxpayers.

UK resident corporate Shareholders within the charge to UK corporation tax should note that under the loan relationships regime, if at any time in an accounting period they hold an interest in a 'bond fund' that interest will be treated for that period as if it were rights under a creditor relationship for the purposes of the regime – which is likely to mean total returns from the share class are subject to corporation tax on a mark-to-market basis, and the offshore income gain regime should not apply.

### **Certain UK anti-avoidance legislation**

The UK tax legislation contains a wide range of anti-avoidance legislation which could, depending on the specific circumstances of an investor, apply to Shareholdings in the company. The comments below are not intended to be an exhaustive list of such anti-avoidance legislation, or a comprehensive summary of any of the provisions referred to. Investors who are concerned about the potential application of these provisions, or any other UK anti-avoidance provisions should seek detailed tax advice based on their own circumstances. However, as a high level guide the attention of prospective investors resident or ordinarily resident in the United Kingdom for taxation purposes is particularly drawn to the following anti-avoidance provisions.

#### *Section 13 of the Taxation of Chargeable Gains Act 1992 (Section 13).*

Section 13 applies to a **participator** in a Company for UK taxation purposes (the term **participator** includes, but is not limited to, a Shareholder) if the Company is controlled by a sufficiently small number of persons such that, if it were a body corporate resident in the UK for taxation purposes, it would be a **close company**.

If at any time when (i) a gain accrues to the Company which constitutes a chargeable gain for UK purposes (such as on a disposal by the Company of any of its investments) and (ii) the provisions of Section 13 apply; a participator can be treated for the purposes of UK taxation as if a part of any chargeable gain accruing to the Company had accrued to that Shareholder directly. The gain accruing to the Shareholder is equal to the proportion of the gain that corresponds to that Shareholder's proportionate interest in the Company as a participator. A Shareholder could therefore incur a liability to tax even if the gain accruing to the Company had not been distributed by the Company. No liability under Section 13 will be incurred by such a Shareholder, however, where the proportionate interest of the Shareholder in the company, together with their associates, means that 10% or less of the chargeable gain is apportioned to them under the Section 13 rules.

#### *Chapter 2 of Part 13 of the United Kingdom Income Tax Act 2007 (transfer of assets abroad).*

The attention of individuals ordinarily resident in the UK for taxation purposes is drawn to the provisions of Chapter 2 of Part 13 of the United Kingdom Income Tax Act 2007 (transfer of assets abroad). These provisions are aimed at preventing the avoidance of income tax by individuals through the transfer of assets or income to persons (including companies) resident or domiciled outside the UK. These provisions may render them liable to taxation in respect of undistributed amounts which would be treated as UK taxable income and profits of the Company (including, if the Company or any Company thereof were treated as carrying on a financial trade, profits on the disposition of securities and financial profits) on an annual basis. We would not expect these

provisions to apply to income relating to a share class which has been certified by HMRC as a RFSC. Where a share class has not been certified as a RFSC, the provisions could apply but there are potential exemptions available where the transactions are genuine commercial transactions and avoidance of tax was not the purpose or one of the purposes for which the transactions were effected.

### **UK stamp duty**

The following comments are intended as a guide to the general UK stamp duty position and may not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

No UK stamp duty will be payable on the issue of the Shares. Legal instruments transferring the Shares should not be subject to UK stamp duty provided that such instruments are executed outside the UK and do not relate to matters done or to be done in the UK.

## 11. GENERAL INFORMATION

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### 11.1. Reports and Accounts

The Company's year end is 31 December in each year. The annual report and audited accounts of the Company, in English, will be made available to Shareholders and Euronext, where applicable, within four months after the conclusion of each accounting year and at least 21 days before the general meeting of the Company at which they are to be submitted for approval. In any event, the annual report and audited accounts of the Company will be sent to Shareholders or prospective investors on request. The Company will also prepare semi-annual report and unaudited accounts which will be made available to Shareholders within two months after the six month period ending on 30 June in each year.

Such reports and accounts will contain a statement of the Net Asset Value of each Fund and of the investments comprised therein as at the year end or the end of such semi-annual period.

### 11.2. Directors' Confirmation – Commencement of Business

The Directors confirm that the Company was incorporated on 8 November 2012. The Company does not have any subsidiaries at the date of this Prospectus.

### 11.3. Incorporation and Share Capital

The Company is incorporated and registered in Ireland under the Companies Act as an open-ended umbrella investment company with variable capital and with segregated liability between sub-funds on 8 November 2012 with registered number 519833.

At the date hereof the authorised share capital of the Company is 1,000,000,000,000 Shares of no par value initially designated as unclassified shares. The issued share capital of the Company is €2 represented by 2 shares (the **Subscriber Shares**) issued for the purposes of the incorporation of the Company and obtaining authorisation from the Central Bank at an issue price of €1 per Share which are fully paid up.

### 11.4. Constitution

Clause 2 of the Memorandum of Association provides that the sole object of the Company is the collective investment in transferable securities and/or other liquid financial instruments of capital raised from the public operating on the principle of risk-spreading in accordance with the Regulations.

The Articles contain provisions to the following effect:

- (i) **Directors' Authority to Allot Shares.** The Directors are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities, including fractions thereof, up to an amount equal to the authorised but as yet unissued share capital of the Company;
- (ii) **Variation of rights.** The rights attached to any Class may, be varied or abrogated with the consent in writing of the shareholders of three-fourths in number of the issued Shares of that Class, or with the sanction of a special resolution passed at a separate general meeting of the shareholders of the Shares of the Class, and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up but such consent or sanction will not be required in the case of a variation, amendment or abrogation of the rights attached to any Shares of any Class if, in the view of the Directors, such variation, amendment or abrogation does not materially prejudice the interests of the relevant Shareholders or any of them. Any such variation, amendment or abrogation will be set out in a supplement to (or re-statement of) the relevant Supplement originally issued in

connection with the relevant shares, a copy of which will be sent to the relevant Shareholders on the date of issue of such document and will be binding on the relevant Shareholders. The quorum at any such separate general meeting, other than an adjourned meeting, shall be two persons holding or representing by proxy at least one third of the issued Shares of the Class in question and the quorum at an adjourned meeting shall be one person holding Shares of the Class in question or his proxy.

- (iii) **Voting Rights.** Subject to any rights or restrictions for the time being attached to any Class or Classes of Shares, on a show of hands every Shareholder who is present in person or by proxy shall have one vote and the holder(s) of subscriber shares present in person or by proxy shall have one vote in respect of all the subscriber shares in issue. On a poll every Shareholder present in person or by proxy shall have one vote for every Share of which he is the holder and every holder of a subscriber share present in person or by proxy shall have one vote in respect of his holding of subscriber shares. Shareholders who hold a fraction of a Share may not exercise any voting rights, whether on a show of hands or on a poll, in respect of such fraction of a Share;
- (iv) **Alteration of Share Capital.** The Company may from time to time by ordinary resolution increase the share capital by such amount and/or number as the resolution may prescribe;
- The Company may also by ordinary resolution:
- (a) consolidate and divide all or any of its share capital into Shares of larger amount;
  - (b) subdivide its Shares, or any of them, into Shares of smaller amount or value;
  - (c) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the Shares so cancelled; or
  - (d) redenominate the currency of any Class of Shares.
- (v) **Directors' Interests.** Provided that the nature and extent of his interest shall be disclosed as set out below, no Director or intending Director shall be disqualified by his office from contracting with the Company nor shall any such contract or any contract or arrangement entered into by or on behalf of any other company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being 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.

The nature of a Director's interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement at the next meeting of the Directors held after he became so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made, at the first meeting of the Directors held after he becomes so interested.

A Director shall not vote at a meeting of the Directors or of any committee established by the Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material (other than an interest arising by virtue of his interest in Shares or debentures or other securities or otherwise in or through the Company or another company) or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote.



- (vi) **Borrowing Powers.** The Directors may exercise all of the powers of the Company to borrow or raise money and to mortgage, or charge its undertaking, property and assets (both present and future) and uncalled capital or any part thereof as collateral security for any debt, liability or obligation of the Company provided that all such borrowings shall be within the limits and conditions laid down by the Central Bank;
- (vii) **Delegation to Committee.** The Directors may delegate any of their powers to any committee whether or not consisting of Directors. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of the Articles of Association regulating the proceedings of Directors so far as they are capable of applying;
- (viii) **Retirement of Directors.** The Directors shall not be required to retire by rotation or by virtue of their attaining a certain age;
- (ix) **Directors' Remuneration.** Unless and until otherwise determined from time to time by the Company in general meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors. Any Director who is appointed as an executive director (including for this purpose the office of chairman or deputy chairman) or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of fees, commission or otherwise as the Directors may determine. The Directors may be paid all travelling, hotel and other out-of-pocket expenses properly incurred by them in connection with their attendance at meetings of the Directors or committees established by the Directors or general meetings or separate meetings of the holders of any Class of Shares or of Shares in a Fund of the Company or otherwise in connection with the discharge of their duties;
- (x) **Transfer of Shares.** Subject to the restrictions set out below, the Shares of any holder may be transferred by instrument in writing in any usual or common form or any other form, which the Directors may approve.

The Directors in their absolute discretion and without assigning any reason therefor may decline to register any transfer of a Share or Shares to a U.S. Person (other than pursuant to an exemption available under the laws of the United States and which does not cause the Company to incur adverse US tax consequences or regulatory or legal consequences), any person or entity who, by holding Shares, would appear to be in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares or might result in the relevant Fund incurring any liability to taxation or suffering pecuniary, legal, regulatory or material administrative disadvantage which the Company might not otherwise have incurred, suffered or breached or which might result in the Company having to comply with registration or filing requirements in any jurisdiction which it would not otherwise be required to comply with, any transfer to an individual under the age of 18 or such other age as the Directors think fit, any transfer to a person of unsound mind, any transfer unless the transferee of such Shares would following such transfer be the holder of Shares with a value at the then current subscription price equal to or greater than the Minimum Initial Investment Amount, any transfer in circumstances where as a result of such transfer the transferor or transferee would hold less than the Minimum Shareholding or, any transfer in regard to which any payment of taxation remains outstanding, any transfer to a person who breached or falsified representations on the Subscription Agreement and any transfer to a person who has not provided the required tax documentation or supporting documentation for money laundering prevention checks or clear such checks, if the Directors determine in their sole

and absolute discretion that the holding of Shares by such person or entity is not in the best interests of the Shareholders of the relevant Fund or Class thereof.

The Directors may decline to recognise any instrument of transfer unless it is accompanied by the certificate for the Shares to which it relates (if issued), is in respect of one Class of Share only, is in favour of not more than four transferees and is lodged at the registered office or at such other place as the Directors may appoint;

- (xi) **Right of Redemption.** Shareholders have the right to request the Company to redeem their Shares in accordance with the provisions of the Articles of Association;
- (xii) **Dividends.** The Articles of Association permit the Directors to declare such dividends on any Class of Shares as appear to the Directors to be justified by the profits of the relevant Fund. The Directors may satisfy any dividend due to Shareholders of Shares in whole or in part by distributing to them in specie any of the assets of the relevant Fund and, in particular, any investments to which the relevant Fund is entitled. A Shareholder may require the Directors instead of transferring any assets in specie to him, to arrange for a sale of the assets and for payment to the holder of the net proceeds of same. Any dividend unclaimed for six years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund;
- (xiii) **Funds.** The Directors are required to establish a separate portfolio of assets for each Fund created by the Company from time to time, to which the following shall apply:-
  - (a) 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 allotment and issue of Shares of each Class in the Fund, and the investments and the liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Articles;
  - (b) any asset derived from any other asset(s) (whether cash or otherwise) comprised in any Fund, shall be applied in the books and records of the Company to the same Fund as the asset from which it was derived and any increase or diminution in the value of such an asset shall be applied to the relevant Fund;
  - (c) no Shares will be issued on the terms that entitle the Shareholder of any Shares in a Fund to participate in the assets of the Company other than the assets (if any) of the Fund relating to such Shares. If the realised net assets of any Fund are insufficient to pay any amounts due on the relevant shares in full, in accordance with the terms of the relevant Fund, the relevant Shareholders of that Fund will have no further right of payment in respect of such shares or any claim against the Company, any other Fund or any assets of the Company in respect of any shortfall;
  - (d) in the event that there are any assets of the Company which the Directors do not consider are attributable to a particular Fund or Funds, the Directors shall, with the approval of the Depositary, allocate such assets to and among any one or more of the Funds in such manner and on such basis as they, in their discretion, deems fair and equitable; and the Directors shall have the power to and may at any time and from time to time, with the approval of the Depositary, vary the basis in relation to assets previously allocated;
  - (e) each Fund shall be charged with the liabilities, expenses, costs, charges or reserves of the Company in respect of or attributable to that Fund and any such liabilities, expenses, costs, charges, or reserves of the Company not attributable to any particular Fund or Funds shall be allocated and charged by the Directors, with the approval of the Depositary, in such manner and on such basis as the Directors, in their sole and absolute discretion deem fair and equitable, and the Directors shall have the power to and may at any time

and from time to time, with the approval of the Depositary, vary such basis including, where circumstances so permit, the re-allocation of such liabilities, expenses, costs, charges and reserves;

- (f) where derivative and/or hedging strategies are used in relation to a Fund or Class of Shares, 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 will be clearly attributable to a specific Class and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class of shares;
- (g) in the event that any Asset attributable to a Fund is taken in execution of a liability not attributable to that Fund, the provisions of section 1406 of the Companies Act shall apply;
- (xiv) **Fund Exchanges.** Subject to the provisions of the Articles of Association, a Shareholder holding Shares in any Class in a Fund on any Dealing Day shall have the right from time to time to exchange all or any of such Shares for Shares of another Class (such Class being either an existing Class or a Class agreed by the Directors to be brought into existence with effect from that Dealing Day);
- (xv) **Winding up.** The Articles contain provisions to the following effect:
  - (a) If the Company shall be wound up the liquidator shall, subject to the provisions of the Companies Act, apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund;
  - (b) Following deduction of the estimated expenses relating to the winding up and liquidation, the assets available for distribution amongst the Shareholders shall be applied as follows: first the proportion of the assets in a Fund attributable to each Class of Share shall be distributed to the Shareholders of Shares in the relevant Class in the proportion that the number of Shares held by each Shareholder bears to the total number of Shares relating to each such Class of Shares in issue as at the date of commencement to wind up; secondly, in the payment to the holder(s) of the subscriber shares of sums up to the notional amount paid thereon out of the assets of the Company not attributable to any Class of Share. In the event that there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets of the Company attributable to other Classes of Shares; and thirdly, any balance then remaining and not attributable to any of the Classes of Shares shall be apportioned pro-rata as between the Classes of Shares based on the Net Asset Value attributable to each Class of Shares as at the date of commencement to wind up and the amount so apportioned to a Class shall be distributed to Shareholders pro-rata to the number of Shares in that Class of Shares held by them;
  - (c) A Fund may be wound up pursuant to section 1406 of the Companies Act and in such event the provisions reflected in this paragraph (xv) shall apply mutatis mutandis in respect of that Fund;
  - (d) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the relevant Shareholders and any other sanction required by the Companies Act, divide among the holders of Shares of any Class or Classes 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, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between all the holders of Shares of different Classes of Shares. The liquidator may, with the like

authority, vest any part of the assets in trustees upon such trusts for the benefit of holders as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no Shareholder shall be compelled to accept any assets in respect of which there is a liability. A Shareholder may require the liquidator instead of transferring any asset in specie to him/her, to arrange for a sale of the assets and for payment to the holder of the net proceeds of same.

(xvi) **Share Qualification.** The Articles do not contain a share qualification for Directors.

(xvii) **Termination of Funds**

Any Fund may be terminated by the Directors, in their sole and absolute discretion, by notice in writing to the Depositary in any of the following events:-

- (a) if at any time the Net Asset Value of the relevant Fund shall be less than such amount as may be determined by the Directors in respect of that Fund; or
- (b) if any Fund shall cease to be authorised or otherwise officially approved; or
- (c) if any law shall be passed which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the relevant Fund; or
- (d) if there is a change in material aspects of the business, in the economic or political situations relating to a Fund which the Directors consider would have material adverse consequences on the holders and/or investments of the Funds; or
- (e) if there is any material change in the tax status of the Company or any Fund in Ireland or in any other jurisdiction (including any adverse tax ruling by the relevant authorities in Ireland or any jurisdiction affecting the Company or any Fund) which the Directors consider would result in material adverse consequences on the Shareholders and/or the Investments of the Fund; or
- (f) the Directors shall have resolved that it is impracticable or inadvisable for a Fund to continue to operate having regard to prevailing market conditions and/or the best interests of the Shareholders; or
- (g) if the Assets held in respect of a Fund are terminated or redeemed and the Directors determine that it is not commercially practical to reinvest the realisation proceeds of such Assets in replacement Assets on terms that will enable the relevant Fund achieve its investment objective and/or to comply with its investment policy; or
- (h) if any Fund is established as a feeder fund in accordance with the Central Bank's requirements, where the master fund into which such a feeder Fund feeds is terminated, merges into another fund or is divided into two or more funds, the relevant feeder Fund must also be terminated unless the feeder Fund has obtained approval from the Central Bank to invest as a feeder Fund into another master fund (or the master fund resulting from the merger) or convert to a non-feeder fund; or
- (i) if, in the opinion of the Directors, such termination is in the best interests of Shareholders of Shares in the Fund.

#### 11.5. **Litigation and Arbitration**

Since incorporation the Company has not been involved in any litigation or arbitration nor are the Directors aware of any pending or threatened litigation or arbitration.

#### 11.6. **Directors' Interests**<sup>1</sup>

- (i) There are no service contracts in existence between the Company and any of its Directors, or are any such contracts proposed;
- (ii) At the date of this Prospectus, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Company and save as provided in (iv) and (v) below, no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company;
- (iii) At the date of this Prospectus none of the Directors nor any Person Closely Associated have any beneficial interest in the share capital of the Company or any options in respect of such capital;
- (iv) Alessandro Chiarini is a director of the Company and CEO of the Investment Manager; and
- (v) Conor MacGuinness is a director of the Company and the Manager.

#### 11.7. **Material Contracts**

The following contracts have been entered into otherwise than in the ordinary course of the business intended to be carried on by the Company and are or may be material:

- (a) the Management Agreement dated 15 November 2019 between the Company and the Manager. This Agreement provides that the appointment of the Manager shall continue in force unless and until terminated by either party giving to the other not less than 6 months written notice. The Management Agreement contains indemnities in favour of the Manager other than matters arising by reason of its negligence, wilful misconduct or fraud.
- (b) the Investment Management and Distribution Agreement dated 15 November 2019 between the Manager, the Company and the Investment Manager; this agreement provides that the appointment of the Investment Manager as investment manager and distributor will continue in force unless and until terminated by any party giving to the other parties 90 days' notice in writing although in certain circumstances the agreement may be terminated forthwith by notice in writing by a party to the others. Under this agreement, the Investment Manager shall not be liable for losses suffered by the Company or the Manager in connection with the Investment Management and Distribution Agreement unless such loss arises from the negligence, wilful misconduct or fraud in the performance or non-performance by the Investment Manager by it of its obligations or duties under the agreement. The Company has agreed to indemnify the Investment Manager against losses suffered by the Investment Manager except those arising out of its negligence, wilful misconduct or fraud in the performance or non-performance of its duties under the Investment Management and Distribution Agreement;
- (c) the Depositary Agreement between the Company, the Manager and the Depositary dated 15 November 2019. The Depositary Agreement shall continue until it is terminated by any party on not less than 90 days' prior written notice or earlier upon (i) a material breach of the provisions of the Depositary Agreement, (ii) the insolvency of a party, (iii) the Depositary ceasing to be permitted to act as a depositary of collective investment schemes, or (iv) the Company ceasing to be authorised as a collective investment scheme by the Central Bank. If a new depositary approved by the Company and the

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<sup>1</sup> Waystone and Tendercapital to confirm if there are any additional interests to be disclosed.

Central Bank is not appointed within 90 days from the date on which a party notifies of its intention to terminate the Depositary Agreement, the Company shall convene an extraordinary general meeting to consider the winding up of the Company so that the Shares can be repurchased. The Depositary Agreement contains provisions governing the responsibility and limitations on the responsibility of the Depositary and provides for its indemnification in certain circumstances. The Depositary is liable for any loss suffered by the Company or the Shareholders as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations under the Regulations. The Depositary is also liable to the Company and to its Shareholders, for the loss by the Depositary or a third party to whom the custody of financial instruments held in custody has been delegated (a **Relevant Loss**) unless it can prove that the Relevant Loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. In the event of a Relevant Loss for which the Depositary is liable, the Depositary must return, without undue delay, a financial instrument of identical type or the corresponding amount to the Company; and

- (d) the Administration Agreement dated 15 November 2019 between the Manager, the Company and the Administrator. This Administration Agreement provides that the appointment of the Administrator shall continue until terminated by any party on not less than 90 days' prior written notice or earlier upon certain breaches or the insolvency of the other party. The Administration Agreement provides that the Company shall indemnify the Administrator and hold it harmless from and against all liabilities, damages, costs, claims, regulatory fines and expenses (including and without limitation reasonable legal fees and amounts reasonably in settlement with the agreement of the Company, such agreement not to be unreasonably withheld) incurred by the Administrator, their directors, officers, employees, servants, or agents in the performance of any of their individual obligations or duties under the Agreement (including and without limitation complying with instructions given to the Administrator by or on behalf of the Company) save where such liabilities, damages, costs, claims, regulatory fines and expenses arise from the Administrator's breach of contract, negligence, fraud, bad faith or wilful default.

Please refer to each Supplement for details of any other relevant material contracts (if any) in respect of a Fund.

#### **11.8. Miscellaneous**

As of the date of this Prospectus, the Company has no loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities which are material in nature.

Save as may result from the entry by the Company into the agreements listed under the section entitled Material Contracts above or any other fees, commissions or expenses discharged, no amount or benefit has been paid or given or is intended to be paid or given to any promoter of the Company.

Save as disclosed under the Portfolio Transactions and Conflicts of Interest section above, no commissions, discounts, brokerages or other special terms have been paid or granted or are payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares or loan capital of the Company.

#### **11.9. Documents Available for Inspection**

Copies of the Memorandum and Articles of Association of the Company, Prospectus, Supplement, KIIDs and, after publication thereof, the periodic reports and accounts may be obtained free of charge on request from the Manager, the Investment Manager and the Administrator. They are also available on [www.tendercapital.com](http://www.tendercapital.com) and [www.dmsgovernance.com](http://www.dmsgovernance.com).

## 12. DIRECTORY

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<b>Registered Office</b>	<b>Manager</b>	<b>Administrator</b>
25/28 North Wall Quay International Financial Services Centre Dublin 1	<b>Waystone Management Company (IE) Limited</b> 3 <sup>rd</sup> Floor Baggot Street Lower Dublin 2 Ireland	<b>Apex Fund Services (Ireland) Limited</b> 2 <sup>nd</sup> Floor Block 5 Irish Life Centre Abbey Street Lower Dublin D01 P767 Ireland

<b>Investment Manager</b>	<b>Depository</b>	<b>Distributor</b>
<b>Tendercapital Limited</b> 42 Brook Street W1K 5DB, London United Kingdom	<b>European Depository Bank SA, Dublin Branch</b> 2 <sup>nd</sup> Floor Block 5 Irish Life Centre Abbey Street Lower Dublin D01 P767 Ireland	<b>Tendercapital Limited</b> 42 Brook Street W1K 5DB, London United Kingdom

<b>UK Facilities Agent</b>	<b>Legal Advisers in Ireland</b>	<b>Company Secretary</b>
<b>Tendercapital Limited</b> 42 Brook Street	<b>A&amp;L Goodbody LLP</b> IFSC	<b>Goodbody Secretarial Limited</b> International Financial Services



W1K 5DB, London  
United Kingdom

North Wall Quay  
Dublin 1  
Ireland

Centre  
North Wall Quay  
Dublin 1

**Auditors**

**Grant Thornton**

13-18 City Quay  
Dublin 2  
Ireland

### 13. APPENDIX 1

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#### The Regulated Markets

With the exception of permitted investments in unlisted investments and over-the-counter derivative instruments, the investments of any Fund will be restricted to the following exchanges and 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 (EEA) (Norway, Iceland and Liechtenstein); or

located in any of the following countries:-

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

(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       |
| Bahrain    | - | Bahrain Stock Exchange             |
| Bangladesh | - | Dhaka Stock Exchange               |
| Bangladesh | - | Chittagong Stock Exchange          |
| Botswana   | - | Botswana Stock Exchange            |
| Brazil     | - | Bolsa de Valores do Rio de Janeiro |
| Brazil     | - | Bolsa de Valores de Sao Paulo      |
| Chile      | - | Bolsa de Comercio de Santiago      |
| Chile      | - | Bolsa Electronica de Chile         |

Chile	-	Bolsa de Valparaiso
Peoples' Rep. of China	-	Shanghai Securities Exchange
	-	Shenzhen Stock Exchange
Colombia	-	Bolsa de Bogota
Colombia	-	Bolsa de Medellin
Colombia	-	Bolsa de Occidente
Croatia	-	Zagreb Stock Exchange
Egypt	-	Alexandria Stock Exchange
Egypt	-	Cairo Stock Exchange
Ghana	-	Ghana Stock Exchange
India	-	Bangalore Stock Exchange
India	-	Delhi Stock Exchange
India	-	Mumbai Stock Exchange
India	-	National Stock Exchange of India
Indonesia	-	Jakarta Stock Exchange
Indonesia	-	Surabaya Stock Exchange
Israel	-	Tel-Aviv Stock Exchange
Jordan	-	Amman Financial Market
Kazakhstan (Rep. Of)	-	Central Asian Stock Exchange
Kazakhstan (Rep. Of)	-	Kazakhstan Stock Exchange
Kenya	-	Nairobi Stock Exchange
Lebanon	-	Beirut Stock Exchange
Malaysia	-	Kuala Lumpur Stock Exchange
Mauritius	-	Stock Exchange of Mauritius
Mexico	-	Bolsa Mexicana de Valores
Mexico	-	Mercado Mexicano de Derivados
Morocco	-	Societe de la Bourse des Valeurs de Casablanca
New Zealand	-	New Zealand Stock Exchange
Nigeria	-	Nigerian Stock Exchange
Pakistan	-	Islamabad Stock Exchange
Pakistan	-	Karachi Stock Exchange

Pakistan	-	Lahore Stock Exchange
Peru	-	Bolsa de Valores de Lima
Philippines	-	Philippine Stock Exchange
Russia	-	Moscow Stock Exchange
Russia	-	Russian Trading System
Russia	-	Moscow Interbank Currency Exchange
Singapore	-	Singapore Stock Exchange
South Africa	-	Johannesburg Stock Exchange
South Africa	-	South African Futures Exchange
South Africa	-	Bond Exchange of South Africa
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
Taiwan		
(Republic of China)	-	Taiwan Futures Exchange
Thailand	-	Stock Exchange of Thailand
Thailand	-	Market for Alternative Investments
Thailand	-	Bond Electronic Exchange
Thailand	-	Thailand Futures Exchange
Tunisia	-	Bourse des Valeurs Mobilieres de Tunis
Turkey	-	Istanbul Stock Exchange
Turkey	-	Turkish Derivatives Exchange
Ukraine	-	Ukrainian Stock Exchange
Uruguay	-	Bolsa de Valores de Montevideo
Uruguay	-	Bolsa Electronica de Valores del Uruguay SA
Venezuela	-	Caracas Stock Exchange
Venezuela	-	Maracaibo Stock Exchange
Venezuela	-	Venezuela Electronic Stock Exchange

- Zimbabwe - Zimbabwe Stock Exchange
- Zimbabwe - Zimbabwe Derivatives Exchange
- Zambia - Lusaka Stock Exchange

(iii) any of the following markets:

EuroTLX

MICEX (equity securities that are traded on level 1 or level 2 only);

RTS1 (equity securities that are traded on level 1 or level 2 only);

RTS2 (equity securities that are traded on level 1 or level 2 only);

the market organised by the International Securities Market Association;

the market conducted by the **listed money market institutions**, as described in the Financial Services 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 over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;

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 over-the-counter market in the United States regulated by the Financial Industry Regulatory Authority Inc. (also described as the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the Financial Industry Regulatory Authority (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 Négociables (over-the-counter market in negotiable debt instruments);

NASDAQ Europe (is a recently formed market and the general level of liquidity may not compare favourably to that found on more established exchanges);

the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

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

(iv) All derivatives exchanges on which permitted financial derivative instruments may be listed or traded:

in a Member State;

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

in the United Kingdom;

in the United States of America, on the

- Chicago Board of Trade;
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;
- Eurex US;
- New York Futures Exchange;
- New York Board of Trade;
- New York Mercantile Exchange;

in China, on the Shanghai Futures Exchange;

in Hong Kong, on the Hong Kong Futures Exchange;

in Japan, on the

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

in New Zealand, on the New Zealand Futures and Options Exchange;

in Singapore, on the

- Singapore International Monetary Exchange;
- Singapore Commodity Exchange.

These exchanges and markets are listed in accordance with the requirements of the Central Bank which does not issue a list of approved exchanges and markets.

## 14. APPENDIX 2

### List of delegates/Sub-custodians<sup>2</sup>

Country	Sub-Custodian	Relationship Type
Argentina	The Branch of Citibank, N.A. in the Republic of Argentina	Branch
Australia	Citigroup Pty. Limited	Subsidiary
Austria	Citibank Europe plc	Subsidiary
Bahrain	Citibank, N.A., Bahrain Branch	Branch
Bangladesh	Citibank, N.A., Bangladesh Branch	Branch
Belgium	Citibank Europe plc	Subsidiary
Benin	Standard Chartered Bank Cote d'Ivoire	Agent
Bermuda	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Bermuda Limited	Agent
Bosnia-Herzegovina: The Federation of Bosnia and Herzegovina (Sarajevo)	UniCredit Bank d.d.	Agent
Bosnia-Herzegovina: The Republika of Srpska (Banja Luka)	UniCredit Bank d.d.	Agent
Botswana	Standard Chartered Bank of Botswana Limited	Agent
Brazil	Citibank, N.A., Brazilian Branch	Branch
Bulgaria	Citibank Europe plc, Bulgaria Branch	Subsidiary
Burkina Faso	Standard Chartered Bank Cote d'Ivoire	Agent
Canada	Citibank Canada	Subsidiary
Chile	Banco de Chile	Affiliate
China	Citibank, N.A., Hong Kong Branch (For China B shares)	Branch
China	Citibank (China) Co., Limited (Except for B Shares)	Subsidiary
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria	Subsidiary
Costa Rica	Banco Nacional de Costa Rica	Agent
Croatia	Privredna Banka Zagreb d.d.	Agent
Cyprus	Citibank Europe plc, Greece Branch	Subsidiary
Czech Republic	Citibank Europe plc, organizacni slozka	Subsidiary
Denmark	Citibank Europe plc	Subsidiary
Egypt	Citibank, N.A., Egypt	Branch
Estonia	Swedbank AS	Agent
Finland	Nordea Bank Abp.	Agent
France	Citibank Europe plc	Subsidiary
Georgia	JSC Bank of Georgia	Agent

<sup>2</sup> Apex to confirm the list of delegates and sub-delegates.





Country	Sub-Custodian	Relationship Type
Germany	Citibank Europe plc	Subsidiary
Ghana	Standard Chartered Bank of Ghana Limited	Agent
Greece	Citibank Europe plc, Greece Branch	Subsidiary
Guinea-Bissau	Standard Chartered Bank Cote d'Ivoire	Agent
Hong Kong	Citibank, N.A., Hong Kong Branch	Branch
Hungary	Citibank Europe plc, Hungarian Branch Office	Subsidiary
* Iceland	Not Applicable. Citibank is a direct member of Clearstream Banking S.A., which is an ICSD.	N/A
India	Citibank, N.A., Mumbai Branch	Branch
Indonesia	Citibank, N.A., Jakarta Branch	Branch
Ireland	Citibank, N.A., London Branch	Branch
Israel	Citibank, N.A., Israel Branch	Branch
Italy	Citibank, N.A., Milan Branch	Branch
Ivory Coast	Standard Chartered Bank Cote d'Ivoire	Agent
Jamaica	Scotia Investments Jamaica Limited	Agent
Japan	Citibank, N.A., Tokyo Branch	Branch
Jordan	Standard Chartered Bank, Jordan Branch	Agent
Kazakhstan	Citibank Kazakhstan JSC	Subsidiary
Kenya	Standard Chartered Bank Kenya Limited	Agent
Korea	Citibank Korea Inc.	Subsidiary
Kuwait	Citibank, N.A., Kuwait Branch	Branch
Latvia	Swedbank AS acting through its agent, Swedbank AS	Agent
Lebanon	Blominvest Bank S.A.L.	Agent
Lithuania	Swedbank AS acting through its agent, "Swedbank" AB	Agent
Macedonia (Republic of Macedonia)	Raiffeisen Bank International AG	Agent
Malaysia	Citibank Berhad	Subsidiary
Mali	Standard Chartered Bank Cote d'Ivoire	Agent
*Malta	Not Applicable. Citibank is a direct member of Clearstream Banking S.A., which is an ICSD.	N/A
Mauritius	The Hong Kong & Shanghai Banking Corporation Limited	Agent
Mexico	Banco Nacional de Mexico, S.A.	Citigroup Subsidiary
Morocco	Citibank Maghreb S.A.	Subsidiary
Namibia	Standard Bank of South Africa Limited acting through its agent, Standard Bank Namibia Limited	Agent
Netherlands	Citibank Europe plc	Subsidiary

Country	Sub-Custodian	Relationship Type
New Zealand	Citibank, N.A., New Zealand Branch	Branch
Niger	Standard Chartered Bank Cote d'Ivoire	Agent
Norway	DNB Bank ASA	Agent
Oman	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Oman S.A.O.G.	Agent
Pakistan	Citibank, N.A., Pakistan Branch	Branch
Panama	Citibank, N.A., Panama Branch	Branch
Peru	Citibank del Peru S.A	Subsidiary
Philippines	Citibank, N.A., Philippines Branch	Branch
Poland	Bank Handlowy w Warszawie SA	Subsidiary
Portugal	Citibank Europe plc	Subsidiary
Qatar	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Middle East Limited	Agent
Romania	Citibank Europe plc, Dublin - Romania Branch	Subsidiary
Russia	AO Citibank	Subsidiary
Saudi Arabia	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Saudi Arabia Ltd.	Agent
Senegal	Standard Chartered Bank Cote d'Ivoire	Agent
Serbia	UniCredit Bank Srbija a.d.	Agent
Singapore	Citibank, N.A., Singapore Branch	Branch
Slovak Republic	Citibank Europe plc, pobočka zahraničnej banky	Subsidiary
Slovenia	UniCredit Banka Slovenija d.d.. Ljubljana.	Agent
South Africa	Citibank, N.A., South Africa	Branch
Spain	Citibank Europe plc, sucursal en Espana	Subsidiary
Sri Lanka	Citibank, N.A., Sri Lanka Branch	Branch
Sweden	Citibank Europe plc, Sweden Branch	Subsidiary
Switzerland	Citibank, N.A., London Branch	Branch
Taiwan	Citibank Taiwan Limited	Subsidiary
Tanzania	Standard Bank of South Africa Ltd. acting through its affiliate, Stanbic Bank Tanzania Ltd.	Agent
Thailand	Citibank, N.A., Bangkok Branch	Branch
Togo	Standard Chartered Bank Cote d'Ivoire	Agent
Tunisia	Union Internationale de Banques	Agent
Turkey	Citibank, A.S.	Subsidiary
Uganda	Standard Chartered Bank Uganda Limited	Agent
Ukraine	JSC "Citibank"	Subsidiary

Country	Sub-Custodian	Relationship Type
United Arab Emirates, ADX	Citibank, N.A., UAE	Branch
United Arab Emirates, DFM	Citibank, N.A., UAE	Branch
United Arab Emirates, NASDAQ Dubai	Citibank, N.A., UAE	Branch
United Kingdom	Citibank, N.A., London Branch	Branch
United States	Citibank, N.A., New York Offices	Branch
Uruguay	Banco Itau Uruguay S.A.	Agent
Vietnam	Citibank, N.A., Hanoi Branch	Branch
Zambia	Standard Chartered Bank Zambia Plc	Agent
Zimbabwe	Standard Bank of South Africa Ltd. acting through its affiliate Stanbic Bank Zimbabwe Ltd.	Agent

* Euroclear Bank SA/NV	ICSD
* Clearstream Banking S.A.	ICSD

\*Citibank, as global custodian, is a direct member of Euroclear Bank and Clearstream, which are ICSD's and not sub-custodians.