

## **UBS (Irl) Investor Selection PLC**

(an open-ended umbrella investment company with variable capital and segregated liability between Sub-Funds incorporated with limited liability in Ireland under the Companies Act 2014 with registration number 478169 and established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011. (S.I Number 352 of 2011) (as amended))

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

### **INVESTMENT MANAGER**

**UBS Asset Management (UK) Ltd**

POTENTIAL INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS PROSPECTUS AS LEGAL, INVESTMENT, TAX OR OTHER ADVICE. EACH POTENTIAL INVESTOR MUST RELY UPON HIS OR HER OWN REPRESENTATIVES, INCLUDING HIS OR HER OWN LEGAL COUNSEL AND ACCOUNTANTS, AS TO LEGAL, ECONOMIC, TAX AND RELATED ASPECTS OF THE INVESTMENT DESCRIBED HEREIN AND AS TO ITS SUITABILITY FOR SUCH INVESTOR.

THE SHARES ARE SUITABLE ONLY FOR INVESTORS FOR WHOM AN INVESTMENT IN THE COMPANY DOES NOT CONSTITUTE A COMPLETE INVESTMENT PORTFOLIO AND WHO FULLY UNDERSTAND, AND ARE WILLING TO ASSUME, THE RISKS INVOLVED IN THE INVESTMENT OBJECTIVE AND POLICIES OF THE COMPANY.

**01 September, 2017**

## IMPORTANT INFORMATION

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

### **The Prospectus**

This Prospectus describes UBS (Irl) Investor Selection PLC (the "**Company**"), an open-ended umbrella investment company with variable capital incorporated in Ireland and authorised by the Central Bank as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) (as amended) ("**UCITS**") with segregated liability between its Sub-Funds. The Company is structured as an umbrella fund and may comprise several portfolios of assets. The share capital of the Company ("**Shares**") may be divided into different classes of shares ("**Sub-Funds**") each representing a separate portfolio of assets and further sub-divided into "Classes" to denote differing characteristics attributable to particular Shares.

This Prospectus may only be issued with one or more Supplements each containing a description of information specific to each Sub-Fund where such information is not disclosed in the main body of the Prospectus. Details relating to Classes may be dealt with in the relevant Sub-Fund Supplement or in separate Supplements for each Class. Each Supplement shall form part of, and should be read in conjunction with, this Prospectus. To the extent that there is any inconsistency between this Prospectus and any Supplement, the relevant Supplement shall prevail.

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

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

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

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

**The Directors and/or the Manager are empowered to levy a redemption charge not exceeding 3% of the redemption amount of any redemption in respect of a Sub-Fund unless otherwise provided in the relevant Supplement. Details of any such charge will be set out in the relevant Supplement.**

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

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

The Directors and/or the Manager may restrict the ownership of Shares by any person, firm or corporation where such ownership would be in breach of any regulatory or legal requirement or may affect the tax status of the Company. Any restrictions applicable to a particular Sub-Fund or Class shall be specified in the relevant Supplement for such Sub-Fund or Class. Any person who is holding Shares in contravention of the restrictions set out above or, by virtue of his holding, is in breach of the laws and regulations of any competent jurisdiction or whose holding could, in the opinion of the Directors and/or the Manager, cause the Company or any Shareholder to incur any liability to taxation or to suffer any pecuniary disadvantage which any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors and/or the Manager believe might be prejudicial to the interests of the Shareholders, shall indemnify the Company, the Manager, the Investment Manager, the Depositary, the Administrator and the Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the Company. The afore-referenced indemnity shall be applied or exercised by the Directors and/or the Manager in good faith and only on reasonable grounds. It is not the intention of the Directors and/or the Manager to apply or exercise any withholding, set-off or rights of deductions pursuant to the afore-referenced provisions, save to the extent permitted by any applicable laws and regulations.

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

#### *United States of America*

The Shares are being offered only to (a) persons who are not "U.S. Persons" as defined in Rule 902 under the U.S. Securities Act of 1933, as amended (the "Securities Act") and who are non-U.S. Persons as defined in Rule 4.7 under the U.S. Commodity Exchange Act 1974, as amended (the "**Commodity Act**") and (b) U.S. tax-exempt persons who qualify as "accredited

investors" as defined under the Securities Act and as "qualified purchasers" as defined under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"). The Shares have not been and will not be registered under the Investment Company Act.

THE INVESTMENT MANAGER IS EXEMPT FROM REGISTRATION WITH THE COMMODITY FUTURES TRADING COMMISSION AS A COMMODITY POOL OPERATOR BECAUSE PARTICIPATION IN THIS POOL IS LIMITED TO CERTAIN INDIVIDUALS WHO ARE WITHIN A SUBCLASS OF QUALIFIED ELIGIBLE PERSONS ("**QEPS**") AND TO ENTITIES THAT ARE EITHER QEPS OR ACCREDITED INVESTORS, RECOGNISED UNDER THE FEDERAL SECURITIES AND COMMODITIES LAWS. THEREFORE, THE INVESTMENT MANAGER IS NOT REQUIRED TO DELIVER A DISCLOSURE DOCUMENT AND A CERTIFIED ANNUAL REPORT TO PARTICIPANTS IN THIS POOL.

These Shares have not been registered under the Securities Act nor qualified or approved under any other non-U.S., federal or state securities laws. Neither the U.S. Securities and Exchange Commission ("**SEC**") nor any other non-U.S. federal or state regulatory authority has passed on or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence. The Directors and/or the Manager do not intend at this time to list the Shares on any stock exchange. There will not be any public market for the Shares in the United States and one is not expected to develop.

These Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable non U.S. and U.S. state securities laws, pursuant to registration or exemption therefrom, and may not be sold or otherwise transferred except in accordance with the requirements and conditions set forth in this Prospectus. Shares generally may be redeemed only as provided in the Prospectus and the Application Form. The Directors and/or the Manager reserve the right to suspend redemptions under certain circumstances as outlined under "General and Statutory Information". Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time.

### **Reliance on this Prospectus**

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

**Investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or other matters. If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the Company or the suitability for you of investment in the Company, you should consult your stockbroker or other independent financial adviser.**

**The attention of investors is drawn to the potential for above average risk associated with an investment in the Company. Accordingly, such investment should only be undertaken by people in a position to take such a risk.**

**The price of the Shares as well as any income in the Company may fall as well as rise. The difference at any one time between the sale and repurchase price of Shares means that an investment in the Company should be viewed as medium to long term.**

### **Risk Factors**

Investors should read and consider the section entitled "Risk Factors" before investing in the Company.

### **Translations**

This Prospectus and any Supplements may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus and Supplements. To the extent that there is any inconsistency between the English language Prospectus/Supplements and the Prospectus/Supplement in another language, the English language Prospectus/Supplements will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold.

## DIRECTORY

### UBS (Irl) Investor Selection PLC

#### Directors

Eimear Cowhey  
John Donohoe  
Rohit Kumar  
Adrian Waters

#### Manager

UBS Fund Management (Luxembourg) S.A.  
33A Avenue J.F. Kennedy  
L-1855 Luxembourg

#### Investment Manager

UBS Asset Management (UK) Ltd  
5 Broadgate  
London, EC2M 2QS  
England

#### Registered Office

Ormonde House  
12-13 Lower Leeson Street  
Dublin 2  
Ireland

#### Depository

J.P. Morgan Bank (Ireland) plc,  
JP Morgan House  
International Financial Services Centre  
Dublin 1  
Ireland

#### Administrator, Transfer Agent and Company Secretary

MUFG Alternative Fund Services (Ireland) Limited,  
Ormonde House  
12-13 Lower Leeson Street  
Dublin 2  
Ireland  
Fax: +353 1 4363601

#### Auditors

KPMG  
Chartered Accountants  
1 Stokes Place  
St Stephen's Green  
Dublin 2

#### Legal Advisors as to Irish law

Maples and Calder  
75 St. Stephen's Green  
Dublin 2  
Ireland

#### Distributor

UBS AG  
Aeschenvorstadt 1  
CH-4051  
Basel  
Switzerland

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## DEFINITIONS

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

"Accounting Date"	means 30 September in each year.
"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 a Share or a Class of Shares in a Sub-Fund which generally does not pay a dividend as more particularly described under "Dividend Policy".
"Act"	means the Companies Act 2014 and every amendment or re-enactment of the same.
"Administrator"	means MUFG Alternative Fund Services (Ireland) Limited or any successor thereto duly appointed in accordance with the Central Bank Rules as the administrator to the Company.
"Administration Agreement"	means the Administration Agreement made between the Company and the Administrator dated 14 December 2009, as amended (as novated by way of a novation agreement dated 01 September 2017 to the Manager), as may be amended, supplemented or replaced from time to time.
"AIF"	means an alternative investment fund as defined in regulation 5(1) of the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. No. 257 of 2013) and/or any other collective investment undertaking meeting the criteria outlined in Regulation 68(e) of the UCITS Regulations.
"Application Form"	means any application form to be completed by subscribers for Shares as prescribed by the

	Company from time to time and including the Relevant Declaration.
"Articles of Association"	means the Memorandum and Articles of Association of the Company.
"Auditors"	means the Company's auditors, KPMG.
"Base Currency"	means as described in respect of a particular Sub-Fund in the relevant Supplement.
"Benchmark"	means as described in the relevant Supplement.
"Business Day"	means as described in the relevant Supplement.
"Central Bank"	means the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the Company.
"Central Bank Rules"	means the Central Bank UCITS Regulations and any other statutory instrument, regulations, rules, conditions, notices, requirements or guidance of the Central Bank issued from time to time and applicable to 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 2015, as may be amended, supplemented or replaced from time to time and any related guidance issued by the Central Bank from time to time.
"Class"	means a particular division of Shares in a Sub-Fund.
"Company"	means UBS (Irl) Investor Selection Plc.
"Depository"	means J.P. Morgan Bank (Ireland) plc, which acts as depository of the Company or any successor company approved by the Central Bank as depository of the assets of the Company and each Sub-Fund.

"Depositary Agreement"	means the Depositary Agreement dated 28 April 2017.
"Directors"	means the directors of the Company or any duly authorised committee or delegate thereof.
"Distributing Shares"	means a Share or Class of Shares in a Sub-Fund which generally pays a dividend as more particularly described under "Dividend Policy".
"Distribution Agreement"	means the agreement dated 22 August 2014 between the Manager and the Distributor, as amended, and as may be further amended, supplemented or replaced from time to time.
"Distributor"	UBS AG or any successor company appointed by the Manager in accordance with the requirements of the Central Bank UCITS Regulations to make the Shares available for purchase by investors.
"EEA"	means the countries for the time being comprising the European Economic Area (being at the date of this Prospectus, European Union Member States, Norway, Iceland Switzerland, Turkey and Liechtenstein).
"Eligible Assets"	those investments which are eligible for investment by a UCITS as detailed in the Central Bank UCITS Regulations.
"ESMA"	means the European Securities and Markets Authority.
"euro" or "€"	means the lawful currency of the participating member states of the European Union which have adopted the single currency in accordance with the EC Treaty of Rome dated 25th March 1957 (as amended by the Maastricht Treaty dated 7th February 1992).
"Eurozone"	means a geographic and economic region that consists of all the European Union countries that have fully incorporated the euro as their national currency.

"Exempt Irish Investor"

means:-

- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;
- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a qualifying fund manager within the meaning of Section 784A(1)(a) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a qualifying management company within the meaning of Section 739B of the Taxes Act;
- an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- a personal retirement savings account ("PRSA") administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Asset Management Agency;
- the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management

Agency;

- a company which is within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act in respect of payments made to it by the Company; or
- any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company giving rise to a charge to tax in the Company;

provided that they have correctly completed the Relevant Declaration.

"FCA"

means the UK Financial Conduct Authority.

"Initial Offer Period"

means the initial offer period during which Shares in a Sub-Fund's particular Class are first offered, at a fixed price, as described in the relevant Supplement.

"Initial Price"

means the initial price payable for a Share during the Initial Offer Period of the relevant Class, or when a Share in the relevant Class is first issued, as applicable, as specified in the relevant Supplement.

"Intermediary"

means a person who:-

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

"Investment Manager"

means UBS Asset Management (UK) Ltd or any successor(s) thereto appointed by the Manager to act as investment manager of the Company.

"Investment Management Agreement" means the agreement made between the Manager and the Investment Manager dated 01 February 2016, as amended, and as may be further amended, supplemented or replaced from time to time.

"Ireland" means the Republic of Ireland.

"Irish Resident" means:-

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

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

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

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

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

-  
or

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

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

It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and potential investors are referred to the specific legislative provisions

	that are contained in Section 23A of the Taxes Act.
"List A Eligible Country"	means as of the date of this Prospectus, these countries are: BE, GB, GG, IE, IM, JE, NL. This list will be updated from time to time and an up to date list of List A Eligible Countries is available at <a href="http://www.ubs.com/funds">www.ubs.com/funds</a> . Only countries included in this list will be considered List A Eligible Countries.
"List B Eligible Country"	means as of the date of this Prospectus, these countries are: AD, AT, BG, BR, CH, CY, CZ, DK, EE, FI, FR, DE, GR, HK, HU, IS, IT, LI, LV, LT, LU, MT, NO, PL, PT, RO, SK, SI, ES, SE, SG. This list will be updated from time to time and an up to date list of List B Eligible Countries is available at <a href="http://www.ubs.com/funds">www.ubs.com/funds</a> . Only countries included in this list will be considered List B Eligible Countries.
"List C Eligible Country"	means as of the date of this Prospectus, these countries are: CH, LI. This list will be updated from time to time and an up to date list of List C Eligible Countries is available at <a href="http://www.ubs.com/funds">www.ubs.com/funds</a> . Only countries included in this list will be considered List C Eligible Countries.
"Manager"	means UBS Fund Management (Luxembourg) S.A. or any successors thereto appointed by the Company to act as manager of the Company.
"Management Company Agreement"	means the agreement dated 01 September 2017 between the Company and the Manager as may be amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank.
"Member"	means a Shareholder or a person who is registered as the holder of one or more non-participating shares in the Company.
"Member State"	means a member state of the European Union.



"Minimum Holding"	means the minimum number or value of Shares which must be held by Shareholders which is equal to the Minimum Subscription amount or another amount as may be specified in the relevant Supplement.
"Minimum Subscription"	means the minimum amount which may be subscribed for Shares as specified in the table in the section entitled "Available Classes".
"Net Asset Value"	means the Net Asset Value of a Sub-Fund or attributable to a Class (as appropriate) calculated as referred to herein.
"Net Asset Value per Share"	means the Net Asset Value of a Sub-Fund divided by the number of Shares in issue in that Sub-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 and/or the Manager may determine.
"OECD Member Country"	means each of Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland, Turkey, United Kingdom and the United States.
"Ordinarily Resident in Ireland"	<p>means:-</p> <ul style="list-style-type: none"> <li>• in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes;</li> <li>• in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.</li> </ul> <p>An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/she becomes</p>

ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2014 to 31 December 2014 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2017 to 31 December 2017.

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

"OTC"	means Over-the-Counter.
"Paying Agent"	means one or more paying agents that may be appointed by the Manager in certain jurisdictions.
"Prospectus"	means the prospectus of the Company and any Supplements and addenda thereto issued in accordance with the requirements of the Central Bank.
"Exchange"	means the stock exchanges or markets set out in Appendix II.
"Recognised Clearing System"	means any clearing system listed in Section 246A of the Taxes Act (including, but not limited to, Euroclear Clearstream Banking AG, Clearstream Banking SA, and CREST) or any other system for clearing shares which is designated for the purposes of Chapter 1A in Part 27 of the Taxes Act, by the Irish Revenue Commissioners, as a recognised clearing system.
"Redemption Day"	means in relation to a Sub-Fund such Business Day as shall be specified in the relevant Supplement for that Sub-Fund or such other day or days as may be determined by the Directors and/or the Manager and notified in advance to Shareholders provided that there shall be at least two Redemption Days in each month occurring at regular intervals.

"Redemption Deadline"	means in relation to a Sub-Fund such Business Day and/or time of day as shall be specified in the relevant Supplement for that Sub-Fund or such other day and/or time as the Directors and/or the Manager may determine and notify in advance to Shareholders, provided always that the Redemption Deadline is no later than the Valuation Point.
"Relevant Declaration"	means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act.
"Relevant Period"	means a period of 8 years beginning with the acquisition of a Share by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding Relevant Period.
"Securities Financing Transactions"	means repurchase agreements, reverse repurchase agreements, securities lending agreements and any other transactions within the scope of SFTR that a Sub-Fund is permitted to engage in.
"SFT Regulations" or "SFTR"	means Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No. 648/2012 as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time.
"Share"	means a participating share or, save as otherwise provided in this Prospectus, a fraction of a participating share in the capital of the Company representing a Sub-Fund.
"Shareholder"	means a person who is registered as the holder of Shares in the register of Shareholders for the time being kept by or on behalf of the Company.
"Specified US Person"	means (i) a US citizen or resident individual, (ii) a partnership or corporation organised in the United

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

Revenue Code. This definition shall be interpreted in accordance with the US Internal Revenue Code.

"Sterling" or "£" or "GBP"	means the lawful currency for the time being of the United Kingdom.
"Sub-Investment Manager"	means any sub-investment manager appointed by the Investment Manager as described in the Section entitled "Investment Manager" and as specified in the relevant Supplement for each Sub-Fund, if applicable.
"Subscription Day"	means in relation to a Sub-Fund such Business Day as shall be specified in the relevant Supplement for that Sub-Fund or such other day or days as may be determined by the Directors and/or the Manager and notified in advance to Shareholders provided that there shall be at least two Subscription Days in each month occurring at regular intervals.
"Subscription Deadline"	means in relation to a Sub-Fund such Business Day and/or time of day as shall be specified in the relevant Supplement for that Sub-Fund or such other day and/or time as the Directors and/or the Manager may determine and notify in advance to Shareholders, provided always that the Subscription Deadline is no later than the Valuation Point.
"Sub-Fund"	means a sub-fund of the Company representing the designation by the Directors and/or the Manager of a particular Class or Classes of Shares as a sub-fund, the proceeds of issue of which are pooled separately and invested in accordance with the investment objective and policies applicable to such sub-fund and which is established by the Directors and the Manager from time to time with the prior approval of the Central Bank.
"Supplement"	means a supplement to this Prospectus specifying certain information in respect of a Sub-Fund and/or one or more Classes.

"Swedish Krona" or "SEK"	means the lawful currency for the time being of Sweden.
"Taxes Act"	means the Taxes Consolidation Act, 1997 (of Ireland) as amended.
"Total Return Swap"	means a derivative (and a transaction within the scope of SFTR) whereby the total economic performance of a reference obligation is transferred from one counterparty to another counterparty.
"UCITS"	means an Undertaking for Collective Investment in Transferable Securities established pursuant to the UCITS Directive.
"UCITS Directive"	EC Council Directive 2009/65/EC of 13 July 2009, as amended by Directive 2014/91/EU of 23 July, 2014, as amended, consolidated or substituted from time to time.
"UCITS Regulations"	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) as amended (as may be further amended consolidated or substituted from time to time) and any regulations or notices issued by the Central Bank pursuant thereto for the time being in force.
"UK"	means the United Kingdom of Great Britain and Northern Ireland.
"United States"	means the United States of America (including the States and the District of Columbia) its territories, possessions and all other areas subject to its jurisdiction.
"US Dollar", "USD" or "US\$"	means United States Dollars, the lawful currency for the time being of the United States of America.
"US Person"	means any person who: (i) is a United States person within the meaning of Section 7701(a)(30) of the US Internal Revenue Code of 1986, as

amended, and the Treasury Regulations promulgated thereunder; (ii) is a US person within the meaning of Regulation S under the US Securities Act of 1933 (17 CFR § 230.902(k)); (iii) is not a Non-United States person within the meaning of Rule 4.7 of the US Commodity Futures Trading Commission Regulations (17 CFR § 4.7(a)(1)(iv)); (iv) is in the United States within the meaning of Rule 202(a)(30)-1 under the US Investment Advisers Act of 1940, as amended; or (v) any trust, entity or other structure formed for the purpose of allowing US Persons to invest in the Sub-Fund.

"Valuation Day"

means in relation to a Sub-Fund the Business Day determined by the Directors and/or the Manager and specified in the relevant Sub-Fund Supplement, and/or such other day or days as the Directors and/or the Manager may from time to time determine and notify in advance to Shareholders provided that there shall be at least one Valuation Day in respect of each Subscription Day and Redemption Day.

"Valuation Point"

means such time on the Valuation Day as the Directors and/or the Manager may from time to time determine and specify in the relevant Sub-Fund Supplement.

"VAT"

means Value Added Tax.

## 1. THE COMPANY

### General

The Company is an open-ended investment company with variable capital, incorporated in Ireland on 1 December, 2009 under the Act with registration number 478169. The Company has been authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations.

The Company is structured as an umbrella fund consisting of different Sub-Funds each comprising one or more Classes. Shares issued in each Sub-Fund will rank *pari passu* with each other in all respects provided that they may differ as to certain matters including currency of denomination, hedging strategies, if any, applied to the currency of a particular Class, dividend policy, voting rights, return of capital, the level of fees and expenses to be charged or the Minimum Subscription and Minimum Holding, if applicable.

The assets of each Sub-Fund will be invested separately on behalf of each Sub-Fund in accordance with the investment objective and policies of each Sub-Fund. A separate portfolio of assets is not maintained for each Class. The investment objective and policies and other details in relation to each Sub-Fund are set out in the relevant Supplement which forms part of and should be read in conjunction with this Prospectus.

At the date of this Prospectus, the Company has established the Sub-Funds and Classes which are set out in the Supplements. Additional Sub-Funds in respect of which a Supplement or Supplements will be issued may be established by the Directors and/or the Manager with the prior approval of the Central Bank. Additional Classes in respect of which a Supplement or Supplements will be issued may be established by the Directors and/or the Manager upon notification to, and clearance in advance by, the Central Bank.

### Investment Objective and Policies

The specific investment objective and policy of each Sub-Fund will be set out in the relevant Supplement to this Prospectus and will be formulated by the Directors and/or the Manager at the time of creation of the relevant Sub-Fund.

Pending investment of the proceeds of a placing or offer of Shares or where market or other factors so warrant, a Sub-Fund's assets may be invested in money market instruments, including but not limited to certificates of deposit, floating rate notes and fixed or variable rate commercial paper and in cash deposits denominated in such currency or currencies as the Investment Manager may determine.

The Company shall not make any change to the investment objectives of a Sub-Fund, or any material change to the investment policy of a Sub-Fund, as set out in the relevant Supplement, unless Shareholders have, in advance, on the basis of a simple majority of votes cast at a general meeting or with the prior written approval of Shareholders of the relevant Sub-Fund (in



accordance with the Articles of Association), approved such change(s). In accordance with the requirements of the Central Bank UCITS Regulations, "material" shall be taken to mean, although not exclusively, changes which would significantly alter the asset type, credit quality, borrowing limits or risk profile of a Sub-Fund. In the event of a change of the investment objective and/or material change to the investment policy of a Sub-Fund, on the basis of a simple majority of votes cast at a general meeting, Shareholders in the relevant Sub-Fund will be given reasonable notice of such change to enable them redeem their Shares prior to implementation of such a change.

The list of Exchanges on which a Sub-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 II.

### **Investment Restrictions**

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

### **Borrowing Powers**

The Company may only borrow on a temporary basis and the aggregate amount of such borrowings in respect of each Sub-Fund may not exceed 10% of the Net Asset Value of the relevant Sub-Fund. Subject to this limit, the Directors and/or the Manager may exercise all borrowing powers on behalf of the Company. In accordance with the provisions of the UCITS Regulations, the Company may charge its assets as security for such borrowings. A Sub-Fund may acquire foreign currency by means of a "back to back" loan agreement. The Company shall ensure that a Sub-Fund with foreign currency borrowings which exceed the value of a back-to-back deposit treats that excess as borrowings for the purpose of Regulation 103 of the UCITS Regulations.

### **Adherence to Investment and Borrowing Restrictions**

The Company will, with respect to each Sub-Fund, adhere to any investment or borrowing restrictions herein subject to the UCITS Regulations.

### **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 UCITS Regulations which would permit investment by the Company in securities, derivative instruments or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited under the UCITS Regulations. Any changes to the investment and borrowing restrictions will be disclosed in an updated Prospectus. Any change

to the investment objective and any material change to the investment policy of any Sub-Fund will require the prior approval of the Shareholders of the relevant Sub-Fund.

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

The profile of a typical investor for each Sub-Fund is set out in the Supplement for the relevant Sub-Fund.

### **Efficient Portfolio Management**

Each Sub-Fund may, subject to the requirements of the Central Bank, engage in the use of financial derivative instruments and other instruments for efficient portfolio management purposes provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set out in Appendix I. Efficient portfolio management transactions relating to the assets of the Company may be entered into with one of the following aims: i) the reduction or stabilisation of risk; ii) the reduction of cost with no increase or a minimal increase in risk; iii) the generation of additional capital or income for the Sub-Fund with a level of risk consistent with the risk profile of the Sub-Fund, subject to and in accordance with the diversification requirements as set out in the Central Bank's UCITS Regulations and as disclosed in Appendix I to the Prospectus. In relation to efficient portfolio management operations, the Investment Manager will look to ensure that the techniques and instruments used are economically appropriate in that they will be realised in a cost-effective way. Such techniques and instruments may include foreign exchange transactions which alter the currency characteristics of transferable securities held by the Sub-Fund. Such techniques and instruments are set out in Appendix III to this Prospectus.

The Investment Manager may also employ (subject to the conditions and within the limits laid down by the Central Bank) financial derivative instruments and other instruments intended to provide protection against exchange and/or interest rate risks in the context of the management of its assets and liabilities.

The techniques and instruments which the Company may use on behalf of any Sub-Fund include, but are not limited to those set out in Appendix III and, if applicable to a particular Sub-Fund, those set out in the relevant Supplement.

Repurchase agreements, reverse repurchase agreements and/or stocklending arrangements will only be utilised for efficient portfolio management purposes. Please see section below entitled "Securities Financing Transactions" for further details.

The Company shall ensure that all revenues arising from Securities Financing Transactions and efficient portfolio management techniques and instruments, net of direct and indirect operational costs and fees, are returned to the Sub-Fund.

For the purpose of providing margin or collateral in respect of transactions in techniques and

instruments, the Company may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Sub-Fund in accordance with normal market practice (including the transfer of daily variation margins).

### **Hedged Classes**

**For the benefit of holders of Classes of Shares that are denominated in a currency other than the Base Currency, the Investment Manager may, but is not obliged to, seek, through the use of forward foreign exchange contracts and/or currency futures contracts, to hedge the foreign exchange exposure arising as a result of fluctuations between the denominated currency of the Class and the Base Currency. Any such hedging will endeavour to hedge no less than 95 per cent of the portion of the net assets of the relevant Class of Shares which is to be hedged against currency risk. Due to matters outside the control of the Company, currency exposure may be over or under hedged but over hedged positions will not be permitted to exceed 105 per cent. of the net assets of the relevant Class of Shares. Hedged positions will be kept under review on an ongoing basis, at least at the same valuation frequency of the Sub-Fund, to ensure that over hedged or under hedged positions do not exceed/fall short of the permitted levels disclosed above. Such review will incorporate a procedure to rebalance the hedging arrangements on a regular basis to ensure that any such position stays within the permitted position levels disclosed above and is not carried forward from month to month.** Any financial instruments used to implement such strategies with respect to one or more Classes shall be assets/liabilities of a Sub-Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Given that there is no segregation of liability between Classes of Shares, there is a risk that, under certain circumstances, currency hedging transactions in relation to Classes of Shares which have "hedged" in their name could result in liabilities which might affect the Net Asset Value of other Classes of Shares of the relevant Sub-Fund. Where a Class of Shares is to be hedged this will be disclosed in the Supplement for the Sub-Fund in which such Class is issued. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Sub-Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes.

Investors should also note that, to the extent that hedging is successful, the performance of the Class is likely to move in line with the performance of the underlying assets and that investors in a hedged class will not benefit if the Class currency falls against the Base Currency and/or the currency in which the assets of the Company are denominated and that this hedging strategy may substantially limit holders of these Shares from benefiting if the Base Currency falls against the denominated currency of the Class.

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

Each Sub-Fund's currency hedging policy will be as set out in the relevant Supplement.

### **Financial Derivative Instruments**

The Company may invest in financial derivative instruments including equivalent cash settled instruments dealt in on an Exchange and/or in OTC derivative instruments in each case under and in accordance with conditions or requirements imposed by the Central Bank. The financial derivative instruments in which the Company may invest and the expected effect of investment in such financial derivative instruments on the risk profile of a Sub-Fund are disclosed in Appendix III hereto. The purpose of any such investment will be disclosed in the Supplement for the relevant Sub-Fund. If other financial derivative instruments may be invested in for a particular Sub-Fund, such instruments and their expected effect on the risk profile of such Sub-Fund and the extent to which a Sub-Fund may be leveraged through the use of financial derivative instruments will be disclosed in the relevant Supplement.

The Manager will employ a risk management process which will enable it to measure, monitor and manage the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. The Manager will not utilise financial derivatives which have not been included in the risk management process until such time as the revised risk management process has been updated and provided to the Central Bank. On request supplementary information are provided to Shareholders relating to the risk management methods employed by the Manager including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

Where deemed appropriate, and subject to the UCITS Regulations, the Sub-Funds may employ leverage including, without limitation, by entering into derivatives transactions. Global exposure (as prescribed in the Central Bank UCITS Regulations) relating to Financial Derivative Instruments will be measured using either the commitment approach or using a sophisticated risk measurement technique known as "value-at-risk" (VaR) depending on the risk profile of the strategies pursued by each Sub-Fund. The commitment approach calculates global exposure by measuring the market value of the underlying exposures of Financial Derivative Instruments. VaR is a statistical methodology that predicts, using historical data, the likely maximum daily loss that a Sub-Fund could suffer, calculated to a 99% confidence level. There is, therefore, a 1% statistical chance that the daily VaR limit may be exceeded. The Sub-Fund may use an "absolute" VaR model where the measurement of VaR is relative to the Net Asset Value of the Sub-Fund or the Sub-Fund may use a relative VaR model where the measurement of VaR is relative to a comparable benchmark or equivalent derivatives free portfolio (in the case of the latter, the Sub-Fund's portfolio but with the underlying positions of the Sub-Fund's Financial Derivative Instruments instead of the Financial Derivative Instruments themselves). Where an "absolute" VaR model is used, the daily VaR limit may not exceed 5% of the Net Asset Value of the Sub-Fund and the VaR limit over a 20 day holding period may not exceed 20% of the Net Asset Value of the Sub-Fund. Where a "relative" VaR model is used, the daily VaR limit may not exceed twice the VaR of the benchmark or equivalent derivatives free portfolio. The approach to

the measurement of global exposure taken in respect of each Sub-Fund will be set out in the relevant Supplement.

For the purpose of providing margin or collateral in respect of transactions in financial derivative instruments, the Company may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Sub-Fund in accordance with normal market practice (including the transfer of daily variation margins).

**Publication of Net Asset Value per Share**

The Net Asset Value per Share will be published on the following web-site [www.bloomberg.com](http://www.bloomberg.com) and updated following each calculation of the Net Asset Value per Share. In addition, the Net Asset Value per Share may be obtained from the Administrator during normal business hours.

## RISK FACTORS

### General

The risks described herein should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Sub-Fund. Potential investors should be aware that an investment in a Sub-Fund may be exposed to other risks of an exceptional nature from time to time. Investment in the Company carries with it a degree of risk. Different risks may apply to different Sub-Funds and/or Classes. Details of specific risks attaching to a particular Sub-Fund or Class which are additional to those described in this section will be disclosed in the relevant Supplement. Prospective investors should review this Prospectus and the relevant Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares. Prospective investors are advised that the value of Shares and income, if any, from them may go down as well as up and, accordingly, an investor may not get back the full amount invested and an investment should only be made by persons who can sustain a loss on their investment. Past performance of a Sub-Fund should not be relied upon as an indicator of future performance. The difference at any one time between the sale price (to which may be added a sales charge or commission) and the redemption price of Shares (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 drawn to the taxation risks associated with investing in a Sub-Fund. Please refer to the section of the Prospectus entitled "Taxation". The securities and instruments in which a Sub-Fund invests are subject to normal market fluctuations and other risks inherent in investing in such investments and there can be no assurance that any appreciation in value will occur.

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

### ***Business Risk***

There can be no assurance that the Company will achieve its investment objective in respect of any of the Sub-Funds.

### ***Dependence on the Investment Manager***

All decisions with respect to the trading activities of the Sub-Funds are made exclusively by the Investment Manager and any sub-investment managers appointed by it. Investors will not have the opportunity to evaluate fully for themselves the relevant economic, financial, and other information regarding a Sub-Fund's investments. Investors are dependent on the Investment Manager's judgment and abilities.

### ***Key Personnel of the Investment Manager***

The success of the Company will depend substantially on the skill and acumen of key employees at the Investment Manager. If the Investment Manager or if any of such key employees should cease to participate in the Company's business, its ability to select attractive investments and manage the portfolio of each Sub-Fund could be impaired. Although such employees of the Investment Manager will devote as much time to the Company and its Sub-Funds as they believe is necessary to assist the Sub-Funds in achieving their investment objective, they will not devote all of their working time to the affairs of the Company and its Sub-Funds.

### ***Credit Ratings and Unrated Securities***

Rating agencies are private services that provide ratings of the credit quality of fixed income securities, including convertible securities. Ratings assigned by a rating agency are not absolute standards of credit quality and do not evaluate market risks. Rating agencies may fail to make timely changes in credit ratings and an issuer's current financial condition may be better or worse than a rating indicates. A Sub-Fund will not necessarily sell a security when its rating is reduced below its rating at the time of purchase. The Investment Manager does not rely solely on credit ratings, and develop their own analysis of issuer credit quality. In the event that the rating services assign different ratings to the same security, the Investment Manager will determine which rating it believes best reflects the security's quality and risk at that time, which may be the higher of the several assigned ratings.

A Sub-Fund may purchase unrated securities (which are not rated by a rating agency) if its portfolio manager determines that the security is of comparable quality to a rated security that the Sub-Fund may purchase. Unrated securities may be less liquid than comparable rated securities and involve the risk that the portfolio manager may not accurately evaluate the security's comparative credit rating. Analysis of the creditworthiness of issuers of high yield securities may be more complex than for issuers of higher-quality fixed income securities. To the extent that a Sub-Fund invests in high yield and/or unrated securities, the Sub-Fund's success in achieving its investment objective may depend more heavily on the portfolio manager's creditworthiness analysis than if the Sub-Fund invested exclusively in higher-quality and rated securities.

### ***Segregation of Liabilities between Sub-Funds***

As a matter of Irish law, the assets of one Sub-Fund will not be available to meet the liabilities of another. However, the Company is a single legal entity which may operate or have assets held on behalf of or be subject to claims in other jurisdictions (such as the United Kingdom) which may not necessarily recognise such ring-fencing and, in such circumstances, the assets of one Sub-Fund may be exposed to the liabilities of another.

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 or from 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 and (b) redemption monies payable by such intermediate entity to the relevant Shareholder.

### ***Depository Insolvency***

The Company is subject to a number of risks relating to the insolvency, administration, liquidation or other formal protection from creditors ("**Insolvency**") of the Depository. These risks include without limitation: the loss of all cash held with the Depository which is not being treated as client money or protected by the rules of a regulatory authority ("**client money**"); the loss of all cash which the Depository has failed to treat as client money in accordance with procedures (if any) agreed with the Company; the loss of any securities held on trust ("**trust assets**") or client money held by or with the Depository in connection with a reduction to pay for administrative costs of the Insolvency and/or the process of identifying and transferring the relevant trust assets and/or client money or for other reasons according to the particular circumstances of the Insolvency; losses of some or all assets due to the incorrect operation of the accounts by the Depository; and losses caused by prolonged delays in receiving transfers of balances and regaining control over the relevant assets. The Company is subject to similar risks in the event of Insolvency of any sub-custodian with which any relevant securities are held or of any third party bank with which client money is held. An Insolvency could cause severe disruption to the trading of a Sub-Fund.

### ***Depository Liability***

In the event of loss suffered by the Company as a result of the Depository's actions or omissions, the Company would generally, in order to bring a successful claim against the Depository, have to demonstrate that it has suffered a loss as a result of the Depository's unjustifiable failure to perform its obligations or its improper performance of them. The Company may also demonstrate that it has suffered a loss as a result of the Depository's negligence.

### ***Custodial Risk***

A Sub-Fund may invest in markets where trading, settlement and custodial systems are not fully developed. Consequently, the assets of the relevant Sub-Fund which are traded in such markets and which have been entrusted to safekeeping agents in circumstances where the use of such safekeeping agents is necessary, may be exposed to risks. These risks include non-true delivery versus payment settlement, poor information in regards to corporate actions and lack of compensation.



### ***Sub-Custodians and other depositories***

Where securities are held with a sub-custodian of the Depositary or by a securities depository or clearing system, such securities may be held by such entities in client omnibus accounts. In the event of a default by any such entity, where there is an irreconcilable shortfall of such securities, the Company may have to share that shortfall on a pro-rata basis. Securities may be deposited with clearing brokers which the Depositary is not obliged to appoint as its sub-custodians and in respect of the acts or defaults of which the Depositary shall have no liability. There may be circumstances where the Depositary is relieved from liability for the acts or defaults of its appointed sub-custodians provided that the Depositary has complied with its duties.

### ***Taxation Risk***

Any change in the taxation legislation in Ireland, or elsewhere, could affect (i) the Company or any Sub-Fund's ability to achieve its investment objective, (ii) the value of the Company or any Sub-Fund's investments or (iii) the ability to pay returns to Shareholders or alter such returns. Any such changes, which could also be retroactive, could have an effect on the validity of the information stated herein based on current tax law and practice. Prospective investors and Shareholders should note that the statements on taxation which are set out herein and in this Prospectus are based on advice which has been received by the Directors and/or the Manager regarding the law and practice in force in the relevant jurisdiction as at the date of this Prospectus. 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.

If the Company or a Sub-Fund becomes liable to account for tax, in any jurisdiction, including any interest or penalties thereon if an event giving rise to a tax liability occurs, the Company or the Sub-Fund shall be entitled to deduct such amount from the payment arising on such event or to compulsorily redeem or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as have a value sufficient after the deduction of any redemption charges to discharge any such liability. The relevant Shareholder shall indemnify and keep the Company or the Sub-Fund indemnified against any loss arising to the Company or the Sub-Fund by reason of the Company or the Sub-Fund becoming liable to account for tax and any interest or penalties thereon on the happening of an event giving rise to a tax liability including if no such deduction, appropriation or cancellation has been made.

Shareholders and prospective investors' attention is drawn to the taxation risks associated with investing in the Company. Please refer to the section headed "Taxation".

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

The foreign account tax compliance provisions ("**FATCA**") of the Hiring Incentives to Restore Employment Act 2010 which apply to certain payments are essentially designed to require

reporting of Specified US Person's direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service, with any failure to provide the required information resulting in a 30% US withholding tax on direct US investments (and possibly indirect US investments). In order to avoid being subject to US withholding tax, both US investors and non-US investors are likely to be required to provide information regarding themselves and their investors. In this regard the Irish and US Governments signed an intergovernmental agreement ("**Irish IGA**") with respect to the implementation of FATCA (see section entitled "*Compliance with US reporting and withholding requirements*" for further detail) on 21 December 2012.

Under the IGA (and the relevant Irish regulations and legislation implementing same), foreign financial institutions (such as the Company) should generally not be required to apply 30% withholding tax. To the extent the Company however suffers US withholding tax on its investments as a result of FATCA, or is not in a position to comply with any requirement of FATCA, the Administrator acting on behalf of the Company may take any action in relation to a Shareholder's investment in the Company to redress such non-compliance and/or to ensure that such withholding is economically borne by the relevant Shareholder whose failure to provide the necessary information or to become a participating foreign financial institution or other action or inaction gave rise to the withholding or non-compliance, including compulsory redemption of some or all of such Shareholder's holding of shares in the Company.

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

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

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard ("**CRS**") to address the issue of offshore tax evasion on a global basis. The CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges began in 2017. Ireland has implemented the CRS. As a result the Company will be required to comply with the CRS due diligence and reporting requirements, as adopted by Ireland. Shareholders may be required to provide additional information to the Company to enable the Company to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or compulsory redemption of their Shares in the relevant Sub-Fund.

Shareholders and prospective investors should consult their own tax advisor with respect to their own certification requirements associated with an investment in the Company.

### ***Deferred Redemptions***

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10% of the total number of Shares representing interests in a single Sub-Fund then in issue, redemption requests may be reduced rateably and pro rata and the redemption of Shares may be carried forward to the next following Redemption Day. In the event of a large number of redemptions, this power to defer redemptions could be exercised on a number of successive Redemption Days and materially restrict a Shareholder's ability to redeem his Shares

### ***Effect of Substantial Redemptions***

Substantial redemptions by Shareholders within a short period of time could require a Sub-Fund to liquidate securities positions more rapidly than would otherwise be desirable, possibly reducing the value of the assets of the Sub-Fund and/or disrupting the Investment Manager's investment strategy. Reduction in the size of a Sub-Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in a Sub-Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

### ***Net Asset Value Considerations***

The Net Asset Value per Share is expected to fluctuate over time with the performance of the Sub-Fund's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption, if the Net Asset Value per Share at the time of such redemption is less than the subscription price paid by such Shareholder or if there remain any unamortised costs and expenses of establishing the Company. In addition, where there is any conflict between IFRS and the valuation principles set out in the Articles of Association and this document in relation to the calculation of Net Asset Value, the latter principles shall take precedence.

In calculating a Sub-Fund's Net Asset Value, the Administrator may consult the Investment Manager with respect to the valuation of certain investments. Whilst there is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of each Sub-Fund's investments and the Investment Manager's other duties and responsibilities in relation to the Sub-Funds, the Investment Manager will endeavour to resolve any such conflict of interest fairly and in the interest of investors.

### ***Price Fluctuations***

It should be remembered that the value of Shares and the income (if any) derived from them can go down as well as up.

### ***Strategy Risk***

Strategy risk is associated with the failure or deterioration of an entire strategy such that most or all investment managers employing that strategy suffer losses. Strategy specific losses may result from excessive concentration by multiple investment managers in the same investment or general economic or other events that adversely affect particular strategies (e.g., the disruption of historical pricing relationships). The strategies employed by the Sub-Funds may be speculative and involve substantial risk of loss in the event of such failure or deterioration, in which event the performance of the Sub-Funds may be adversely affected.

### ***Market Risk***

The value of a Sub-Fund may be effected by the decline of an entire market of an asset class, thus affecting the prices and values of the assets in the Sub-Fund. In an equity Sub-Fund, for instance, this is the risk that the equity market in question will go down and, in a bond Sub-Fund, the risk that the bond market in question will fall. The higher the volatility of the market in which the Sub-Fund invests, the greater the risk. Such markets are subject to greater fluctuations in return.

### ***Market Crisis and Governmental Intervention***

The global financial markets are currently undergoing pervasive and fundamental disruptions which have led to extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on an "emergency" basis without much or any notice with the consequence that some market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions has been suddenly and/or substantially eliminated. Given the complexities of the global financial markets and the limited time frame within which governments have been able to take action, these interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies.

It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Investment Manager's ability to fulfil a Sub-Fund's investment objective. However, the Investment Manager believes that there is a high likelihood of significantly increased regulation of the global financial markets, and that such increased regulation could be materially detrimental to the performance of a Sub-Fund's portfolio.

### ***Eurozone Risks***

In addition to specific national concerns, the Eurozone is experiencing a collective debt crisis. Certain countries have received very substantial financial assistance from other members of the European Union, and the question of additional funding is unclear. Investor

confidence in other EU member states, as well as European banks exposed to sovereign debt of Eurozone countries experiencing financial turmoil, has been severely impacted, threatening capital markets throughout the Eurozone. Although the resources of various financial stability mechanisms in the Eurozone continue to be bolstered, there can be no assurance that the level of funds being committed to such facilities will be sufficient to resolve the crisis going forward. It is also unclear whether ultimately a political consensus will emerge in the Eurozone concerning whether and how to restructure sovereign debt. The consequences of any sovereign default would likely be severe and wide-reaching, and could include the withdrawal of one or more member states from the Eurozone, or even the abolition of the Euro. The withdrawal of one or more member states from the Eurozone or the abolition of the Euro could result in significant exchange rate volatility and could have an adverse impact on the financial markets, not only within Europe but globally and could have an adverse impact on the value of the Company's investments.

### ***Changes in the UK political environment***

Changes in the UK political environment following the UK's decision by referendum to exit from the EU may lead to political, legal, tax and economic uncertainty. This could impact general economic conditions in the UK. It is not yet clear whether and to what extent EU regulations generally would apply with respect to the Investment Manager following a UK exit from the EU, but it is possible that investors would be subject to fewer regulatory protections than would otherwise be the case. A UK exit could adversely affect the Investment Manager's ability to access markets, make investments, attract and retain employees or enter into agreements (on its own behalf or on behalf of the Company or the Sub-Funds) or continue to work with non-UK counterparties and service providers, all of which could result in increased costs to the Company and/or the Sub-Funds.

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

It may not be possible for a Sub-Fund to repatriate capital, dividends, interest and other income from certain countries, or it may require government consents to do so. A Sub-Fund could be adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions. Repatriation risk is higher in the case of underlying investments subject to restrictive laws or regulations.

### ***Market Capitalisation Risk***

The securities of small-to-medium-sized (by market capitalisation) companies, or financial instruments related to such securities, may have a more limited market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a

large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports.

### ***Settlement Risk***

It is possible that settlement via a payment system will not take place as expected because payment or delivery by a counterparty fails to take place or is not in accordance with the initial conditions. This risk exists to the extent that the Sub-Fund invests in regions where the financial markets are not yet well developed and includes stock exchanges or markets on which the Sub-Fund may trade derivatives which may not be the same as those in more developed markets. This risk is limited, but still present, in regions where the financial markets are well developed.

### ***Concentration of Investments***

A Sub-Fund may at any one time be invested in a single industry or country and few issuers provided that such concentration complies with the UCITS Regulations. To the extent that a Sub-Fund's investments are concentrated in these ways, the overall adverse impact on a Sub-Fund could be considerably greater than if a Sub-Fund's investments were not concentrated to such an extent.

### ***Credit Risk***

There can be no assurance that issuers of the securities or other instruments in which a Sub-Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. A Sub-Fund will also be exposed to a credit risk in relation to the counterparties (including prime brokers and other counterparties) with whom it transacts or places margin or collateral in respect of transactions in derivative instruments and may bear the risk of counterparty default.

### ***Capital risk***

The capital value of Shares of a Sub-Fund may be affected by various risks to capital, including the potential risk of erosion due to the redemption of Shares and the distribution of profit in excess of the investment return.

### ***Inflation Risk***

Some Sub-Funds may invest in securities whose value can be adversely affected by changes in inflation, for example, bonds with a long term to maturity and a fixed coupon.

### ***Investing in Equities - (Domestic and international)***

The returns of listed securities are affected by various factors including the underlying strength of cash flows, balance sheets and management. These factors may impact the ability of the underlying company to meet the challenges of fluctuating economic growth, structural change and competitive forces and the ability to pay dividends to shareholders.

Investment returns of international shares (and related derivatives) are also affected by fluctuations in exchange rates. The currency exposure of international funds may be hedged to a certain currency. Investments into shares listed in less developed countries, commonly referred to as "Emerging Markets" are riskier due to the more volatile nature of their fundamentals. Please see the risk factor below entitled "Emerging Markets Risk". Similarly, investments into "Private Equity" afford limited liquidity to the investor, due to the fact that they are unlisted.

### ***Common Stock Risk***

Common stock represents an ownership interest in a company. The value of a company's stock may fall as a result of factors relating directly to that company, such as decisions made by its management or lower demand for the company's products or services or changes to management. A stock's value may also fall because the company's business environment.

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

Investment in emerging markets involves risk factors and special considerations which may not be typically associated with investing in more developed markets. Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of emerging countries. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of emerging countries in which investment may be made, including expropriation, nationalisation or other confiscation could result in loss to a Sub-Fund.

By comparison with more developed securities markets, most emerging countries' securities markets are comparatively small, less liquid and more volatile. This may result in greater volatility in the Net Asset Value per Share (and consequently subscription and redemption prices for Shares) than would be the case in relation to funds invested in more developed markets. In addition, if a large number of securities have to be realised at short notice to meet substantial redemption requests for Shares in a Sub-Fund such sales may have to be effected at unfavourable prices which may in turn have an adverse effect on the Net Asset Value per Share.

In addition, settlement, clearing, safe custody and registration procedures may be

underdeveloped, increasing the risks of error, fraud or default. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of investor information or protection as would generally apply in more developed markets. Investments in certain emerging markets may require consents or be subject to restrictions which may limit the availability of attractive investment opportunities to a Sub-Fund. Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally and so transactions may need to be made on a neighbouring exchange.

Emerging markets securities may incur brokerage or stock transfer taxes levied by foreign governments which would have the effect of increasing the cost of investment and which may reduce the realised gain or increase the loss on such securities at the time of same. The issuers of emerging markets securities, such as banks and other financial institutions, may be subject to less stringent regulation than would be the case for issuers in developed countries, and therefore potentially carry greater risk. In addition custodial expenses for emerging market securities are generally higher than for developed market securities. Dividend and interest payments from, and capital gains in respect of, emerging markets securities may be subject to foreign taxes that may or may not be reclaimable.

Laws governing foreign investment and securities transactions in emerging markets may be less sophisticated than in developed countries. Accordingly, a Sub-Fund may be subject to additional risks, including inadequate investor protection, unclear or contradictory legislation or regulations and lack of enforcement thereof, ignorance or breach of legislation or regulations on the part of other market participants, lack of legal redress and breaches of confidentiality. It may be difficult to obtain and enforce a judgement in certain emerging markets in which assets of the Sub-Fund are invested. Furthermore, the standard of corporate governance and investor protection in emerging markets may not be equivalent to that provided in other jurisdictions.

#### ***Political, Regulatory and Settlement Risk***

The value of a Sub-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.

#### ***Taxation of investments of sub-fund(s) investing in the Indian sub-continent***

Shareholders should be aware that on 7 May 2012, following initial budget proposals in March 2012, the Indian government presented revised proposals for consideration by Parliament. The proposals include the introduction of taxation on indirect transfers of Indian assets and, with effect from 1 April 2013, a General Anti-Avoidance Rule which may impact tax benefits



available under tax treaties with India. It is not clear whether, if either or both of these proposals are enacted, there would be a charge to Indian taxation on either the Company or its Sub-Fund(s) or investors if the relevant Sub-Fund(s) is/are invested in Indian securities. Certain proposals may have a retrospective effect, which could result in a shareholder suffering a loss as a result of the relevant Sub-Fund(s) investments in Indian securities which pre-date that Shareholder's investment in the relevant Sub-Fund(s). They may also result in a decline in the relevant Sub-Fund(s) Net Asset Value. Where the Company invests in Indian securities there can be no assurance that any tax benefits will be available under a tax treaty or that tax laws will result in a particular outcome. The Company is not liable for any loss which may arise for a shareholder as a result of any change in the applicable tax laws. Investors should seek their own tax advice in this regard.

### ***Bearer Securities***

Certain securities in which the Sub-Funds may invest may be issued in bearer form. A bearer security is a negotiable instrument, akin to cash, which evidences a payment obligation to be met, on presentation. In addition to the general risks associated with investing in any security, investment in bearer securities involves two additional principal risks related to their delivery for settlement, being, the risk of theft/loss during transport, and the risk of forgery.

### ***Currency Risk***

Assets of a Sub-Fund may be denominated in a currency other than the Base Currency of the Sub-Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Sub-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.

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

A Sub-Fund may enter into currency exchange transactions to seek to protect against fluctuation in the relative value of its portfolio positions as a result of changes in currency exchange rates or interest rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the relevant contract amounts and the value of the securities involved will

not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. The successful execution of a hedging strategy which matches exactly the profile of the investments of any Sub-Fund cannot be assured. It may not be possible to hedge against generally anticipated exchange or interest rate fluctuations at a price sufficient to protect the assets from the anticipated decline in value of the portfolio positions as a result of such fluctuations.

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

A Class of Shares in a Sub-Fund may be designated in a currency other than the Base Currency of the Sub-Fund. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency. The Investment Manager may try, but is not obliged, to mitigate this risk by using financial instruments such as those described under the heading "Currency Risk". Any such hedging will endeavour to hedge no less than 95 per cent. of the portion of the net assets of the relevant Class of Shares which is to be hedged against currency risk. Due to matters outside the control of the Company, currency exposure may be over or under hedged but over hedged positions will not be permitted to exceed 105 per cent. of the net assets of the relevant Class of Shares. Hedged positions will be kept under review on an ongoing basis, at least at the same valuation frequency of the Sub-Fund, to ensure that over hedged or under hedged positions do not exceed/fall short of the permitted levels disclosed above. Such review will incorporate a procedure to rebalance the hedging arrangements on a regular basis to ensure that any such position stays within the permitted position levels disclosed above and is not carried forward from month to month. Investors should be aware that this strategy may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/or the currency/currencies in which the assets of the Sub-Fund are denominated. In such circumstances, Shareholders of the relevant Class of Shares of the Sub-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 Sub-Fund as a whole. However, the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class of Shares of the Sub-Fund. Given that there is no segregation of liability between Classes of Shares, there is a risk that, under certain circumstances, currency hedging transactions in relation to Classes of Shares which have "hedged" in their name could result in liabilities which might affect the Net Asset Value of other Classes of Shares of the relevant Sub-Fund.

### ***Investing in Fixed Income Securities***

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments

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.

The volume of transactions effected in certain international bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, a Sub-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.

#### ***Risk of downgrading of securities which were investment grade at the time of acquisition***

Insofar as the Company invests in debt securities, Shareholders should note that securities which were investment grade at the time of acquisition may be downgraded. In the event that a security acquired by a Sub-Fund is downgraded and therefore ceases to be of the quality that is required for securities purchased by the Sub-Fund, the Investment Manager shall seek to sell the security, taking due account of the interests of Shareholders of the Sub-Fund. The risk of securities, which are investment grade at the time of acquisition, being downgraded will vary over time. The Investment Manager will assess each situation on its merits but does not expect that a majority of any such securities held by the relevant Sub-Fund would be downgraded in this manner, except in extreme market conditions. Under normal market conditions, the Investment Manager does not expect such downgrading to occur frequently as, in general, the Investment Manager will endeavor to avoid the purchase of securities that may follow a downward migration path.

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

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

#### ***Amortised Cost Method***

Certain Sub-Funds may value money market instruments at amortised cost. Investors' attention is drawn to the section of the Prospectus entitled "Net Asset Value and Valuation of Assets" for further information.

In periods of declining short-term interest rates, the inflow of net new money to such Sub-Funds from the continuous issue of Shares will likely be invested in portfolio instruments producing lower yields than the balance of such Sub-Fund's portfolio, thereby reducing the current yield of the Sub-Fund. In periods of rising interest rates, the opposite can be true.

#### ***Fund Assets Held in Cash Accounts***

The Company may establish, maintain and operate one or more cash accounts in respect of

each Sub-Fund through which subscriptions, redemptions and other cash flows to and from investors can be managed or facilitated in accordance with requirements of the Central Bank.

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

Similarly in circumstances where redemption monies are payable to an investor subsequent to a Dealing Day of a Sub-Fund as of which Shares of that investor were redeemed or dividend monies are payable to an investor and such redemption / dividend monies are held in a cash account, any such investor /Shareholder shall rank as an unsecured creditor of the relevant Sub-Fund until such time as such redemption/ dividend monies are paid to the investor/ Shareholder. Therefore in the event that such monies are lost prior to payment to the relevant investor/ Shareholder, the Company on behalf of the Sub-Fund may be obliged to make good any losses which the Sub-Fund incurs in connection with the loss of such monies to the investor/ Shareholder (in its capacity as a general creditor of the Sub-Fund), in which case such loss will need to be discharged out of the assets of the relevant Sub-Fund and therefore will represent a diminution in the Net Asset Value per Share for existing Shareholders of the relevant Sub-Fund.

The Directors have power under the Articles of Association to compulsorily redeem and/or cancel any Shares held or beneficially owned in contravention of any restrictions imposed by them or in breach of any law or regulation. Where an investor fails to pay subscription proceeds within the relevant settlement period the Company may charge the applicant for any expense incurred by it or the Sub-Fund or for any loss to the Sub-Fund arising out of such non-receipt or non-clearance. In circumstances where an investor fails to pay subscription proceeds within the relevant settlement period, there is a risk that the Company may not be able to recover such costs from such investor and such loss and any relevant credit charges may have to be discharged out of the assets of the relevant Sub-Fund and therefore will represent a diminution in the Net Asset Value per Share for existing Shareholders of the relevant Sub-Fund.

### ***Derivatives and Securities Financing Transactions and Techniques and Instruments Risk***

#### **General**

The prices of derivative instruments, including futures and options prices, are highly volatile.

Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of derivatives 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 Sub-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.

Securities Financing Transactions create several risks for the Company and its investors, including counterparty risk if the counterparty to a Securities Financing Transaction defaults on its obligation to return assets equivalent to the ones provided to it by the relevant Sub-Fund and liquidity risk if the Sub-Fund is unable to liquidate collateral provided to it to cover a counterparty default.

### ***Securities 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. The value of the collateral will generally be maintained to equal or exceed the value of the securities transferred. However there is a risk that the value of the collateral may fall below the value of the securities transferred. In addition, as a Sub-Fund may invest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, it will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

### ***Repurchase Agreements***

A Sub-Fund may enter into repurchase arrangements. Accordingly, the Sub-Fund will bear a risk of loss in the event that the other party to the transaction defaults on its obligation and the Sub-Fund is delayed or prevented from exercising its rights to dispose of the underlying securities. The Sub-Fund will, in particular, be subject to the risk of a possible decline in the value of the underlying securities during the period in which the Sub-Fund seeks to assert its right to them. The risk of incurring expenses associated with asserting those rights and the risk of losing all or a part of the income from the agreement.

## **Liquidity Risk**

Not all securities or instruments invested in by the Sub-Funds will be listed or rated and consequently liquidity may be low.

Liquidity risk exists when particular investments are difficult to purchase or sell. Also, some of the markets in which a Sub-Fund invests may be less liquid and more volatile than the world's leading stock markets and this may result in the fluctuation in the price of the securities.

A Sub-Fund's investments in illiquid securities may reduce the returns of the Sub-Fund because it may be unable to sell the illiquid securities at an advantageous time or price which could prevent the Sub-Fund from taking advantage of other investment opportunities. Sub-Funds with principal investment strategies that involve foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk.

Additionally, the market for certain investments may become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer. In such cases, a Sub-Fund, due to limitations on investments in illiquid securities and the difficulty in purchasing and selling such securities or instruments, may be unable to achieve its desired level of exposure to a certain sector. To the extent that a Sub-Fund's principal investment strategies involve securities of companies with smaller market capitalisations, foreign securities, illiquid sectors of fixed income securities, or securities with substantial market and/or credit risk, the Sub-Fund will tend to have the greatest exposure to liquidity risk. Further, fixed income securities with longer durations until maturity face heightened levels of liquidity risk as compared to fixed income securities with shorter durations until maturity. Finally, liquidity risk also refers to the risk of unusually high redemption requests or other unusual market conditions that may make it difficult for a Sub-Fund to fully honour redemption requests within the allowable time period. Meeting such redemption requests could require a Sub-Fund to sell securities at reduced prices or under unfavourable conditions. As a result, the Sub-Fund may suffer losses and the Net Asset Value of the Sub-Fund may be adversely affected. It may also be the case that other market participants may be attempting to liquidate fixed income holdings at the same time as a Sub-Fund, causing increased supply in the market and contributing to liquidity risk and downward pricing pressure.

## **Liquidity of Futures Contracts**

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

### ***Leverage risk***

Certain derivatives that the Sub-Funds may use may create leverage. Derivative instruments that involve leverage can result in losses to the Sub-Funds that exceed the amount originally invested in the derivative instruments.

### **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 Sub-Fund.

### ***Correlation Risk***

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

### ***Legal Risk***

The use of OTC derivatives, and Securities Financing Transactions will expose the Sub-Funds to the risk that the legal documentation of the contract may not accurately reflect the intention of the parties.

### ***Foreign Exchange Transactions***

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

### ***OTC Markets Risk***

Where any Sub-Fund acquires securities on OTC markets, there is no guarantee that the Sub-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.

### ***Counterparty Risk***

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

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

Conflicts of interest may arise as a result of a Sub-Fund's trading with counterparties. Where any conflict of interest arises the Investment Manager will seek to resolve such conflicts fairly. The particular risks of trading with counterparties are set out below under the heading "Legal and Operational Risks Linked to Management Collateral."

### **Legal and Operational Risks Linked to Management Collateral**

OTC derivatives are generally entered into pursuant to contracts based on the standards set by the International Securities Dealers Association for derivatives master agreements which are negotiated by the parties. The use of such contracts may expose a Sub-Fund to legal risks such as the contract may not accurately reflect the intention of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation.

The use of OTC derivatives and the management of collateral received are subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Where cash collateral is re-invested, in accordance with the conditions imposed by the Central Bank, a Sub-Fund will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested

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

In general, there is less government regulation and supervision of transactions in the OTC markets (in which currencies, spot and option contracts, certain options on currencies and swaps are generally traded) than of transactions entered into on Exchanges. In addition, many of the protections afforded to participants on some Exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions. OTC options are not regulated. OTC options are non-exchange traded option agreements, which are specifically tailored to the needs of an individual investor. These options enable the user to structure precisely the date, market level and amount of a given position. The counterparty for these agreements will be the specific firm involved in the transaction rather than an Exchange and, accordingly, the bankruptcy or default of a counterparty with which the



Sub-Fund trades OTC options could result in substantial losses to the Sub-Fund. In addition, a counterparty may not settle a transaction in accordance with its terms and conditions because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Sub-Fund to suffer a loss. To the extent that a counterparty defaults on its obligation and the Sub-Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Counterparty exposure will be in accordance with the Sub-Fund's investment restrictions. Regardless of the measures the Sub-Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses on the transactions as a result. Transactions will only be entered into with counterparties that meet the requirements of the Central Bank UCITS Regulations.

### ***Necessity for Counterparty Trading Relationships***

Participants in the OTC currency market typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While the Company believes that the Company will be able to establish the necessary counterparty business relationships to permit a Sub-Fund to effect transactions in the OTC currency market and other counterparty markets, including the swaps market, there can be no assurance that it will be able to do so. An inability to establish such relationships would limit a Sub-Fund's activities and could require a Sub-Fund to conduct a more substantial portion of such activities in other Exchanges. Moreover, the counterparties with which a Sub-Fund expects to establish such relationships will not be obligated to maintain the credit lines extended to a Sub-Fund, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

### ***Futures and Options Trading is Speculative and Volatile***

Substantial risks are involved in trading futures, forward and option contracts and various other instruments in which the Sub-Fund intends to trade. Certain of the instruments in which the Sub-Fund may invest are interest and foreign exchange rate sensitive, which means that their value and, consequently, the Net Asset Value, will fluctuate as interest and/or foreign exchange rates fluctuate. The Sub-Fund's performance, therefore, will depend in part on its ability to anticipate and respond to such fluctuations in market interest rates, and to utilise appropriate strategies to maximise returns to the Sub-Fund, while attempting to minimise the associated risks to its investment capital. Variance in the degree of volatility of the market from the Sub-Fund's expectations may produce significant losses to the Sub-Fund.

### ***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 purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber attacks also may be carried out in a manner that does not require gaining unauthorised 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 Directors, the Company, the Manager, the Investment Manager, any sub-investment managers or advisors, the Administrator or the Depositary or other 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 Company's ability to calculate its Net Asset Value; impediments to trading for a Sub-Fund's portfolio; the inability of Shareholders to transact business with the Company; 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 Sub-Fund invests, counterparties with which a Sub-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 have not been identified.

### ***Start-up Period***

A Sub-Fund may experience certain risks and costs associated with its start-up period. Investment may commence at an inappropriate time and funds initially available for investment may be limited, resulting in concentrated investment strategies. Additional costs may be incurred in moving to a fully invested position and these may be exaggerated by increases in the asset value after the issue of further Shares.

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

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

### ***Sub-Fund Specific Risks***

Please review the particular Sub-Fund Supplement for specific risks associated with each particular Sub-Fund.

### ***Collateral Risk***

Collateral or margin may be passed by a Fund to a counterparty or broker in respect of OTC derivative transactions or Securities Financing Transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become unavailable to the creditors of such brokers in the event of their insolvency or bankruptcy. Where collateral is posted to a counterparty or broker by way of title transfer, the collateral may be re-used by such counterparty or broker for their own purpose, thus exposing the Fund to additional risk.

Risks related to a counterparty's right of re-use of any collateral include that, upon the exercise of such right of re-use, such assets will no longer belong to the relevant Fund and the Sub-Fund will only have a contractual claim for the return of equivalent assets. In the event of the insolvency of a counterparty the Sub-Fund shall rank as an unsecured creditor and may not recover its assets from the counterparty. More broadly, assets subject to a right of re-use by a counterparty may form part of a complex chain of transactions over which the Sub-Fund or its delegates will not have any visibility or control.

## 2. MANAGEMENT AND ADMINISTRATION

The Central Bank UCITS Regulations refer to the responsible person, being the party responsible for compliance with the relevant requirements of the Central Bank UCITS Regulations on behalf of a particular Irish authorised UCITS. The Manager assumes the role of responsible person for the Company. The Directors have delegated the day to day management of the Company in accordance with policies approved by the Directors to the Manager and has appointed the Depositary as Depositary of the Company. The Manager has delegated certain of its duties to the Investment Manager, the Administrator and the Distributor.

### **Directors**

The Directors of the Company all of whom are non-executive directors of the Company are described below:-

#### ***Eimear Cowhey***

Mrs. Eimear Cowhey is an experienced investment management professional with over 25 years' experience in financial services holding senior executive and board positions with Pioneer and Invesco Perpetual. Her executive roles were focused on mutual fund product development and management, international distribution, registration and listing of mutual funds and regulatory compliance. Since 2006, Mrs. Cowhey has served as a non-executive independent chairperson, director and committee member of investment fund and management companies based in Dublin and Luxembourg of well-known global promoters and managers.

Mrs. Cowhey is a qualified Irish solicitor and previously spent 7 years with Pioneer Global Investments Limited firstly as Head of Legal and Compliance and then as Head of Product Development. Prior to that she was Joint Managing Director, Global Fund Director (Int'l) and Head Legal Counsel for Invesco Dublin.

Mrs. Cowhey is a former Chairman and Council member of IFIA the Irish funds industry association. She is also a former member of the IFSC Funds Group which is run under the auspices of the Department of An Taoiseach and is a joint government/industry group to advise the government of investment fund related matters. She was a member of the Committee on Collective Investment Governance which was established by the Central Bank of Ireland in December 2013 and which issued its report in July 2014. She holds a Bachelor in Civil Law and Certificate in Financial Services Law (both from University College Dublin) and a Certified Diploma in Accounting & Finance (ACCA). She lectures and tutors on the subject of Investment Funds and Financial Services at the Law Society and speaks regularly at conferences.

#### ***John Donohoe***

Mr. John Donohoe is Founder and Group CEO of Carne Global Financial Services Limited ("Carne"), a leading funds governance provider to the global asset management industry. He

has over twenty five years' experience in the financial services industry holding senior positions with Deutsche Bank (as a Managing Director), State Street and KPMG. He has served as an executive/non-executive director on various Deutsche Bank boards, including Deutsche International (Ireland) Limited and subsidiaries, Morgan Grenfell & Co Limited (Deutsche's UK investment bank), Deutsche Trustees (UK) Limited and The WM Company Limited. Mr. Donohoe spent 12 years with Deutsche Bank, where he rose to become CEO, Europe, Asia and Offshore, Deutsche Global Fund Services. Prior to establishing Carne, Mr. Donohoe was a Senior Vice-President of State Street.

Mr. Donohoe qualified as a Chartered Accountant with KPMG in Dublin. He is a Fellow of the Institute of Chartered Accountants in Ireland and holds a First Class Honours Degree in Accounting & Finance from Dublin City University.

### ***Rohit Kumar***

Mr. Rohit Kumar is responsible for product development and management for the Investment Manager with a focus on UK and Irish domiciled products. He has worked in various product related positions for over 10 years and joined the Investment Manager in 2011 as a Product Development Manager.

### ***Adrian Waters***

Mr. Adrian Waters is a Fellow of The Institute of Chartered Accountants in Ireland. He has been awarded Chartered Director status by the UK Institute of Directors. He is the Principal of Fund Governance Solutions, an independent funds consultancy. He has 20 years' experience in the offshore funds industry. From 1993 to 2001, he held various executive positions within The BISYS Group, Inc. (now part of the Citi Group), including Chief Executive Officer of BISYS Fund Services (Ireland) Ltd and finally as Senior Vice President – Europe for BISYS Investment Services out of London. From 1989 to 1993, he was employed by the Investment Services Group of PricewaterhouseCoopers in New York and prior to that by Oliver Freaney and Company, Chartered Accountants, in Dublin. Mr. Waters holds a Bachelor of Commerce degree and a Post Graduate Diploma in Corporate Governance both received from University College Dublin in 1985 and 2005, respectively. He is an independent director of several other offshore funds.

### **The Manager**

The Company has appointed UBS Fund Management (Luxembourg) S.A. as manager of the Company pursuant to the Management Company Agreement with power to delegate one or more of its functions subject to the overall control of the Company. The Manager was incorporated on 1 July 2010 as a public limited company (*société anonyme*) in Luxembourg. The Manager is authorised by the Commission de Surveillance du Secteur Financier in Luxembourg and has obtained the necessary passport and permissions to act as a UCITS management company of the Company. The Manager is part of UBS Asset Management, a

business division within the UBS Group whose ultimate parent company is UBS Group AG, having its registered office in Zurich, Switzerland. The main business of the Manager is the provision of fund management services to collective investment schemes such as the Company. The directors of the Manager are:

**Mr. André Müller-Wegner** joined UBS Asset Management in 1999 as a project manager for investment funds. From 2005 to 2009, he was a part of UBS Wealth Management's real estate business where he took on various roles, including Head of Real Estate Product Management. Following this, he was the Head of Fund Product Development & Management at UBS Wealth Management. Since April 2016, he has been the Head of Fund Management Services at UBS Asset Management. He holds a Master of Laws from the University of St. Gallen and a Master in Public Administration from Harvard University.

**Mr. Andreas Schlatter** holds a PhD in mathematics. He currently holds independent board memberships in the financial industry and is a lecturer in mathematics and physics at universities. He previously held various senior positions at UBS Asset Management, including Global Head of Distribution from 2014 to 2015 and CEO Switzerland 2009 to 2014. Mr. Schlatter worked for UBS since 1996.

**Mr. Gilbert Schintgen** is responsible for conducting the business of the Manager. In this capacity he is responsible for identifying, assessing and monitoring risks to which the Manager and the UBS funds which are managed by the Manager could be exposed and to ensure adequate controls are in place. Mr. Schintgen has approximately 36 years of experience in the financial industry. He joined UBS in 1995 and was appointed head of the Management Services department in 1999, covering legal services, corporate accounting and financial control, human resources and product control. He has been a member of the Executive Management Board of UBS Fund Services (Luxembourg) S.A. since 1999, and a Board member of the Luxembourg domiciled UBS funds since 2001. He was appointed to his current role in July 2010. Prior to joining UBS he had 15 years of experience at Banque Générale du Luxembourg S.A. where he had responsibilities in both the investment banking and investment funds departments. Mr. Schintgen holds a Diploma EUPED from University Centre of Luxembourg.

**Mr. Pascal Kistler** is General Counsel EMEA and Switzerland for UBS Asset Management. In this role, he is responsible for the legal function in Europe, Middle East and Africa (EMEA) on a range of asset management services including traditional asset management, alternatives (including real estate, private equity and infrastructure), structuring of investment vehicles and third party distribution. Mr. Kistler is a member of various management boards including UBS Asset Management EMEA Management Committee and Global Fund Management Committee. Mr. Kistler joined UBS in 2011 as Head of Legal Asset Management Switzerland. He was previously Head of Advisory Control Group Asset Management Switzerland for Credit Suisse AG from 2009 to 2011. In this role, he was responsible for private and institutional discretionary management business in Switzerland including global coordination of private clients business. Mr. Kistler has a Doctor of Law Degree with a specialisation in Stock Exchange and Business Law from the University of Zurich in 2001 and holds a LL.M. degree in International and European Business Law. He also acts as a board member of UBS Clean Energy Infrastructure Switzerland AG.

### **Investment Manager**

The Manager has appointed UBS Asset Management (UK) Ltd, as investment manager with discretionary powers pursuant to the Investment Management Agreement. Under the terms of the Investment Management Agreement the Investment Manager is responsible, subject to the overall supervision and control of the Manager, for managing the assets and investments of the Company in accordance with the investment objective and policies. The Investment Manager is also responsible for promoting the Company.

The Investment Manager was incorporated in England on 19 February, 1981 and is authorised and regulated in the U.K. in the conduct of financial services and investment management activities by the FCA. The Investment Manager is part of UBS Asset Management, a business group of UBS AG. Headquartered in Zurich and Basel, Switzerland, UBS is a global firm providing services to private, corporate and institutional clients. Its strategy is to focus on international wealth management and the Swiss banking business alongside its global expertise in investment banking and asset management. In Switzerland, UBS is the market leader in retail and commercial banking.

As at December 2016 the UBS Asset Management group of companies had funds under management of approximately CHF 182 billion. The principal activity of the Investment Manager is the provision of investment management services.

The Investment Manager may delegate part or all of the discretionary investment management of certain Sub-Funds to a Sub-Investment Manager, which may be an affiliate or another entity within the UBS AG group of companies. Details of any Sub-Investment Managers so appointed will be available upon request and will be provided in the Company's periodic reports. Any reference to the activities of the "Investment Manager" in this Prospectus may therefore refer to the Investment Manager or to such Sub-Investment Manager as the context allows.

### **Administrator**

The Manager has appointed MUFG Alternative Fund Services (Ireland) Limited as the Administrator pursuant to the Administration Agreement. The Administrator's registered office is Ormonde House, 12 – 13 Lower Leeson Street, Dublin 2, Ireland. The Administrator is a wholly-owned subsidiary of Mitsubishi UFJ Fund Services Holdings Limited and was incorporated on 30 March 2004 with issued share capital of €1,300,000. The Administrator is authorised under the Investment Intermediaries Act 1995 and is subject to the supervision of the Central Bank in Ireland. The Administrator's principal business is the provision of fund administration, accounting, registration, transfer agency and related shareholder services to collective investment schemes and investment funds.

The Administrator is a service provider of the Company and, as such, bears no responsibility for the content of this Prospectus, the investments of the Company, the performance of the Company nor any matter other than as specified in the Administration Agreement. The Directors, the Manager and the Investment Manager, and not the Administrator, are responsible for determining that the Shares are marketed and sold in compliance with all applicable securities and other laws. The Administrator will not be responsible for ensuring that the investment transactions comply with the investment objectives and policies of the Company as set forth in this Prospectus. Additionally, the Directors and the Manager and not the Administrator are responsible for monitoring of the Company's investment restrictions.

## **Depositary**

The Company has appointed J.P. Morgan Bank (Ireland) plc as depositary of all of its assets pursuant to the Depositary Agreement.

The Depositary is a limited liability company incorporated in Ireland on 30 November 1926, under registration number 7566 and has issued and paid up share capital of US\$ 56,500,000 and €30,000. The Depositary is an Irish banking company licensed by the Central Bank. Its banking practice includes the provision of securities administration, corporate finance and agency treasury management. As of 31 December 2015, the Depositary had in excess of US\$335 billion of assets under custody. The ultimate parent company of the Depositary is J.P. Morgan Chase & Co.

### *Duties of the Depositary*

The duty of the Depositary is to provide safekeeping, oversight and asset verification services in respect of the assets of the Company and each Sub-Fund in accordance with the provisions of the UCITS Regulations. The Depositary will also provide cash monitoring services in respect of each Sub-Fund's cash flows and subscriptions.

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

### *Depositary Liability*

Pursuant to the Depositary Agreement, the Depositary will be liable for loss of financial instruments held in custody (i.e. those assets which are required to be held in custody pursuant to the UCITS Regulations) or in the custody of any sub-custodian, unless it can prove that loss has arisen as a result of an external event beyond its control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall also be liable for all other losses suffered as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations under the UCITS Regulations.

### *Delegation*

Under the Depositary Agreement, the Depositary has power to delegate the whole or any part of its safekeeping duties, however, its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping.



The current list of subcustodians and other delegates used by the Depositary and sub-delegates that may arise from any delegation is available at Appendix IV, and the latest version of such list may be obtained by investors from the Company upon request.

### *Conflicts of Interest*

As part of the normal course of global custody business, the Depositary may from time to time have entered into arrangements with other clients, funds or other third parties for the provision of safekeeping, fund administration or related services. Within a multi-service banking group such as JPMorgan Chase Group, from time to time conflicts may arise (i) from the delegation by the Depositary to its safekeeping delegates or (ii) generally between the interests of the Depositary and those of the Company, its investors, the Manager or the Investment Manager; for example, where an affiliate of the Depositary is providing a product or service to a fund and has a financial or business interest in such product or service or receives remuneration for other related products or services it provides to the funds, for instance foreign exchange, securities lending, pricing or valuation, fund administration, fund accounting or transfer agency services. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will at all times have regard to its obligations under applicable laws including Article 25 of the UCITS V Directive

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 on request.

### **Distributor**

The Manager has appointed UBS AG (the "**Distributor**") to act as distributor of the Shares of each Sub-Fund pursuant to the Distribution Agreement. The Distribution Agreement permits the Distributor to appoint sub-distributors for the distribution of Shares in different countries in accordance with local regulations governing the sale of shares in investment funds. The Distributor will be responsible for any fee payable to any such sub-distributors.

### **Paying Agents/Representatives**

Local laws/regulations in EEA Member States may require the appointment of paying agents/representatives/correspondent banks ("**Paying Agents**") 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 Depositary (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Depositary for the account of the Company or the relevant Sub-Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder. Fees and

expenses of Paying Agents, which will be at normal commercial rates, will be borne by the Company or the Sub-Fund in respect of which a Paying Agent has been appointed. Country Supplements dealing with matters pertaining to Shareholders in jurisdictions in which Paying Agents are appointed may be prepared for circulation to such Shareholders.

### **Conflicts of Interest**

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

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

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

- (a) the value of the transaction is certified by either (i) a person approved by the Depositary as being independent and competent; or (ii) a person approved by the Company as being independent and competent in the case of transactions involving the Depositary;
- (b) execution is on best terms on an organised investment exchange in accordance with the rules of such exchange; or
- (c) where the conditions set out in (a) and (b) above are not practical, the Depositary is satisfied that the relevant transaction is conducted at arm's length and is in the best interests of Shareholders (or in the case of a transaction involving the Depositary, the Company are) satisfied that the transaction is at arm's length and in the best interests of Shareholders.

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

The Investment Manager or an associated company of the Investment Manager may invest in Shares so that one or more Sub-Funds or a Class may have a viable minimum size or is able to operate more efficiently. In such circumstances the Investment Manager or its associated company may hold a high proportion of the Shares in a Sub-Fund or a Class in issue.

Details of interests of the Directors are set out in the Section of the Prospectus entitled "Statutory and General Information".

#### **Dealing arrangements: commissions**

The Investment Manager may make use of arrangements to enable it to obtain execution and research services which are beneficial to the Sub-Funds, both from counterparties and third parties. All transactions undertaken and the services provided under these arrangements in respect of the Sub-Funds will be subject to FCA rules and to the fundamental rule of providing best execution to the Sub-Funds, being the best price available in the market, exclusive of any charges, but taking into account any exceptional circumstances such as counterparty risk, order size or client instructions. The benefits provided under any such arrangements must be those which assist in the provision of investment services to the Sub-Funds. Details of any such arrangements, if any, and a copy of the Investment Manager's policy on dealing arrangements and the commissions allocated separately to execution and research services will be made available on request.

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

#### **Establishment Expenses**

All fees and expenses relating to the establishment and organisation of the Company including the fees of the Company's professional advisers will be borne by the Company. Such fees and expenses are estimated to amount to €50,000 and may be amortised over the first Accounting Period of the Company or such other period as the Directors may determine and in such manner as the Directors in their absolute discretion deem fair.

The fees and expenses relating to the establishment of a Sub-Fund shall be borne by the relevant Sub-Fund (unless set out otherwise in the relevant supplement for that Sub-Fund) and may also be amortised over the first Accounting Period or such other period as the Directors and/or the Manager may determine and in such manner as the Directors and/or the Manager in their absolute discretion deem fair. Furthermore, each Sub-Fund shall bear the fees and expenses relating to its registration for sale in various markets and its attributable portion of the fees and operating expenses of the Company.

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

The Company or the Manager will pay on behalf of the Company, out of the assets of the Company/relevant Sub-Fund, all the operating expenses and the fees hereinafter described as being payable by the Company. Expenses throughout the duration of the Company, in addition to fees and expenses payable to the Manager, the Administrator, the Depositary, the Investment Manager, and any Paying Agent appointed by or on behalf of the Company include but are not limited to brokerage and banking commissions and charges, tax agents in local markets, legal and other professional advisory fees, company secretarial fees, Companies Registration Office filings and statutory fees, regulatory fees including the fees of the Central Bank, auditing fees, translation and accounting expenses, interest on borrowings, taxes and governmental expenses applicable to the Company costs of preparation, translation, printing and distribution of reports and notices, all marketing material and advertisements (unless otherwise stated in the relevant Supplement) and periodic updates of the Prospectus, stock exchange listing fees, all expenses in connection with registration, listing and distribution of the Company and Shares issued or to be issued, all expenses in connection with obtaining and maintaining a credit rating for any Sub-Fund or Classes or Shares, expenses of Shareholders meetings, Directors' insurance premia, expenses of the publication and distribution of the Net Asset Value, clerical costs of issue or redemption of Shares, postage, telephone, facsimile and telex expenses, the costs and expenses associated with the termination and liquidation of the Company and any other expenses in each case together with any applicable value added tax. Any such expenses may be deferred and amortised by the Company, in accordance with standard accounting practice, at the discretion of the Directors and/or the Manager. While this is not in accordance with Accounting Standards issued by the Accounting Standards Board, and may result in the audit opinion on the annual report being qualified in this regard, the Directors and/or the Manager believe that such amortisation would be fair and equitable to investors. An

estimated accrual for operating expenses of the Company will be provided for in the calculation of the Net Asset Value of each Sub-Fund. Operating expenses and the fees and expenses of service providers which are payable by the Company shall be borne by all Sub-Funds in proportion to the Net Asset Value of the relevant Sub-Fund or attributable to the relevant Class provided that fees and expenses directly or indirectly attributable to a particular Sub-Fund or Class shall be borne solely by the relevant Sub-Fund or Class. To the extent that any Sub-Fund invests in other collective investment schemes, such Sub-Fund shall bear all fees payable in respect of such investments including, without limitation, subscription, redemption, management, performance, distribution, administration and/or custody fees. Management fees payable by collective investment schemes in which any Sub-Fund invests are not expected to exceed 2% of such collective investment schemes' net asset value and performance fees, if payable by such schemes, are not expected to exceed 20% of net trading profits over any given performance period.

The Directors and/or the Manager may determine that in respect of any particular Sub-Fund, the aggregate administrative fees and expenses, being, generally, the fees of the Manager, the Depositary and the Administrator together with all custody and transaction costs, auditors' fees, legal fees, registration fees and Directors' fees ("**Administrative Costs**") charged to such Sub-Fund shall not exceed a particular percentage of the Net Asset Value of the Sub-Fund over a particular period of time. The Directors and/or the Manager may also determine that in respect of any particular Sub-Fund, the aggregate fees of the Investment Manager together with the Administrative Costs shall not exceed a particular percentage of the Net Asset Value of the Sub-Fund over a particular period of time. Details of any such arrangements shall be set out in the relevant Supplement.

### **Management Fees and Expenses**

The Manager shall be entitled to receive from each Sub-Fund or Class such fee as may be specified in the relevant Supplement. The Manager may be paid different fees for management in respect of individual Classes as disclosed in the relevant Supplement which may be higher or lower than the fees applicable to other Classes. Information in relation to the fees applicable to other Classes shall be made available on request.

The Directors and/or the Manager may differentiate between the Shareholders by waiving or reducing the annual management fees charged to certain Shareholders.

The Manager shall also be entitled to reimbursement by the relevant Sub-Fund of all reasonable out-of-pocket expenses incurred by it in the performance of their respective obligations. The relevant Sub-Fund shall bear the cost of any value added tax applicable to any fees or other amounts payable to or by the Manager in the performance of its duties.

## **Investment Management Fees and Expenses**

The Investment Manager shall be entitled to receive from each Sub-Fund or Class such fee as may be specified in the relevant Supplement. The Investment Manager may be paid different fees for investment management in respect of individual Classes as disclosed in the relevant Supplement which may be higher or lower than the fees applicable to other Classes. Information in relation to the fees applicable to other Classes shall be made available on request.

The Directors and/or the Manager may differentiate between the Shareholders by waiving or reducing the annual investment management fees charged to certain Shareholders.

### *Other Fees:*

The Investment Manager shall be responsible for discharging, from the investment management fees payable to it, the fees of any sub-investment manager, provided that the Investment Manager and any such provider of services shall be entitled to reimbursement by the relevant Sub-Fund of all reasonable out-of-pocket expenses incurred by it in the performance of their respective obligations. The relevant Sub-Fund shall bear the cost of any value added tax applicable to any fees or other amounts payable to or by the Investment Manager in the performance of its duties.

The fees of the Distributor shall be paid out of the investment management fee payable to the Investment Manager and will be at normal commercial rates. In this regard, the fees of the Distributor shall be paid directly from the assets of the relevant Fund and the investment management fee payable to the Investment Manager shall be reduced accordingly.

## **Administrator's Fees**

### *Administration Fee*

The Company and/or the Manager, on behalf of the Company, shall pay to the Administrator out of the assets of the Company an annual fee, accrued at each Valuation Point and payable quarterly in arrears at a rate which shall not exceed 0.075% per annum of the Net Asset Value of each Sub-Fund (before calculation of the Investment Manager's investment management fee or the Administration Fee) subject to a minimum annual fee of €60,000 (plus VAT, if any thereon) per Sub-Fund and to a fee of €3,000 plus VAT, if any, in respect of the preparation by the Administrator of each set of financial statements required to be prepared in respect of the Company and €3,000 per annum plus VAT, if any, for acting as company secretary of the Company.

The Administrator shall also be entitled to be repaid out of the assets of the Company all of such government or similar fees (including but not limited to filing fees and annual return fees to

the extent payable by the Administrator), charges, taxes, duties and imposts whatsoever levied on or in respect of the Company or business of the Company as it may properly pay.

The fees and charges of the Administrator are subject to variation and renegotiation from time to time provided that any increase in the Administrator's fee is subject to prior notification to Shareholders.

### **Depository's Fees**

The Depository shall be entitled to receive out of the assets of the Company an annual fee, accrued at each Valuation Point and payable monthly in arrears, which shall not exceed 0.0125% per annum of the Net Asset Value of each Sub-Fund (plus VAT, if any) thereon. The Depository shall also be entitled to charge each Sub-Fund for custody, transaction settlement, cash payment, proxy voting and cash trade execution services at its customary rates together with VAT, if any, thereon.

The Depository shall also be entitled to be repaid all of its disbursements out of the assets of each Sub-Fund, including reasonable out-of-pocket or incidental expenses, including, but not limited to, legal fees and tax or related fees incidental to processing by governmental authorities, issuers, or their agents the fees, and expenses of any sub-custodian appointed by it which shall be at normal commercial rates together with VAT, if any, thereon.

The fees and charges of the Depository are subject to variation and renegotiation from time to time provided that any increase in the Depository's fee is subject to prior notification to Shareholders.

### **Directors' Fees**

The Articles of Association authorise the Directors to charge a fee for their services at a rate determined by the Directors. The fees of any Director in any Accounting Period shall not in any event exceed €50,000 (plus VAT, if any) without the approval of the Board. Mr. Rohit Kumar currently waives his entitlement to fees. Any increase in Directors' remuneration above that figure will be notified in advance to Shareholders and Shareholders will be given sufficient time to redeem their Shares prior to the implementation of any such increase. All Directors will be entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties.

### **Paying Agents Fees**

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

### **Sales Charge**

Where specified in the relevant Supplement, Shareholders may be subject to a sales charge calculated as a percentage of subscription monies subject to a maximum of 5% of the Net Asset Value per Share purchased by Shareholders. The sales charge may be waived or reduced at the absolute discretion of the Directors and/or the Manager.

### **Redemption Fee**

Shareholders may be subject to a redemption fee calculated as a percentage of redemption monies as specified in the relevant Supplement, subject to a maximum of 3% of the Net Asset Value of Shares being redeemed. Any such fee will be payable to the Company for its absolute use and benefit. In the event of a redemption fee being charged, Shareholders should view their investment as medium to long-term. The Directors and/or the Manager may differentiate between Shareholders of the Sub-Fund by waiving or reducing the redemption fee chargeable to certain Shareholders.

### **Conversion Fee**

It is not the current intention of the Directors and/or the Manager to charge a conversion fee, unless set out in the relevant Supplement.

### **Anti-Dilution Measures**

Under certain circumstances and unless otherwise provided in the Supplement relating to a Sub-Fund, the Directors and/or the Manager have the power to adjust the Net Asset Value per Share applicable to the issue price as described below under "Swing Pricing". In any case, the adjustments to the Net Asset Value per Share applicable at any Valuation Point shall be identical for all issues dealt with as of that Business Day.

The Anti-Dilution measures are described below under "Swing Pricing" on page 94 below.

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

All fees, expenses, duties and charges will be charged to the relevant Sub-Fund and within such Sub-Fund to the Classes in respect of which they were incurred. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors and/or the Manager may calculate such fees or expenses on an estimated figure for yearly or other periods in advance and accrue them in equal proportions over any period.



## **Remuneration Policy**

The Manager has a remuneration policy in place to ensure compliance with UCITS V. This remuneration policy imposes remuneration rules on staff and senior management within the Company whose activities have a material impact on the risk profile of the Sub-Funds. The Manager will ensure that the Manager's remuneration policies and practices are consistent with sound and effective risk management and will not encourage risk-taking which is inconsistent with the risk profile of the Sub-Fund and the Articles of Association and will be consistent with UCITS V. The Manager will ensure that the remuneration policy is at all times consistent with the business strategy, objectives, values and interests of the Company, the Sub-Funds and Shareholders, and includes measures to ensure that all relevant conflicts of interest may be managed appropriately at all times. Further details with regard to the remuneration policy are available at the following website: [https://www.ubs.com/lu/en/asset\\_management/investor\\_information.html](https://www.ubs.com/lu/en/asset_management/investor_information.html). A paper copy of the remuneration policy may be obtained free of charge on request from the Manager.

## 4. THE SHARES

### General

Shares may be issued on any Subscription Day. Shares issued will be in registered form and denominated in AUD, CAD, CHF, CZK, EUR, GBP, HKD, JPY, PLN, RMB, RUB, SEK, SGD and USD. Each Class denominated in a currency other than the Base Currency of the Sub-Fund, is also available in a "hedged" version. Shares will have no par value and will first be issued on the first Business Day after expiry of the Initial Offer Period as specified in the relevant Supplement.

The Classes that the Company may issue are set out below or in the Supplement of the relevant Sub-Fund, with the particular Classes in issue or available for issue in a given Sub-Fund explained in the relevant Supplement. The characteristics of a given Class are indicated by the name of the Class. Each Class has a category designation (e.g. "I-A1"), a Class currency and hedging designation (e.g., "CAD hedged"), a distribution and accumulation policy designation (e.g. "qdist"), as per the following example: (CAD hedged) I-A1–qdist, and a performance fee designation "PF" as per the following example: (CAD hedged) I-A1-PF-qdist.

### Available Classes

The characteristics of each category of Class are set out in the table below.

"	P"
"	N"

	<p>The minimum subscription amount for an inactive hedged version of this Class is EUR 1,000,000 (or the equivalent in the applicable currency), although this will be waived for active Classes or where hedged Classes of the relevant Sub-Fund denominated in the same currency are active or at the discretion of the Directors and/or the Manager.</p>
"K-1"	<p>Shares in classes with "K-1" in their name are available to all investors. Their smallest tradable unit is 0.1. The initial issue price of these shares amounts to AUD 5 million, CAD 5 million, CHF 5 million, CZK 100 million, EUR 3 million, GBP 2.5 million, HKD 40 million, JPY 500 million, PLN 25 million, RMB 35 million, RUB 175 million, SEK 35 million, SGD 5 million or USD 5 million.</p> <p>The minimum subscription amount for an inactive hedged version of this Class is EUR 1,000,000 (or the equivalent in the applicable currency), although this will be waived for active Classes or where hedged Classes of the relevant Sub-Fund denominated in the same currency are active or at the discretion of the Directors and/or the Manager.</p>
"K-B"	<p>Shares in classes with "K-B" in their name are exclusively reserved for investors who have signed a written agreement on investing in the Sub-Fund with UBS AG or UBS Asset Management (a business division of UBS AG). Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.</p> <p>The minimum subscription amount for an inactive hedged version of this Class is EUR 1,000,000 (or the equivalent in the applicable currency), although this will be waived for active Classes or where hedged Classes of the relevant Sub-Fund denominated in the same currency are active or at the discretion of the Directors and/or the Manager.</p> <p>The smallest tradable unit of these shares is 0.001.</p>
"F"	<p>Shares in classes with "F" in their name are exclusively available to UBS AG or one of its subsidiaries. The shares may only be acquired by UBS AG or one of its subsidiaries for their own account or as part of discretionary asset management mandates concluded with UBS AG or one of its subsidiaries. In the latter case, the shares will be returned to the Company at the prevailing net asset value at no charge upon termination of the mandate. The smallest tradable unit of these shares is 0.001. The initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.</p> <p>The minimum subscription amount for an inactive hedged version of this Class is EUR 1,000,000 (or the equivalent in the applicable currency), although this will be waived for active Classes or where hedged Classes of the relevant Sub-Fund denominated in the same currency are active or at the discretion of the Directors and/or the Manager.</p>

"Q"	<p>Shares in classes with "Q" in their name are only available</p> <p>(a) to investors in an eligible country as defined by "List A Eligible Country"; or  (b) to contractual partners of UBS AG, acting through its division Asset Management, and to other regulated financial service providers, duly authorised by their supervisory authority, investing in their own name</p> <ul style="list-style-type: none"> <li>- on their own behalf; or</li> <li>- on behalf of their clients within the framework of written, fee based (i) discretionary mandates, or (ii) advisory contracts, or (iii) similar long-term contracts that specifically provide for investments in share classes without remuneration; or</li> <li>- on behalf of a collective investment scheme; or</li> <li>- on behalf of another regulated financial service providers, which acts in the above framework for its clients.</li> </ul> <p>In case (b) the investor is domiciled in one of the countries covered by "List B Eligible Country" for a framework as described above in (i) or "List C Eligible Country" for a framework described in (ii) and (iii).</p> <p>Admission of investors in further distribution countries (changes to lists A, B and C) shall be decided by the Directors at their sole discretion and disclosed on <a href="http://www.ubs.com/funds">www.ubs.com/funds</a>.</p> <p>The smallest tradable unit of these shares is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.</p> <p>The minimum subscription amount for an inactive hedged version of this Class is EUR 1,000,000 (or the equivalent in the applicable currency), although this will be waived for active Classes or where hedged Classes of the relevant Sub-Fund denominated in the same currency are active or at the discretion of the Directors and/or the Manager.</p>
"I-A1"	<p>Shares in classes with "I-A1" in their name are exclusively reserved for institutional investors. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.</p> <p>The minimum subscription amount for an inactive hedged version of this Class is EUR 1,000,000 (or the equivalent in the applicable currency), although this will be waived for active Classes or where hedged Classes of the relevant Sub-Fund denominated in the same currency are active or at the discretion of the Directors and/or the Manager.</p>

"I-A2"	<p>Shares in classes with "I-A2" in their name are exclusively reserved for institutional investors. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, PLN 500, RUB 3,500, SEK 700, SGD 100 or USD 100. The minimum subscription amount for these shares is AUD 10 million, CAD 10 million, CHF 10 million, CZK 200 million, EUR 5 million, GBP 5 million, HKD 80 million, JPY 1 billion, PLN 50 million, RMB 70 million, RUB 350 million, SEK 70 million, SGD 10 million or USD 10 million.</p> <p>Upon subscription,</p> <ul style="list-style-type: none"> <li>(i) a minimum subscription must be made pursuant to the list above or,</li> <li>(ii) based on a written agreement of the institutional investor with UBS AG (or with one its authorised counterparties), the investor's total assets managed by UBS or its portfolio in collective capital investments of UBS must be more than CHF 30 million (or the corresponding currency equivalent); or</li> <li>(iii) the institutional investor must be a pension scheme of UBS Group AG or of one of its fully owned group companies.</li> </ul>
"I-A3"	<p>Shares in classes with "I-A3" in their name are exclusively reserved for institutional investors. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, PLN 500, RUB 3,500, SEK 700, SGD 100 or USD 100. The minimum subscription amount for these shares is AUD 30 million, CAD 30 million, CHF 30 million, CZK 600 million, EUR 20 million, GBP 20 million, HKD 240 million, JPY 3 billion, PLN 150 million, RMB 210 million, RUB 1.050 billion, SEK 210 million, SGD 30 million or USD 30 million.</p> <p>Upon subscription,</p> <ul style="list-style-type: none"> <li>(i) a minimum subscription must be made pursuant to the list above or,</li> <li>(ii) based on a written agreement of the institutional investor with UBS AG (or with one its authorised counterparties), the investor's total assets managed by UBS or its portfolio in collective capital investments of UBS must be more than CHF 100,000,000 (or the corresponding currency equivalent); or</li> <li>(iii) the institutional investor must be a pension scheme of UBS Group AG or of one of its fully owned group companies.</li> </ul>

"I-B"	<p>Shares in classes with "I-B" in their name are exclusively reserved for institutional investors who have signed a written agreement on investing in one or more Sub-Funds of this umbrella fund with UBS AG or one of its authorised counterparties. The Administrative Costs are charged directly to the Sub-Fund. The Investment Management Fee is charged under the aforementioned agreements and not out of the assets of the Sub-Fund. Their smallest tradable unit is 0.001. The initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.</p> <p>The minimum subscription amount for an inactive hedged version of this Class is EUR 1,000,000 (or the equivalent in the applicable currency), although this will be waived for active Classes or where hedged Classes of the relevant Sub-Fund denominated in the same currency are active or at the discretion of the Directors and/or the Manager.</p>
"U-B"	<p>Shares in classes with "U-B" in their name are exclusively reserved for institutional investors who have signed a written agreement on investing in the Sub-Fund with UBS AG or one of its authorised counterparties. This class is exclusively geared towards financial products (i.e. fund of funds or other pooled structures in accordance with various legislation). Their smallest tradable unit is 0.001. The initial issue price of these shares amounts to AUD 10,000, CAD 10,000, CHF 10,000, CZK 200,000, EUR 10,000, GBP 10,000, HKD 100,000, JPY 1 million, PLN 50,000, RMB 100,000, RUB 350,000, SEK 70,000, SGD 10,000 or USD 10,000.</p> <p>The minimum subscription amount for an inactive hedged version of this Class is EUR 1,000,000 (or the equivalent in the applicable currency), although this will be waived for active Classes or where hedged Classes of the relevant Sub-Fund denominated in the same currency are active or at the discretion of the Directors and/or the Manager.</p>

"R"	<p>Shares in Classes with "R" in their name are reserved for professionals of the financial sector who invest;</p> <ul style="list-style-type: none"> <li>(a) on their own behalf; or</li> <li>(b) on behalf of clients within a discretionary mandate; or</li> <li>(c) on behalf of collective investment schemes including but not limited to fund of funds, UCITS and Alternative Investment Funds or other financial products</li> </ul> <p>Who meet the following criteria:</p> <p>The professional investor is part of an Italian banking, financial or insurance group; and</p> <ul style="list-style-type: none"> <li>(ii) The product or service provided by the professional of the financial sector is distributed in Italy through Italian entities of the same group; and</li> <li>(iii) UBS AG has authorised, in writing, said professional to subscribe to the unit class; and</li> <li>(iv) said professional has been duly authorised by the supervisory authority to which he/she is subject to carry out such transactions, and is domiciled in the EEA and/or is operating on behalf of another professional of the financial sector who has been authorised in writing by UBS AG and is domiciled in the EEA. The smallest tradable unit of these shares is 0.001. The initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.</li> </ul> <p>The minimum subscription amount for an inactive hedged version of this Class is EUR 1,000,000 (or the equivalent in the applicable currency), although this will be waived for active Classes or where hedged Classes of the relevant Sub-Fund denominated in the same currency are active or at the discretion of the Directors and/or the Manager.</p>
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"J"	<p>Class J Shares are restricted to investors with existing investment management mandates with a UBS AG group company (a "<b>Mandate</b>") or to proprietary capital of any UBS AG group company.</p> <p>And which have previously been invested in UBS (Irl) CURRENCY ALLOCATION RETURN STRATEGY a sub-fund of UBS (Irl) Professional Investor Funds 1 plc. In the event that any such investor's Mandate terminates, the Directors have the power under the Articles of Association to compulsorily redeem and/or cancel the affected Shares or to convert the affected Shares into Shares of another Class at their discretion. Their smallest tradable unit is 0.001. The initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.</p> <p>The minimum subscription amount for an inactive hedged version of this Class is EUR 1,000,000 (or the equivalent in the applicable currency), although this will be waived for active Classes or where hedged Classes of the relevant Sub-Fund denominated in the same currency are active or at the discretion of the Directors and/or the Manager.</p>
"PF"	Shares in Classes with -PF- in their name are entitled to pay a performance fee.

#### Hedged Classes

In addition each Class denominated in a currency other than the Base Currency of the relevant Sub-Fund, is available in a "hedged" version.

"hedged"	<p>For Classes whose reference currencies are different to the Base Currency of the relevant Sub-fund, and which have "hedged" in their name ("<b>share classes in foreign currencies</b>"), the fluctuation risk of the reference currency price for those share classes is hedged against the Base Currency of the relevant Sub-Fund. Any such hedging will endeavour to hedge no less than 95 per cent. of the portion of the net assets of the relevant Class of Shares which is to be hedged against currency risk. Due to matters outside the control of the Company, currency exposure may be over or under hedged but over hedged positions will not be permitted to exceed 105 per cent. of the net assets of the relevant Class of Shares. Hedged positions will be kept under review on an ongoing basis, at least at the same valuation frequency of the Sub-Fund, to ensure that over hedged or under hedged positions do not exceed/fall short of the permitted levels disclosed above. Such review will incorporate a procedure to rebalance the hedging arrangements on a regular basis to ensure that any such position stays within the permitted position levels disclosed above and is not carried forward from month to month. The Investment Manager will seek to achieve this hedging by using derivative instruments, such as forward foreign exchange contracts and currency futures as set out below, within the</p>
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	<p>condition and limits imposed by the Central Bank. The conditions in relation to the use of such hedging strategies are described in the section above entitled "The Company – Hedged Classes". Investors' attention is also drawn to the risks relating to the adoption of unit class currency hedging strategies, which are described in the paragraph entitled "Share Currency Designation Risk". Changes in the market value of the portfolio, as well as subscriptions and redemptions of share classes in foreign currencies, can result in the hedging temporarily surpassing the aforementioned range. The hedging described has no effect on possible currency risks resulting from investments denominated in a currency other than the Sub-Fund's currency of account.</p>
<p>"RMB hedged"</p>	<p>Investors should note that the renminbi (ISO 4217 currency code: CNY), the official currency of the People's Republic of China (the "<b>PRC</b>"), is traded on two markets, namely as onshore RMB (CNY) in mainland China and offshore RMB (CNH) outside mainland China.</p> <p>Shares in classes with "RMB hedged" in their name are shares whose net asset value is calculated in offshore RMB (CNH).</p> <p>Onshore RMB (CNY) is not a freely convertible currency and is subject to foreign exchange control policies and repatriation restrictions imposed by the PRC government. Offshore RMB (CNH), on the other hand, may be traded freely against other currencies, particularly EUR, CHF and USD. This means the exchange rate between offshore RMB (CNH) and other currencies is determined on the basis of supply and demand relating to the respective currency pair.</p> <p>RMB convertibility between offshore RMB (CNH) and onshore RMB (CNY) is a regulated currency process subject to foreign exchange control policies and repatriation restrictions imposed by the PRC government in coordination with offshore regulatory or governmental agencies (e.g. the Hong Kong Monetary Authority).</p> <p>Prior to investing in RMB classes, investors should bear in mind that the requirements relating to regulatory reporting and fund accounting of offshore RMB (CNH) are not clearly regulated. Furthermore, investors should be aware that offshore RMB (CNH) and onshore RMB (CNY) have different exchange rates against other currencies. The value of offshore RMB (CNH) can potentially differ significantly from that of onshore RMB (CNY) due to a number of factors including, without limitation, foreign exchange control policies and repatriation restrictions imposed by the PRC government at certain times, as well as other external market forces. Any devaluation of offshore RMB (CNH) could adversely affect the value of investors' investments in the RMB classes. Investors should therefore take these factors into account when calculating the conversion of their investments and the</p>

	<p>ensuing returns from offshore RMB (CNH) into their target currency.</p> <p>Prior to investing in RMB classes, investors should also bear in mind that the availability and tradability of RMB classes, and the conditions under which they may be available or traded, depend to a large extent on the political and regulatory developments in the PRC. Thus, no guarantee can be given that offshore RMB (CNH) or the RMB classes will be offered and/or traded in future, nor can there be any guarantee as to the conditions under which offshore RMB (CNH) and/or RMB classes may be made available or traded. In particular, since the currency of account of the relevant Sub-Funds offering the RMB classes would be in a currency other than offshore RMB (CNH), the ability of the relevant Sub-Fund to make redemption payments in offshore RMB (CNH) would be subject to the Sub-Fund's ability to convert its currency of account into offshore RMB (CNH), which may be restricted by the availability of offshore RMB (CNH) or other circumstances beyond the control of the Company.</p> <p>Potential investors should be aware of the risks of reinvestment, which could arise if the RMB class has to be liquidated early due to political and/or regulatory circumstances.</p>
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#### Additional characteristics

Classes may be available with the following additional characteristics.

Additional characteristics	
"acc"	For share classes with "-acc" in their name, income is not distributed unless the Company decides otherwise.
"dist"	For share classes with "-dist" in their name, income is distributed annually unless the Company decides otherwise.
"qdist"	Shares in classes with "-qdist" in their name may make quarterly distributions, excluding fees and expenses.
"mdist"	Share classes with "-mdist" in their name may make monthly distributions, excluding fees and expenses. The maximum issuing commission for shares in classes with "-mdist" in their name is 6%.
"UKdist"	For share classes with "UKdist" in their name, the Company intends to distribute a sum which corresponds to 100% of the reportable income within the meaning of the UK reporting fund rules when the share classes are subject to the reporting fund rules. The Company does not intend to make available taxable values in other countries for these share classes, as they are intended for investors whose

	investment in the share class is liable to tax in the UK.
"2%", "4%", "6%", "8%"	Shares in classes with "2%" / "4%" / "6%" / "8%" in their name may make monthly (-mdist), quarterly (-qdist) or annual (-dist) distributions at the respective aforementioned annual percentage rates, gross of fees and expenses. The distribution amount is calculated based on the net asset value of the respective share class at the end of the month (in the case of monthly distributions), financial quarter (in the case of quarterly distributions) or financial year (in the case of annual distributions). These share classes are suitable for investors who wish for more stable distributions, unrelated to past or expected returns or income.

If investors no longer meet the requirements of a Class as set out in the table above, the Company may:

- (a) request that the investors concerned return their shares within 30 calendar days in accordance with the section of the Prospectus entitled "Redemption of Shares"; or
- (b) request that the investors concerned transfer their shares to a person who meets the aforementioned requirements; or
- (c) compulsorily redeem and/or cancel the affected Shares in accordance with the Articles of Association of the Company; or
- (d) convert the affected Shares into Shares of another Class at their discretion.

In addition, the Company may refuse any application for Shares at its own discretion. The Directors and/or the Manager have the right in their sole discretion to waive the Class restrictions outlined in the table above (if any) at any time.

The minimum subscription as described above may be varied by the Directors and/or the Manager at their discretion in respect of any investor.

The Directors and/or the Manager may at their discretion apply for qualifying fund status in the United Kingdom for any Sub-Fund or for any Classes issued by any Sub-Fund.

### **Offer**

Shares in a particular Class will be first offered during its Initial Offer Period at the Initial Price as specified in the relevant Supplement.

Shares will be offered subject to acceptance of applications for Shares by the Company and will be issued for the first time on the first Business Day after expiry of the Initial Offer Period as specified in the relevant Supplement. The Initial Offer Period may be shortened or extended by the Directors and/or the Manager in accordance with the requirements of the Central Bank.

Thereafter Shares of a Class of which one or more Shares are already in issue shall be issued at the Net Asset Value per Share of the relevant Class. Title to Shares will be evidenced by the entering of the investor's name on the Company's register of Shareholders and no certificates will be issued. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

The Directors and/or the Manager may decline to accept any application for Shares without giving any reason and may restrict the ownership of Shares by any person, firm or corporation in certain circumstances including where such ownership would be in breach of any regulatory or legal requirement or might affect the tax status of the Company or might result in the Company suffering certain disadvantages which it might not otherwise suffer. Any restrictions applicable to a particular Sub-Fund or Class shall be specified in the relevant Supplement for such Sub-Fund or Class. Any person who holds Shares in contravention of restrictions imposed by the Directors and/or the Manager or, by virtue of his holding, is in breach of the laws and regulations of any applicable jurisdiction or whose holding could, in the opinion of the Directors and/or the Manager, cause the Company to incur any liability to taxation or to suffer any pecuniary disadvantage which it or the Shareholders or any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors and/or the Manager believe might be prejudicial to the interests of the Shareholders, shall indemnify the Company, the Manager, the Investment Manager, the Depositary, the Administrator and Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the Company. The afore-referenced indemnity provisions shall be applied or exercised by the Directors and/or the Manager in good faith and on reasonable grounds. It is not the intention of the Directors or the Manager to apply or exercise any withholding, set-off or rights of deductions pursuant to the afore-referenced provisions, save to the extent permitted by any applicable laws and regulations.

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

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

None of the Company, the Manager, the Investment Manager, the Administrator or the Depositary or any of their respective directors, officers, employees or agents will be responsible or liable for the authenticity of instructions from Shareholders reasonably believed to be genuine

and shall not be liable for any losses, costs or expenses arising out of or in conjunction with any unauthorised or fraudulent instructions. The Administrator (or its delegate) shall, however, employ reasonable procedures to confirm that instructions are genuine.

### **Application for Shares**

Applications for Shares may be made through the Administrator (or its delegate) on behalf of the Company. Applications received and accepted by the Administrator (or its delegate) prior to the Subscription Deadline for the relevant Subscription Day as specified in the Supplement for each Sub-Fund will be processed as of that Subscription Day. Any applications received after the Subscription Deadline for a particular Subscription Day will be processed as of the following Subscription Day unless, in exceptional circumstances, the Directors and/or the Manager in their absolute discretion otherwise determine to accept one or more applications received after the Subscription Deadline for processing as of that Subscription Day provided that such application(s) have been received prior to the Valuation Point for the particular Subscription Day.

Initial applications should be made using an Application Form obtained from the Administrator (or its delegate) but may, if the Directors and/or the Manager so determine, be made by facsimile or such other electronic means of instruction as the directors determine, subject to prompt transmission to the Administrator (or its delegate) of the original signed Application Form and such other papers (such as documentation relating to money laundering prevention checks) as may be required by the Directors and/or the Manager or their delegate. Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator (or its delegate) by facsimile or such other means as may be permitted by the Directors and/or the Manager, including electronic means other than facsimile, without a requirement to submit original documentation (unless otherwise provided for in the Application Form) and such applications should contain such information as may be specified from time to time by the Directors and/or the Manager or their delegate. Neither the Company nor the Administrator (or its delegate) accepts any responsibility for any loss arising from the non-receipt by the Administrator (or its delegate) of any Application Form sent by facsimile or other electronic means. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt by the Administrator (or its delegate) of original written instructions (or by electronic instruction where a Shareholder has subscribed by electronic means other than facsimile) from the relevant Shareholder.

Following an application to the Central Bank, the Administrator has been approved to accept subscriptions by electronic means and the Administrator's systems and procedures have been updated accordingly.

The Administrator (or its delegate) on behalf of the Company may reject any application in whole or in part without giving any reason for such rejection in which event the subscription

monies or any balance thereof will be returned without interest, expenses or compensation to the applicant by transfer to the applicant's designated account or by post at the applicant's risk.

#### *Fractions*

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than 0.001 of a Share (or, at the Directors' and/or the Manager's discretion in respect of one or more Classes, and as provided for in the section entitled "Available Classes", 0.10 of a Share).

Subscription monies, representing less than 0.001 of a Share (or 0.10 of a Share, as applicable) will not be returned to the investor but will be retained by the Company in order to defray administration costs.

#### *Method of Payment*

Subscription payments net of all bank charges should be paid by CHAPS, SWIFT or telegraphic or electronic transfer to the bank account specified in the Application Form. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Subscription Day as specified in the Supplement for each Sub-Fund.

The Directors and/or the Manager, in their sole and absolute discretion, may accept payment for subscriptions in kind on terms that settlement shall be made by the vesting in the Depositary or its agent of assets of the type in which the Company may invest in accordance with the investment objective, policies and restrictions of the Company and otherwise upon such terms as the Directors and/or the Manager may think fit provided that (i) no Shares shall be issued until the investments have been vested or arrangements are made to vest the investments with the Depositary or its sub-custodian to the Depositary's satisfaction; (ii) any such subscription shall be effected on terms that the number of Shares to be issued shall be the number (including, at the Director's and/or the Manager's discretion, fractions of Shares) which would have been issued at the Net Asset Value per Share of the relevant Class for a cash amount equal to the value of the investments as calculated in accordance with the section of the Prospectus headed "THE SHARES; Net Asset Value and Valuation of Assets"; and (iii) the Depositary is satisfied that the terms of such subscription shall not be such as are likely to result in any material prejudice to the existing Shareholders.

#### *Currency of Payment*

Subscription monies are payable in the Base Currency of a Sub-Fund or in the denominated currency of the relevant Class. The Company may accept payment in such other currencies as the Directors and/or the Manager may agree at the prevailing exchange rate quoted by the Administrator. The cost and risk of converting currency will be borne by the investor.

### *Timing of Payment*

Payment in respect of subscriptions must be received in cleared funds by the Depositary no later than the day and/or time as specified in the Supplement for each Sub-Fund or by such other time and/or day as the Directors and/or the Manager may determine in any individual case, provided that the Directors and/or the Manager reserve the right to defer the issue of Shares until receipt of cleared subscription monies by the Depositary. If payment in cleared funds in respect of a subscription has not been received by the relevant time, the Directors and/or the Manager or their delegates may cancel the allotment and/or charge the investor interest to cover the expenses incurred by the relevant Sub-Fund as a result, which will be paid into the assets of such Sub-Fund. The Directors and/or the Manager may waive such charges in whole or in part. In addition, the Directors and/or the Manager have the right to sell all or part of the investor's holding of Shares in a Sub-Fund in order to meet such charges.

### *Subscription monies received from an investor in advance of a Dealing Day*

Subscription monies received from an investor in advance of a Dealing Day in respect of which an application for Shares has been, or is expected to be, received will be held in a cash account in the name of the relevant Sub-Fund and will be treated as an asset of the relevant Sub-Fund upon receipt and will not benefit from the application of any investor money protection rules (i.e. the subscription monies in such circumstance will not be held on trust as investor monies for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the relevant Sub-Fund with respect to the amount subscribed and held by the Company until such Shares are issued as of the relevant Dealing Day. In the event of an insolvency of the Sub-Fund or the Company, there is no guarantee that the Sub-Fund or the Company will have sufficient funds to pay unsecured creditors in full. Investors who have forwarded subscription monies in advance of a Dealing Day as detailed above and which are held in a cash account will rank equally with all other unsecured creditors of the relevant Sub-Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the investor may not recover all monies originally paid into a cash account in relation to the application for Shares. Your attention is drawn to the section of the Prospectus entitled "*Risk Factors*" – "*Fund Assets Held in Cash Accounts*" above.

### *Confirmation of Ownership*

Written confirmation of each purchase of Shares will be sent to Shareholders promptly after the issuing of Shares. Title to Shares will be evidenced by the entering of the investor's name on the Company's register of Shareholders and no certificates will be issued.

### *Money Laundering and Countering Terrorist Financing Measures*

Measures aimed at the prevention of money laundering and terrorist financing require a detailed

verification of the investor's identity and where applicable the beneficial owner on a risk sensitive basis. Politically exposed persons ("PEPs"), an individual who is or has, at any time in the preceding year, been entrusted with a prominent public function, and immediate family member, or persons known to close associates of such persons, must also be identified.

By way of example, an individual may be required to produce a copy of a passport or identification card duly certified by a public authority such as a notary public, the police or the ambassador in their country of residence together with two original or certified pieces of evidence of his/her address such as a utility bill or bank statement not less than three months old and disclose his/her occupation and date of birth. In the case of corporate investors, such measures may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), and of the names, dates of birth and residential and business addresses of all directors and beneficial owners and of the authorised signatories of the investor, which must be certified. Amendment to any investor records will only be effected by the Administrator (or its delegate) upon receipt of original evidencing documentation.

Depending on the circumstances of each application, a detailed verification might not be required where for example, the application is made through a relevant third party as such term is defined in the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (as amended). This exception will only apply if the relevant third party referred to above is located within a country recognised in Ireland as having equivalent anti-money laundering and counter terrorist financing regulations and satisfies other applicable conditions such as providing a letter of undertaking confirming that it has carried out the appropriate verification checks on the investor and will retain such information in accordance with the required timeframe and will provide such information on request to the Administrator (or its delegate) or the Company.

The details above are given by way of example only and in that regard the Administrator (or its delegate) and the Company or the Manager acting on its behalf each reserve the right to request any such information as is necessary at the time of application for Shares in a Sub-Fund to verify the identity of an investor and where applicable the beneficial owner of an investor. In particular, the Administrator (or its delegate), the Company and the Manager acting on its behalf each reserve the right to carry out additional procedures in relation to both new and existing investors who are/become classed as PEPs. Verification of the investor's identity is required to take place before the establishment of the business relationship. In any event, evidence of identity is required for all investors as soon as is reasonably practicable after the initial contact. In the event of delay or failure by an investor or applicant to produce any information required for verification purposes, the Administrator (or its delegate) or the Company or the Manager acting on its behalf may refuse to accept the application and subscription monies and/or return all subscription monies or compulsorily repurchase such Shareholder's Shares and/or payment of repurchase proceeds may be delayed (no repurchase proceeds will be paid if the Shareholder fails to produce such information). None of the Company, the Manager, the Directors or the Administrator (or its delegate) shall be liable to the subscriber or Shareholder where an application for Shares is not processed or Shares are



compulsorily repurchased or payment of repurchase proceeds is delayed in such circumstances. If an application is rejected, the Administrator (or its delegate) will return application monies or the balance thereof in accordance with any applicable laws to the account from which it was paid at the cost and risk of the applicant. The Administrator (or its delegate) may refuse to pay or delay payment of redemption proceeds where the requisite information for verification purposes has not been produced by a Shareholder.

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

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

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

The Administrator (or its delegate) and the Company or the Manager on its behalf reserve the right to obtain any additional information from investors so that it can monitor the ongoing business relationship with such investors. The Administrator (or its delegate) and the Company or the Manager acting on its behalf cannot rely on third parties to meet this obligation, which remains their ultimate responsibility.

The Administrator (or its delegate) and the Company or the Manager acting on its behalf also reserve the right to obtain any additional information from investors to keep its customer due diligence records up to date.

### *Data Protection Information*

Prospective investors should note that by completing the Application Form they are providing personal information to the Company, which may constitute personal data within the meaning of data protection legislation in Ireland. This data will be used for the purposes of client identification, administration, statistical analysis, market research, to comply with any applicable legal or regulatory requirements and, if an applicant's consent is given, for direct marketing purposes. Details relating to the identity of Shareholders may be required by the regulatory or other governmental authorities of one or more of the countries in which the Company invests. Data may be disclosed to third parties including regulatory bodies, tax authorities, delegates, advisers and service providers of the Company and their or the Company's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including outside the EEA) for the purposes specified. By signing the Application Form, investors consent to the obtaining, holding, use, disclosure and processing of data for any one or more of the purposes set out in the Application Form. Investors have a right to obtain a copy of their personal data kept by the Company on payment of a fee and the right to rectify any inaccuracies in personal data held by the Company.

### **Minimum Subscription, Minimum Holding and Minimum Subsequent Subscription**

The Minimum Subscription, Minimum Holding and Minimum Subsequent Subscription for each Class, if applicable, is set out in the table in the section entitled "The Shares - Available Classes".

The Directors and/or the Manager reserve the right to differentiate between Shareholders as to and waive or reduce these minimums at their discretion.

### **Redemption of Shares**

Shareholders may redeem their Shares on and with effect from any Redemption Day as set out in the relevant Supplement for each Sub-Fund at the Net Asset Value per Share calculated on or with respect to the relevant Redemption Day in accordance with the procedures specified below (save during any period when the calculation of Net Asset Value is suspended). The minimum value of Shares which may be redeemed in any one redemption transaction is the Minimum Redemption specified in the relevant Supplement. If the redemption of part only of a Shareholder's shareholding would leave the Shareholder holding less than the Minimum Holding as set out in a Supplement, the Directors and/or the Manager may, if they think fit, redeem the whole of that Shareholder's holding.

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

Requests for the redemption of Shares should be made to the Administrator (or its delegate) whose details are set out in the Application Form, by facsimile or original written communication

or such other means as may be permitted by the Directors and/or the Manager in accordance with the requirements of the Central Bank, and should include such information as may be specified from time to time by the Directors and/or the Manager or their delegates. Neither the Company, the Manager nor the Administrator (or its delegate) will accept any responsibility for any loss as a result of the non-receipt of any redemption request sent by facsimile or other electronic means. Requests for redemption received prior to the Redemption Deadline as set out in each Supplement for any Redemption Day will be processed as of that Redemption Day. Any requests for redemption received after the Redemption Deadline for a Redemption Day will be processed as of the next Redemption Day unless, in exceptional circumstances, the Directors and/or the Manager in their absolute discretion determine otherwise. Redemption requests will only be accepted for processing where cleared funds and completed documents including documentation relating to money laundering prevention checks are in place from original subscriptions. No redemption payment will be made from an investor holding until the original subscription Application Form and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed. Redemption payments made on foot of faxed or other electronic redemption requests will not be made except to the investor's account of record. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt by the Administrator (or its delegate) of original written instructions (or by electronic instruction where a Shareholder has subscribed by electronic means other than facsimile) from the relevant Shareholder.

Following an application to the Central Bank, the Administrator has been approved to accept redemptions by electronic means and the Administrator's systems and procedures have been updated accordingly.

#### *Deferral of redemptions*

If the number of Shares to be redeemed on any Redemption Day equals one tenth or more of the total number of Shares of a Sub-Fund in issue on that day the Directors and/or the Manager or their delegates may at their discretion refuse to redeem any Shares in excess of one tenth of the total number of Shares in issue as aforesaid and, if they so refuse, the requests for redemption on such Redemption Day shall be reduced pro rata and Shares which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Redemption Day until all Shares to which the original request related have been redeemed.

### *In specie redemptions*

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

### *Method of Payment*

Redemption payments will be made to the bank account detailed on the Application Form (which shall be the account from which the subscription monies originated) or as subsequently notified to the Administrator in writing. Redemption payments following processing of instruments received by facsimile will only be made to the account of record of a Shareholder.

### *Currency of Payment*

Shareholders will normally be repaid in the Base Currency specified in the relevant Supplement for the relevant Sub-Fund or in the denominated currency of the relevant Class. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

### *Timing of Payment*

Redemption proceeds in respect of Shares will generally be paid as soon as practicable following the finalisation of the calculation of the Net Asset Value of the relevant Class, and in any event within 10 Business Days of the Redemption Deadline, provided that all the required documentation has been furnished to and received by the Administrator in original form.

Redemption monies payable to an investor subsequent to a Dealing Day of a Sub-Fund as of which Shares of that investor were redeemed (and consequently the investor is no longer a Shareholder of the Sub-Fund as of the relevant Dealing Day) will be held in a cash account in

the name of the relevant Sub-Fund and will be treated as an asset of the Sub-Fund until paid to that investor and will not benefit from the application of any investor money protection rules (i.e. the redemption monies in such circumstance will not be held on trust for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the relevant Sub-Fund with respect to the redemption amount held by the Company until paid to the investor. In the event of an insolvency of the Sub-Fund or the Company, there is no guarantee that the Sub-Fund or the Company will have sufficient funds to pay unsecured creditors in full. Investors due redemption monies which are held in a cash account will rank equally with all other unsecured creditors of the relevant Sub-Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the investor may not recover all monies originally paid into a cash account for onward transmission to that investor.

Your attention is drawn to the section of the Prospectus entitled "*Risk Factors*" – "*Fund Assets Held in Cash Accounts*" above.

#### *Withdrawal of Redemption Requests*

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

#### *Compulsory/Total Redemption*

Shares may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the sub-headings "Compulsory Redemption of Shares" and "Total Redemption of Shares".

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

Shareholders are required to notify the Administrator through which Shares have been purchased immediately if they become US Persons or persons who are otherwise subject to restrictions on ownership as set out herein and such Shareholders may be required to redeem or transfer their Shares. The Company may redeem any Shares which are or become owned, directly or indirectly, by or for the benefit of any person in breach of any restrictions on ownership from time to time as set out herein or if the holding of Shares by any person is unlawful or is likely to result or results in any liability to taxation or any pecuniary liability or disadvantage or material administrative disadvantage to the Company or the Shareholders as a whole or any Sub-Fund or Class. The Company may also redeem any Shares held by any person who holds less than the Minimum Holding as set out in the Supplement for each Sub-Fund or does not, within seven days of a request by or on behalf of the Directors and/or the Manager, supply any information or declaration required under the terms hereof to be furnished. Any such redemption will be effected on a Redemption Day at the Net Asset Value per Share calculated on or with respect to the relevant Redemption Day on which the Shares are to be

redeemed. The Company may also redeem any Shares held by any person who ceases to meet any requirements set out herein for ownership of such Shares, for example, the offer of certain Classes of Shares may be restricted to investors which have an existing investment management mandate with a UBS group company. In the event that any such mandate terminates, the Directors have the power under the Articles of Association to compulsorily redeem and/or cancel the affected Shares or to convert the affected Shares into Shares of another Class at their discretion. The Company may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by a Shareholder including any interest or penalties payable thereon. The attention of investors in relation to the section of the prospectus entitled "Taxation" and in particular the section therein headed "Irish Taxation" which details circumstances in which the Company shall be entitled to deduct from payments to Shareholders who are resident or ordinarily resident in Ireland amounts in respect of liability to Irish taxation including any penalties and interest thereon and/or compulsorily redeem Shares to discharge such liability. Relevant Shareholders will indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of an event giving rise to a charge to taxation.

#### *Total Redemption of Shares*

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

- (a) on the giving by the Company of not less than four nor more than twelve weeks' notice expiring on a Redemption Day to Shareholders of the relevant Sub-Fund or Class of its intention to redeem such Shares; or
- (b) if the holders of 75% in value of the relevant Sub-Fund or relevant Class resolve at a meeting of the Shareholders duly convened and held that such Shares should be redeemed.

The Directors and/or the Manager may resolve in their absolute discretion to retain sufficient monies prior to effecting a total redemption of Shares to cover the costs associated with the subsequent termination of a Sub-Fund or Class or the liquidation of the Company.

#### **Conversion of Shares**

Subject to the Minimum Subscription and Minimum Holding requirements of the relevant Sub-Fund or relevant Classes, if applicable, Shareholders may request conversion of some or all of their Shares in one Sub-Fund or one Class ("**the Original Class**") to Shares in another Sub-Fund or Class or another Class in the same Sub-Fund ("**the New Class**") on any Redemption Day in accordance with the formula and procedures specified below. Applications for conversion of Shares should be made to the Administrator (or its delegate) for onward transmission to the Administrator (or its delegate) by facsimile or written communication or such other means as may be permitted by the Directors and/or the Manager and should include such

information as may be specified from time to time by the Directors and/or the Manager or their delegates. Requests for conversion on any Redemption Day should be received prior to the Redemption Deadline. Any applications received after such time will be dealt with on the next Redemption Day, unless the Directors and/or the Manager in their absolute discretion otherwise determine. Conversion requests will only be accepted where cleared funds and completed documents are in place from original subscriptions.

Where a conversion request would result in a Shareholder holding a number of Shares of either the Original Class or the New Class which would be less than the Minimum Holding for the relevant Class, the Directors and/or the Manager or their delegates may, if it thinks fit, convert the whole of the holding in the Original Class to Shares in the New Class or refuse to effect any conversion from the Original Class.

Fractions of Shares which shall not be less than 0.001 of a Share (or, at the Directors' and/or the Manager's discretion in respect of one or more Classes, and as provided for in the section entitled "Available Classes" , 0.10 of a Share) may be issued by the Company on conversion where the value of Shares converted from the Original Class are not sufficient to purchase an integral number of Shares in the New Class and any balance representing less than 0.001 of a Share (or 0.10 of a Share, as applicable) will be retained by the Company in order to defray administration costs.

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

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

where

S is the number of Shares of the New Class to be allotted.

R is the number of Shares in the Original Class to be redeemed.

NAV is the Net Asset Value per Share of the Original Class at the Valuation Point on the relevant Redemption Day.

ER is the currency conversion factor (if any) as determined by the Administrator.

SP is the Net Asset Value per Share of the New Class at the Valuation Point on the relevant Redemption Day.

### *Conversion Fee*

It is not the current intention of the Directors and/or the Manager to charge a conversion fee, unless set out in the relevant Supplement.

### *Withdrawal of Conversion Requests*

Conversion requests may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of a suspension of calculation of the Net Asset Value of the Company.

### **Suspension of Dealing**

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the Company or a Sub-Fund is suspended in the manner described under the heading "Suspension of Valuation of Assets". Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Redemption Day following the ending of such suspension. The Directors' and the Manager's authority to defer redemptions is set out on page 84.

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

The Net Asset Value of each Sub-Fund or, if there are different Classes, attributable to a Class will be calculated by the Administrator as at the Valuation Point on or with respect to each Subscription Day and each Redemption Day. The Net Asset Value of a Sub-Fund shall be determined as at the Valuation Point for the relevant Subscription or Redemption Day by valuing the assets of the relevant Sub-Fund (including income accrued but not collected) and deducting the liabilities of the relevant Sub-Fund (including a provision for duties and charges, accrued expenses and fees and other liabilities). The Net Asset Value attributable to a Class shall be determined as at the Valuation Point for the relevant Subscription or Redemption Day by calculating that portion of the Net Asset Value of the relevant Sub-Fund attributable to the relevant Class subject to adjustment to take account of assets and/or liabilities attributable to the Class. The Net Asset Value of a Sub-Fund will be expressed in the Base Currency of the Sub-Fund, or in such other currency as the Directors and/or the Manager may determine either generally or in relation to a particular Class or in a specific case, and shall be available to investors upon request.

The Net Asset Value per Share shall be calculated as at the Valuation Point on or with respect to each Subscription and Redemption Day by dividing the Net Asset Value of the relevant Sub-Fund or attributable to a Class by the total number of Shares in issue or deemed to be in issue in the Sub-Fund or Class at the relevant Valuation Point and rounding the resulting total to 2



decimal places (or where the currency of denomination of the relevant Class is Japanese Yen, the resulting total shall be rounded to the nearest Japanese Yen).

In determining the Net Asset Value of the Company:

- (A) any security which is listed, quoted or dealt on an Exchange will be valued at its last traded price (or, if no last traded price is available, closing price), as adjusted in such manner as the Manager, in its sole discretion, thinks fit, having regard to the size of the holding, and where prices are available on more than one Exchange for a particular security the price will be the last traded price or the closing price, as the case may be (as determined above), on the exchange which, in the opinion of the Manager, constitutes the main market for such security;
- (B) the value of any security quoted or dealt on an Exchange but acquired or traded at a premium or at a discount outside or off the relevant Exchange or on an over-the-counter market may 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;
- (C) any security which is listed, quoted or dealt on an Exchange, but which is not regularly traded thereon or in respect of which no prices as described above are available will be valued at the probable realisation value estimated with care and in good faith by the Manager or a competent person, such as the Administrator, appointed by the Manager and approved for such purpose by the Depositary having regard to its cost price, the price at which any recent transaction in the security may have been effected, the size of the holding having regard to the total amount of such security in issue, and such other factors as the Manager in their sole discretion deem relevant in considering a positive or negative adjustment to the valuation;
- (D) any security which is not listed, quoted or dealt on an Exchange or whose the market price is unrepresentative will be valued at the probable realisation value estimated with care and in good faith by a stockbroker or other competent person, such as the Administrator, appointed by the Manager and approved for the purpose by the Depositary;
- (E) derivative instruments dealt or traded on an exchange or market will be valued at the relevant settlement price on the applicable exchange or market. If such price is not available the value of such investments shall be the probable realisation value estimated with care and in good faith by a competent person, such as the Administrator, appointed by the Manager and approved for the purpose by the Depositary. Derivative contracts which are not traded on a regulated market and which are not cleared by a clearing counterparty may be valued on the basis of the mark to market value of the derivative contract or if market conditions prevent marking to market, reliable and

prudent marking to model may be used. Derivative contracts, including swaps, which are not traded on a regulated market and which are cleared by a clearing counterparty Derivative contracts will be valued daily on the basis of the valuation obtained from the counterparty to the transaction provided that the valuation is approved or verified at least weekly by an independent party appointed by the Manager, or by the Manager (who must be independent of the relevant counterparty), each approved for that purpose by the Depositary, or will be valued daily on the basis of an alternative valuation, which will follow international best practice and adhere to the principles of valuations of over the counter instruments established by bodies such as International Organisation of Securities Commissions and the Alternative Investment Management Association and provided by a competent person, such as the Administrator, appointed by the Manager and approved for the purpose by the Depositary, or by any other means provided that the value is approved by the Depositary. Any valuation not obtained from the counterparty will be reconciled to the counterparty valuation on a monthly basis and where significant differences arise between the valuations these will be promptly investigated and explained;

- (F) forward foreign exchange contracts and interest rate swap contracts will be valued by reference to freely available market quotations, where available;
- (G) investments in a collective investment scheme will be valued at the latest available net asset value of the shares or units in that collective investment scheme; or, if listed or traded on an Exchange, in accordance with (A) above.
- (H) cash deposits will be valued at their face value plus accrued interest;
- (I) in the case of a Sub-Fund which is a money market Sub-Fund the Manager may use the amortised cost method of valuation provided they comply with the Central Bank's requirements for money market funds and where a review of the amortised cost valuation vis-a-vis market valuation will be carried out in accordance with the Central Bank's requirements;
- (J) in a non-money market fund, money market instruments may be valued on an amortised basis in accordance with the Central Bank's requirements;
- (K) any value (whether of an investment or cash) otherwise than in the Base Currency of the relevant Sub-Fund will be converted into the Base Currency of the relevant Sub-Fund at the rate (whether official or otherwise) which the Manager in its absolute discretion deems applicable as at relevant Valuation Point, having regard, among other things, to any premium or discount which they consider may be relevant and to the costs of exchange;
- (L) The Manager may value securities having a residual maturity not exceeding six months using the amortised cost method of valuation;

- (M) The Manager may adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof;
- (N) Where the value of any investment is not ascertainable as described above, the value shall be the probable realisation value estimated by the Manager with care and in good faith or by a competent person, such as the Administrator, appointed by the Manager, approved for the purpose by the Depositary; and
- (O) If the Manager deems it necessary, a specific investment may be valued under an alternative method of valuation approved by the Depositary.

Notwithstanding subscription monies, redemption monies and dividend amounts will be held in cash accounts in the name of the relevant Sub-Fund and treated as assets of and attributable to a Sub-Fund:-

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

In calculating the value of assets of the Company and each Sub-Fund the following principles will apply:

- (a) where investments have been agreed to be purchased or sold but such purchase or sale has not been completed, such investments including dealing charges and brokers fees shall be included or excluded and the gross purchase or net sale consideration excluded or included as the case may require as if such purchase or sale had been duly completed unless the Manager has reason to believe such purchase or sale will not be completed;

- (b) there shall be added to the assets of the relevant Sub-Fund any actual or estimated amount of any taxation of a capital nature which may be recoverable by the Company which is attributable to that Sub-Fund;
- (c) there shall be added to the assets of each relevant Sub-Fund a sum representing any interest, dividends or other income accrued but not received and a sum representing unamortised expenses unless the Manager is of the opinion that such interest, dividends or other income are unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Manager or its delegate (with the approval of the Depository) may consider appropriate in such case to reflect the true value thereof;
- (d) there shall be added to the assets of each relevant Sub-Fund the total amount (whether actual or estimated by the Manager or its delegate) of any claims for repayment of any taxation levied on income or capital gains including claims in respect of double taxation relief;
- (e) where notice of the redemption of Shares has been received by the Company and/or the Manager with respect to a Redemption Day and the cancellation of such Shares has not been completed, the Shares to be redeemed shall be deemed not to be in issue at the Valuation Point and the value of the assets of the relevant Sub-Fund shall be deemed to be reduced by the amount payable upon such redemption; and
- (f) there shall be deducted from the assets of the relevant Sub-Fund:
  - (i) the total amount of any actual or estimated liabilities properly payable out of the assets of the relevant Sub-Fund including any and all outstanding borrowings of the Company in respect of the relevant Sub-Fund, interest, fees and expenses payable on such borrowings and any estimated liability for tax and such amount in respect of contingent or projected expenses as the Manager considers fair and reasonable as of the relevant Valuation Point;
  - (ii) such sum in respect of tax (if any) on income or capital gains realised on the investments of the relevant Sub-Fund as in the estimate of the Manager will become payable;
  - (iii) the amount (if any) of any distribution declared but not distributed in respect thereof;
  - (iv) the remuneration of the Manager, the Administrator, the Depository, the Investment Manager and any other providers of services to the Company accrued but remaining unpaid together with a sum equal to the value added tax chargeable thereon (if any);

- (v) the total amount (whether actual or estimated by the Manager) of any other liabilities properly payable out of the assets of the relevant Sub-Fund (including all establishment, operational and ongoing administrative fees, costs and expenses) as of the relevant Valuation Point;
- (vi) an amount representing the projected liability of the relevant Sub-Fund in respect of costs and expenses to be incurred by the relevant Sub-Fund in the event of a subsequent liquidation;
- (vii) an amount as of the relevant Valuation Point representing the projected liability of the relevant calls on Shares in respect of any warrants issued and/or options written by the relevant Sub-Fund or Class of Shares; and
- (viii) any other liability which may properly be deducted.

### **Swing Pricing**

"Swing Pricing" is the method the Directors and/or the Manager may use to adjust the price of Shares to minimise the impact of "dilution" on Shareholders' interests. Dilution occurs when the cost of purchasing or selling the assets of a Sub-Fund is greater than the value of these assets due to taxes, dealing charges or any spread between the buying and selling prices of these assets.

### **Description of the swing pricing methodology**

If the aggregate subscriptions and redemptions exceeds a threshold then the Net Asset Value used to process all deals in that Sub-Fund is adjusted to reflect by a swing factor. The swing factor, which shall not exceed 2%, and the threshold are set by the Directors and/ or the Manager.

For the purpose of calculating any expenses of a Sub-Fund which are based on the Net Asset Value of the relevant Sub-Fund, the Administrator will continue to use the un-swung Net Asset Value.

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

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

- a) during the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the Exchanges on which the relevant Sub-Fund's investments are quoted, listed, traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted; or

- b) during the whole or part of any period when circumstances outside the control of the Directors and/or the Manager exist as a result of which any disposal or valuation of investments of the Sub-Fund is not reasonably practicable or would be detrimental to the interests of Shareholders or it is not possible to transfer monies involved in the acquisition or disposition of investments to or from the relevant account of the Company;  
or
- c) during the whole or any part of any period when any breakdown occurs in the means of communication normally employed in determining the value of any of the relevant Sub-Fund's investments; or
- d) during the whole or any part of any period when for any reason the value of any of any Sub-Fund's investments cannot be reasonably, promptly or accurately ascertained;
- e) during the whole or any part of any period when subscription proceeds cannot be transmitted to or from the account of any Sub-Fund or the Company is unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the Directors and/or the Manager, be carried out at normal rates of exchange;
- f) upon mutual agreement between the Company and the Depositary for the purpose of winding up the Company; or
- g) if any other reason makes it impossible or impracticable to determine the value of a substantial portion of the Investments or the Company or any Sub-Fund.

Any suspension of valuation shall be notified to the Central Bank and the Depositary immediately. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

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

### **Dividend Policy**

Shares of a Sub-Fund may be issued as Accumulating Shares or Distributing Shares. The dividend policy and information on the declaration and payment of dividends for each Sub-Fund will be specified in the relevant Supplement. The Articles of Association of the Company empower the Directors to declare dividends in respect of any Shares in the Company out of the net income of the relevant Sub-Fund (whether in the form of dividends, interest or otherwise) and/or net realised gains (i.e. realised gains net of realised and unrealised losses) or net realised and unrealised gains (i.e. realised and unrealised gains net of all realised and

unrealised losses) subject to certain adjustments. Unless a Shareholder elects otherwise, any distributions will be applied in the purchase of further Shares (or fractions thereof), as applicable. If a Shareholder elects not to apply for further shares, the distribution will be paid in cash by way of bank transfer to the account stated on the Application Form, as provided to the Administrator. In the event that a dividend is declared and remains unclaimed after a period of six years from the date of declaration, such dividend will be forfeited and will revert to the relevant Sub-Fund.

Pending payment to the relevant Shareholder, distribution payments will be held in an account in the name of the relevant Sub-Fund and will be treated as an asset of the relevant Sub-Fund until paid to that Shareholder and will not benefit from the application of any investor money protection rules (i.e. the distribution monies in such circumstance will not be held on trust for the relevant Shareholder). In such circumstance, the Shareholder will be an unsecured creditor of the relevant Sub-Fund with respect to the distribution amount held by the Company until paid to the Shareholder and the shareholder entitled to such distribution amount will be an unsecured creditor of the relevant Sub-Fund. In the event of an insolvency of the Sub-Fund or the Company, there is no guarantee that the Sub-Fund or the Company will have sufficient funds to pay unsecured creditors in full. Shareholders due dividend monies which are held in a cash account will rank equally with all other unsecured creditors of the relevant Sub-Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the Shareholder may not recover all monies originally paid into the cash account for onward transmission to that Shareholder.

Your attention is drawn to the section of the Prospectus entitled "*Risk Factors*" – "*Fund Assets Held in Cash Accounts*" above.

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

Prospective investors and Shareholders should be aware that they may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or any other kind of tax on distributions or deemed distributions of a Sub-Fund, capital gains within a Sub-Fund, whether or not realised, income received or accrued or deemed received within a Sub-Fund, etc. The requirement to pay such taxes will be according to the laws and practices of the country where the Shares are purchased, sold, held or redeemed and in the country of residence or nationality of the Shareholder and such laws and practices may change from time to time.

Any change in the taxation legislation in Ireland, or elsewhere, could affect a Sub-Fund's ability to achieve its investment objective, the value of a Sub-Fund's investments, the ability to pay returns to Shareholders or alter such returns. Any such changes, which could also be retroactive, could have an effect on the validity of the information stated herein based on current tax law and practice. Potential investors and Shareholders should note that the statements on taxation which are set out herein and in this Prospectus are based on advice which has been received by the Directors and/or the Manager regarding the law and practice in force in the

relevant jurisdiction as at the date of this Prospectus. 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. Prospective investors and Shareholders should consult their tax advisors with respect to their particular tax situations and the tax consequences of an investment in a particular Fund.

Finally, if the Company becomes liable to account for tax, in any jurisdiction, including any interest or penalties thereon if an event giving rise to a tax liability occurs, the Company shall be entitled to deduct such amount from the payment arising on such event or to compulsorily redeem or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as have a value sufficient after the deduction of any redemption charges to discharge any such liability. The relevant Shareholder shall indemnify and keep the Company indemnified against any loss arising to the Company by reason of the Company becoming liable to account for tax and any interest or penalties thereon on the happening of an event giving rise to a tax liability including if no such deduction, appropriation or cancellation has been made.

Potential investors' attention is drawn to the taxation risks associated with investing in the Company. Please refer to the section headed "TAXATION".



## 5. TAXATION

### General

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

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

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

### Irish Taxation

The Directors and the Manager 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.

### Taxation of the Company

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

However, tax can arise on the happening of a "chargeable event" in the Company. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a Relevant Period) of Shares or the appropriation or cancellation of Shares of a Shareholder by the Company for the purposes of meeting the amount of tax payable on a gain arising on a transfer. No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who is neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event provided that a Relevant Declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information

contained therein is no longer materially correct. In the absence of either a Relevant Declaration or the Company satisfying and availing of equivalent measures (see paragraph headed "*Equivalent Measures*" below) there is a presumption that the investor is Irish Resident or Ordinarily Resident in Ireland. A chargeable event does not include:

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

If the Company becomes liable to account for tax if a chargeable event occurs, the Company shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

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

### ***Stamp Duty***

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

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been

issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B (1) of the Taxes Act or a "qualifying company" within the meaning of Section 110 of the Taxes Act) which is registered in Ireland.

## **Shareholders Tax**

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

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

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

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

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

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are

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

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

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

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

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

The Finance Act 2006 introduced rules (which were subsequently amended by the Finance Act 2008) in relation to an automatic exit tax for Shareholders who are Irish Resident or Ordinarily Resident in Ireland in respect of Shares held by them in the Company at the ending of a Relevant Period. Such Shareholders (both companies and individuals) will be deemed to have disposed of their Shares ("deemed disposal") at the expiration of that Relevant Period and will be charged to tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place) on any deemed gain (calculated without the benefit of

indexation relief) accruing to them based on the increased value (if any) of the Shares since purchase or since the previous exit tax applied, whichever is later.

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

#### 10% Threshold

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

#### 15 % Threshold

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

#### *Other*

To avoid multiple deemed disposal events for multiple units an irrevocable election under Section 739D(5B) can be made by the Company to value the Shares held at the 30<sup>th</sup> June or 31<sup>st</sup> December of each year prior to the deemed disposal occurring. While the legislation is

ambiguous, it is generally understood that the intention is to permit a fund to group shares in six month batches and thereby make it easier to calculate the exit tax by avoiding having to carry out valuations at various dates during the year resulting in a large administrative burden.

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

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

### *Equivalent Measures*

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

### *Personal Portfolio Investment Undertaking*

The Finance Act 2007 introduced provisions regarding the taxation of Irish Resident individuals or Ordinarily Resident in Ireland individuals who hold shares in investment undertakings. These provisions introduced the concept of a personal portfolio investment undertaking ("PPIU"). Essentially, an investment undertaking will be considered a PPIU in relation to a specific investor where that investor can influence the selection of some or all of the property held by the investment undertaking either directly or through persons acting on behalf of or connected to the investor. Depending on individuals' circumstances, an investment undertaking may be considered a PPIU in relation to some, none or all individual investors i.e. it will only be a PPIU in respect of those individuals' who can "influence" selection. Any gain arising on a chargeable event in relation to an investment undertaking which is a PPIU in respect of an individual on or after 20<sup>th</sup> February 2007, will be taxed at the rate of 60%. Specific exemptions apply where the

property invested in has been widely marketed and made available to the public or for non-property investments entered into by the investment undertaking. Further restrictions may be required in the case of investments in land or unquoted shares deriving their value from land.

### **Capital Acquisitions Tax**

The disposal of Shares may be subject to Irish gift or inheritance tax (Capital Acquisitions Tax). However, provided that the Company falls within the definition of investment undertaking (within the meaning of Section 739B (1) of the Taxes Act), the disposal of Shares by a Shareholder is not liable to Capital Acquisitions Tax provided that (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor Ordinarily Resident in Ireland; (b) at the date of the disposition, the Shareholder disposing ("disponer") of the Shares is neither domiciled nor Ordinarily Resident in Ireland; and (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

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

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

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

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

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

The foreign account tax compliance provisions ("**FATCA**") of the Hiring Incentives to Restore Employment Act 2010 represent an expansive information reporting regime enacted by the United States ("**US**") aimed at ensuring that Specified US Persons with financial assets outside the US are paying the correct amount of US tax. FATCA will generally impose a withholding tax of up to 30% with respect to certain US source income (including dividends and interest) and

gross proceeds from the sale or other disposal of property that can produce US source interest or dividends paid to a foreign financial institution ("**FFI**") unless the FFI enters directly into a contract ("**FFI agreement**") with the US Internal Revenue Service ("**IRS**") or alternatively the FFI is located in a IGA country (please see below). An FFI agreement will impose obligations on the FFI including disclosure of certain information about US investors directly to the IRS and the imposition of withholding tax in the case of non-compliant investors. For these purposes the Company would fall within the definition of a FFI for the purpose of FATCA.

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

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

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

### **Common Reporting Standards**

On 14 July 2014, the OECD issued the Standard for Automatic Exchange of Financial Account Information ("the Standard") which therein contains the Common Reporting Standard ("CRS"). The subsequent introduction of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information and the EU Council Directive 2014/107/EU (amending Council Directive 2011/16/EU) provides the international framework for the



implementation of the CRS by Participating Jurisdictions. In this regard, the CRS was implemented into Irish law by the inclusion of relevant provisions in Finance Act 2014 and 2015 and the issuance of Regulation S.I. No. 583 of 2015.

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

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

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

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

#### *Customer Information Notice*

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

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

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

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

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

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

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

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

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

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

## **Investors in the United Kingdom**

The Company is an offshore fund for tax purposes within the meaning of the UK Offshore Funds (Tax) Regulations (the "UK Tax Regulations") which were introduced with effect from 1 December 2009 and which amended the previous tax regulations which applied to investments in offshore funds.

Under the UK Tax Regulations UK investors will be subject to capital gains tax (or corporation tax on chargeable gains) and not income tax, on profits arising on a sale (e.g. by transfer or redemption) of shares in a qualifying offshore fund. UK investors may be liable to income tax (rather than tax on capital gains) on profits arising on a sale (e.g. by transfer or redemption) of shares in a non qualifying offshore fund.

After 1 December 2009 and for a transitional period only, offshore funds can apply to HM Revenue & Customs (the UK tax authorities) for approval as a qualifying offshore fund with either "distributor" status or with "reporting fund" status. Under the UK Tax Regulations, this Company will only be able to apply for reporting fund status.

The application can be made for one or more Sub-Funds within the umbrella or for one or more specified share classes issued by a Sub-Fund. For UK tax purposes, an investment in a share class which has reporting fund status will be treated as an investment in a qualifying offshore fund.

The members of the Board of Directors and/or the Manager may, at their discretion, apply for qualifying offshore fund status for specified Sub-Funds, or share classes issued by the Sub-Funds.

Where such an application has been made, the Board of Directors and/or the Manager intend to manage the Sub-Fund so that an investment in the specified share classes will be treated as investment in a qualifying offshore fund for each accounting period and to satisfy HM Revenue & Customs that the relevant requirements have been or will be met. However, the members of the Board of Directors and/or the Manager do not guarantee that these requirements will be met or that HM Revenue & Customs will confirm that they have been met.

The attention of persons ordinarily resident in the United Kingdom is drawn to the provisions of Part 13 Chapter 2 of the Income Tax Act 2007 ("Transfer of Assets Abroad") which provide that under certain circumstances they may be subject to income tax in relation to income and profits arising within a Sub-Fund(s) which is not received or receivable in the United Kingdom by those persons.

In addition, it is important to note the provisions of Section 13 of the Taxation of Chargeable Gains Act 1992, which govern the distribution of chargeable gains of companies which are not resident in the United Kingdom and which would be "close companies" if they were resident in the UK. These gains are distributed to shareholders who are domiciled or have their ordinary

place of abode or residence in the UK. Profits distributed in this manner are taxable for all shareholders who hold a share of more than 10% of the distributed profit either individually or together with associated persons. The members of the Board of Directors and/or the Manager intend to make all reasonable efforts to ensure that the Sub-Fund would not be classed as a "closed company" if domiciled in the United Kingdom. Moreover, when examining the effects of Section 13 of the Taxation of Chargeable Gains Act 1992, it is important to ensure that the regulations of the double taxation agreement between the United Kingdom and Luxembourg are taken into account.

## 6. GENERAL INFORMATION

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

- (a) The Company was incorporated in Ireland on 1 December, 2009 as an investment company with variable capital with limited liability under registration number 478169. The Company has no subsidiaries.
- (b) The registered office of the Company is as stated in the Directory at the front of the Prospectus.
- (c) Clause 3 of the Memorandum of Association of the Company provides that the Company's sole object is the collective investment of its funds in either of both transferable securities and other liquid financial assets referred to in the UCITS Regulations of capital raised from the public with the aim of spreading investment risk and giving members of the Company the benefit of the results of the management of its funds.
- (d) The authorised share capital of the Company is 500,000,000,000 Shares of no par value and 300,000 redeemable non-participating shares of no par value each. The minimum issued share capital of the Company is 2 redeemable non-participating shares of no par value each. Non-participating Shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the amount paid up thereon but do not otherwise entitle them to participate in the assets of the Company. The Directors have the power to allot shares in the capital of the Company on such terms and in such manner as they may think fit. There are 300,000 non-participating shares currently in issue which are held by the Investment Manager.

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

- (a) The rights attaching to the Shares issued in a Sub-Fund or any Class may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the Shareholders of three-quarters of the issued Shares of that Sub-Fund or that Class, or with the sanction of an ordinary resolution passed at a general meeting of the Shareholders of that Sub-Fund or that Class.
- (b) A resolution in writing signed by all the Shareholders and holders of non-participating shares for the time being entitled to attend and vote on such resolution at a general meeting of the Company shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the Company duly convened and held and if described as a special resolution shall be deemed to be a special resolution.
- (c) The rights attaching to the Shares shall not be deemed to be varied by the creation, allotment or issue of any further Shares ranking *pari passu* with Shares already in issue.

- (d) There are no rights of pre-emption upon the issue of Shares in the Company.

### **3. Voting Rights**

The following rules relating to voting rights apply:-

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

require a majority of not less than 75% of the Shareholders present in person or by proxy and voting in general meeting including a resolution to amend the Articles of Association.

#### **4. Meetings**

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

#### **5. Reports and Accounts**

The Company will prepare an annual report and audited accounts as of September 30 in each year and a half-yearly report and unaudited accounts as of March 31 in each year. The audited annual report and accounts will be published within four months of the Company's financial year end and its semi-annual report will be published within 2 months of the end of the half year period and in each case will be offered to subscribers before conclusion of a contract and supplied to Shareholders free of charge on request and will be available to the public at the registered office of the Administrator. The periodic reports and the Articles of Association may be obtained from the Company.

## 6. Communications and Notices to Shareholders

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

MEANS OF DISPATCH	DEEMED RECEIVED
Delivery by Hand	: The day of delivery or next following working day if delivered outside usual business hours.
Post	: 48 hours after posting.
Fax	: The day on which a positive transmission receipt is received.
Electronically	: The day on which the electronic transmission has been sent to the electronic information system designated by a Shareholder.
Publication of Notice or Advertisement of Notice	: The day of publication in a daily newspaper circulating in the country or countries where shares are marketed.

## 7. Transfer of Shares

- (a) Transfers of Shares may be effected in writing in any usual or common form, signed by or on behalf of the transferor and every transfer shall state the full name and address of the transferor and transferee.
- (b) The Directors and/or the Manager may from time to time specify a fee for the registration of instruments of transfer provided that the maximum fee may not exceed 3% of the Net Asset Value of the Shares subject to the transfer on the Redemption Day immediately preceding the date of the transfer.

The Directors and the Manager may decline to register any transfer of Shares if:-

- (i) in consequence of such transfer the transferor or the transferee would hold a number of Shares less than the Minimum Holding;



- (ii) all applicable taxes and/or stamp duties have not been paid in respect of the instrument of transfer;
  - (iii) the instrument of transfer is not deposited at the registered office of the Company or such other place as the Directors and/or the Manager may reasonably require, accompanied by the certificate for the Shares to which it relates, such evidence as the Directors and/or the Manager may reasonably require to show the right of the transferor to make the transfer, and such relevant information and declarations as the Directors and/or the Manager may reasonably require from the transferee including, without limitation, information and declarations of the type which may be requested from an applicant for Shares in the Company and such fee as may from time to time be specified by the Directors and/or the Manager for the registration of any instrument of transfer;
  - (iv) they are aware or reasonably believe the transfer would result in the beneficial ownership of such Shares by a person in contravention of any restrictions on ownership as set out herein or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the Company, the relevant Sub-Fund or Class or Shareholders as a whole; or
  - (v) the transferor has not supplied all of the relevant documentation in relation to anti-money laundering checks.
- (c) The registration of transfers may be suspended for such periods as the Directors and/or the Manager may determine provided always that each registration may not be suspended for more than 30 days.

## **8. Directors**

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

- (a) The number of Directors shall not be less than two nor (unless otherwise determined by an ordinary resolution of the Company in general meeting), more than nine.
- (b) A Director need not be a Shareholder.
- (c) The Articles of Association contain no provisions requiring Directors to retire on attaining a particular age or to retire on rotation.
- (d) A Director may vote and be counted in the quorum at a meeting to consider the appointment or the fixing or variation of the terms of appointment of any Director to any office or employment with the Company or any company in which the Company is

interested, but a Director may not vote or be counted in the quorum on a resolution concerning his own appointment.

- (e) The Directors of the Company for the time being are entitled to such remuneration as may be determined by the Directors and disclosed in the Prospectus and may be reimbursed all reasonable travel, hotel and other expenses incurred in connection with the business of the Company or the discharge of their duties and may be entitled to additional remuneration if called upon to perform any special or extra services to or at the request of the Company.
- (f) A Director may hold any other office or place of profit under the Company, other than the office of Auditor, in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine.
- (g) No Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise, nor shall any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director who is so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, but the nature of his interest must be declared by him at the meeting of the Directors at which the proposal to enter into the contract or agreement is first considered or, if the Director in question was not at the date of that meeting interested in the proposed contract or arrangement, at the next Directors' meeting held after he becomes so interested. A general notice in writing given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or arrangement which may thereafter be made with that company or firm is deemed to be a sufficient declaration of interest in relation to any contract or arrangement so made.
- (h) A Director may not vote in respect of any resolution or contract or arrangement or any proposal whatsoever in which he has any material interest or a duty which conflicts with the interests of the Company and shall not be counted in the quorum at a meeting in relation to any resolution upon which he is debarred from voting unless the Directors resolve otherwise. However, a Director may vote and be counted in quorum in respect of any proposal concerning any other company in which he is interested directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of 5% or more of the issued shares of any class of such company or of the voting rights available to members of such company. A Director may also vote and be counted in the quorum in respect of any proposal concerning an offer of Shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Company or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the Company for

which the Director has assumed responsibility in whole or in respect of the purchase of directors' and officers' liability insurance.

- (i) The office of a Director shall be vacated in any of the following events namely:-
  - (a) if he resigns his office by notice in writing signed by him and left at the registered office of the Company;
  - (b) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (c) if he becomes of unsound mind;
  - (d) if he is absent from meetings of the Directors for six successive months without leave expressed by a resolution of the Directors and the Directors resolve that his office be vacated;
  - (e) if he ceases to be a Director by virtue of, or becomes prohibited or restricted from being a Director by reason of, an order made under the provisions of any law or enactment;
  - (f) if he is requested by a majority of the other Directors (not being less than two in number) to vacate office; or
  - (g) if he is removed from office by ordinary resolution of the Company.

#### **9. Directors' Interests**

- (a) Mr. Kumar is responsible for product development and management for the Investment Manager with a focus on UK and Irish domiciled products.
- (b) No present Director or any connected person has any interests beneficial or non-beneficial in the share capital of the Company.

#### **10. Winding Up**

- (a) The Company or where relevant a Sub-Fund may be wound up or terminated if:
  - (i) At any time after the incorporation of the Company or the establishment of a Sub-Fund, if the total value of a Sub-Fund's net assets falls to a level that no longer allows the Sub-Fund to be managed in an economically reasonable way in the opinion of the Directors and/or the Manager or if in the opinion of the Directors and/or the Manager the political or economic environment changes in an adverse way, the Board of Directors and/or the Manager may demand the liquidation of one or more Sub-Funds.

- (ii) The Board of Directors of the Company and/or the Manager are empowered, at all times, to liquidate existing Sub-Funds.
  - (iii) Within a period of three months from the date on which (a) the Depositary notifies the Company of its desire to retire in accordance with the terms of the Depositary Agreement and has not withdrawn notice of its intention to so retire, (b) the appointment of the Depositary is terminated by the Company in accordance with the terms of the Depositary Agreement, or (c) the Depositary ceases to be approved by the Central Bank to act as a depositary; no new Depositary has been appointed, the Directors and/or the Manager shall instruct the Company Secretary to forthwith convene an extraordinary general meeting of the Company at which there shall be proposed an ordinary resolution to wind up the Company. Notwithstanding anything set out above, the Depositary's appointment shall only terminate on revocation of the Company's authorisation by the Central Bank or on the appointment of a successor depositary;
  - (iv) An ordinary resolution of the Company's or Sub-Fund's Shareholders, as the case may be, is passed to the effect that by reason of its liabilities cannot continue its business and that it be wound up; or
  - (iv) A special resolution of Shareholders of the Company or of a Sub-Fund to wind up the Company or a Sub-Fund is passed;
- (b) In the event of a winding up, the liquidator shall apply the assets of each Sub-Fund in such manner and order as he thinks fit in satisfaction of creditors' claims.
  - (c) The liquidator shall in relation to the assets available for distribution among Shareholders make such transfers thereof to and from Sub-Funds or Classes as may be necessary in order that the effective burden of creditors' claims may be shared between the Shareholders of different Sub-Fund or Classes in such proportions as the liquidator in his discretion deems equitable.
  - (d) The assets available for distribution among the Shareholders shall be applied in the following priority:-
    - (i) firstly, in the payment to the Shareholders of each Sub-Fund or Class of a sum in the Base Currency (or in any other currency selected and at such rate of exchange as determined by the liquidator) as nearly as possible equal to the Net Asset Value of the Shares of the relevant Class or Sub-Fund held by such Shareholders respectively as at the date of commencement of winding up;
    - (ii) secondly, in the payment to the holders of non-participating shares of one euro each per share;

- (iii) thirdly, any balance then remaining and not attributable to any Sub-Fund or Class shall be apportioned between the Sub-Fund or Classes pro-rata to the Net Asset Value attributable to each Sub-Fund or Class immediately prior to any distribution to Shareholders and the amounts so apportioned shall be paid to Shareholders pro-rata to the number of Shares in that Sub-Fund or Class held by them.
  
- (e) The liquidator may, with the authority of an ordinary resolution of the Company or where relevant Sub-Fund, divide among the Shareholders (pro rata to the value of their respective shareholdings in the Company or where relevant Sub-Fund) in specie the whole or any part of the assets of the Company or where relevant Sub-Fund and whether or not the assets shall consist of property of a single kind provided that any Shareholder shall be entitled to request the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such sale. The costs of any such sale shall be borne by the relevant Shareholder. The liquidator may, with like authority, vest any part of the assets of the Company or where relevant Sub-Fund in trustees upon such trusts for the benefit of Shareholders as the liquidator shall think fit and the liquidation of the Company or Sub-Fund may be closed and the Company or Sub-Fund dissolved, provided that no Shareholder shall be compelled to accept any asset in respect of which there is any liability. Further the liquidator may with like authority transfer the whole or part of the assets of the Company or Sub-Fund to a company or collective investment scheme (the "Transferee Company") on terms that Shareholders in the Company or where relevant Sub-Fund shall receive from the Transferee Company shares or units in the Transferee Company of equivalent value to their shareholdings in the Company or the Sub-Fund.
  
- (f) Notwithstanding any other provision contained in the Articles of Association of the Company, should the Directors and/or the Manager at any time and in their absolute discretion resolve that it would be in the best interests of the Shareholders to wind up the Company or where relevant Sub-Fund, the Company Secretary shall forthwith at the Directors' and/or the Manager's request convene an extraordinary general meeting of the Company or Sub-Fund at which there shall be presented a proposal to appoint a liquidator to wind up the Company or Sub-Fund and if so appointed, the liquidator shall distribute the assets of the Company or Sub-Fund in accordance with the Articles of Association of the Company.

## **11. Indemnities and Insurance**

Subject to the provisions of the Act, the Directors and other officers of the Company and its former directors and officers shall be indemnified by the Company against losses and expenses to which any such person may become liable by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (other than in the case of fraud, negligence, breach of duty, breach of trust or wilful default). The Company acting through the Directors is empowered under the Articles of Association to purchase and maintain for the benefit of persons who are or were at any

time Directors or officers of the Company insurance against any liability incurred by such persons in respect of any act or omission in the execution of their duties or exercise of their powers.

## **12. General**

- (a) The Company does not have, nor has it had since incorporation, any employees.
- (b) The Company does not intend to purchase or acquire nor agree to purchase or acquire any real estate property.
- (c) The rights conferred on Shareholders by virtue of their shareholdings are governed by the Articles of Association, the general law of Ireland and the Act.
- (d) The Company is not engaged in any litigation or arbitration and no litigation or claim is known by the Directors to be pending or threatened against the Company.
- (e) Dividends which remain unclaimed for six years from the date on which they become payable will be forfeited. On forfeiture such dividends will become part of the assets of the Sub-Fund to which they relate. No dividend or other amount payable to any Shareholder shall bear interest against the Company.
- (f) No person has any preferential right to subscribe for any authorised but unissued capital of the Company.

## **13. Material Contracts**

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

- (a) The Management Company Agreement provides that the Manager shall manage the Company in accordance with the Articles of Association, the applicable provisions of the Prospectus or such other document relating to the Company and each Sub-Fund including, in particular, the investment objective, investment policies and the investment restrictions of the Company and each Sub-Fund, the UCITS Regulations, the Central Bank Rules, applicable laws, any explanatory memorandum or other such document relating to the Company distributed from time to time by or on behalf of the Company (and made available by the Company to the Manager), all lawful resolutions of the Directors and other lawful orders and directions given to the Manager from time to time by the Directors. Pursuant to the Management Company Agreement the Manager will be entitled to receive fees as described in each Supplement.

The Management Company Agreement shall continue in force until terminated by either party on ninety days' prior written notice to the other party. continue and remain in force

unless and until terminated by a party giving to the other party not less than 90 days' prior written notice (or such other period as may be agreed between the parties) provided that the Management Company Agreement may be terminated forthwith by either party ("**Party X**") if: (a) the other party ("**Party Y**") materially breaches any of its obligations under the Management Company Agreement and (if such breach is capable of remedy) fails to make good such material breach within thirty (30) calendar days of receipt of notice from Party X requiring it to do so; or (b) Party Y passes a resolution for its winding-up (except a voluntary liquidation for the purpose of reconstruction or amalgamation on terms previously approved in writing by Party X) or if a court of competent jurisdiction orders a winding-up of Party Y, or a receiver is appointed over Party Y's assets, or an examiner is appointed to Party Y (or proceedings analogous to the foregoing are commenced against Party Y in any jurisdiction); or (c) the Manager ceases to be authorised to carry out its functions under this Agreement. The Management Company Agreement will terminate automatically if the Company's authorisation is revoked by the Central Bank.

In the absence of wilful default, fraud, bad faith or negligence on the part of the Manager, its employees, directors, servants or agents, the Manager, its employees, directors, servants or agents shall not be liable to the Company or any Shareholder for any of its acts or omissions in the course of, or connected in any way with, rendering the services herein provided for or for any losses which may be sustained in the purchase, holding or sale of any of the investments of the Company and the Manager, its employees, directors, servants or agents shall not be liable for indirect, special or consequential damages of any nature.

Pursuant to the Management Company Agreement the Company has agreed to hold harmless and indemnify the Manager, its employees, directors and agents, out of the assets of the relevant Sub-Fund, against all actions, proceedings and claims and against all costs, demands, loss and expenses (including legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Manager, its employees, directors and agents by reason of its performance of duties under the terms of the Management Company Agreement (otherwise than due to the wilful default, fraud, bad faith or negligence in the performance by the Manager, its employees, directors, servants or agents (which, for the avoidance of doubt shall not include brokers or dealers used by the Manager) of its obligations or functions hereunder) and in particular (but without limitation) this protection and indemnity extends to any such items aforesaid which arise as a result of any such loss suffered or incurred by the Company or any loss, delay, misdelivery or error in transmission of any cable or telegraphic communication or as a result of acting in good faith upon any forged document or signature. For the avoidance of doubt, the Company shall in no event be liable or indemnify the Manager for indirect, special, or consequential damage of any nature.

The Manager may, in accordance with the requirements of the Central Bank, delegate the whole or any part of its functions under the Management Company Agreement.

- (b) *Investment Management Agreement* between the Manager and the Investment Manager dated 01 February 2016 (as amended by the appendix to same entered into between the Manager, the Company and the Investment Manager dated 01 September 2017) under which the Investment Manager was appointed investment manager of the Company subject to the overall supervision of the Manager. The Investment Management Agreement may be terminated by either party on 6 months' written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or remedied breach after notice. The Investment Manager has the power to delegate its duties with the prior approval of the Central Bank. The Agreement provides that where they are the defaulting party, the Manager and the Investment Manager shall indemnify against and hold harmless the other in case of any loss, damage, costs and liabilities incurred by the other as a result of the defaulting party's negligence, wilful default or fraud.
- (c) *Administration Agreement* between the Company and the Administrator dated 14 December, 2009, as amended, (as novated by way of a novation agreement dated 01 September 2017 to the Manager) under which the latter was appointed as Administrator to administer the Company including the performance of valuation services and fund accounting services and acting as transfer agent and registration agent on behalf of the Manager, subject to the terms and conditions of the Administration Agreement and subject to the overall supervision of the Manager. Subject to terms in the Administration Agreement regarding early termination, the Administration Agreement will continue in force for a term of three years from 11 December 2015 and shall be further extended for three successive one year periods unless terminated by not less than 6 months' notice in writing of termination ending in each case on or before the expiry of such three or any such one year periods, as the case may be. The Administrator has the power to delegate its duties in accordance with the requirements of the Central Bank. The Administration Agreement provides that the Manager shall indemnify and hold harmless the Administrator, its directors, officers and employees and each of them for any direct loss arising out of or in connection with this Agreement except as a result of material breach of contract on the part of the Administrator, the negligence, fraud or wilful breach of the Administrator or any of its directors, officers, employees or agents as the case may be.
- (c) *Depositary Agreement* between the Company and the Depositary dated 28 April 2017, under which the Depositary was appointed as Depositary of the Company's assets subject to the overall supervision of the Company. The Depositary Agreement may be terminated by either party on 90 days written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or remedied breach after notice provided that the Depositary shall continue to act as Depositary until a successor Depositary approved by the Central Bank is appointed by the Company or the Company's authorisation by the Central Bank is revoked. The Depositary has the power to delegate its duties but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping.



The Depositary Agreement provides that the Depositary (which expression shall also include its directors, employees, servants, agents and any sub-custodian or securities system) shall be indemnified by the Company and held harmless from and against all or any losses, liabilities, demands, damages, costs, claims or expenses whatsoever and howsoever arising (including without limitation, reasonable legal fees on a full indemnity basis and other costs, charges and expenses incurred in enforcing or attempting to enforce this indemnity) which the Depositary may suffer or incur in acting as Depositary (including, without limitation, acting on proper instructions) other than by reason of (i) loss of financial instruments held in custody (unless the loss has arisen as a result of an external event beyond the control of the Depositary) and/or (ii) the Depositary's negligent or international failure to properly fulfil its obligations under the UCITS Regulations.

- (d) *The Distribution Agreement* dated 22 August 2014 between the Manager and the Distributor (as amended by the appendix to same entered into between the Manager and the Distributor dated 01 September 2017) pursuant to which the Manager appointed the Distributor to act as distributor of Shares in the Company and to each of its Sub-Funds. The Distribution Agreement is for an indefinite period and may be terminated by the Manager or the Distributor by giving not less than 6 months' prior written notice to the other party. The Distribution Agreement provides each party is liable to the other party for any direct damage caused intentionally or through negligence by a breach of duties described in the Distribution Agreement. Neither party shall be liable for any consequential, indirect, punitive or special damages, or losses of future business.

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

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

- (a) The Articles of Association of the Company (copies may be obtained free of charge from the Administrator).
- (b) The Act and the Central Bank UCITS Regulations.
- (c) The material contracts detailed above.
- (d) Once published, the latest annual and half yearly reports of the Company (copies of which may be obtained from the Administrator free of charge).

Copies of the Prospectus and the Key Investor Information Documents may also be obtained by Shareholders from the Administrator or the Manager.

## **15. Information for Investors in the United Kingdom**

Copies of the following documents may be inspected, free of charge, at the offices of the Investment Manager during usual business hours on weekdays, except Saturdays and public holidays:-

- the Articles of Association of the Company and any amendments thereto;
- the most recent annual and semi-annual reports; and
- the most recent Prospectus.

Copies of the most recent Prospectus, Articles of Association and the annual and semi-annual reports may be obtained from the Investment Manager free of charge.

The Investment Manager's principal place of business is 5 Broadgate, London EC2M 2QS, England.

Other Information and Services Available from the Investment Manager:

- Information about each Sub-Fund's most recently published Net Asset Value per Share may be obtained at the office of the Investment Manager;
- Investors in each Sub-Fund may request the repurchase of shares in the Sub-Fund and obtain payment of the price on repurchase via the Investment Manager; and
- Complaints concerning the operation of the Company may be submitted to the Investment Manager.

## Appendix I - Permitted Investments and Investment Restrictions

<b>1</b>	<b>Permitted Investments</b>
<b>1.1</b>	Investments of a UCITS are confined to: 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.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments, other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of AIFs.
<b>1.6</b>	Deposits with credit institutions.
<b>1.7</b>	Financial derivative instruments.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
<b>2.2</b>	The Company shall not invest any more than 10% of assets of the UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply. This restriction not apply to an investment by the Company in US Securities known as "Rule 144 A securities" provided that; (a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and (b) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the UCITS
<b>2.3</b>	A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
<b>2.4</b>	With the prior approval of the Central Bank, the limit of 10% (in 2.3) 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 UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the UCITS.
<b>2.5</b>	The limit of 10% (in 2.3) 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.
<b>2.6</b>	The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
<b>2.7</b>	A UCITS may not invest more than 20% of net assets in deposits made with the same credit institution.  Deposits with any one credit institution, other than <ul style="list-style-type: none"> <li>• a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein);</li> <li>• a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or</li> <li>• a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand</li> </ul> held as ancillary liquidity, must not exceed 10% of net assets.  This limit may be raised to 20% in the case of deposits made with the Depositary.
<b>2.8</b>	The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.  This limit is raised to 10% in the case of a credit institution authorised in the EEA or a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
<b>2.9</b>	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 net assets: - investments in transferable securities or money market instruments;

	<p>- deposits, and/or</p> <p>- counterparty risk exposures arising from OTC derivatives transactions.</p>
<b>2.10</b>	The limits referred to in 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 net assets.
<b>2.11</b>	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
<b>2.12</b>	<p>A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members,</p> <p><b>The individual issuers may be drawn from the following list:</b></p> <p>OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC, Export-Import Bank.</p> <p>The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
<b>2.13</b>	Deposits with any single credit institution other than a credit institution specified in Regulation 7 of the Central Bank UCITS Regulations held as ancillary liquidity shall not exceed: (a) 10% of the Net Asset Value of the UCITS; or (b) where the deposit is made with the Depositary 20% of the net assets of the UCITS.
<b>3</b>	<b>Investment in Collective Investment Schemes ("CIS")</b>
<b>3.1</b>	A UCITS may not invest more than 20% of net assets in any one CIS.

3.2	Investment in AIFs may not, in aggregate, exceed 30% of net assets.
3.3	The CIS in which a Sub-Fund may invest are prohibited from investing more than 10% of net assets in other open-ended CIS.
3.4	When a Sub-Fund invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Sub-Fund's investment in the units of such other CIS.
3.5	Where by virtue of investment in the units of another investment fund, the Company, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the Company shall ensure that the relevant commission is paid into the property of the UCITS.
3.6	<p>Investment by a Sub-Fund in another Sub-Fund of the Company is subject to the following additional provisions:</p> <ul style="list-style-type: none"> <li>- investment must not be made in a Sub-Fund which itself holds shares in other Sub-Funds within the Company; and</li> <li>- The investing Sub-Fund may not charge an annual management fee in respect of that portion of its assets invested in other Sub-Funds within the Company (whether such fee is paid directly at the investing fund level, indirectly at the receiving fund level or a combination of both), such that there shall be no double charging of the annual management fee to the investing fund as a result of investments in the receiving fund. 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 Sub-Fund.</li> </ul>
<b>4</b>	<b>Index Tracking UCITS</b>
4.1	A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS 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 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
<b>5</b>	<b>General Provisions</b>
5.1	An investment company, or management company acting in connection with all of the

CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

**5.2**

A UCITS 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 units of any single CIS;
- (iv) 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in (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**

5.1 and 5.2 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 UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, 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 units at unit-holders' request exclusively on their behalf.

**5.4**

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

**5.5**

The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 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 UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of

	the interests of its Shareholders.
<b>5.7</b>	<p>Neither an investment company, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:</p> <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- money market instruments*;</li> <li>- units of CIS; or</li> <li>- financial derivative instruments.</li> </ul> <p><i>*Any short selling of money market instruments by UCITS is prohibited.</i></p>
<b>5.8</b>	A UCITS may hold ancillary liquid assets.
<b>6</b>	Financial Derivative Instruments ('FDIs')
<b>6.1</b>	The UCITS global exposure (as prescribed in the Central Bank UCITS Regulations) relating to FDI must not exceed its total net asset value.
<b>6.2</b>	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.)
<b>6.3</b>	UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
<b>6.4</b>	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.
<b>7</b>	Restrictions on Borrowing and Lending
<b>(a)</b>	A Sub-Fund may borrow up to 10% of its Net Asset Value provided such borrowing is on a temporary basis. A Sub-Fund may charge its assets as security for such borrowings.
<b>(b)</b>	<p>A Sub-Fund may acquire foreign currency by means of a back-to-back loan agreement. The Company shall ensure that a Sub-Fund with foreign currency borrowings which exceed the value of a back-to-back deposit treats that excess as borrowings for the purpose of Regulation 103 of the UCITS Regulations.</p> <p>However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purpose of (a) above.</p>



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

## Appendix II - Exchanges

The following is a list of regulated stock exchanges and markets on which a Sub-Fund's investments in securities and financial derivative instruments other than permitted investment in unlisted securities and OTC derivative instruments, will be listed or traded. The exchanges and markets are listed in accordance with the regulatory criteria as defined in the Central Bank UCITS Regulations. The Central Bank does not issue a list of approved stock exchanges or markets.

(i) any stock exchange which is:-

- located in any Member State of the European Union; or
  - located in any Member State of the European Union or Norway; or
  - located in any of the following countries:-
    - Australia
    - Canada
    - Japan
    - Hong Kong
    - New Zealand
    - Switzerland
    - United States of America

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

Argentina	-	Bolsa de Comercio de Buenos Aires
Brazil	-	Bolsa de Mercadorias e Futuros
Brazil	-	Bolsa de Valores de Sao Paulo
Chile	-	Bolsa de Comercio de Santiago
Egypt	-	Cairo and Alexandria Stock Exchange
China (PRep. of)	-	Fujian Securities Exchange
China (PRep. of)	-	Hainan Securities Exchange
China (PRep. of)	-	Shanghai Securities Exchange
China (PRep. of)	-	Shenzhen Stock Exchange
Hong Kong	-	Hong Kong Stock Exchange
Hong Kong	-	Growth Enterprise Market
India	-	Mumbai Stock Exchange
India	-	National Stock Exchange
Indonesia	-	Indonesia Stock Exchange
Israel	-	Tel-Aviv Stock Exchange
Malaysia	-	Bursa Malaysia
Mexico	-	Bolsa Mexicana de Valores
Peru	-	Bolsa de Valores de Lima
Philippines	-	Philippine Stock Exchange
Russia	-	Moscow Interbank Currency Exchange

	-	the Russian Trading System Stock Exchange
Singapore	-	Singapore Exchange
South Africa	-	JSE Securities Exchange
South Korea	-	Korea Stock Exchange
Taiwan (Republic of China)	-	Taiwan Stock Exchange Corporation
	-	Gretai Securities Market
Thailand	-	Stock Exchange of Thailand
Turkey	-	Istanbul Stock Exchange

(iii) any of the following markets:

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

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 market in Singapore government securities conducted by primary dealers regulated by the Monetary Authority of Singapore;

The market in Singapore corporate bonds settled through a recognised central depository system (such as Euroclear or the Central Depository (Pte) Limited ("CDP")): and

(iv) all derivative exchanges on which permitted financial derivative instruments may be listed or traded:

in a Member State;

in a Member State in the European Union or Norway);

in the United States of America, on the

- Chicago Board of Trade;
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;
- ICE Futures US;
- New York Mercantile Exchange;
- American Stock Exchange;
- NYSE Euronext – previously, the New York Futures Stock Exchange;
- Philadelphia Stock Exchange;
- International Options Exchange

in Australia, on the

- Sydney Futures Exchange;

in Brazil, on the

- Bolsa de Mercadorias e Futuros

in Canada, on the

- the Montreal Exchange;
- the Toronto Exchange

in China, on the

- China Financial Futures Exchange;

in Hong Kong, on the

- Hong Kong Futures Exchange;

in Japan, on the

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

in Korea, on the

- Korea Exchange;

in New Zealand, on the

- New Zealand Futures & Options Exchange;

in Singapore, on the

- Singapore Exchange;
- Singapore Commodity Exchange;

in Switzerland, on the

- Eurex;
- SIX Swiss Exchange.

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

### **Appendix III - Financial Derivative Instruments for the Purpose of Investment and/or Efficient Portfolio Management**

The Investment Manager shall, in respect of and for the benefit of each Sub-Fund, have the power to employ financial derivative techniques and instruments for the purposes of investment and/or efficient portfolio management, in each case subject to the limits laid down by the Central Bank and subject to the terms of the Supplement for the relevant Sub-Fund. These financial derivative techniques and instruments may include, but are not limited to, warrants, exchange traded futures and options, forward currency contracts and swap agreements. Where a Sub-Fund intends to employ financial derivative techniques and instruments, it will be disclosed in the investment policies of the relevant Sub-Fund. In the event that a Sub-Fund changes its investment policy in a manner which alters how it may utilise financial derivative techniques and instruments, the Investment Manager will submit to and obtain clearance from the Central Bank of a revised risk management process.

The underlying exposure to financial derivative instruments in each case may relate to transferable securities, collective investment schemes (including ETFs), money market instruments, stock indices, fixed income indices, foreign exchange rates or currencies. Any investment in open-ended ETFs will be in accordance with the investment limits for collective investment schemes and any investment in close-ended ETFs will be in accordance with the investment limits for transferable securities, as set out under the heading "Permitted Investments and Investment Restrictions" in the Prospectus.

The Investment Manager may decide not to use any of these instruments or strategies. In addition, the Investment Manager may decide to use instruments other than those listed below, in accordance with the requirements of the Central Bank. Outlined below is a description of the various instruments which may be used.

As detailed in the Prospectus and in the relevant Supplements, a Sub-Fund may gain exposure to financial indices through the use of financial derivative instruments where considered appropriate to the investment objective and investment policies of the relevant Sub-Fund. Such financial indices may or may not comprise of Eligible Assets. Where exposure is generated to financial indices which do not comprise of Eligible Assets or in circumstances where an index comprises of Eligible Assets but the relevant Sub-Fund cannot comply with the risk spreading rules set down in the UCITS Regulations taking into account both direct and indirect exposure of the Sub-Fund to the constituents of the relevant index, the Investment Manager shall only gain exposure to financial indices which comply with the requirements of the Central Bank as set out in the Central Bank UCITS Regulations.

In this regard, any such financial indices will be rebalanced/adjusted on a periodic basis in accordance with the requirements of the Central Bank e.g. on a weekly, monthly, quarterly, semi-annual or annual basis. The costs associated with gaining exposure to a financial index will be impacted by the frequency with which the relevant financial index is rebalanced. It is not

possible to comprehensively list the actual financial indices to which exposure may be taken as they have not, as of the date of this Prospectus, been selected and they may change from time to time. A list of the indices which a Sub-Fund takes exposure to will be included in the annual financial statements of the Company. Details of any financial indices used by any Sub-Fund will also be provided to Shareholders of that Sub-Fund by the Investment Manager on request.

Where the weighting of a particular constituent in the financial index exceeds the investment restrictions set down in the UCITS Regulations the Investment Manager will as a priority objective look to remedy the situation taking into account the interests of Shareholders and the relevant Sub-Fund.

#### Futures

A Sub-Fund may sell futures on securities, currencies, interest rates, stock indices or fixed income indices to provide an efficient, liquid and effective method for the management of risks by "locking in" gains and/or protecting against future declines in value. A Sub-Fund may also buy futures on securities, currencies, interest rates, stock indices or fixed income indices to take a position in securities. A Sub-Fund may also buy or sell stock index futures as a method to equitise significant cash positions in the Sub-Fund (in other words, to invest excess cash on an ongoing basis in futures contracts on particular securities or stock indices, or to seek such exposure for cash in the portfolio on a short-term basis pending a decision to purchase a particular security or to reallocate assets on a longer term basis). The Investment Manager will ensure that any underlying commodity index in which a Sub-Fund may invest will comply with the regulatory requirements established by the Central Bank.

#### Options

A Sub-Fund may utilise options (including equity index options, options on futures and options on swaps) to increase its current return by writing covered call options and put options on securities it owns or in which it may invest. A Sub-Fund receives a premium from writing a call or put option, which increases the return if the option expires unexercised or is closed out at a net profit. If the Sub-Fund writes a call option, it gives up the opportunity to profit from any increase in the price of a security above the exercise price of the option; when it writes a put option, the Sub-Fund takes the risk that it will be required to purchase a security from the option holder at a price above the current market price of the security. A Sub-Fund may terminate an option that it has written prior to its expiration by entering into a closing purchase transaction in which it purchases an option having the same terms as the option written. A Sub-Fund may also write put-options on currencies to protect against exchange risks.

A Sub-Fund may purchase put options (including equity index options, options on futures and options on swaps) to provide an efficient, liquid and effective mechanism for "locking in" gains and/or protecting against future declines in value on securities that it owns. This allows the Sub-Fund to benefit from future gains in the value of a security without the risk of the fall in value of the security. A Sub-Fund may also purchase call options (including equity index options and

options on futures) to provide an efficient, liquid and effective mechanism for taking position in securities. This allows the Sub-Fund to benefit from future gains in the value of a security without the need to purchase and hold the security.

#### Foreign Exchange Transactions

Foreign exchange transactions and other currency contracts may also be used to provide protection against exchange risks or to actively overlay currency views onto the Sub-Fund's currency exposure resulting from investing in foreign markets. Such contracts may, at the discretion of the Investment Manager be used to hedge some or all of the exchange risk/currency risk arising as a result of the fluctuation between the denominated currency of the Sub-Fund and the currencies in which the Sub-Fund's investments are denominated or to pursue an active currency overlay strategy.

A Sub-Fund may enter into forward currency contracts to purchase or sell a specific currency at a future date at a price set at the time of the contract. A Sub-Fund may enter into these contracts to hedge against changes in currency exchange rates. A Sub-Fund may use one currency (or a basket of currencies) to hedge against adverse changes in the value of another currency (or a basket of currencies) when exchange rates between the two currencies are positively correlated.

#### Swap Agreements

A Sub-Fund may enter into swap agreements (including total return swaps and contracts for differences) with respect to currencies, interest rates, securities and indices. A Sub-Fund may enter into swap agreements in pursuit of its investment objective. A Sub-Fund may use these techniques to protect against changes in interest rates and currency exchange rates. A Sub-Fund may also use these techniques to take positions in or protect against changes in securities indices and specific securities prices.

In respect of currencies, a Sub-Fund may utilise currency swap contracts where the Sub-Fund may exchange currencies at a fixed rate of exchange for currencies at a floating rate of exchange or currencies at a floating rate of exchange for currencies at a fixed rate of exchange. These contracts allow a Sub-Fund to manage its exposures to currencies in which it holds investment. For these instruments, the Sub-Fund's return is based on the movement of currency exchange rates relative to a fixed currency amount agreed by the parties.

In respect of interest rates, a Sub-Fund may utilise interest rate swap contracts where the Sub-Fund may exchange interest rate cash flows for cash flows based on the return of an equity or fixed income instrument or securities index. These contracts allow a Sub-Fund to manage its interest rate exposures. For these instruments, the Sub-Fund's return is based on the movement of interest rates relative to a fixed rate agreed by the parties.

In respect of securities and securities indices a Sub-Fund may utilise total return swap contracts

where the Sub-Fund may exchange interest rate cash flows for cash flows based on the return of, for example, an equity or fixed income instrument or a securities index. These contracts allow a Sub-Fund to manage its exposures to certain securities or securities indexes. For these instruments, the Sub-Fund's return is based on the movement of interest rates relative to the return on the relevant security or index. Specifically, the use of Total Return Swaps by a Sub-Fund shall be subject to the requirements of SFTR.

The counterparties of these transactions will be highly rated financial institutions specialising in these types of transactions and approved by the Investment Manager. Where a Sub-Fund enters into total return swaps (or invests in other financial derivative instruments with the same characteristics) it will only do so on behalf of the Sub-Fund with counterparties which shall be entities which satisfy the OTC counterparty criteria set down by the Central Bank in the Central Bank UCITS Regulations and shall specialise in such transactions. Subject to compliance with those conditions, the Investment Manager has full discretion as to the appointment of counterparties when entering into total return swap in furtherance of the Sub-Fund's investment objective and policies. It is not possible to comprehensively list in the relevant Supplement all the counterparties as they have not, as of the date of issue of the relevant Supplement, been selected and they may change from time to time. A Sub-Fund may not enter into such a swap or other derivative transaction where (1) the counterparty is permitted to have discretion over the composition or management of a Sub-Fund's portfolio or over the underlying of financial derivative instruments used by a Sub-Fund or (2) counterparty approval is required in relation to any investment decision made by a Sub-Fund.

Risks associated with the use of total return swaps, are detailed in the Prospectus under the heading "Risk Factors".

#### Warrants

A warrant is a security which gives the right but not the obligation to purchase stocks at a set price within a specified period. A Sub-Fund may invest in warrants to provide an efficient, liquid mechanism for taking position in securities without the need to purchase and hold the security.

#### When Issued/Delayed Delivery Securities

A Sub-Fund may purchase or sell securities on a when-issued or delayed-delivery basis for the purposes of efficient portfolio management. In this instance payment for and delivery of securities takes place in the future at a stated price in order to secure what is considered to be an advantageous price and yield to the Sub-Fund at the time of entering into the transaction. Securities are considered "delayed delivery" securities when traded in the secondary market, or "when-issued" securities if they are an initial issuance of securities. Delayed delivery securities (which will not begin to accrue interest until the settlement date) and when-issued securities will be recorded as assets of the Sub-Fund and will be subject to risks of market value fluctuations. The purchase price of delayed delivery and when-issued securities will be recorded as a liability of the Sub-Fund until settlement date and when issued or delivered as the case may be such



securities will be taken into account when calculating the limits set out in Appendix I under the heading Investment Restrictions.

#### Securities Financing Transactions

Subject to the requirements of SFTR and the Central Bank Rules and in accordance with normal market practice, a Sub-Fund may use Securities Financing Transactions for efficient portfolio management purposes. Such Securities Financing Transactions may be entered into for any purpose that is consistent with the investment objective of the relevant Fund including to generate income or profits in order to increase portfolio returns or to reduce portfolio expenses or risks. Repurchase agreements are a type of securities lending transaction in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby a Sub-Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price. A securities lending arrangement is an arrangement whereby title to the "loaned" securities is transferred by a "lender" to a "borrower" with the borrower contracting to deliver "equivalent securities" to the lender at a later date. If the Investment Manager engages in securities lending arrangements in respect of a Sub-Fund, it shall be disclosed in the relevant Supplement.

The Company shall ensure that all revenues arising from Securities Financing Transactions and other efficient portfolio management techniques and instruments, net of direct and indirect operational costs and fees, are returned to the Sub-Fund. Such direct and indirect operational costs/fees will be paid to the entities outlined in the annual report of the Company, which shall indicate if the entities are related to the Depository.

While the Company and/or the Manager will conduct appropriate due diligence in the selection of counterparties, including consideration of the legal status, country of origin, credit rating and minimum credit rating (where relevant), it is noted that the Central Bank Rules do not prescribe any pre trade eligibility criteria for counterparties to a Sub-Fund's Securities Financing Transactions.

For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, the Company may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Sub-Fund in accordance with normal market practice and in accordance with the requirements of the Central Bank.

#### **A. Use of Securities Financing Transactions**

The following requirements apply to Securities Financing Transactions:

1. Any counterparty to a Securities Financing Transaction shall be subject to an appropriate internal credit assessment carried out by the Company, which shall include

amongst other considerations, external credit ratings of the counterparty, the regulatory supervision applied to the relevant counterparty, industry sector risk and concentration risk. Where such counterparty (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Company without delay.

2. The Company must be able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.
3. When the Company enters into a reverse repurchase agreement it must ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value of the relevant Sub-Fund. Fixed-term reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.
4. When the Company enters into a repurchase agreement it must ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.
5. Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 respectively. Repurchase/reverse repurchase agreements and securities lending agreements may only be effected in accordance with normal market practice.
6. All the revenues arising from Securities Financing Transactions and other efficient portfolio management techniques, net of direct and indirect operational costs/fees, will be returned to the relevant Sub-Fund.
7. Any direct and indirect operational costs/fees arising from efficient portfolio management techniques that may be deducted from the revenue delivered to the relevant Sub-Fund must not include hidden revenue. Such direct and indirect operational costs/fees will be paid to the entities outlined in the annual report of the Company, which shall indicate if the entities are related to the Depositary.
8. Investors should consult the sections of the Prospectus entitled "Risk Factors-Counterparty Risk", "Risk Factors- Derivatives and Techniques and Instruments Risk"

and "Conflicts of Interest" for more information on the risks associated with Securities Financing Transactions and other efficient portfolio management.

**B. Management of Collateral**

*For the purposes of this section, "Relevant Institutions" refers to those institutions which are credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1998 or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.*

1. The risk exposures to a counterparty arising from Securities Financing Transactions shall be combined when calculating the counterparty risk limits set out in paragraph 2.9 under the heading "Permitted Investments and Investment Restrictions".
2. All assets received by a Sub-Fund in the context of Securities Financing Transactions and efficient portfolio management techniques shall be considered as collateral and must comply with the criteria set down in paragraph 3 below.
3. Collateral obtained in respect of Securities Financing Transactions and efficient portfolio management techniques ("Collateral") must, at all times, meet with the following criteria:
  - a. Liquidity: Collateral received other than cash 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 UCITS Regulations.
  - b. Valuation: Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts (as referred to below) are in place.

Where appropriate, non-cash collateral held for the benefit of a Sub-Fund shall be valued in accordance with the valuation policies and principles applicable to the Company. Subject to any agreement on valuation made with the counterparty, collateral posted to a recipient counterparty will be valued daily at mark-to-market value.

- c. Issuer credit quality: Collateral received should be of high quality. The Company shall ensure that:
  - (i) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company in the credit assessment process; and

- (ii) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in (i) this shall result in a new credit assessment being conducted of the issuer by the Company without delay
- d. 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.
- e. Diversification (asset concentration) where cash collateral is received, if it is reinvested, it will be diversified in accordance with the requirements of ESMA's Guidelines on ETFs and other UCITS issues (ESMA/2012/832EN). Collateral will be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a Sub-Fund's Net Asset Value. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral will be aggregated to calculate the 20% limit of exposure to a single issuer. A Sub-Fund may be fully collateralised 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. Such a Sub-Fund should receive securities from at least 6 different issues, but securities from any single issue should not account for more than 30 per cent of the Sub-Funds' net value.

The countries, local authorities, or public international bodies issuing or guaranteeing securities which a Sub-Fund is able to accept as collateral for more than 20% of its net asset value are as follows:

Countries: Australia, Austria, Denmark, Japan, Norway, Germany, France, Belgium, UK, Sweden, Netherlands, Canada, Switzerland, US, Cyprus, Estonia, Finland, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Portugal, Slovakia Slovenia, Spain.

Agencies or public international bodies: The African Development Bank, Asian Development Bank, Council of Europe Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, International Bank for Reconstruction and Development, International Finance Corporation, Nordic Investment Bank, Kredietanstalt Fuer Wiederaufbau, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Home Loan Bank, Government National Mortgage Association.

- f. Immediately available: Collateral received must be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.

4. Collateral must be held by the Depository, or its delegate (where there is title transfer). This is not applicable in the event that there is no title transfer in which case the Collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the Collateral. Assets provided by the Sub-Fund on a title transfer basis shall no longer belong to the Fund and shall pass outside the custody network.
5. Non-cash Collateral cannot be sold or pledged or re-invested.
6. Cash Collateral may not be invested other than in the following:
  - a. deposits with Relevant Institutions;
  - b. high quality government bonds;
  - c. reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the UCITS 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).
7. In accordance with the Central Bank UCITS Regulations re-invested cash Collateral must be diversified in accordance with the diversification requirement applicable to non-cash Collateral set out in 3.e. above. Re-invested cash collateral may not be placed on deposit with the counterparty or a related entity and must be taken into account in the calculations to determine compliance with the investment restrictions to a fund
8. A Sub-Fund receiving collateral for at least 30% of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the UCITS to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:
  - a) design of stress test scenario analysis including calibration, certification and sensitivity analysis;
  - b) empirical approach to impact assessment, including back-testing of liquidity risk estimates;
  - c) reporting frequency and limit/loss tolerance threshold/s; and
  - d) mitigation actions to reduce loss including haircut policy and gap risk protection.
9. The Company on behalf of each Sub-Fund will have in place a clear haircut policy adapted for each class of assets received as collateral. When devising the haircut policy, the Company will take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with the preceding paragraph. This policy will be documented and will justify each decision to apply a specific haircut, or to refrain from applying any haircut, to a

certain class of assets.

**C. Collateral Management Policy**

In accordance with the requirements of the Central Bank, the Investment Manager will employ a collateral management policy for and on behalf of each Sub-Fund in respect of collateral received in respect of OTC financial derivative transactions whether used for investment or for efficient portfolio management purposes. Any collateral received by the Sub-Fund shall comprise of assets which satisfy the requirements of the Central Bank relating to collateral which may be received by a UCITS. Any re-investment of cash collateral shall be diversified in accordance with the requirements of the Central Bank. Re-invested cash collateral exposes the Sub-Fund to certain risks such as the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested. Please refer to the section "Risk Factors" in the Prospectus for information on counterparty risk and credit risk in this regard. All collateral received by the Sub-Fund on a title transfer basis shall be held by the Depositary. For other types of collateral arrangements, the collateral may be held with a third party custodian which is subject to prudential supervision and which is unrelated to the collateral provider.

The level of collateral required to be posted may vary by counterparty with which the Company transacts and shall be in accordance with the requirements of the Central Bank. The haircut policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by the Sub-Fund, taking into account the characteristics of the assets received as collateral such as the credit standing or the price volatility and the outcome of any liquidity stress testing policy, where appropriate. This policy justifies each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets. Should the relevant Sub-Fund receive collateral for at least 30% of its assets then an appropriate stress testing policy will be put in place in line with the requirements set out at point 8 under the heading "Management of Collateral" above.

#### Appendix IV - LIST OF SUBCUSTODIANS

List of subcustodians and markets used by J.P. Morgan as (subject to amendment by J.P. Morgan giving notice to the Customer from time to time) at the date of the Agreement

<b>ARGENTINA</b>	HSBC Bank Argentina S.A. Avenida Martin Garcia 464, 5th Floor C1268ABN Buenos Aires ARGENTINA	HSBC Bank Argentina S.A. Buenos Aires
<b>AUSTRALIA</b>	JPMorgan Chase Bank, N.A.** Level 19, 55 Collins Street Melbourne 3000 AUSTRALIA	Australia and New Zealand Banking Group Ltd. Melbourne
<b>AUSTRIA</b>	UniCredit Bank Austria AG Julius Tandler Platz - 3 A-1090 Vienna AUSTRIA	J.P. Morgan AG** Frankfurt am Main
<b>BAHRAIN</b>	HSBC Bank Middle East Limited 1st Floor, Building No 2505, Road No 2832 Al Seef 428 BAHRAIN	HSBC Bank Middle East Limited Al Seef
<b>BANGLADESH</b>	Standard Chartered Bank Portlink Tower Level-6, 67 Gulshan Avenue Gulshan Dhaka -1212 BANGLADESH	Standard Chartered Bank Dhaka

<b>BELGIUM</b>	BNP Paribas Securities Services S.C.A. Central Plaza Building Rue de Loosum, 25 7th Floor 1000 Brussels BELGIUM	J.P. Morgan A.G.** Frankfurt am Main
<b>BERMUDA</b>	HSBC Bank Bermuda Limited 6 Front Street Hamilton HM 11 BERMUDA	HSBC Bank Bermuda Limited Hamilton
<b>BOTSWANA</b>	Standard Chartered Bank Botswana Limited 5th Floor, Standard House P.O. Box 496 Queens Road, The Mall Gaborone BOTSWANA	Standard Chartered Bank Botswana Limited Gaborone
<b>BRAZIL</b>	J.P. Morgan S.A. DTVM** Av. Brigadeiro Faria Lima, 3729, Floor 06 Sao Paulo SP 04538-905 BRAZIL	J.P. Morgan S.A. DTVM** Sao Paulo
<b>BULGARIA</b>	Citibank Europe plc Serdika Offices 10th Floor 48 Sitnyakovo Blvd Sofia 1505 BULGARIA	ING Bank N.V. Sofia
<b>CANADA</b>	Canadian Imperial Bank of Commerce	Royal Bank of Canada



Commerce Court West  
Security Level  
Toronto Ontario M5L 1G9  
CANADA

Toronto

Royal Bank of Canada  
155 Wellington Street West, 2nd Floor  
Toronto Ontario M5V 3L3  
CANADA

**CHILE**

Banco Santander Chile  
Bandera 140, Piso 4  
Santiago  
CHILE

Banco Santander Chile  
Santiago

**CHINA A-SHARE**

HSBC Bank (China) Company Limited  
33/F, HSBC Building, Shanghai ifc  
8 Century Avenue, Pudong  
Shanghai 200120  
THE PEOPLE'S REPUBLIC OF CHINA

HSBC Bank (China) Company Limited  
Shanghai

**CHINA B-SHARE**

HSBC Bank (China) Company Limited  
33/F, HSBC Building, Shanghai ifc  
8 Century Avenue, Pudong  
Shanghai 200120  
THE PEOPLE'S REPUBLIC OF CHINA

JPMorgan Chase Bank, N.A.\*\*  
New York

JPMorgan Chase Bank, N.A.\*\*  
Hong Kong

**CHINA CONNECT**

JPMorgan Chase Bank, N.A.\*\*  
48th Floor, One Island East  
18 Westlands Road, Quarry Bay

JPMorgan Chase Bank, N.A.\*\*  
Hong Kong

<b>COLOMBIA</b>	HONG KONG Cititrust Colombia S.A. Carrera 9 A # 99-02, 3rd floor Bogota COLOMBIA	Cititrust Colombia S.A. Bogotá
<b>COSTA RICA</b>	Banco BCT, S.A. 150 Metros Norte de la Catedral Metropolitana Edificio BCT San Jose COSTA RICA	Banco BCT, S.A. San Jose

**\*TEMPORARY SUSPENSION.** PLEASE CONTACT YOUR RELATIONSHIP MANAGER FOR FURTHER INFORMATION\*

<b>CROATIA</b>	Privredna banka Zagreb d.d. Radnicka cesta 50 10000 Zagreb CROATIA	Zagrebacka banka d.d. Zagreb
<b>CYPRUS</b>	HSBC Bank plc 109-111, Messogian Ave. 115 26 Athens GREECE	J.P. Morgan AG** Frankfurt am Main
<b>CZECH REPUBLIC</b>	UniCredit Bank Czech Republic and Slovakia, a.s. BB Centrum - FILADELFIE Zeletavska 1525-1 140 92 Prague 1 CZECH REPUBLIC	Ceskoslovenska obchodni banka, a.s. Prague
<b>DENMARK</b>	Nordea Bank Danmark A/S	Nordea Bank Danmark A/S

	Christiansbro Strandgade 3 P.O. Box 850 DK-0900 Copenhagen DENMARK	Copenhagen
<b>EGYPT</b>	Citibank, N.A. 4 Ahmed Pasha Street Garden City Cairo EGYPT	Citibank, N.A. Cairo
<b>ESTONIA</b>	Swedbank AS Liivalaia 8 15040 Tallinn ESTONIA	J.P. Morgan AG** Frankfurt am Main
<b>FINLAND</b>	Nordea Bank Finland Plc Aleksis Kiven katu 3-5 FIN-00020 NORDEA Helsinki FINLAND	J.P. Morgan AG** Frankfurt am Main
<b>FRANCE</b>	BNP Paribas Securities Services S.C.A. 3, rue d'Antin 75002 Paris FRANCE	J.P. Morgan AG** Frankfurt am Main
<b>GERMANY</b>	Deutsche Bank AG Alfred-Herrhausen-Allee 16-24 D-65760 Eschborn GERMANY	J.P. Morgan AG** Frankfurt am Main

J.P. Morgan AG#\*\*  
Taunustor 1 (TaunusTurm)  
60310 Frankfurt am Main  
GERMANY  
# Custodian for local German custody clients  
only.

**GHANA**

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P.O. Box 768  
Accra  
GHANA

Standard Chartered Bank Ghana Limited  
Accra

**GREECE**

HSBC Bank plc  
Messogion 109-111  
11526 Athens  
GREECE

J.P. Morgan AG\*\*  
Frankfurt am Main

**HONG KONG**

JPMorgan Chase Bank, N.A.\*\*  
48th Floor, One Island East  
18 Westlands Road, Quarry Bay  
HONG KONG

JPMorgan Chase Bank, N.A.\*\*  
Hong Kong

**HUNGARY**

Deutsche Bank AG  
Hold utca 27  
H-1054 Budapest  
HUNGARY

ING Bank N.V.  
Budapest

**\*ICELAND\***

Islandsbanki hf.  
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Islandsbanki hf.  
Reykjavik

ICELAND

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<b>INDIA</b>	JPMorgan Chase Bank, N.A.** 6th Floor, Paradigm 'B' Wing Mindspace, Malad (West) Mumbai 400 064 INDIA	JPMorgan Chase Bank, N.A.** Mumbai
<b>INDONESIA</b>	Deutsche Bank AG Deutsche Bank Building 80 Jl. Inman Bonjol Jakarta 10310 INDONESIA	Deutsche Bank AG Jakarta
<b>IRELAND</b>	JPMorgan Chase Bank, N.A.** 25 Bank Street, Canary Wharf London E14 5JP UNITED KINGDOM	J.P. Morgan AG** Frankfurt am Main
<b>ISRAEL</b>	Bank Leumi le-Israel B.M. 35, Yehuda Halevi Street 65136 Tel Aviv ISRAEL	Bank Leumi le-Israel B.M. Tel Aviv
<b>ITALY</b>	BNP Paribas Securities Services S.C.A. Via Asperto, 5 20123 Milan ITALY	J.P. Morgan AG** Frankfurt am Main
<b>JAPAN</b>	Mizuho Bank, Ltd.	JPMorgan Chase Bank, N.A.**

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Tokyo

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JAPAN

**JORDAN**

Standard Chartered Bank  
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Building # 2  
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Amman  
JORDAN

Standard Chartered Bank  
Amman

**KAZAKHSTAN**

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Park Palace, Building A, Floor 2  
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KAZAKHSTAN

JSC Citibank Kazakhstan  
Almaty

**KENYA**

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48 Westlands Road  
Nairobi 00100  
KENYA

Standard Chartered Bank Kenya Limited  
Nairobi

**KUWAIT**

HSBC Bank Middle East Limited

HSBC Bank Middle East Limited

	Kuwait City, Qibla Area Hamad Al-Saqr Street, Kharafi Tower G/1/2 Floors Safat 13017 KUWAIT	Safat
<b>LATVIA</b>	Swedbank AS Balasta dambis 1a Riga LV-1048 LATVIA	J.P. Morgan AG** Frankfurt am Main
<b>LEBANON</b>	HSBC Bank Middle East Limited HSBC Main Building Riad El Solh, P.O. Box 11-1380 1107-2080 Beirut LEBANON	JPMorgan Chase Bank, N.A.** New York
<b>LITHUANIA</b>	AB SEB Bankas 12 Gedimino pr. LT 2600 Vilnius LITHUANIA	AB SEB Bankas Vilnius  J.P. Morgan AG** Frankfurt am Main J.P. Morgan AG** Frankfurt am Main
<b>LUXEMBOURG</b>	BNP Paribas Securities Services S.C.A. 33, Rue de Gasperich L-5826 Hesperange LUXEMBOURG	
<b>*MALAWI*</b>	Standard Bank Limited, Malawi 1st Floor Kaomba House Cnr Glyn Jones Road & Victoria Avenue Blantyre MALAWI	Standard Bank Limited, Malawi Blantyre

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<b>MALAYSIA</b>	HSBC Bank Malaysia Berhad 2 Leboh Ampang 12th Floor, South Tower 50100 Kuala Lumpur MALAYSIA	HSBC Bank Malaysia Berhad Kuala Lumpur
<b>MAURITIUS</b>	The Hongkong and Shanghai Banking Corporation Limited HSBC Centre 18 Cybercity Ebene MAURITIUS	The Hongkong and Shanghai Banking Corporation Limited Ebene
<b>MEXICO</b>	Banco Nacional de Mexico, S.A. Act. Roberto Medellin No. 800 3er Piso Norte Colonia Santa Fe 01210 Mexico, D.F. MEXICO	Banco Santander (Mexico), S.A. Mexico, D.F.
<b>MOROCCO</b>	Société Générale Marocaine de Banques 55 Boulevard Abdelmoumen Casablanca 20100 MOROCCO	Attijariwafa Bank S.A. Casablanca
<b>NAMIBIA</b>	Standard Bank Namibia Limited Mutual Platz 2nd Floor, Standard Bank Centre Cnr. Stroebel and Post Streets P.O.Box 3327	The Standard Bank of South Africa Limited Johannesburg



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NAMIBIA

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Frankfurt am Main

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Westpac Banking Corporation  
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Stanbic IBTC Bank Plc  
Lagos

**NORWAY**

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