

The Directors of PassIM Structured Funds plc whose names appear in the Directory on page v herein 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 document is in accordance with the facts and does not omit anything likely to affect the import of such information.

## PASSIM STRUCTURED FUNDS PLC

(An investment company with variable capital constituted as an umbrella fund with segregated liability between sub-funds under the laws of Ireland and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations 2011)

## PROSPECTUS

6 November 2015

### **THIS PROSPECTUS**

This Prospectus describes PassIM Structured Funds plc (formerly: J.P. Morgan Structured Funds plc) (the "**Company**"), an investment company with variable capital and segregated liability between Sub-Funds incorporated in Ireland as a public limited company. The Company is constituted as an umbrella fund insofar as the share capital of the Company will be divided into different series of Shares, with each series of Shares representing a separate Sub-Fund. A series of Shares may be divided into different Classes to accommodate different dividend and/or charges and/or fee arrangements (including different total expense ratios) and/or currencies and/or investments in Financial Derivative Instruments in accordance with the requirements of the Central Bank. Investors or potential investors in a Sub-Fund should refer to the relevant Supplement for further information on the division (if any) of the relevant Series into different Classes for such purposes.

The Sub-Funds have different investment objectives and invest in different types of assets and/or investment instruments. Each Sub-Fund will be invested in accordance with the investment objectives and policies applicable to such Sub-Fund as specified in this Prospectus or, as the case may be, the relevant Supplement applicable to such Sub-Fund. Each Sub-Fund will bear its own liabilities and none of the Company, any of the service providers appointed to the Company, the Directors, any receiver, examiner or liquidator, nor any other person will have access to the assets of a Sub-Fund in satisfaction of a liability of any other Sub-Fund. Investors should refer to the paragraph headed "**Umbrella Structure of the Company**" in the "**Risk Factors**" section for further details.

### **RELIANCE ON THIS PROSPECTUS**

Shares are offered only on the basis of the information contained in this Prospectus, any relevant Supplement and the latest audited annual accounts and any subsequent half-yearly report of the Company. Any further information or representations given or made by any dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorised to give any information or to make any representation in connection with the offering of Shares other than those contained in this Prospectus, any relevant Supplement and in any subsequent half-yearly or annual report for the Company and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors or the Investment Manager. Statements in this Prospectus and any relevant Supplement are in accordance with the law and practice in force in Ireland at the date hereof and are subject to change. Neither the delivery of this Prospectus and/or any relevant Supplement nor the issue of Shares shall, under any circumstances, create any implication or constitute any representation that the affairs of the Company have not changed since the date hereof.

This Prospectus 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. To the extent that there is any inconsistency between the English language Prospectus and the Prospectus in another language, this English language Prospectus will prevail. All disputes as to the contents of this Prospectus shall be governed in accordance with the laws of Ireland.

### **KEY INVESTOR INFORMATION DOCUMENT ("KIID")**

The Company has produced and made available a KIID for each Sub-Fund and/or Class. Pursuant to Regulation 98 of the UCITS Regulations, a KIID must be provided to investors along with the Company's suite of offering documentation so that investors are reasonably able to understand the nature and the risks of the investment product that is being offered to them and, consequently, to make investment

decisions on an informed basis. The KIID replaces the Simplified Prospectus of each Sub-Fund. For more information on the KIID, please refer to Annex 3 of this Prospectus: "**Key Investor Information Document ("KIID") Q&A**".

## **INVESTOR RESPONSIBILITY**

**Prospective investors should review this Prospectus carefully and in its entirety and consult with their legal, tax, financial or other professional advisers for independent advice in relation, but not limited, to: (a) the legal requirements within their own countries for the purchase, holding, exchanging, redeeming or disposing of Shares; (b) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, exchanging, redeeming or disposing of Shares; (c) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Shares; and (d) the provisions of this Prospectus.**

## **CENTRAL BANK AUTHORISATION - UCITS**

The Company is authorised by the Central Bank as an Undertaking for Collective Investment in Transferable Securities under the UCITS Regulations, as amended. **The 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 or for the contents of this Prospectus. Such authorisation does not constitute an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus or the relevant Supplement.**

## **DISTRIBUTION AND SELLING RESTRICTIONS**

The distribution of this Prospectus and any relevant Supplement and the offering or purchase of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute and may not be treated as an offer or solicitation by or to anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any relevant Supplement, and any persons wishing to apply for Shares pursuant to this Prospectus and any relevant Supplement inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction.

Further information on the Company's distribution and selling restrictions with respect to various jurisdictions is contained in Appendix V (Other Important Information for Investors in various jurisdictions) to this Prospectus (including without limitation the United States).

## **STOCK EXCHANGE LISTING**

Application may be made to the Irish Stock Exchange for Shares of any Series or Class issued and to be issued to be admitted to its Official List and to trading on the Main Securities Market. This Prospectus, together with the relevant Supplement and the latest available audited accounts for the Company, constitutes Listing Particulars for the purpose of any such application for listing. Listing information in respect of each of the Sub-Funds, if any, is contained in the relevant Supplement. The Directors do not anticipate that an active secondary market will develop in the Shares.

Neither the admission of the Shares of any Sub-Fund to the Official List or to trading on the Main Securities Market of the Irish Stock Exchange nor the approval of this Prospectus pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange as to the competence of service providers to or any party connected with the Company, the

adequacy of information contained in this Prospectus or the suitability of the Company for investment purposes.

The launch and listing of various Classes within a Sub-Fund may occur at different times and therefore at the time of the launch of given Class(es) the pool of assets to which a given Class relates may have commenced to trade. Financial information in respect of the Company will be published from time to time, and the most recently published audited and unaudited financial information will be available to investors and potential investors upon request.

## **RISK FACTORS**

**Investors should be aware that investment in the Company and any Sub-Fund carries with it the potential for above average risk and is only suitable for people who are in a position to take such risks. Investors should also note that the Sub-Funds may achieve their investment objectives by investing principally in financial derivative instruments, as described in the relevant Supplement and the "*Investment Management of a Sub-Fund*" section below. The value of Shares may go down as well as up, and investors may not get back any of the amount invested. Investment in the Company should not constitute a substantial proportion of an investor's portfolio and may not be appropriate for all investors. A non-exhaustive list of risk factors, for investors to consider, is set out in the "*Risk Factors*" section below.**

## **REDEMPTION CHARGE**

The Articles entitle the Company to charge redeeming Shareholders in any Sub-Fund a redemption charge of up to 3% of the relevant redemption proceeds. Investors should refer to the information in the relevant Supplement in respect of the redemption charge (if any) payable in respect of the redemption of Shares in the Sub-Fund in which they intend to invest or in which they have invested. **The difference at any one time between the issue and repurchase price of Shares due to applicable sales charges and/or redemption charges (if any) means that an investment in the Company should be viewed as medium to long-term.**

## **DATA PROTECTION NOTICE**

Prospective investors should note that by completing the Application Form they are providing to the Company personal information, which may constitute personal data within the meaning of the Data Protection Legislation.

This data will be used for the purposes of administration, transfer agency, statistical analysis, research and disclosure to the Company, its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies. By signing the Application Form, investors acknowledge that they are consenting to the Company, its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies obtaining, holding, using, disclosing and processing the data for any one or more of the following purposes: (i) to manage and administer the investor's holding in a Sub-Fund and any related accounts on an on-going basis; (ii) for any other specific purposes where the investor has given specific consent; (iii) to comply with legal and regulatory obligations applicable to the investor and the Company; (iv) for disclosure or transfer whether in Ireland or countries outside Ireland including without limitation the United States of America, which may not have the same data protection laws as Ireland, to third parties including financial advisers, regulatory bodies, auditors, technology providers or to the Company and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above; or (v) other legitimate business interests of the Company, where such disclosure does not unfairly prejudice the investor.

Pursuant to Data Protection Legislation, investors have a right of access to their personal data kept by the Company and the right to amend and rectify any inaccuracies in their personal data held by the Company by making a request to the Company in writing.

The Company is a Data Controller, within the meaning of Data Protection Legislation and undertakes to hold any personal information provided by investors in confidence and in accordance with Data Protection Legislation.

**PassIM Structured Funds plc**

Registered Office: 70 Sir John Rogerson's Quay  
Dublin 2, Ireland

Directors: David Blair  
Dermot Butler  
Shahzad Sadique

Company Secretary: Matsack Trust Limited  
70 Sir John Rogerson's Quay  
Dublin 2, Ireland

**Investment Manager / Distributor / Promoter**

J.P. Morgan Mansart Management Limited  
25 Bank Street, Canary Wharf,  
London E14 5JP,  
England, United Kingdom

**Sub-Distributor / U.K. Facilities Agent**

J.P. Morgan Securities plc  
25 Bank Street  
Canary Wharf  
London E14 5JP  
England, United Kingdom

**Administrator, Registrar and Transfer Agent**

BNP Paribas Fund Services Dublin Limited  
Trinity Point  
10-11 Leinster Street South,  
Dublin 2, Ireland

**Custodian**

BNP Paribas Securities Services, Dublin Branch  
Trinity Point  
10-11 Leinster Street South,  
Dublin 2, Ireland

**Auditors**

Grant Thornton  
24-26 City Quay  
Dublin 2, Ireland

**Legal Advisers (Irish law)**

Matheson

70 Sir John Rogerson's Quay

Dublin 2, Ireland

	Page
<b>Important Information</b> .....	<b>i</b>
<b>Directory</b> .....	<b>v</b>
<b>Content</b> .....	<b>vii</b>
<b>Definitions</b> .....	<b>10</b>
<b>The Offerings</b> .....	<b>21</b>
Launch of Sub-Funds .....	21
Investment Objectives and Policies of the Sub-Funds .....	21
Disclosure of Portfolio Composition .....	21
<b>Investment Management of the Sub-Funds</b> .....	<b>22</b>
Instruments to Implement Investment Policies .....	22
Swap Transactions.....	22
Funding Investments .....	23
Use of Repurchase/Reverse Repurchase Agreements and Lending of Fund Securities .....	24
Permitted types of Collateral .....	25
Reinvestment of Collateral.....	25
Stress testing policy .....	26
Haircut policy.....	26
Other provisions in relation to Repo Contracts and stock lending.....	26
Collateralisation of OTC FDI.....	27
<b>The Company</b> .....	<b>28</b>
The Company .....	28
Authorised Share Capital .....	28
Sub-Funds .....	28
Classes .....	29
Eligibility .....	29
Financial Derivative Instruments and Sub-Pooling .....	30
Hedging.....	31
<b>Investment Restrictions</b> .....	<b>33</b>
Portfolio Investment Techniques.....	38
General Provisions in relation to Portfolio Investment Techniques.....	38
Use of FDI .....	39
<b>Risk Factors</b> .....	<b>40</b>
<b>Conflicts of Interest</b> .....	<b>64</b>
General Disclosure.....	64
Non-exclusive Services .....	64
J.P. Morgan – Conflicts of Interest Management .....	65
Proprietary J.P. Morgan Indices or Strategies.....	65
Limitation of Disclosure .....	66
Swap Counterparty .....	66
Best Execution, Soft Commissions and Recaptured Brokerage Fees.....	66
<b>Shares 67</b>	
SUBSCRIPTION FOR SHARES .....	67
General .....	67
Application Procedure .....	67
Minimum Initial Investment Amount, Additional Investment Amount and Minimum Shareholding Requirements .....	68
Anti-Money Laundering Procedures.....	69



Subscription Price .....	69
Payment for Shares .....	70
Limitations on Subscriptions.....	70
Indemnity for non-payment of subscription monies .....	70
Forms of Shares and Transfer of Shares .....	71
EXCHANGES OF SHARES .....	72
REDEMPTION OF SHARES .....	72
General .....	72
Procedure for Redemption.....	73
Redemption Size .....	73
Redemption Price.....	74
Payment of Redemption Proceeds.....	74
Limitations on Redemptions .....	75
Compulsory Transfers and Redemptions.....	75
ETF SHARES .....	76
Primary Market for ETF Shares .....	76
Secondary Market for ETF Shares .....	76
Secondary Market Prices .....	77
LISTING ON A STOCK EXCHANGE .....	78
DISTRIBUTION POLICY .....	78
<b>Management and Administration .....</b>	<b>80</b>
The Directors.....	80
Investment Manager .....	81
Client Classification.....	81
The Promoter .....	81
The Administrator .....	81
The Custodian.....	81
The Distributor .....	82
The Company Secretary .....	82
Authorised Participants .....	83
<b>Fees and Expenses.....</b>	<b>84</b>
General .....	84
Directors Fees.....	84
Establishment Costs .....	85
<b>Net Asset Value .....</b>	<b>86</b>
Calculation of Net Asset Value .....	86
Allocation of Assets and Liabilities .....	86
Valuation Principles .....	87
Swing Pricing .....	91
Suspension of Valuation .....	92
Publication of the Net Asset Value .....	92
<b>General Information .....</b>	<b>94</b>
Availability of Prospectus .....	94
Reports and Accounts .....	94
Auditors.....	94
The Sub-Funds and Segregation of Liability.....	94
Litigation and Arbitration .....	95
<b>Material Contracts.....</b>	<b>96</b>
The Investment Management Agreement .....	96
Termination of appointment of the Investment Manager or any sub-investment manager at the initiative of the Shareholders .....	96
The Administration Agreement .....	98
The Custodian Agreement.....	98
The Swap Agreement .....	99
The Distribution Agreement .....	99

<b>Taxation</b> .....	<b>101</b>
Irish Tax Information .....	101
United Kingdom .....	108
Taxation in the United Kingdom.....	108
<b>Miscellaneous</b> .....	<b>112</b>
<b>Documents Available for Inspection</b> .....	<b>113</b>
<b>Appendices</b> .....	<b>114</b>
Appendix I – Summary of Memorandum and Articles of Association .....	114
Appendix II - List of Recognised Markets.....	118
Appendix III - Commonly Asked Questions.....	121
Appendix IV - Other Important Information for Investors in various jurisdictions .....	126
Appendix V Key Investor Information Document (“KIID”) Q&A.....	133

## Definitions

---

Certain words and phrases used in this Prospectus and the Supplements are defined below and may also be defined in Supplements. In the event that a word or phrase is defined in this Prospectus and also in a Supplement, such word or phrase shall be understood in accordance with the definition given in the relevant Supplement.

**“Act”** means the Companies Act 2014 of Ireland and every statute or other provision of law modifying, extending or re-enacting them or any of them;

**“Administration Agreement”** means the agreement dated as of 20 June 2008 between the Company and the Administrator (and any amendment or supplement thereto) or, in the event that some other person is appointed by the Company as administrator of the Company, the agreement between such person and the Company;

**“Administrator”** means BNP Paribas Fund Services Dublin Limited or such other person or persons from time to time appointed by the Company as the administrator of the Company in accordance with the requirements of the Central Bank;

**“Anti-Dilution Levy”** means, in relation to any Business Day on which there are net subscriptions or redemptions, such sum as the Directors may consider appropriate to protect the interests of all Shareholders against the dilution in value of the Sub-Fund on account of the costs associated with the acquisition or, as the case may be, liquidation of assets;

**“Application Form”** means the application form in respect of the purchase of Shares in any Sub-Fund, as provided to the prospective investor by the Administrator or any Placing Agent, as applicable;

**“Articles”** means the articles of association of the Company (as amended or supplemented to from time to time);

**“Associated territory”** means Aruba, Netherlands Antilles, Jersey, Gibraltar, Guernsey, Isle of Man, Anguilla, British Virgin Islands, Cayman Islands, Andorra, Liechtenstein, Monaco, San Marino, the Swiss Confederation, Montserrat and Turks and Caicos Islands;

**“Auditors”** means Grant Thornton or such other person or persons from time to time appointed by the Company as the auditors of the Company in accordance with the requirements of the Central Bank;

**“Authorised Participant”** means an entity or person authorised by the Company for the purposes of subscribing for and redeeming ETF Shares within a Sub-Fund. The Company may add or replace an Authorised Participant from time to time without prior notice to Shareholders. A list of current Authorised Participants will be made available at the registered office of the Fund or specified in the relevant Supplement ;

**“Base Currency”** means the designated base currency of a Sub-Fund as set out in this Prospectus or, as the case may be, the relevant Supplement;

**“Business Day”** means with regard to a Sub-Fund such days in such jurisdictions as specified in this Prospectus or, as the case may be, the relevant Supplement on which

commercial banks are open for business (other than Saturday and Sunday and other public holidays) and/or such other day or days as the Directors may determine from time to time and notify to Shareholders;

**“Calculation Agent”** means unless otherwise specified in this Prospectus or, as the case may be, the relevant Supplement, J.P. Morgan Securities plc, as the entity responsible for making the calculation under the Swap Transaction. J.P. Morgan Securities plc is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority;

**“Central Bank”** means the Central Bank of Ireland or any successor thereto;

**“Class”** means any class of Participating Shares from time to time issued by the Company;

**“Closing Date”** means the closing date of the initial offer period in respect of a Sub-Fund as set out in this Prospectus or, as the case may be, the relevant Supplement;

**“Collateral”** means the collateral, if applicable, provided by the Swap Counterparty or any other Counterparty to a FDI and/or, as the case may be, be a Funding Investment in the form of assets which are acceptable collateral in accordance with the requirements of the Central Bank;

**“Collective Investment Schemes”** means UCITS and/or collective investment schemes other than UCITS in which the Company may invest pursuant to Guidance Note 2/03 issued by the Central Bank, as amended from time to time;

**“Company”** means PassIM Structured Funds plc, a company incorporated with limited liability as an investment company with variable capital under the laws of Ireland;

**“Counterparty”** or **“Counterparties”** means the Swap Counterparty or any other counterparty with which the Company, on behalf and for the account of a Sub-Fund, may enter into Financial Derivative Instrument and/or, as the case may be, Funding Investment in accordance with the requirements of the Central Bank;

**“Custodian”** means BNP Paribas Securities Services, Dublin Branch or such other person or persons from time to time appointed by the Company as the custodian of the Company with the prior approval of the Central Bank;

**“Custodian Agreement”** means the agreement dated as of 20 June 2008 between the Company and the Custodian (and any amendment or supplement thereto) or, in the event that some other person is appointed by the Company as Custodian of the Company, the agreement between such person and the Company, which specifies the operation of such custody arrangements;

**“Data Protection Legislation”** means the Data Protection Acts 1988 to 2003 (as amended or re-enacted from time to time);

**“Dealing Day”** means any Business Day on which subscriptions or redemptions will normally be accepted for Shares in a particular Sub-Fund, as the Directors may from time to time determine and disclose in the Prospectus or relevant Supplement and / or such other day or days as the Directors may determine from time to time, provided there shall be at least one (1) Dealing Day per fortnight in each Sub-Fund;

**“Dealing Deadline”** means, in relation to any application for subscription or redemption of Shares of a Sub-Fund, the day and time specified in this Prospectus or, as the case may be, the relevant Supplement by which such application must be received by the Administrator on behalf of the Company in order for the subscription or redemption of the relevant Shares to be made by the Company on the relevant Subscription Date or Redemption Date, as applicable;

**“Debt Instruments”** means:

- (a) Investment Grade fixed and/or floating rate government or other public debt securities which have a minimum credit rating of A or equivalent issued by any EU member state (other than Italy), Australia, Canada, Japan, New Zealand, Norway, Switzerland, the United States of America or any of their constituent states or local authorities or by the Asian Development Bank, Euratom, the European Bank for Reconstruction and Development, the European Investment Bank, the Inter-America Development Bank, the International Bank for Reconstruction and Development, the International Finance Corporation, the International Monetary Fund and the World Bank; or
- (b) certificates of deposit issued by an Eligible Credit Institution which have a minimum credit rating of A or equivalent; or
- (c) deposits with an Eligible Credit Institution which are capable of being withdrawn within five (5) working days; or
- (d) daily dealing Money Market Funds.

**“Declaration”** a valid declaration in a form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D TCA (as may be amended from time to time);

**“Directors”** means the directors of the Company for the time being and any duly constituted committee thereof;

**“Disrupted Day”** means a Valuation Day on which a Market Disruption Event occurs;

**“Distribution Agreement”** means the agreement dated as of 2 August 2013 between the Company and the Distributor (and any amendment or supplement thereto) or, in the event that some other person is appointed by the Company as Distributor of the Company, the agreement between such person and the Company, which specifies the operation of such distribution arrangements;

**“Distributor”** means J.P. Morgan Mansart Management Limited or such other person or persons from time to time appointed by the Company as distributor of the Company;

**“Dublin Business Day”** means a day (excluding Saturday or Sunday) on which retail banks are open for business (including dealings in foreign exchange and foreign currency deposits) in Dublin;

**“Duties and Charges”** means in relation to any Sub-Fund, without limitation, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, foreign exchange spreads, interest, transfer fees, registration fees and other duties and charges whether in connection with the original acquisition or increase of or purchase of additional interests in the assets of the relevant Sub-Fund or the creation, issue, sale, conversion or repurchase of Participating Shares or the sale or purchase or partial termination of investments or in respect

of certificates or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, which, for the avoidance of doubt, includes, but is not limited to, when calculating subscription and redemption prices, any provision for spreads (to take into account the difference between the price at which assets were valued for the purpose of calculating the Net Asset Value and the estimated price at which such assets shall be bought as a result of a subscription and sold as a result of a redemption), but shall not include any commission payable to agents on sales and purchases of Participating Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Participating Shares in the relevant Sub-Fund;

**“Eligible Credit Institution”** means a credit institution which falls under one of the following categories:

- (a) a credit institution authorised in the European Economic Area (EEA) (European Union Member States, Norway, Iceland, Liechtenstein);
- (b) a credit institution authorised within a signatory state, other than a Member State of the EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or
- (c) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;

**“ERISA”** means the Employee Retirement Income Security Act of 1974 of the United States, as amended;

**“ETF Shares”** means a Share or Shares of an exchange traded Class in the capital of the Company (other than Subscriber Shares) entitling the holders to participate in the profits of the Company attributable to the relevant Sub-Fund as described in this Prospectus

**“EU”** means the European Union;

**“Euro”** or **“€”** means the currency referred to in the second sentence of Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 and as adopted as the single currency of the participating member states of the European Union;

**“Exchange Charge”** means the charge, if any, payable on the exchange of ETF Shares as is specified in the Supplement for the relevant Fund.

**“Final Redemption Date”** means the day on which a Sub-Fund will terminate (if any) as set out in this Prospectus or, as the case may be, the relevant Supplement. For the avoidance of doubt, if such day is not a Business Day, the final redemption date will be the first Business Day after the final redemption date. The final redemption date will also be deemed to be a Redemption Date;

**“Financial Derivative Instrument”** or **“FDI”** means a financial derivative instrument (including an OTC FDI) permitted by the UCITS Regulations;

**“FCA”** means the Financial Conduct Authority of the United Kingdom;

**“Funding Investments”** means financial instruments such as Money Market Instruments, Transferable Securities, repurchase agreements, buy/sell-back transactions, swap transactions or any other similar transactions;

**“Fully Funded Swap”** means an over-the-counter financial derivative instrument (documented as a swap) under which the Sub-Fund makes a single payment at inception of the trade and receives, from the Swap Counterparty of the swap, a single or multiple payments linked to the performance of an underlying asset;

**“Initial Issue Price”** means the price (which is exclusive of any Subscription Charge) per Share at which Shares are initially offered in a Sub-Fund, as set out in this Prospectus or, as the case may be, the relevant Supplement;

**“Initial Offer Period”** means the initial offer period for a Sub-Fund during which Shares in a Sub-Fund are offered at the Initial Issue Price, as set out in this Prospectus or, as the case may be, the relevant Supplement;

**“Intermediary”** means a person who (a) carries on a business which consists of, or includes, the receipt of payment from an investment undertaking on behalf of other persons, or (b) holds units in an investment undertaking on behalf of other persons;

**“Investment Account”** means (i) a separate temporary investment account or (ii) a separate disinvestment account as described in further detail under **“Shares – Subscription for Shares”** and **“Shares - Limitations on Redemptions”** in the Prospectus;

**“Investment Grade”** means securities having a short term rating of at least A-1 or P1 or long term rating of at least A3 or A- (whichever is applicable) at the time of acquisition by the Company, as determined by Standard & Poor’s and/or Moody’s Investor Services Inc. or an equivalent rating by a comparable rating agency;

**“Investment Management Agreement”** means the agreement dated as of 2 August 2013 between the Company and J.P. Morgan Mansart Management Limited (and any amendment or supplement thereto) or, in the event that some other person is appointed by the Company as the Investment Manager, the agreement between such person and the Company which specifies the operation of such investment management activity;

**“Investment Manager”** means J.P. Morgan Mansart Management Limited and/or such other person or persons from time to time appointed by the Company as the Investment Manager of the Company or any Sub-Fund(s) in accordance with the requirements of the Central Bank;

**“Irish Revenue Commissioners”** means the Irish authority responsible for taxation and customs duties;

**“London Business Day”** means a day (excluding Saturday or Sunday) on which retail banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London;

**“Market Disruption Event”** means the occurrence of any of the following events in the reasonable commercial opinion of the Calculation Agent under the Swap Transaction:

- (a) the failure of the Calculation Agent of the Swap Transaction to calculate and publish a market value for a Swap Transaction; or

- (b) with respect to any Reference Asset or component thereof trading on an exchange, any suspension of, or limitation on, trading imposed by such exchange or otherwise; or
- (c) an illiquidity in trading in the over-the-counter market of any Reference Asset not trading on any exchange; or
- (d) any other event has occurred that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for, any Reference Asset on an exchange, or, for any Reference Asset not trading on any exchange, in the over-the counter market; or
- (e) the failure of any exchange to open, whether scheduled or otherwise; or
- (f) the closure of any exchange prior to its scheduled closing time unless such earlier closing time is announced at least one hour prior to the actual closing time; or
- (g) the closure of a material number of leading commercial banks in the US or European Union prior to their scheduled weekday closing time.

A limitation on the hours of trading will not constitute a Market Disruption Event if the limitation results from an announced change in the regular business hours of the relevant exchange or market with sufficient notice;

***“Memorandum and Articles of Association”*** means the memorandum and articles of association of the Company, as the same may be amended and restated from time to time;

***“MiFID”*** the European Markets in Financial Instruments Directive, which was implemented in Ireland and the UK on 1 November 2007. MiFID forms part of the European Financial Services Action Plan, which aims to harmonise the financial markets across Europe;

***“Minimum Additional Investment Amount”*** means such minimum cash amount or minimum number of Shares as the case may be (if any) as the Directors may from time to time require to be invested in any Sub-Fund by each Shareholder (after investing the Minimum Initial Investment Amount), as set out in this Prospectus or, as the case may be, the relevant Supplement;

***“Minimum Initial Investment Amount”*** means such minimum initial cash amount or minimum number of Shares as the case may be (if any) as the Directors may from time to time require to be invested by each Shareholder as its initial investment for Shares in a Sub-Fund either during the Initial Offer Period (if any) or on any subsequent Subscription Date, as set out in this Prospectus or, as the case may be, the relevant Supplement;

***“Minimum Redemption Amount”*** means such minimum number or minimum value of Shares of any Sub-Fund as the case may be (if any) which may be redeemed at any time by the Company, as set out in this Prospectus or, as the case may be, the relevant Supplement;

***“Minimum Shareholding”*** means such minimum number or minimum value of Shares of any Sub-Fund as the case may be (if any) which must be held at any time by a Shareholder which shall at all times be greater than or equal to the Minimum Redemption Amount, as set out in this Prospectus or, as the case may be, the relevant Supplement;



**“Money Market Fund”** means a collective investment undertaking or a sub-fund of an umbrella collective investment undertaking which meets the definition of a money market fund contained in Article 1a, of Regulation of the European Central Bank (EU) No 883/2011 of 25 August 2011 and is (i) authorised in the European Union under the UCITS Directive or (ii) a non-UCITS which is eligible for investment by the Sub-Fund in accordance with the requirements of the Central Bank. Such non-UCITS must be (i) schemes established in Guernsey and authorised as Class A Schemes; (ii) schemes established in Jersey as Recognised Funds; (iii) schemes established in the Isle of Man as Authorised Schemes; (iv) regulated non-UCITS retail CIS authorised by the Central Bank provided such CIS comply in all material respects with the provisions of the UCITS Notices; and (v) regulated non-UCITS CIS authorised in a Member State of the EEA, the US, Jersey, Guernsey or the Isle of Man and which comply, in all material respects, with the provisions of the UCITS Notices. The consideration of **“all material respects”** will include, inter alia, consideration of the following: (a) the existence of an independent trustee/custodian with similar duties and responsibilities in relation to both safekeeping and supervision; (b) requirements for the spreading of investment risk including concentration limits, ownership restrictions, leverage and borrowing restrictions, etc.; (c) availability of pricing information and reporting requirements; (d) redemption facilities and frequency; and (e) restrictions in relation to dealings by related parties.

In addition to other relevant factors, any costs associated with investment in Money Market Funds will be considered before an investment decision is made in respect of a Sub-Fund. As at the date of this Prospectus, it is envisaged that any investment in Money Market Funds by a Sub-Fund will not bear an aggregate amount of management fees in excess of 1% of the aggregate value of such investments.

**“Money Market Instruments”** means instruments, including units in Money Market Funds, which are normally dealt in on the money market which:

- (a) are liquid, i.e. capable of being converted to cash within seven (7) Business Days at a price closely approximating their current value; and
- (b) have a value which can be accurately determined at any time;

**“Net Asset Value”** or **“NAV”** means the net asset value of the Company, a Sub-Fund or Class, as appropriate, calculated in accordance with the methodology described herein;

**“Net Asset Value per Share”** or **“NAV per Share”** means in respect of Shares of any Sub-Fund (or, where relevant, any Class within that Sub-Fund), the Net Asset Value attributable to the Shares of the relevant Sub-Fund (or Class, where relevant), divided by the number of Shares in issue in respect of such Sub-Fund (or Class, where relevant);

**“OECD”** means the Organisation for Economic Co-operation and Development whose current members comprise Australia; Austria; Belgium; Canada; Czech Republic; Denmark; Finland; France; Germany; Greece; Hungary; Iceland; Ireland; Italy; Japan; South Korea; Luxembourg; Mexico; the Netherlands; New Zealand; Norway; Poland; Portugal; Slovak Republic; Spain; Sweden; Switzerland; Turkey; the United Kingdom and the United States;

**“Offering”** means the offering of Shares in a Sub-Fund for subscription;

**“OTC FDI”** means an over-the-counter Financial Derivative Instrument;

**“Pound Sterling“ or “GBP”** means Sterling, the lawful currency of the United Kingdom;

**“Primary Market”** means the market on which ETF Shares are issued and/or redeemed by the Company directly, subject to the terms and conditions of this Prospectus.

**“Prospectus”** means this prospectus (as amended or supplemented to from time to time);

**“Recognised Clearing System”** means any of the following clearing systems:

- (a) Japan Securities Depository Centre (JASDEC);
- (b) Central Moneymarkets Office;
- (c) Clearstream Banking SA;
- (d) Clearstream Banking AG;
- (e) CREST;
- (f) Depository Trust Company of New York;
- (g) Euroclear;
- (h) Monte Titoli SPA;
- (i) Netherlands Centraal Instituut voor Giraal Effectenverkeer BV;
- (j) National Securities Clearing System;
- (k) Sicovam SA;
- (l) SIS Sega Intersettle AG;
- (m) The Canadian Depository for Securities Plc;
- (n) VPC AB (Sweden);
- (o) Deutsche Bank AG, Depository and Clearing System; and
- (p) any other system for clearing securities which is designated by the Irish Revenue Commissioners as a recognised clearing system;

**“Recognised Market”** means any regulated stock exchange or market which is provided for in the Articles of Association, details of which are set out in Appendix II to this Prospectus;

**“Redemption Charge”** means the charge, if any, to be paid out of the Redemption Price to which Shares may be subject, as described under **“Shares - Redemption of Shares”**, as set out in this Prospectus or, as the case may be, the relevant Supplement;

**“Redemption Date”** means the relevant Business Day on which the Shares in a Sub-fund can be redeemed as set out in this Prospectus or, as the case may be, the relevant Supplement, provided that there shall be at least two (2) Redemption Dates in each month;

**“Redemption Price”** means the price at which Shares are redeemed (before deduction of any Redemption Charge or other charges, expenses or taxes), as described under **“Shares - Redemption of Shares”**;

**“Redemption Proceeds”** means the Redemption Price less the Redemption Charge and any charges, costs, expenses or taxes, as described under **“Shares – Redemption of Shares”**;

**“Redemption Request”** means a request for the redemption of Shares submitted in accordance with the provisions of **“Shares – Redemption of Shares – Procedure for Redemption”**;

**“Reference Assets”** and each, a **“Reference Asset”** means, where a Sub-Fund enters into a Swap Transaction, the assets to which the Sub-Fund will be exposed through such Swap Transaction, including, without limitation, shares, indices, rates of interest, other rates, foreign exchange rates, funds, commodities and/or any other type of securities or assets;

**“Relevant Institution”** (a) a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein); (b) 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 (c) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;

**“Relevant Period”** means, in relation to a Share in a Sub-Fund, a period of eight (8) years beginning with the acquisition of a Share by a Shareholder and each subsequent period of eight (8) years beginning immediately after the preceding Relevant Period for as long as the Shareholder holds that Share;

**“Relevant Stock Exchanges”** means stock exchanges on which the ETF Shares of a Sub-Fund will be traded as the Company may determine from time to time. A list of the Relevant Stock Exchanges where the ETF Shares can be bought and sold will be specified in the relevant Supplement;

**“RMP Statement”** means a statement of the Company’s risk management procedures which enables the Company to accurately measure, monitor and manage the Sub-Funds’ use of FDI and is prepared in accordance with the requirements of the Central Bank;

**“Secondary Market”** means the market on which the ETF Shares can be purchased and/or sold directly on the Relevant Stock Exchanges or through Authorised Participants, as further explained in the “ETF Shares” section of this Prospectus. The “ETF Shares” section of this Prospectus is relevant only for ETF Shares.

**“Shareholder”** means a holder of Shares;

**“Share(s)”** or **“Participating Shares”** means the participating shares each of no par value in the capital of the Company representing the Sub-Funds. For the avoidance of doubt, references throughout this Prospectus and any Supplement to **“Share”** or **“Shares”** shall not include a reference to any Subscriber Share;

**“Sub-Fund”** means a sub-fund representing a separate portfolio of assets maintained by the Company in accordance with the Memorandum and Articles of Association, details of which are set out in this Prospectus or, as the case may be, the relevant Supplement specific to such Sub-Fund;

**“Subscriber Share(s)”** means the subscriber shares of €1.00 each in the capital of the Company;

**“Subscription Date”** means the relevant Business Day on which Shares in a Sub-Fund can be purchased as set out in this Prospectus or, as the case may be, the relevant Supplement;

**“Subscription Charge”** means the charge (if any) payable on subscription for Shares as described under **“Shares – Subscription for Shares”** and specified in this Prospectus or, as the case may be, the relevant Supplement;

**“Supplement”** means, in relation to a Sub-Fund, the supplement that forms part of this Prospectus describing the rights attaching to the Shares of that Sub-Fund;

**“Swap Agreement”** means any master agreement to be entered into between the Company and the Swap Counterparty, on behalf of a Sub-Fund, in the form of the 2002 International Swaps and Derivatives Association’s Multicurrency Cross Border Agreement, together with the schedule and credit support annex thereto, under which the Swap Transactions are entered into as set out in this Prospectus or, as the case may be, the relevant Supplement;

**“Swap Counterparty”** means unless otherwise specified in this Prospectus or, as the case may be, the relevant Supplement, JPMorgan Chase Bank, National Association or such other person or persons from time to time appointed by the Company as swap counterparty to a Swap Transaction.

JPMorgan Chase Bank, National Association is authorised and regulated by the FCA;

**“Swap Transaction”** means a Fully Funded Swap or an Un-Funded Swap between the Company, on behalf of the Sub-Fund, and a Swap Counterparty as more particularly described herein;

**“TCA”** means the Taxes Consolidation Act 1997 (as amended) of Ireland;

**“Total Expense Ratio”** means the expense ratio calculated by dividing the amount of such operating costs paid by a Sub-Fund as may be specified in the relevant Supplement by the average NAV of the Sub-Fund;

**“Transferable Securities”** means shares in companies and other securities equivalent to shares in companies, bonds and other forms of securitised debt and any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange other than techniques and instruments utilised for efficient portfolio management;

**“UCITS”** means an undertaking the sole object of which is the collective investment in either or both (a) transferable securities and (b) other liquid financial assets as defined in the UCITS Regulations;

**“UCITS Directive”** means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities;

**“UCITS Notices”** means the UCITS notices issued by the Central Bank as may be amended, varied or updated from time to time together with any relevant guidance notes;

**“UCITS Regulations”** means the Irish European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as may be amended from time to time and all applicable Central Bank regulations or notices made or conditions imposed or derogations granted thereunder;

**“Un-Funded Swap”** means an OTC FDI (documented as a swap) under which a Sub-Fund makes a stream of periodic payments and receives, from the swap counterparty at maturity of the swap, a cash payment linked to the performance of an underlying asset;

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

**“United States”** or **“US”** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

**“US Dollars”** or **“US\$”** means US dollars, the lawful currency of the United States;

**“US Person”** means, unless otherwise determined by the Directors, any person falling within the definition of the term **“US Person”** under Regulation S promulgated under the US Securities Act of 1933, as amended;

**“Valuation Day”** means such days as are determined by the Directors at their discretion and set out in this Prospectus or, as the case may be, the relevant Supplement in respect of any Sub-Fund, provided that there shall be at least two (2) Valuation Days per month and that Shareholders are provided with prior written notice of any change in the Valuation Day and provided further that any permanent change in the Valuation Day shall be set out in this Prospectus or, as the case may be, the relevant Supplement; and

**“Valuation Point”** means the relevant time in respect of each Valuation Day at which the Net Asset Value of a Sub-Fund is determined as set out in this Prospectus or, as the case may be, the relevant supplement.

## **The Offerings**

---

### ***Launch of Sub-Funds***

The Company may from time to time create such Sub-Funds as the Directors may deem appropriate, subject to the prior approval of the Central Bank. Details of any Sub-Fund or Sub-Funds created in the future shall be set out in the relevant Supplement.

The Directors may, in their absolute discretion, differentiate between the rights attaching to the different Sub-Funds and Classes within Sub-Funds including, without limitation, as regards dividends and fees and expenses payable in respect of each Sub-Fund.

### ***Investment Objectives and Policies of the Sub-Funds***

The assets of each Sub-Fund will be invested in accordance with the investment objectives and policies of that Sub-Fund as set out in this Prospectus or, as the case may be, the relevant Supplement.

The Company and its Directors, in consultation with the Investment Manager, are responsible for the formulation of the investment objective and policies of each Sub-Fund and any subsequent change to those policies. The assets of each Sub-Fund will be invested in accordance with the investment objective and policies determined, subject to the investment restrictions stated in the “Investment Restrictions” section.

In the absence of unforeseen circumstances, it is intended that the investment objective and policies of each Sub-Fund will be adhered to for the life of that Sub-Fund. Any change to the investment objective or material change to an investment policy of a Sub-Fund will only be made with the prior approval of the Shareholders of such Sub-Fund. In the event of a change of investment objective or a material change to an investment policy of a Sub-Fund, a reasonable notification period shall be given to Shareholders invested in such Sub-Fund to enable them, if they choose to do so, to redeem their Shares in the relevant Sub-Fund prior to the implementation of these changes.

The Directors will waive the Redemption Charge, if any, on any Shares redeemed in such circumstances.

### ***Disclosure of Portfolio Composition***

The Company maintains a disclosure policy which generally prohibits the disclosure of information in relation to the portfolio holdings of its Sub-Funds. However, at the recommendation of the Investment Manager, the Directors may, in their sole discretion, permit the disclosure of certain portfolio holdings of a Sub-Fund where such disclosure is in the best interests of the Company, the Sub-Fund and the Shareholders. Shareholders are advised to contact the Investment Manager to ascertain whether this information is available in respect of a Sub-Fund and what conditions (if any) may be applied to its supply to Shareholders. In such circumstances, the requesting party may be subject to, amongst other things, due diligence enquiries and confidentiality requirements, and the information it may receive will be selective and subject to a reasonable historical time lag.

## Investment Management of the Sub-Funds

---

### ***Instruments to Implement Investment Policies***

**Investors should refer to the “Risks Factors” section for information in relation to the risks associated with the use of OTC FDI such as the Swap Transaction.**

### ***Swap Transactions***

Following the relevant Closing Date and unless specifically stated otherwise in this Prospectus or, as the case may be, the relevant Supplement in respect of a Sub-Fund, each Sub-Fund will aim to achieve its investment objective predominantly through investment in OTC FDIs namely, a Swap Transaction. Unless otherwise stated in this Prospectus or, as the case may be, the relevant Supplement, each Sub-Fund, will take an exposure to Reference Asset(s) through a Swap Transaction.

A Swap Transaction constitutes an over-the-counter swap transaction entered into between the Company, on behalf of a Sub-Fund, and the Swap Counterparty. Pursuant to the terms of each Swap Transaction, the Swap Counterparty will pay to the Company, for the account of the relevant Sub-Fund, an amount linked to the performance of the relevant Reference Asset during the life of the relevant Swap Transaction. By entering into a Swap Transaction it is therefore not expected that a Sub-Fund will directly invest in the relevant Reference Asset(s).

A Swap Transaction may, at the discretion of the Investment Manager, be entered into as a Fully Funded Swap or an Un-funded Swap.

- A Fully Funded Swap is an OTC FDI (documented as a swap) under which the Sub-Fund makes a single payment at inception of the trade and receives, from the relevant Swap Counterparty, a single or multiple payments linked to the performance of an underlying asset.
- An Un-funded Swap is an OTC FDI (documented as a swap) under which the Sub-Fund makes a stream of periodic payments and receives, from the relevant Swap Counterparty, a cash payment linked to the performance of an underlying asset on the maturity of the swap.

Unless specifically otherwise stated in this Prospectus or, as the case may be, the relevant Supplement, it is expected that at the launch of the relevant Sub-Fund, the Investment Manager on behalf of the Sub-Fund will invest all of the subscription moneys received in respect of the Sub-Fund into a Fully Funded Swap with the Swap Counterparty.

Under the Swap Transaction, the Swap Counterparty will make payments to the Sub-Fund which will be calculated so as to provide investors in the Sub-Fund with an exposure to the performance of the relevant Reference Asset(s), which may be negative.

The terms of each Swap Transaction will permit the Sub-Fund to unwind part of the Swap Transaction if this is necessary to meet any Redemption Requests in respect of the Sub-Fund received during the life of the Swap Transaction. Sub-Funds may incur additional costs as a result of unwinding part of the relevant Swap Transaction to meet such Redemption Requests or as a result of rolling forward the Swap Transaction. Any such additional costs will be borne by the Sub-Fund, however if so specified in respect of a Sub-Fund the redeeming

Shareholder may be charged Duties and Charges or an Anti-Dilution Levy on a redemption of Shares.

Each Swap Transaction will usually have a finite life and will therefore be rolled over from time to time. Each Swap Transaction is expected to be entered into for periods of time during the life of the relevant Sub-Fund and, once such period has passed, may be replaced with a new Swap Transaction on equivalent terms, with the possible exception of the level of the trading cost. If there are any specific transaction costs in relation to the relevant Swap Transaction, details of such costs will be set forth in this Prospectus or, as the case may be, the relevant Supplement.

Where the Investment Manager determines that a Sub-Fund should enter into the Swap Transaction on an un-funded basis, it:

- (i) may acquire Funding Investments in the form of Money Market Instruments (such as Money Market Funds or commercial paper) and/or Transferable Securities (generally highly rated government or commercial bonds or other commercial paper) for the purpose of generating an income stream which will be paid to the Swap Counterparty in order for the Sub-Fund to meet its obligations under the Swap Transaction; or
- (ii) shall acquire Funding Investments in the form of Money Market Instruments (such as Money Market Funds or commercial paper) and/or Transferable Securities (generally highly rated government or commercial bonds or other commercial paper) whereby the Swap Transaction is designed to provide the Sub-Fund with the economic performance of the relevant Reference Asset(s) in exchange for the Sub-Fund transferring its economic interest in the Funding Investments to the Swap Counterparty. Consequently, the Sub-Fund should not be exposed to the performance or risks of the Funding Investments other than in the event of a default by the Swap Counterparty

Irrespective of whether Sub-Funds invest in the Swap Transaction on a fully funded or un-funded basis, they are not expected to seek to increase investor returns through Funding Investments but rather the returns achieved through the Funding Investments will be exchanged with the Swap Counterparty in return for the performance of the Reference Asset. The Investment Manager will seek to ensure that each Sub-Fund's investment policy only provides exposure to Reference Asset(s), although additional returns may nonetheless be generated by such Funding Investments.

### ***Funding Investments***

In the event that the Company, on behalf of a Sub-Fund, enters into a Swap Transaction on an un-funded basis, the Sub-Fund may invest in a portfolio of Funding Investments and will either (i) make periodic payments to the Swap Counterparty using the return generated by such Funding Investments or (ii) transfer its economic interest in the Funding Investments to the Swap Counterparty in return for the economic performance of the relevant Reference Asset(s).

The composition of a Sub-Fund's investments will permit the Sub-Fund to sell part of such investments if this is necessary to meet any Redemption Requests received during the life of the Sub-Fund. The Sub-Fund may incur additional costs as a result of unwinding part of these investments to meet such Redemption Requests. In addition, the Sub-Fund may also incur additional costs as a result of increasing part of these investments to account for



subscriptions received during the life of the Sub-Fund or as a result of rolling forward the investments. Any such additional costs will be borne by the Sub-Fund.

***Use of Repurchase/Reverse Repurchase Agreements and Lending of Fund Securities***

A Sub-Fund may enter into repurchase agreements or reverse repurchase agreements (“Repo Contracts”) under which it acquires securities from a Relevant Institution who agrees, at the time of sale, to repurchase the security at a mutually agreed-upon date and price. The resale price reflects the purchase price plus an agreed upon market rate of interest. A Sub-Fund may also enter into reverse repurchase agreements under which it sells a security and agrees, at the time of sale, to repurchase it at a mutually agreed upon date and price. An investment by a Sub-Fund in repurchase and reverse repurchase agreements shall be subject to the conditions and limits set out in the UCITS Regulations and UCITS Notices. The counterparty to a Repo Contract must have a minimum credit rating of A-2 or equivalent, or must be deemed by the Company to have an implied rating of A-2 or equivalent. An unrated counterparty will be acceptable where the relevant Sub-Fund is indemnified or guaranteed against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A-2 or equivalent. A Sub-Fund may lend its securities to brokers, dealers and other financial organisations in accordance with normal market practice.

The relevant provisions of the UCITS Regulations as at the date of this Prospectus are summarised below.

Subject to the UCITS Regulations, a Sub-Fund may enter into Repo Contracts and stock lending only in accordance with normal market practice and provided that Collateral obtained under the Repo Contract or stock lending arrangement meets, at all times, the following criteria:

- (i) Liquidity - Collateral (other than cash) should be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral should comply with the provisions of Regulation 74 of the UCITS Regulations and shall be used in accordance with the requirements of this Prospectus and the UCITS Regulations.
- (ii) Valuation - Collateral should be capable of being valued on a daily basis and assets that exhibit high price volatility should not be accepted as Collateral unless suitably conservative haircuts are in place.
- (iii) Issuer credit quality - Collateral should be of high quality.
- (iv) Correlation - Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- (v) Diversification - Collateral should be sufficiently diversified in terms of country, markets and issuers. Non-cash Collateral will be considered to be sufficiently diversified if the relevant Sub-Fund receives from a counterparty a basket of Collateral with a maximum exposure to any one issuer of 20% of the Portfolio’s net asset value. When the relevant Sub-Fund is exposed to a variety of different counterparties, the various baskets of Collateral are aggregated to ensure exposure to a single issuer does not exceed 20% of net asset value.

All assets received in respect of a Sub-Fund in the context of efficient portfolio management techniques will be considered as Collateral for the purposes of the UCITS Notices and will comply with the criteria above. Risks linked to the management of Collateral, including operational and legal risks, are identified and mitigated by risk management procedures employed by the Company.

Where there is a transfer of title involved in a transfer of Collateral, the Collateral received will be held by the Custodian or a properly appointed sub-custodian. For other types of Collateral arrangement the Collateral may be held by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the Collateral.

Collateral received will be capable of being fully enforced by a Sub-Fund at any time without reference to or approval from the counterparty. Accordingly Collateral will be immediately available to the Company without recourse to the counterparty in the event of default by that entity.

#### ***Permitted types of Collateral***

In accordance with the above criteria, it is proposed that a Sub-Fund will accept the following types of Collateral in respect of Repo Contracts and stock lending arrangements:

- (i) cash;
- (ii) government or other public securities;
- (iii) certificates of deposit issued by Relevant Institutions;
- (iv) bonds/commercial paper issued by Relevant Institutions or by non-bank issuers where the issue the issuer are rated A1 or equivalent;
- (v) letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by Relevant Institutions;
- (vi) equity securities traded on a stock exchange in the EEA, Switzerland, Canada, Japan, the United States, Jersey, Guernsey, the Isle of Man, Australia or New Zealand; and
- (vii) such further types of Collateral as may be further set out in the relevant Supplement or as the Investment Manager deems appropriate from time to time in accordance with the requirements of the Central Bank.

#### ***Reinvestment of Collateral***

Cash received as Collateral may not be invested or used other than as set out below:

- (i) placed on deposit with, or invested in certificates of deposit issued by Relevant Institutions;
- (ii) invested in high-quality government securities;
- (iii) used for the purpose of reverse repurchase agreements, provided that the transactions are with credit institutions subject to prudential supervision and the relevant Sub-Fund is able to recall at any time the full amount of cash on an accrued basis; or

- (iv) invested in a Short Term Money Market Fund as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref: CESR/10-049).

Re-invested cash Collateral will be diversified in accordance with the diversification requirements applicable to non-cash Collateral. Invested cash Collateral may not be placed on deposit with, or invested in securities issued by, the counterparty or a related entity.

Non-cash Collateral received cannot be sold, pledged or re-invested.

***Stress testing policy***

In the event that a Sub-Fund receives Collateral for at least 30% of its net assets, it will implement a stress testing policy to ensure that regular stress tests are carried out under normal and exceptional liquidity conditions in order to allow it to assess the liquidity risk attached to such Collateral.

***Haircut policy***

The Company has implemented a haircut policy in respect of each class of assets received as Collateral. This policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the Collateral, the price volatility of the Collateral and the results of any stress tests which may be performed in accordance with the stress testing policy. The value of the Collateral, adjusted in light of the haircut policy, must equal or exceed, in value, at all times, the relevant counterparty exposure.

***Other provisions in relation to Repo Contracts and stock lending***

The Company will have the right to terminate a stock lending arrangement at any time and demand the return of any or all of the securities loaned. The agreement must provide that, once such notice is given, the borrower is obligated to redeliver the securities within 5 business days or other period as normal market practice dictates.

In the case that a Sub-Fund enters into a reverse repurchase agreement, it will have the right to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued or a mark-to-market basis at any time. Where the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement shall be used for the purposes of the calculation of the Net Asset Value of the relevant Sub-Fund.

In the case that a Sub-Fund enters into repurchase agreements, the Sub-Fund will have the right to recall any securities subject to the agreement or to terminate the repurchase agreement at any time.

Fixed term Repo Contracts which do not exceed seven days shall be regarded as arrangements on terms which allow the assets to be recalled at any time by the relevant Sub-Fund.

Repo Contracts, stock borrowing or stock lending do not constitute borrowing or lending for the purposes of the UCITS Regulations.

Any interest or dividends paid on securities which are the subject of such stock lending arrangements shall accrue to the benefit of the relevant Sub-Fund.

***Collateralisation of OTC FDI***

In order to ensure that Sub-Funds do not breach the requirements of the UCITS Regulations regarding counterparty risk exposure, the Company will require that Counterparties to any OTC FDI with a Sub-Fund collateralise their exposure to the Sub-Fund, so that the Collateral held by the Custodian on behalf of the Sub-Fund mitigates the counterparty risk.

In accordance with the requirements of the Central Bank, the Counterparties will be required to transfer the Collateral to the Sub-Fund and the Collateral will be held in a segregated account by the Custodian or its delegate. The Collateral will be marked to market daily and, in the event of a default by a Counterparty, the Sub-Fund will have access to the relevant Collateral without recourse to such Counterparty.

The Collateral will be held at the risk of the Counterparty. The Company will monitor the Collateral to ensure that the Collateral falls, at all times, within the categories permitted by the Central Bank and will be diversified in accordance with the requirements of the Central Bank, and otherwise meets the requirements as described above in respect of Repo Contracts and securities lending.

Investors should note that there may be a cost attached to the collateralisation of a Counterparty's exposure to a Sub-Fund which may vary according to market conditions and that this cost will be borne by the Sub-Fund.

## **The Company**

---

### ***The Company***

The Company was incorporated under the laws of Ireland on 2 November 2006 as an undertaking for collective investment in transferable securities pursuant to the UCITS Regulations.

It is an umbrella fund with segregated liability between Sub-Funds. The registered office of the Company is situated at 70 Sir John Rogerson's Quay, Dublin 2, Ireland.

The Company's name reflects the primary use of passive investment management strategies by many of the Sub-Funds, as described in greater detail in the relevant Supplement

### ***Authorised Share Capital***

The authorised share capital of the Company is €300,000 divided into 100,000,000,000 Participating Shares of no par value and 300,000 Subscriber Shares of €1.00 each. Only Participating Shares can represent an interest in a Sub-Fund and the Subscriber Shares have no entitlement or interest in such a Sub-Fund.

### ***Sub-Funds***

Each Sub-Fund will be differentiated by its specific investment objective, policies, currency of denomination or other specific features as set out in this Prospectus or, as the case may be, the relevant Supplement. A separate pool of assets is maintained for each Sub-Fund and is invested in accordance with each Sub-Fund's respective investment objective and policy.

Each Sub-Fund will have a distinct, segregated portfolio of investments. Separate books and records will be maintained for each Sub-Fund. No conversion or switching is permissible between the Sub-Funds.

The creation of further Sub-Funds shall require the prior approval of the Central Bank and the creation of further Classes must be notified to, and cleared in advance by, the Central Bank.

The launch and listing, if applicable, of different Classes within a Sub-Fund may occur at different times and, therefore, at the time of the launch of a given Class, the pool of assets to which such Class relates may have commenced trading. Where relevant, further information in this regard will be available in the semi-annual and annual reports of the Company.

Shares are currently available in the following Sub-Funds:

- Global Protected Profits Fund;
- Global Protected Profits Fund II;
- Protect 80 Fund
- Volemont Fund
- iBoxx Liquid Leveraged Loan UCITS Fund
- Tail Enhanced Collar Hedge ("T.E.C.H.") 80 Europe Fund; and
- Tail Enhanced Collar Hedge ("T.E.C.H.") 80 U.S. Fund.

The following Sub-Funds have ceased trading and are no longer available for subscription:

- JP Morgan Commodity-IGAR Conditional Long-Short Index Capital Protected Fund;
- JP Morgan Commodity-IGAR Conditional Long-Short Index Fund;
- J.P. Morgan Mansart Risk Profile 10 Fund;
- J.P. Morgan Mansart Risk Profile 12 Fund; and
- J.P. Morgan Mansart Risk Profile 14 Fund.

Clause (3) of the memorandum of association of the Company provides, inter alia, that the sole object of the Company is the collective investment in transferable securities and/or in other liquid financial assets as permitted by the UCITS Regulations of capital raised from the public, operating on the principle of risk spreading.

The Company has been established for an indefinite period.

### **Classes**

More than one Class may be issued in respect of each Sub-Fund and the Directors may, in their absolute discretion and subject to the requirements of the Central Bank, differentiate between the rights attaching to the different Classes within a particular Sub-Fund.

Save for Sub-Funds launched prior to 2 August 2013, which are represented by a different class structure, each Sub-Fund may be represented by A, D ETF and I Classes, or some of them. The characteristics of Classes of a particular Sub-Fund may differ in terms of (without limitation) dividend policy, the currency in which the Class is denominated, the minimum subscription amount, the minimum holding amount, eligibility requirements, the level of management fees and other fees and charges payable including the Subscription Charge and/or the Redemption Charge, in respect of each Class.

### **Eligibility**

Subject to subscription applications being approved, Classes of a Sub-Fund will be established for specific categories of investor who, at the sole discretion of the Directors, may be deemed eligible for such Classes. This can be summarised generally as follows:

Class	Eligible Investors
A	<p>Retail investors (i.e. investors who are neither a professional investor nor an eligible counterparty), distributors or intermediaries that are subscribing on behalf of their clients and nominee entities based in jurisdictions which are subject to Retail Distribution Review regulation or an equivalent regulatory regime.</p> <p>Retail investors (i.e. investors who are neither a professional investor nor an eligible counterparty), distributors or intermediaries that are subscribing on behalf of their clients and nominee entities.</p> <p>Entities which are required to be authorised or regulated to operate in the financial markets. Credit institutions, investment firms, other authorised or regulated financial institutions, insurance companies, collective investment schemes and management companies of such schemes, pension funds and management companies of such funds, commodity and commodity derivatives dealers, other institutional investors.</p> <p>National and regional governments, public bodies that manage public debt, Central Banks, international and supranational institutions such as the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar organisations.</p>

Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions. Eligible counterparties such as investment firms, credit institutions, insurance companies, UCITS and their management companies, pension funds and their management companies, other financial institutions authorised or regulated under applicable European Community legislation or the national law of a Member State, national governments and their corresponding offices including public bodies that deal with public debt, central banks and supranational organisations.

Share Class S will be used primarily for seed investment into a Sub-Fund and is only available for subscription by institutional investors which are clients of the Distributor or Sub-Distributor, and which meet the eligibility requirements established from time to time by, the Directors. Confirmation can be obtained from the Administrator as to whether this Class is available for subscription at any time after the initial offer period for the Class as set out in the relevant Supplement.

ETF      ETF Shares that are exchange-traded Shares

In respect of the A Share Classes, under the RDR Rules, FCA regulated firms must only be remunerated for advice given to their retail clients in the United Kingdom ("**RDR Clients**") in respect of retail investment products through adviser charges agreed with and paid for by such clients. Adviser firms are prohibited from receiving any other commissions, remuneration or benefits of any kind in respect of A Class Shares. Furthermore, retail investment product providers are prohibited from offering or paying commissions, remuneration or benefits of any kind to adviser firms in relation to such transactions. Consequently, such fees shall not apply in respect of the A Share Classes in any Sub-Fund. Similar regimes are expected to be introduced in other relevant jurisdictions in future, in which case similar restrictions on payments may apply.

Each Class name will also indicate its currency denomination, the extent to which it is a Hedged Class (as defined below) and its dividend policy, where applicable. Classes with the suffix "(acc)" are accumulation Classes which will not typically pay dividends. Classes with the suffix "(dist)" will typically pay dividends in accordance with the dividend policy set forth in the Supplement of the relevant Sub-Fund.

The Directors may, in their sole discretion, establish further Classes in respect of any Sub-Fund as they deem fit, subject to the approval of the Central Bank. Such information, and any other additional information, will be made available in the relevant Supplement.

#### ***Financial Derivative Instruments and Sub-Pooling***

In addition, a Sub-Fund may use Financial Derivative Instruments on behalf of specific Classes in accordance with the provisions of the Articles and the requirements of the Central Bank. Unless stated otherwise in the relevant Supplement, a separate pool of assets will not be maintained for each Class.

Where (i) Classes denominated in different currencies are created within a Sub-Fund and currency hedging transactions are entered into in order to hedge any relevant currency exposure; (ii) interest rate hedging transactions are entered into in respect of specific Classes within a Sub-Fund; or (iii) Financial Derivative Instruments are utilised on behalf of specific Classes within a Sub-Fund, in each case such transactions will be clearly attributable to a specific Class and any costs and any resultant gains/losses of the relevant hedging

transactions and/or Financial Derivative Instruments will accrue solely to the relevant Class.

### ***Hedging***

In the event that the Directors determine to issue Classes denominated in currencies other than the Base Currency within a Sub-Fund (each a “**Hedged Class**”), the Investment Manager may employ techniques and instruments to protect against fluctuations between the class currency of the Hedged Class and the Base Currency, with the goal of providing a similar return for the Hedged Class to that which would have been obtained for a Class denominated in the Base Currency. Investors in the Hedged Classes should be aware that this strategy may substantially limit them from benefiting if the currencies of the Hedged Classes fall against the Base Currency. In such circumstances, investors in the Hedged Classes may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains or losses on, and the costs of, the relevant financial instruments.

Changes in the exchange rate between the Base Currency and the currencies of the Hedged Classes may lead to a difference in the value of the Shares in the Hedged Classes as expressed in such currencies. The Investment Manager will try to mitigate this risk by using techniques and instruments, including, where disclosed in the risk management process statement, over-the-counter and exchange traded currency options and forward currency exchange contracts. Forward foreign currency contracts are agreements to exchange one currency for another - for example, to exchange a certain amount of Sterling for a certain amount of Euro - at a future date. The date (which may be any agreed-upon fixed number of days in the future), the amount of currency to be exchanged and the price at which the exchange will take place are negotiated and fixed for the term of the contract at the time that the contract is entered into.

As the foreign exchange hedging will be utilised solely for the benefit of the Hedged Classes, its cost and related liabilities and/or benefits will be for the account of the holders of the Hedged Classes only. Accordingly, such costs and related liabilities and/or benefits will be reflected in the Net Asset Value per Share of the Hedged Classes. Hedging transactions will be clearly attributable to a specific Hedged Class and the currency exposures of Hedged Classes denominated in different currencies may not be combined or offset. The currency exposures of the assets of the Sub-Fund may not be allocated to separate Hedged Classes. The Investment Manager will limit hedging to the extent of the Hedged Classes’ currency exposure and the Hedged Classes will not generally be leveraged as a result of the hedging. However, the value of such instruments may be up to but may not exceed one hundred and five (105) per cent. of the Net Asset Value attributable to the relevant Hedged Class. The Investment Manager will monitor hedging on at least a monthly basis and will reduce the level of hedging to ensure that it does not materially exceed one hundred (100) per cent. of the Net Asset Value attributable to the relevant Hedged Class at any month-end.

Investors should also note that in addition to the share class hedging described above, each Sub-Fund is permitted to invest in securities denominated in a currency other than the Base Currency and may purchase currencies to meet settlement requirements. In addition, each Sub-Fund may engage in hedging transactions in order to hedge the currency risks in respect of underlying assets held in the Sub-Fund’s portfolio which are denominated in currencies other than the Base Currency. Currency transactions which alter currency exposure characteristics of transferable securities held by a Sub-Fund will only be undertaken for the purposes of a reduction in risk and/or a reduction in costs to the Sub-Fund.

While the Investment Manager may attempt to hedge the currency risks described above,



there can be no guarantee that they will be successful in doing so.

## Investment Restrictions

---

The assets of each Sub-Fund will be invested in accordance with the investment restrictions contained in the UCITS Regulations, as summarised below, and such additional investment restrictions, if any, and as may be adopted by the Directors for any Sub-Fund and specified in this Prospectus or, as the case may be, the relevant Supplement. References in this section to a “UCITS” investing are to the Company acting for the account of a Sub-Fund.

### 1. Permitted Investments

Investments of a UCITS are confined to:

- 1.1 Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
- 1.2 Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3 Money market instruments, as defined in the UCITS Notices, other than those dealt on a regulated market.
- 1.4 Units of UCITS.
- 1.5 Units of non-UCITS as set out in the Central Bank’s Guidance Note 2/03.
- 1.6 Deposits with Eligible Credit Institutions.
- 1.7 Financial Derivative Instruments as prescribed in the UCITS Notices.

### 2. Investment Restrictions

- 2.1 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.
- 2.2 A UCITS may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by the UCITS in certain US securities known as Rule 144A securities provided that:
  - the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one (1) year of issue; and
  - the securities are not illiquid securities i.e. they may be realised by the UCITS within seven (7) days at the price, or approximately at the price, at which they are valued by the UCITS.
- 2.3 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%.

2.4 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.

2.5 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.

2.6 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 an Eligible Credit Institution, 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 Custodian.

2.7 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 an Eligible Credit Institution.

2.8 Notwithstanding paragraphs 2.3, 2.6 and 2.7 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;
- deposits; and/or
- risk exposures arising from OTC derivatives transactions.

2.9 The limits referred to in 2.3, 2.4, 2.6, 2.7 and 2.8 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.

2.10 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.

2.11 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.

The individual issuers must be listed in the prospectus and may be drawn from the following list:

OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation,

International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority and Straight-A Funding LLC . The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

### **3. Investment in Collective Investment Schemes (“CIS”)**

- 3.1 Unless otherwise disclosed in the relevant Supplement in respect of a Sub-Fund or in respect of investments in Money Market Funds as Funding Investments, a Sub-Fund may not invest more than 10% of its net assets in CIS in aggregate. Where a Sub-Fund acquires units or shares in other CIS, the assets of those CIS do not have to be combined for the purpose of the limits specified in this section of the Prospectus.
- 3.2 Under no circumstances will a Sub-Fund invest more than 20% of its net assets in any one CIS or 30% of its net assets in aggregate in non-UCITS CIS.
- 3.3 The CIS are prohibited from investing more than 10% of net assets in other CIS.
- 3.4 When a UCITS 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 UCITS investment in the units of such other CIS.
- 3.5 Where a commission (including a rebated commission) is received by the UCITS manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the UCITS.

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

- 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 UCITS Notices 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.

### **5. General Provisions**

- 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:

- (a) 10% of the non-voting shares of any single issuing body;
- (b) 10% of the debt securities of any single issuing body;
- (c) 25% of the units of any single CIS;
- (d) 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:

- (a) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- (b) transferable securities and money market instruments issued or guaranteed by a non-Member State;
- (c) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
- (d) 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 2.10, 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.
- (e) 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 2.11, 3.1, 3.2, 4.1 and 4.2 for six (6) 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 unitholders.

- 5.7 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:
- (a) transferable securities;
  - (b) money market instruments;
  - (c) units of CIS; or
  - (d) financial derivative instruments.
- 5.8 A UCITS may hold ancillary liquid assets.

**6. Financial Derivative Instruments (“FDI”)**

- 6.1 The UCITS global exposure (as prescribed in the UCITS Notices) relating to FDI must not exceed its total net asset value.
- 6.2 Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the UCITS Notices. (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 UCITS Notices.)
- 6.3 UCITS may invest in FDI 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.
- 6.4 Investment in FDI are subject to the conditions and limits laid down by the Central Bank.

The Company may acquire real and personal property that is required for the purpose of its business.

A Sub-Fund shall not acquire either precious metals or certificates representing them.

A Sub-Fund shall not (except as a permitted investment technique described in the “Portfolio Investment Techniques” section) make any loan of its assets provided that, for the purpose of this restriction, the holding of ancillary liquid assets such as deposits, and the acquisition of bonds, notes, commercial paper, certificates of deposit, bankers acceptances, and other debt securities or obligations permitted by the UCITS Regulations, and the acquisition of transferable securities, money market instruments or other financial instruments referred to in sub-paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7 and 2.2 above that are not fully paid, shall not be deemed to constitute the making of a loan.

Without limitation, the Directors, in accordance with the requirements of the Central Bank, may adopt additional investment restrictions to facilitate the distribution of Shares to the public in a particular jurisdiction. In addition, the investment restrictions set out above may be changed from time to time by the Directors in accordance with a change in the applicable law and regulations in any jurisdiction in which Shares are currently offered, provided that the

assets of a Sub-Fund, at all times, will be invested in accordance with the restrictions on investments set out in the UCITS Regulations. In the event of any such addition to, or change in, the investment restrictions applicable to a Sub-Fund, a reasonable notification period will be provided by the Company to enable Shareholders to redeem their Shares prior to implementation of these changes. The Company will not amend such investment restrictions except in accordance with the requirements of the Central Bank and of the Irish Stock Exchange for as long as the Shares are listed on the Irish Stock Exchange.

### ***Portfolio Investment Techniques***

A Sub-Fund may employ investment techniques and instruments for efficient portfolio management of the assets of the Sub-Fund (“Portfolio Investments Techniques”) under the conditions and within the limits stipulated by the Central Bank under the UCITS Regulations and described below.

### ***General Provisions in relation to Portfolio Investment Techniques***

Techniques and instruments which relate to Transferable Securities or Money Market Instruments and which are used for the purpose of efficient portfolio management, including FDIs which are not used for direct investment purposes, shall be understood as a reference to techniques and instruments which fulfil the following criteria:

- (i) they are economically appropriate in that they are realised in a cost effective way;
- (ii) they are entered into for one or more of the following specific aims:
  - (i) reduction of risk;
  - (ii) reduction of cost;
  - (iii) generation of additional capital or income for a Sub-Fund with an appropriate level of risk which is consistent with the risk profile of the Sub-Fund and the risk diversification rules stipulated under the UCITS Regulations;
- (iii) their risks are adequately captured by the risk management procedures implemented by the Company, and
- (iv) they cannot result in a change to a Sub-Fund’s declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

While the use of Portfolio Investment Techniques will be in line with the best interests of the Company, individual techniques may result in increased counterparty risk and potential conflicts of interest. Details of the proposed Portfolio Investment Techniques and policies adopted by the Company in relation to their use by the Sub-Funds are set out below. Details of the relevant risks are set out in the Risk Factors section of this Prospectus.

All of the revenues arising from Portfolio Investment Techniques, net of direct and indirect operational costs, will be returned to the relevant Sub-Fund.

The Company will ensure, at all times, that the terms of the Portfolio Investment Techniques, including any investment of cash Collateral, will not impact on its ability to meet with its redemption obligations.

### ***Use of FDI***

Any Sub-Fund which proposes to invest in FDI as part of its investment policy or for efficient portfolio management purposes shall submit an RMP Statement to the Central Bank for review in advance of any such investment and this Prospectus or, as the case may be, the relevant Supplement shall contain, in respect of such Sub-Fund, (a) a statement drawing attention to this policy; (b) confirmation whether the FDI will be used for investment or efficient portfolio management purposes; (c) the types of FDI in which it is intended to invest; and (d) an explanation of the expected effect of these transactions on the risk profile of the relevant Sub-Fund. In respect of any Sub-Fund which intends to invest principally in FDI, this Prospectus or, as the case may be, the relevant Supplement will include a prominent statement to such effect.

A Sub-Fund may be leveraged as a result of its investments in FDI but such leverage will not exceed the relevant limits prescribed by the UCITS Regulations at any time. To ensure compliance with these restrictions, the Sub-Fund's exposure to counterparties in respect of FDI may be collateralised, in accordance with the requirements of the Central Bank.

Any counterparty to OTC FDI, which is not a Relevant Institution, will have a minimum credit rating of A2 or equivalent from a recognised rating agency, or will be deemed by the Investment Manager to have an implied rating of A2. Alternatively, an unrated counterparty will be acceptable where the Sub-Fund is indemnified against losses suffered as a result of a failure by the Swap Counterparty, by an entity which has and maintains a rating of A2.

Each Sub-Fund will ensure that its global exposure to OTC FDI will comply with both the "Investment Restrictions" section of this Prospectus and the UCITS Regulations. The relevant Sub-Fund's exposure to counterparties in respect of an OTC FDI will be collateralised in accordance with the requirements of the Central Bank, so that the Sub-Fund's exposure to a counterparty will be less than 10% of its Net Asset Value at all times, where the relevant counterparty is a Eligible Credit Institution and less than 5% of its Net Asset Value, where the relevant counterparty is not a Eligible Credit Institution. Where relevant, the Sub-Fund will monitor the Collateral to ensure that the securities provided as Collateral will, at all times, fall within the categories permitted by the Central Bank and be diversified in accordance with the requirements set out in this Prospectus.

To the extent that a Sub-Fund uses FDI, there may be a risk that the volatility of the Sub-Fund's Net Asset Value may increase.



## Risk Factors

---

*The purchase of Shares may involve an above average risk. The Company believes that the following factors may affect its ability to fulfil its obligations in respect of a Sub-Fund and/or are material for the purpose of assessing the market risks associated with Shares. All of these factors are contingencies which may or may not occur and the Company expresses no view on the likelihood of any such contingency occurring. The factors discussed below regarding the risks of acquiring or holding any Shares are not exhaustive and additional risks and uncertainties that are not presently known to Company or that the Company currently believes to be immaterial could also have a material impact on the business operations or financial condition of the Company or the Shares.*

*The relevant part of a Supplement, may contain additional risk factors in respect of a specific Sub-Fund and may also include certain of the risk factors discussed below, as applicable, modified as required in relation to the particular Sub-Fund. Potential investors should also read the detailed information concerning the Company and the Shares set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

### Guidance to the contents of this section:

1. "Fundamental risks" of the potential loss of investment and potential lack of suitability in relation to a purchase of Shares
2. Risk factors that are generic to all Shares
3. Risk factors relating to the Swap Transaction
4. Risk factors that are generic to Shares that are linked to Reference Asset(s)
5. Risk factors associated with Shares that are linked to one or more specific types of Reference Asset(s)
6. Risk relating to the use of a Calculation Agent
7. Secondary Market Trading Risk
8. Seeding

### **1. "Fundamental risks" of the potential loss of investment and potential lack of suitability in relation to a purchase of Shares**

#### **1.1 *Purchasers of Shares may receive back less than the original amount invested***

Purchasers of Shares may lose up to the entire value of their investment in the Shares as a result of the occurrence of any one or more of the following events:

- (a) the Company or a Sub-Fund is subject to insolvency proceedings or some other event impairing its ability to meet its obligations;
- (b) the performance of the Reference Assets to which the Shares will be linked results in a reduction in the value of the Shares;
- (c) the purchaser seeks to sell the relevant Shares prior to their scheduled maturity, if any; or
- (d) the default of a Swap Counterparty and the failure of the arrangement relating to the provision of Collateral or the Collateral itself.

Notwithstanding that the relevant Shares will be linked to the performance of one or more Reference Assets, investors in such Shares do not have and shall not receive any rights in respect of any Reference Assets and shall have no right to call for any Reference Assets to be delivered to them. The Company shall not be required to hold any Reference Assets.

1.2 *The Shares may not be a suitable investment for all investors*

Each potential purchaser of Shares must determine the suitability of such investment in light of the investor's own circumstances. In particular, each potential purchaser should:

- (a) have sufficient knowledge and experience (if necessary, in consultation with the investor's own legal, tax, financial or other professional advisers) to evaluate an investment in the Shares and the merits and risks of investing in a Sub-Fund using the information contained or incorporated by reference into this Prospectus or any applicable Supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of the investor's particular financial situation, an investment in the Shares and the impact the Shares will have on the investor's overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Shares, including where the settlement currency is different from the currency in which such investor's principal financial activities are principally denominated;
- (d) understand thoroughly (if necessary, in consultation with the investor's own legal, tax, financial or other professional advisers) the terms of the Shares and be familiar with any relevant financial markets;
- (e) in respect of Shares which are linked to the performance of one or more Reference Assets and any other applicable Financial Derivative Instruments, understand thoroughly (if necessary, in consultation with the investor's own legal, tax, financial or other professional advisers) the nature of such Reference Assets and any other applicable Financial Derivative Instruments and how the performance thereof may affect the pay-out and value of the Shares; and
- (f) be able to evaluate (either alone or with the help of a legal, tax, financial and/or other professional adviser) possible scenarios for economic, interest rate and other factors that may affect the investment and the investor's ability to bear the applicable risks.

A potential purchaser should not invest in Shares unless it has the expertise (either alone or with a legal, tax, financial or other professional adviser) to evaluate how such Shares will perform under changing conditions, the resulting effects on the value of those Shares and the impact that such Shares will have on the potential purchaser's overall investment portfolio.

None of the Company, the Directors or the Investment Manager has given, or will give, to any potential purchaser of Shares (either directly or indirectly) any assurance or guarantee as to the merits, performance or suitability of such Shares.

Based on an independent review and such professional advice as it deems appropriate, a prospective investor must determine that its investment in the Shares (i) is fully consistent with its (or if it is investing in the Shares in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether investing in the Shares in a principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is investing in the Shares in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in the Shares.

None of the Company, the Directors or the Investment Manager is responsible for the lawfulness of the investment in the Shares by a prospective investor nor for compliance by that prospective investor with any law, regulation or policy applicable to it. A prospective investor may not rely on the Company, the Directors or the Investment Manager when making determinations in relation to these matters. The Investment Manager is not a source of advice, information or credit analysis with respect to the Company, the Sub-Fund or the Shares. In particular, neither this Prospectus nor any Supplement constitutes investment advice.

## **2. Risk factors that are generic to all Shares**

*2.1 The market value and the amount payable and/or deliverable on redemption of the Shares may be adversely affected by a number of factors; the price at which a Shareholder may be able to sell Shares prior to maturity (if any) may be at a substantial discount to the market value of such Shares on their issue date; and a Shareholder may suffer a loss of some or up to all of the entire invested amount of the Shares on redemption*

*(a) The market value of the Shares at any time and/or the amount payable and/or deliverable on redemption of the Shares is dependent on the performance of the underlying Reference Asset(s)*

Shares will represent an investment linked to the economic performance of the relevant Reference Asset(s) and potential purchasers should note that any return on their investment in such Shares will depend upon the performance of such Reference Asset(s). Potential purchasers should not purchase any Shares if they do not fully understand how the performance of the relevant Reference Asset(s) may affect the pay-out and value of the Shares, including (i) the potential to lose all their investment, (ii) any limit on potential profits and (iii) the effects of any leverage embedded in or otherwise inherent in an exposure to the Reference Asset(s).

As the amounts payable and/or deliverable in respect of Shares are linked to the performance of the relevant Reference Asset(s), a purchaser of Shares must generally make correct predictions as to the direction, timing and magnitude of an anticipated change in the value of the relevant Reference Asset(s). However, it is impossible to make such predictions with any degree of certainty, and potential purchasers of Shares must be aware that the

historical performance of the relevant Reference Asset(s) should not be taken as a reliable indication of future performance of such Reference Asset(s).

In contrast to a direct investment in the relevant Reference Asset(s), Shares represent the right to receive payment and/or delivery of amounts which will be determined by reference to the performance of the relevant Reference Asset(s). Potential purchasers should also note that whilst the market value of such Shares linked to such Reference Asset(s) will be influenced (positively or negatively) by such Reference Asset(s), any change may not be comparable or directly proportionate to the change in value of such Reference Asset(s).

*(b) The market value of Shares may be highly volatile*

The price, performance and/or investment return of the Reference Assets may be subject to sudden and large unpredictable changes over time and this degree of change is known as "volatility". The volatility of a Reference Asset may be affected by, but not limited to, national and international financial, political, military or economic events, including governmental actions, or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of the Shares.

*(c) The market value of Shares and the amount payable or deliverable on the Shares may be affected due to the application of leverage in a Sub-Fund*

If the formula used to determine any amount payable and/or deliverable with respect to Shares contains a multiplier or leverage factor, then the percentage change in the value of the Shares will be greater than any positive and/or negative performance of the Reference Asset(s). Although the leverage of a Sub-Fund will be measured so as to ensure it remains within the limits required by the UCITS Regulations, any Shares which are exposed to such multiplier or leverage factor may represent a more speculative and risky form of investment since any loss in the value of the Reference Asset(s) carries the risk of a correspondingly higher loss on the Shares.

*(d) The amount payable and/or deliverable on redemption of the Shares may be less than the purchase price*

Where disclosed in the relevant Supplement, the pay-out formula of Shares may provide for "principal protection". Investors in Shares that are non-principal protected may risk losing their entire investment if the value of the Reference Asset(s) moves contrary to the anticipated direction. Investors in Shares that are principal protected may still be subject to loss of some or all of their investment in the circumstances described in risk factors 1.1(a) and (c) (Purchasers of Shares may receive back less than the original invested amount) above and may not receive any value for the time for which their money is invested.

- 2.2 *The Investment Manager is subject to various potential conflicts of interest in respect of the investment management of a Sub-Fund, which could have an adverse effect on the Shares*

See the "Conflicts of Interest" section below.

- 2.3 *Any consequential postponement of, or any alternative provisions for, valuation following a Market Disruption Event may have an adverse effect on the value of the Shares*

If a Supplement includes provisions dealing with the occurrence of a Market Disruption Event on a Valuation Day, or other date, and a Calculation Agent determines that a Market Disruption Event has occurred or exists on such date, any consequential postponement of, or any alternative provisions for, valuation provided in respect of a Reference Asset may have an adverse effect on its value and the value of the Shares which are linked to it.

- 2.4 *It may not be possible to use the Shares as a perfect hedge against the market risk associated with investing in a Reference Asset*

Potential purchasers intending to purchase Shares to hedge against the market risk associated with investing in a Reference Asset should recognise the complexities of utilising Shares in this manner. For example, the value of the Shares may not exactly match the value of the Reference Asset. Due to fluctuating supply and demand for the Shares, there is no assurance that their value will match movements in the value of the Reference Asset. For these reasons, among others, it may not be possible to purchase or liquidate Shares at the prices used to calculate the value of any Reference Asset(s).

- 2.5 *There may be regulatory and other consequences to the holder of holding Shares linked to a Reference Asset*

There may be regulatory and other consequences associated with the ownership by certain investors of certain Shares linked to a Reference Asset. Each purchaser of Shares (if necessary, in consultation with that purchaser's own legal, tax, financial or other professional advisers) must conduct its own investigation into its regulatory position with respect to the potential purchase of Shares and neither the Company nor the Investment Manager assumes any obligation or liability whatsoever to such purchaser in such regard.

- 2.6 *No Warranty*

There can be no assurance that the Company will achieve its investment objective in respect of any Sub-Fund. The past investment performance of the Investment Manager or the Company cannot be construed as an indication of the future results of an investment in the Company. There can be no assurance that any return on a Shareholder's investment in the Shares will be equal to or exceed the return that the Shareholder might have achieved by placing the principal amount of its investment on deposit.

- 2.7 *Cross liability between Sub-Funds*

The Company is established as an umbrella company with segregated liability between Sub-Funds. As a matter of Irish law, the assets of one Sub-Fund will not be

available to satisfy the liabilities of another. However, the Company is a single legal entity which may operate in, have assets held on its behalf, or be subject to claims in other jurisdictions that may not necessarily recognise such segregation. There is no guarantee that the courts of any jurisdiction outside Ireland will respect the Company's segregation of liabilities between Sub-Funds nor is there any guarantee that the creditors of one Sub-Fund will not seek to enforce such Sub-Fund's obligations against the assets of another Sub-Fund. At the date of this Prospectus, the Directors are not aware of any such existing or contingent liability.

## 2.8 *Risk to your Returns*

The investment objective of each Sub-Fund is as set out in this Prospectus or, as the case may be, the relevant Supplement. In the opinion of the Directors, the investment objective should be achieved through the purchase of the investments as described under the section headed "Investment Objective and Policies of the Sub-Funds" of this Prospectus or, as the case may be, the relevant Supplement, but no assurance is given that the investment objectives of the Company and each Sub-Fund will be achieved.

The performance of each Sub-Fund is dependent on the performance of the relevant Reference Assets, if applicable. As a consequence, investors should appreciate that their investment is exposed to the price performance, market fluctuations and credit performance of the components of such Reference Assets.

## 2.9 *Credit Risk*

Investors should be aware that as the Swap Transactions approach maturity they may increase in value to reflect the amounts payable to the Company and consequently could represent an increased portion of the Net Asset Value of a Sub-Fund. No guarantee is given, express or implied, that Shareholders will receive back the amount of their investment in the Shares.

## 2.10 *Counterparty Credit Risk*

The default in payment by any Counterparty or an issuer whose securities are held by the Company may affect the Company's ability to meet its payment obligations. Investors should be aware that a Sub-Fund may have several Counterparties: JPMorgan Chase Bank, National Association in relation to the Swap Transaction and another Counterparty to any Funding Investment which the Sub-Fund may make as set out in the section headed "Funding Investments Valuation". Although each Counterparty will provide Collateral to reduce the Sub-Fund's exposure to it, the insolvency of any Counterparty would adversely affect the ability of such Counterparty to meet its payment obligations to the relevant Sub-Fund. In particular, investors should be aware that in the case of insolvency of a Counterparty, the Collateral held by a Sub-Fund at that time may not be sufficient to allow the Sub-Fund to meet its investment objective.

## 2.11 *Settlement Risk*

The Company may be exposed to a credit risk on parties with whom it trades. There can be no guarantee of the operation or performance of settlement, clearing and registration of transactions in some markets, particularly emerging markets. Where organised securities markets and banking and telecommunications systems are

underdeveloped, concerns inevitably arise in relation to settlement, clearing and registration of transactions in securities where these are acquired other than as direct investments. Furthermore, due to similarly underdeveloped local postal and banking systems, no guarantee can be given that all entitlements attaching to quoted and over-the counter traded securities acquired by the Company, including those related to dividends, will be realised.

#### 2.12 *Liquidity Risk*

An investment in the Company is only suitable for investors who appreciate the risks involved in investing in an open-ended investment company. Notwithstanding that the Shares of some or all of the Sub-Funds may be listed on the Irish Stock Exchange, the Directors do not expect that a secondary market will develop in the Shares and prospective investors should note that there will be no public trading market for the Shares. Redemptions are expected to be the only source of liquidity for the Shares.

#### 2.13 *Launch Risk*

Shareholders should note that the decision to proceed with the launch of a Sub-Fund rests with the Directors. Although the Directors believe that the terms for the Shares as set out in this Prospectus or, as the case may be, the relevant Supplement are achievable at the date of publication of this Prospectus or, as the case may be, the relevant Supplement, there is no guarantee that these terms will be achievable at any date subsequently. The investments which the Company intends to make are subject to normal market fluctuations and other risks inherent in investing in securities and Financial Derivative Instruments.

#### 2.14 *Currency Risk*

Shares may be denominated in a currency other than the Base Currency. Where this is the case, the Net Asset Value per Share will be calculated using the relevant exchange rate prevailing on the relevant Valuation Day. Accordingly, the Net Asset Value of such Shares may be affected favourably or unfavourably by fluctuations in exchange rates and are necessarily subject to foreign exchange risks.

#### 2.15 *Tax Risk*

Any change in the Company's tax status or in taxation legislation could affect the value of the investments held by the Company and affect the Company's ability to provide a return to investors. Potential investors and Shareholders should note that the statements on taxation which are set out in this Prospectus represent the understanding of the Company regarding the law and practice in force in Ireland 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 by the Company will endure indefinitely (and taxation law may change with retrospective effect).

The attention of potential investors is drawn to the taxation risk associated with investing in the Company. Please see the "Taxation" section for further details.

The Company may be liable to taxes (including withholding taxes) in countries other than Ireland on income earned and capital gains arising on its investments. The Company may not be able to benefit from a reduction in the rate of such foreign tax

by virtue of the double taxation treaties between Ireland and other countries. The Company may not, therefore, be able to reclaim any foreign withholding tax suffered by it in particular countries. If this position changes and the Company obtains a repayment of foreign tax, the Net Asset Value of the Company will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment.

Any imposition of withholding tax on payments relating to the Swap Transactions could result in a termination of such Swap Transaction with a consequential depreciation in the value of the investments being the subject of such Swap Transactions. The degree of loss to the Company in such circumstances would depend on when such taxation events occurred and the value of the Swap Transactions on the occurrence of such taxation events.

Any imposition of withholding tax payable on the realisation proceeds of the investments may reduce the Net Asset Value of a particular Sub-Fund and, therefore, the return payable to investors. Any imposition of withholding tax payable on the dividends of the Company may adversely affect the value of those dividends for certain Shareholders.

Furthermore, Shareholders or any person holding any interest in any Share may be subject to taxation in their own jurisdiction on any income or capital gain that such person derives, or is deemed to derive, from their investment and, consequently, such persons should seek their own tax advice before considering an investment in Shares.

#### 2.16 *FATCA*

The Company will require Shareholders to certify information relating to their status for FATCA purposes and to provide other forms, documentation and information in relation to their FATCA status. The Company may be unable to comply with its FATCA obligations if Shareholders do not provide the required certifications or information. In such circumstances, the Company could become subject to US FATCA withholding tax in respect of its US source income if the US Internal Revenue Service specifically identified the Company as being a 'non-participating financial institution' for FATCA purposes. Any such US FATCA withholding tax would negatively impact the financial performance of the Company and all Shareholders may be adversely affected in such circumstances.

#### 2.17 *Reliance on the Investment Manager*

Sub-Funds will rely on the discretion of the Investment Manager (or sub-investment manager) in implementing their investment strategies. The Investment Manager, with the approval of the Directors, determines the investment policy of each Sub-Fund as set out in this Prospectus or, as the case may be, the relevant Supplement, prior to the launch of such Sub-Fund and the Investment Manager will monitor the performance of such investments on an ongoing basis. Sub-Funds must rely on the judgement of the Investment Manager in its determination and implementation of their relevant investment policies.



### 2.18 *Funding Investments Valuation*

Investors should be aware that, where disclosed in this Prospectus or, as the case may be, the relevant Supplement, Sub-Funds may invest in Money Market Instruments (such as Money Market Funds or commercial paper) and/or Transferable Securities (generally highly rated government or commercial bonds or other commercial paper), or invest in a repurchase agreements or reverse repurchase agreements or a buy/sell-back transaction or a swap transaction or any similar transaction with a Counterparty, subject to the conditions and limits set out in the UCITS Notices, and that the valuation of such instruments could be affected by the liquidity conditions of the markets. Where such markets are distressed, the valuations of those instruments may be affected, in turn impacting the daily valuation of the Sub-Fund.

### 2.19 *Collateral Reinvestment Risk*

Where cash Collateral received from a counterparty is reinvested this could result in a reduction of the value of the Collateral capital (in the event that the investment declines in value). This, in turn may cause losses to the relevant Sub-Fund because it is obliged to return Collateral equivalent to the value of the Collateral which it received. In order to manage this risk, the Company reinvests cash Collateral in accordance with the guidelines set out in the section headed "Investment Management of the Sub-Funds" above.

### 2.20 *Swing Pricing*

As described in the "Net Asset Value" section, the Directors may, where they so determine, "swing" the Net Asset Value of a Sub-Fund to attempt to mitigate the potentially dilutive effects of dealing on the Net Asset Value on any Dealing Day on which there are net subscriptions or redemptions in the Sub-Fund. In such cases, investors should be aware that swing pricing may not always prevent the dilution of the Net Asset Value through dealing costs and the adjustments made to the Net Asset Value may also benefit certain investors relative to the Shareholders in the Sub-Fund as a whole. For example a subscriber into a Sub-Fund on a day on which the Net Asset Value is swung downwards as a result of net redemptions from the Sub-Fund may benefit from paying a lower Net Asset Value per Share in respect of his subscription than he would otherwise have been charged. Conversely, a Shareholder redeeming out of a Sub-Fund on a day in which the Net Asset Value is swung upwards as a result of net subscriptions into the Sub-Fund may benefit from receiving a higher Net Asset Value per Share in respect of his redemption than he would have otherwise have received. In addition, the Sub-Fund's Net Asset Value and short-term performance may experience greater volatility as a result of this valuation methodology.

## **3. Risk factors relating to the Swap Transaction**

### 3.1 *Use of Derivatives*

A Sub-Fund may employ various investment techniques, such as, but not limited to, forward foreign exchange contracts, currency futures, swaps, options and swaptions thereon, put and call options on securities, stock index and interest rate futures and options thereon, stocklending, repurchase, reverse repurchase, warrants and contracts-for-difference (together "derivatives") in order to afford the protection of

capital or the enhancement of investment returns. These derivative positions may be executed either on-exchange or over-the-counter. The primary risks associated with the use of such derivatives are (i) failure to predict accurately the direction of the market movements; and (ii) market risks, for example lack of liquidity or lack of correlation between the change in the value of the underlying asset and that of the value of the Sub-Fund's derivatives. These techniques may not always be possible or effective in enhancing returns or mitigating risk.

The use of derivatives for any purpose by a Sub-Fund exposes it to the risk of loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

The Swap Transactions are derivative transactions. While the prudent use of such derivatives can be beneficial, derivatives also involve risks different from, and in certain cases, greater than, the risks presented by more traditional investments.

No representation or warranty, express or implied, is given on any aspect of a Swap Transaction by any of the Company, the Directors, the Investment Manager, the Custodian, the Administrator or any counterparty or placing agent. Investors should seek advice from their legal, tax, financial or other professional adviser on the suitability of the returns which are derived from a Swap Transaction for their purposes. Shareholders should note that returns which are derived from a Swap Transaction may be more volatile than returns which are derived from the asset underlying the Swap Transaction.

### 3.2 *Risk to your Return*

All investors should be aware that the value of their Shares will depend on the performance of the relevant Reference Asset(s) over the life of the relevant Swap Transaction.

The Shares should therefore only be considered suitable for investors if they:

- (a) have read and understood the manner in which the Swap Transaction will function so that they fully understand how their Shares will perform as a result of the performance of the Reference Asset(s); and
- (b) believe, through their own findings (with the assistance of their advisers, where applicable) that the Reference Asset(s) will perform over the life of their investment in the manner described in the relevant Supplement because failure to perform in such a manner will lead to them receiving less than their initial investment upon redemption of their Shares.

### 3.3 Risks of OTC FDI

#### (a) *Absence of Regulation; Counterparty Default*

In general, there is less government regulation and supervision of transactions in the over-the-counter markets than of transactions entered into on organised exchanges. In addition, many of the protections afforded to many participants on certain organised exchanges, such as the performance

guarantee of an exchange clearing house, will not be available in connection with transactions in OTC FDI.

The Company may enter into one or more derivatives on behalf of a Sub-Fund with the aim of implementing the Sub-Fund's investment objectives. The Sub-Fund is therefore exposed to the credit risk of the Counterparties to such derivatives and to the risk that Counterparties will not perform their obligations under the transactions. The bankruptcy or liquidation of the Investment Manager or of any of the Counterparties of the Sub-Fund, or if any of these Counterparties are unable or unwilling to meet their contractual liabilities, may have a detrimental impact on the Net Asset Value of the Sub-Fund or on the OTC FDI, or on the ability of the Sub-Fund to realise its investment objective. If a Counterparty defaults on any of its obligations under any derivative with the Sub-Fund, this may have an adverse effect on the value of the relevant derivative and hence on the Net Asset Value of the Sub-Fund.

The Company will seek to minimise these risks by monitoring each Sub-Fund's exposure to any Counterparty, by requiring the Counterparty to post more Collateral or unwind the relevant transactions, or by taking any other action that will result in lowering the Counterparty risk of the Sub-Fund whenever such exposure exceeds 10% of the Sub-Fund's Net Asset Value. However, there can be no assurance that any of these actions will be successful in reducing the Sub-Fund's Counterparty exposure.

(b) *Taxation of Sub-Funds*

There may also be a detrimental impact on a Sub-Fund in circumstances where there has been a change in the relevant taxation legislation or practice, regarding the OTC FDI in which the Sub-Fund has invested, whereby an unforeseen tax liability may have to be borne by the Sub-Fund. There is also a risk of loss due to the unexpected application of a tax related law or regulation.

(c) *Legal*

Unlike exchange-traded derivative instruments, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC FDI are generally established through negotiation with the other party to the instrument. While this type of arrangement allows the Company greater flexibility to tailor the instrument to the needs of the relevant Sub-Fund, OTC FDI may involve greater legal risk than exchange-traded instruments as there may be a risk of loss if OTC FDI are deemed not to be legally enforceable or are not documented correctly.

There may also be a legal or documentation risk that the parties to the OTC FDI may disagree as to the proper interpretation of its terms. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for the Company to enforce the Sub-Fund's contractual rights may lead the Sub-Fund to decide not to pursue its claims under the OTC FDI. The Sub-Fund thus assumes the risk that it may be unable to obtain payments owed to it

under over-the-counter arrangements and those payments may be delayed or made only after the Sub-Fund has incurred the costs of litigation.

(d) *Valuation Risk*

Prospective investors should note that there is often no single market value for instruments such as OTC FDI. The discrepancies between bid offer spread or other market quotations on OTC FDI may be partly explained by various estimates on their pricing parameters.

(e) *Conflicts of Interest*

Where a Counterparty is also a member of the Investment Manager's group of companies, the OTC FDI may only be entered into upon normal commercial terms negotiated at arm's length and in the best interest of Shareholders.

Counterparties, including those which are members of the Investment Manager's group of companies, shall not be deemed to be affected by notice of, or to be under any duty to disclose to a Sub-Fund, information which has come into their or their associates' possession as a result of the OTC FDI. Neither the Counterparties nor any of their associates shall be liable to account to the Sub-Fund for any profits or benefits made or derived by, or in connection with, any such transaction.

The party verifying the Counterparties' prices may also be a member of the J.P. Morgan group of companies, which is independent of the Counterparties and has been appointed by the Investment Manager.

Each Counterparty is a securities and financial firm engaged in banking, securities trading, brokerage activities and providing investment banking and advisory services. In the ordinary course of business, each Counterparty and/or any of its affiliates and/or any of their respective employees, directors, officers or agents or representatives may have or may have had interest or positions, or may buy or sell or otherwise trade in positions or transactions relating to the assets in which the Sub-Fund invests. Such activity may or may not affect the value of the assets in which the Sub-Fund invests, but potential investors should be aware that a potential conflict of interest may arise.

(f) *Risk caused by default of Collateral investments*

Collateral in respect of an OTC FDI will either be received in the form of or, if received in the form of cash will be invested in a range of G7 government bonds in order to minimise the risk of capital loss caused by the default of one or more issuers. However, in the event that a capital loss is experienced, for example, through the default of an issuer or a bond held as Collateral, the value of the Collateral may go down. As a consequence, the Sub-Fund may not be fully collateralised between the time of default and the next Collateral valuation point. The Net Asset Value of the relevant Sub-Fund should not be affected unless there is a simultaneous default by the relevant Counterparty.

(g) *Non-Business Day Risk*

It is most likely that the Swap Transaction may be adjusted on days which are not business days for one or more Reference Asset(s). Even though a Sub-Fund may not accept subscriptions or redemptions on a day which is not a Business Day for such Sub-Fund, the Swap Transaction may still automatically re-adjust according to the terms of the Swap Transaction, which might adversely impact the Net Asset Value of the Sub-Fund.

**4. Risk factors that are generic to Shares that are linked to Reference Asset(s)**

**4.1** *No rights of ownership in the Reference Asset(s)*

Purchasers of Shares should be aware that the relevant Reference Asset(s) will not be held by the Company, on behalf or for the account of a Sub-Fund, for the benefit of the purchasers of such Shares, and as such, purchasers will not obtain any rights of ownership, including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights with respect to any Reference Asset(s) referenced by such Shares. For the avoidance of doubt, no J.P. Morgan affiliate is under any obligation whatsoever to acquire and hold any Reference Asset(s).

**4.2** *The Performance of the Shares is linked to the performance of the Reference Asset(s)*

Where the Shares reference one or more Reference Asset(s), the purchasers of such Shares are exposed to the performance of such Reference Asset(s).

**4.3** *The past performance of a Reference Asset is not indicative of future performance*

Any information about the past performance of Reference Asset(s) at the time of the purchase of the Shares should not be regarded as indicative of the range of, or trends in, fluctuations in the Reference Asset(s) that may occur in the future.

**4.4** *Postponement or alternative provisions for the valuation of a Reference Asset may have an adverse effect on the value of the Shares*

If a Calculation Agent determines that where a day on which a valuation is due to be undertaken (i) falls on a day which is not a scheduled trading day or any other day which is subject to adjustment in accordance with the terms and conditions of the relevant Reference Asset and/or (ii) any form of Market Disruption Event in relation to the relevant Reference Asset has occurred which affects the valuation of such Reference Asset, the Calculation Agent has broad discretion to make any consequential postponement of, or any alternative provisions for, valuation of such Reference Asset provided in the terms and conditions of the Shares, including a determination of the value of such Reference Asset by the Calculation Agent in its discretion, each of which may have an adverse effect on the value of the Shares.

**4.5** *There are significant risks in purchasing Shares which reference one or more emerging market Reference Asset(s)*

Where the relevant Supplement discloses that Shares reference one or more emerging market Reference Asset(s), purchasers of such Shares should be aware that the political and economic situation in countries with emerging economies or

stock markets may be undergoing significant evolution and rapid development and such countries may lack the social, political and economic stability characteristics of more developed countries, including a significant risk of currency value fluctuation.

Such instability may result from, among other things, authoritarian governments, or military involvement in political and economic decision-making, including changes or attempted changes in governments through extra-constitutional means; popular unrest associated with demands for improved political, economic or social conditions; internal insurgencies; hostile relations with neighbouring countries; and ethnic, religious and racial disaffections or conflict. Certain of such countries may have in the past failed to recognise private property rights and have at times nationalised or expropriated the assets of private companies. As a result, the risks from investing in those countries, including the risks of nationalisation or expropriation of assets, may be heightened. In addition, unanticipated political or social developments may affect the values of a Reference Asset investment in those countries. The small size and inexperience of the securities markets in certain countries and the limited volume of trading in securities may make the Reference Asset(s) illiquid and more volatile than investments in more established markets. There may be little financial or accounting information available with respect to local issuers, and it may be difficult as a result to assess the value or prospects of the Reference Asset(s).

4.6 *There is generally foreign exchange currency exposure in respect of Shares which provide payment to be made in a currency which is different to the currency of the Reference Asset(s)*

Where the terms and conditions of the Shares provide that payment under such Shares will be made in a currency which is different from the currency of the Reference Asset and such Shares do not have a feature that hedges the currency risk, investors in such Shares may be exposed not only to the performance of the Reference Asset but also to the performance of such foreign currency, which cannot be predicted. Purchasers should be aware that foreign exchange rates are, and have been, highly volatile and are determined by supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility and safety of making financial investments in the currency concerned and speculation and measures taken by governments and central banks (e.g. imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates and the availability of a specified currency). Foreign exchange fluctuations between a Shareholder's home currency and the relevant currency in which the repayment amount of the Shares is denominated may affect Shareholders who intend to convert gains or losses from the exercise or sale of Shares into their home currency.

**5. Risk factors associated with Shares that are linked to one or more specific types of Reference Asset(s)**

5.1 *Risks associated with Transferable Securities as Reference Assets*

- (a) *Factors affecting the performance of Shares may adversely affect the value of the Shares*

The performance of Transferable Securities is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments, political factors and company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.

- (b) *No claim against the Issuer of Transferable Securities or recourse to the Transferable Securities*

Transferable Securities as Reference Assets do not represent a claim against or an investment in any Transferable Securities and Shareholders will not have any right of recourse under the Transferable Securities to any issuer of Transferable Securities or the Transferable Securities. The Shares are not in any way sponsored, endorsed or promoted by any issuer of Transferable Securities and such issuers have no obligation to take into account the consequences of their actions for any Shareholders. Accordingly, the issuer of a Transferable Securities may take any actions in respect of such Transferable Securities without regard to the interests of the purchasers of the Shares and any of these actions could adversely affect the value of the Shares.

- (c) *Determinations made by a Calculation Agent in respect of a Swap Transaction may have an adverse effect on the value of the Shares*

Upon determining that a Market Disruption Event has occurred in relation to a Reference Asset, a Calculation Agent under the Swap Transaction has broad discretion to make certain determinations to account for such event including to (i) make adjustments to the terms of the Reference Asset; and/or (ii) (in the case of a Reference Asset) terminate the Swap Transaction early, either of which determinations may have an adverse effect on the value of the Shares.

5.2 *Risks associated with Indices as Reference Assets*

- (a) *Factors affecting the performance of indices may adversely affect the value of the Shares*

Indices are comprised of a synthetic portfolio of Transferable Securities or other assets, and as such, the performance of an index is dependent upon the macroeconomic factors relating to the Shares or other components that comprise such index, which may include interest and price levels on the capital markets, currency developments, political factors and (in the case of Shares) company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.

- (b) *Exposure to the risk that returns on the Shares do not reflect direct investment in underlying shares or other assets comprising the Index*

The return payable on Shares that reference indices may not reflect the return a purchaser would realise if he or she actually owned the relevant assets comprising the components of the relevant indices. For example, if the components of the indices are Transferable Securities, Shareholders will not receive any dividends paid on such Transferable Securities and will not participate in the return on those dividends unless the relevant index takes such dividends into account for purposes of calculating the relevant level. Similarly, Shareholders will not have any voting rights in the underlying Transferable Securities or any other assets which may comprise the components of the relevant index. Accordingly, purchasers of Shares that reference indices as Reference Assets may receive a lower payment upon redemption of such Shares than such purchaser would have received if he or she had invested in the components of the index directly.

- (c) *A change in the composition or discontinuance of an Index could adversely affect the value of the Shares*

The sponsor of any index can add, delete or substitute the components of such index or make other methodological changes that could change the level of one or more components. The changing of components of any index may affect the level of such index, as a newly added component may perform significantly worse or better than the component it replaces, which in turn may affect the value of Shares which reference such index. The sponsor of any such index may also alter, discontinue or suspend the calculation or dissemination of such index. The sponsor of an index will have no involvement in the offer and sale of the Shares and will have no obligation to any purchaser of such Shares. The sponsor of an index may take any actions in respect of such index without regard to the interests of the purchasers of the Shares, and any of these actions could adversely affect the value of the Shares.

- (d) *Exposure to Index Modification, Index Cancellation, Index Disruption and Correction of Index Levels*

A Calculation Agent has broad discretion to make certain determinations and adjustments to replace an original Reference Asset with another and/or to cause early redemption of the Shares, either of which may be adverse to Shareholders in connection with the modification, cancellation or disruption of an index or strategy. As a consequence of such events, a Calculation Agent may determine to make adjustments to the Shares, to replace such index or strategy with another or to redeem the Shares early. A Calculation Agent may (subject to the terms and conditions of this Prospectus or, as the case may be, the relevant Supplement) also amend the relevant index or strategy level due to corrections in the level reported by the index or strategy sponsor.



- (e) *There are additional risks in relation to "Proprietary Indices" or "Strategies"*

See "Conflicts of Interest" - A J.P. Morgan affiliate may be the sponsor of an index or a strategy which is a Reference Asset.

- (f) *There are additional risks in relation to Commodity Indices*

See risk factor 5.3(c) (Additional risks in relation to Commodity indices, including potential effects of "rolling") below.

See "Conflicts of Interest" - A J.P. Morgan affiliate may be the sponsor of an index or a strategy which is a Reference Asset.

### 5.3 *Risks associated with commodities as Reference Assets*

**Investors should note that neither the Company nor any of the Sub-Funds can invest directly into commodities.**

- (a) *Factors affecting the performance of commodities may adversely affect the value of the Shares; Commodity prices may be more volatile than other asset classes*

Trading in commodities is speculative and may be extremely volatile. Commodity prices are affected by a variety of factors that are unpredictable including, for example, changes in supply and demand relationships, weather patterns and extreme weather conditions, governmental programmes and policies, national and international political, military, terrorist and economic events, fiscal, monetary and exchange control programmes, changes in interest and exchange rates and changes and suspensions or disruptions of market trading activities in commodities and related contracts. Commodity prices may be more volatile than other asset classes, making investments in commodities riskier than other investments.

- (b) *Commodities may reference physical commodities or commodity contracts, and certain commodity contracts may be traded on unregulated or "under regulated" exchanges*

Commodities comprise both (i) "physical" commodities, which need to be stored and transported, and which are generally traded at a "spot" price, and (ii) commodity contracts, which are agreements either to (a) buy or sell a set amount of an underlying physical commodity at a predetermined price and delivery period (which may be referred to as a delivery month), or to (b) make and receive a cash payment based on changes in the price of the underlying physical commodity.

Commodity contracts may be traded on regulated specialised futures exchanges (such as futures contracts). Commodity contracts may also be traded directly between market participants "over-the-counter" on trading facilities that are subject to lesser degrees of regulation or, in some cases, no substantive regulation. Accordingly, trading in such "over-the-counter" contracts may not be subject to the same provisions as, and the protections afforded to, contracts traded on regulated specialised futures exchanges, and

there may therefore be additional risks related to the liquidity and price histories of the relevant contracts.

- (c) *Investments which are linked to commodity futures contracts may provide a different return than investments linked to the relevant physical commodity and will have certain other risks*

The price of a futures contract on a commodity will generally be at a premium or at a discount to the spot price of the underlying commodity. This discrepancy is due to such factors as (i) the need to adjust the spot price due to related expenses (e.g. warehousing, transport and insurance costs) and (ii) different methods being used to evaluate general factors affecting the spot and the futures markets. In addition, and depending on the commodity, there can be significant differences in the liquidity of the spot and the futures markets. Accordingly, investments which are linked to commodity futures contracts may provide a different return than investments linked to the relevant physical commodity.

Investments in futures contracts involve certain other risks, including potential illiquidity. A holder of a futures position may find that such position becomes illiquid because certain commodity exchanges limit fluctuations in such futures contract prices pursuant to "daily limits". Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in the contract can neither be taken nor liquidated unless holders are willing to effect trades at or within the limit. This could prevent a holder from promptly liquidating unfavourable positions and subject it to substantial losses. Futures contract prices in various commodities occasionally have exceeded the daily limit for several consecutive days with little or no trading. Any such losses in such circumstances could have an adverse effect on the return of any Sub-Fund the Reference Asset of which the affected commodity index linked to futures contracts.

- (d) *Additional risks in relation to commodity indices, including potential effects of "rolling"*

Commodity indices are indices which track the performance of a basket of commodity contracts on certain commodities, depending on the particular index. The weighting of the respective commodities included in a commodity index will depend on the particular index, and is generally described in the relevant index rules of the index. Commodity indices apply "rolling" to expiring component commodity contracts in order to maintain an ongoing exposure to such commodities. Specifically, as an expiring commodity contract is required to be rolled pursuant to the relevant index rules, the commodity index is calculated to reflect the exposure to the expiring commodity contract being liquidated and a new exposure to another (generally longer-dated) commodity contract for an equivalent exposure being taken. Commodity contracts have a predetermined expiration date, i.e. a date on which trading of the commodity contract ceases. Holding a commodity contract until expiration will result in delivery of the underlying physical commodity or the requirement to make or receive a cash settlement. Alternatively, rolling the commodity contracts means that the commodity contracts that are nearing

expiration (the "near-dated commodity contracts") are sold before they expire and commodity contracts that have an expiration date further in the future (the "longer-dated commodity contracts") are purchased.

"**Rolling**" can affect the value of an investment in commodities in a number of ways, including:

- (i) **The investment in commodity contracts may be increased or decreased through "rolling"**: Where the price of a near-dated commodity contract is greater than the price of the longer-dated commodity contract (the commodity is said to be in "backwardation"), then rolling from the former to the latter will result in a greater exposure to the longer-dated commodity contract being taken. Therefore, any loss or gain on the new positions for a given movement in the prices of the commodity contract will be greater than if one had synthetically held the same amount of exposure as before the "roll". Conversely, where the price of the near-dated commodity contract is lower than the price of the longer-dated commodity contract (the commodity is said to be in "contango"), then rolling will result in a smaller exposure to the longer-dated commodity contract being taken. Therefore, any gain or loss on the new positions for a given movement in the prices of the commodity contract will be less than if one had synthetically held the same amount of exposure as before the roll.
- (ii) Where a commodity contract is in contango (or, alternatively, backwardation) such may be expected to (though it may not) have a negative (or, alternatively, positive) effect over time: Where a commodity contract is in contango, then the price of the longer-dated commodity contract will generally be expected to (but may not) decrease over time as it nears expiry. In such event, rolling is generally expected to have a negative effect on an investment in the commodity contract. Where a commodity contract is in backwardation, then the price of the longer-dated commodity contract will generally be expected to (but may not) increase over time as it nears expiry. In such event, rolling is generally expected to have a positive affect on an exposure to the commodity contract.

In the case of a Sub-Fund which is linked to an index referencing a basket of commodity contracts, an expiring commodity contract will simply be changed without liquidating or entering into any positions in a new longer-dated commodity contract. Accordingly, the effects of rolling described above do not apply directly to the Reference Asset. Thus an investor will not participate directly in rolling or be directly affected as a consequence. However, other market participants may act in accordance with the mechanism of "rolling" and such behaviour may have an indirect adverse impact on the value of the Reference Asset.

- (e) *Legal and regulatory changes relating to the Commodities may lead to an early redemption*

Commodities are subject to legal and regulatory regimes that may change in ways that could affect the ability of the Swap Counterparty engaged in any underlying or hedging transactions in respect of the Swap Counterparty's obligations towards the relevant Sub-Fund; and could lead to the early termination of the relevant swap transaction and, as a consequence, the relevant Sub-Fund.

Commodities are subject to legal and regulatory regimes in the United States and, in some cases, in other countries that may change in ways that could negatively affect the value of the Shares of the relevant Sub-Fund. For example, the United States House of Representatives and the United States Senate have considered legislation intended to decrease speculation and increase transparency in the commodities markets. If enacted such legislation may, among other things, require the U.S. Commodity Futures Trading Commission (the "CFTC") or exchanges to adopt rules establishing position limits on positions in commodity futures contracts.

#### 5.4 *Risks associated with baskets comprised of various constituents as Reference Assets*

- (a) *Exposure to performance of basket and its underlying constituents*

Where the Shares reference a basket of Reference Assets, the purchasers of such Shares are exposed to the performance of such basket. The purchasers will bear the risk of the performance of each of the basket constituents. Please see above for further details in respect of the specific risks which may attach to individual basket constituents.

- (b) *A high correlation of basket constituents may have a significant effect on amounts payable*

Correlation of basket constituents indicates the extent to which the performances of the individual basket constituents tend to vary together. If, for example, all of the basket constituents originate from the same sector and the same country, a high positive correlation may generally be assumed. Past rates of correlation may not be determinative of future rates of correlation: investors should be aware that, though basket constituents may not appear to be correlated based on past performance, it may be that they suffer the same adverse performance following a general downturn or other economic or political event. Where the basket constituents are subject to high correlation, any move in the performance of the basket constituents will exaggerate the performance of the Shares.

- (c) *The negative performance of a single basket constituent may outweigh a positive performance of one or more other basket constituents*

Purchasers of Shares should be aware that even in the case of a positive performance of one or more basket constituents, the performance of the basket as a whole may be negative if the performance of the other basket constituents is negative to a greater extent, subject to the terms and

conditions of this Prospectus or, as the case may be, the relevant Supplement.

- (d) *A small basket, or an unequally weighted basket, will generally leave the basket more vulnerable to changes in the value of any particular basket constituent*

The performance of a basket that includes fewer constituents will generally, subject to the terms and conditions of this Prospectus or, as the case may be, the relevant Supplement, be more affected by changes in the value of any particular basket constituent included therein than a basket that includes a greater number of basket constituents.

The performance of a basket that gives greater weight to some basket constituents will generally, subject to the terms and conditions of this Prospectus or, as the case may be, the relevant Supplement, be more affected by changes in the value of any such particular basket constituent included therein than a basket that gives relatively equal weight to each basket constituent.

- (e) *A change in composition of a basket may have an adverse effect on basket performance*

Where the terms of a Reference Asset grants a Calculation Agent the right, in certain circumstances, to adjust the composition of the basket, investors should be aware that any replacement basket constituent may perform differently from the original basket constituent, which may have an adverse effect on the performance of the basket.

## **6. Risk relating to the use of a Calculation Agent**

- (a) *Calculation Agent under a Swap Transaction*

All determinations and calculations made by the Calculation Agent under a Swap Transaction will be carried out in good faith and in a commercially reasonable manner. The Calculation Agent will not have any responsibility to the relevant Sub-Fund, and the Sub-Fund will not be entitled to make any claim against the Calculation Agent, for good faith errors or omissions in the Calculation Agent's calculations and determinations pursuant to the provisions of a Swap Transaction. The determinations and calculations of the Calculation Agent is, in the absence of manifest error, final, conclusive and binding on the parties to a Swap Transaction.

- (b) *Calculation agent in respect of a Reference Asset*

Determinations and calculations by the Calculating Agent of a Swap Transaction may influence the value of the relevant Reference Asset and the NAV of the relevant Sub-Fund.

The Calculation Agent of a Reference Asset which is an index or strategy ("Index") will act in good faith and in a commercially reasonable manner in respect of determinations or calculations made by it pursuant to the rules of

the Index (“Index Rules”). All such determinations, calculations and the Calculation Agent’s interpretations of Index Rules is final, conclusive and binding and no person is entitled to make any claim against the Calculation Agent in respect of such determinations, calculations and interpretations.

The Calculation Agent of the relevant Index will normally not:

- (i) be under any obligation to revise any determination or calculation made or action taken for any reason in connection with an Index or its Index Rules; or
- (ii) have any responsibility to any person (whether as a result of negligence or otherwise) for any determinations made or anything done (or omitted to be determined or done) in respect of any Index or in respect of the publication of any level of the Index (or failure to publish such level) or any use to which any person may put an Index or the levels of the Index.

If, in respect of an Index:

- (i) the level or price of any underlying constituent, variable, input or other matter which is used for any calculation relevant to the level of the Index for any business day of the relevant Index is subsequently corrected and the correction is published by the relevant sponsor of the underlying constituent or relevant publication source; or
- (ii) the Calculation Agent of the Index identifies an error or omission in any of its calculations or determinations in respect of the level of the Index for any business day of the relevant Index, then, the Calculation Agent of such Index may, if practicable and it considers such correction material, adjust or correct the published level of the Index for such business day and/or each subsequent business day of the relevant Index and publish (in such manner determined by the Calculation Agent of the relevant Index) such corrected level of the Index as soon as reasonably practicable.

If in respect of an Index, at any time, the licence granted (if required) to the Calculation Agent thereof (or its affiliates) to use any underlying constituent for the purposes of the Index terminates, or the Calculation Agent’s rights to use the underlying constituent for the purpose of the Index is otherwise disputed, impaired or ceases (for any reason), the Calculation Agent of the relevant Index may remove such underlying constituent from the Index or replace such underlying constituent and may make such adjustments to the Index Rules as it determines to be appropriate to account for such event on such date(s) as selected by the Calculation Agent of the relevant Index.

The Calculation Agent may in respect of an Index exclude or substitute any underlying constituent where required following the occurrence (and/or continuation) of a change in applicable law and/or regulation, and if it excludes or substitutes any underlying constituent as a consequence of a change in applicable law and/or regulation, then the Calculation Agent of the

relevant Index may adjust the relevant Index Rules as it determines to be appropriate to account for such exclusion or substitution on such date(s) selected by the Calculation Agent of such Index.

Determinations, calculations and interpretations by the Calculating Agent of an Index and its Index Rules may influence the value of the relevant Reference Asset and the NAV of the relevant Sub-Fund.

## **7. Secondary Market Trading Risk**

Even though the ETF Shares are to be listed on one or more Relevant Stock Exchanges, there can be no certainty that there will be liquidity in the ETF Shares on any Relevant Stock Exchange or that the market price at which the ETF Shares may be traded on a Relevant Stock Exchange will be the same as or approximately equal to the Net Asset Value per Share. As the ETF Shares may be dealt in by means of subscription and redemption, the Directors consider that large discounts or premiums in the Net Asset Value of a Fund would not be sustainable. There can be no guarantee that once the ETF Shares are listed on a Relevant Stock Exchange they will remain listed or that the conditions of listing will not change.

Trading in ETF Shares on a Relevant Stock Exchange may be halted or suspended due to market conditions or for the reason that, in the Relevant Stock Exchange's view, trading in the ETF Shares is inadvisable, or otherwise pursuant to the Relevant Stock Exchange's rules. If trading on a Relevant Stock Exchange is halted, investors in ETF Shares may not be able to sell their Shares until trading resumes however, in certain circumstances, such investors may be able to apply to the Company to redeem ETF Shares in accordance with the provisions set out below.

## **8. Seeding**

At any time prior on or following its launch, the Sub-Fund may receive investment, which may be substantial, from an affiliate of the Investment Manager (an "Affiliate"). Alternatively, an Affiliate may make arrangements with third parties which incentivise those third parties to invest in the Sub-Fund. Investors should be aware that such an Affiliate or third party may i) hedge any of its investments in whole or part, thereby reducing its exposure to the performance of the Sub-Fund; and ii) redeem its investment in the Sub-Fund at any time, without notice to Shareholders. Such an Affiliate or third party is under no obligation to take the interests of other Shareholders into account when making its investment decisions. Any large redemption from the Sub-Fund may result in the remaining Shareholders bearing a larger proportion of those of the Sub-Fund's costs and expenses (if any) that are not within the Total Expense Ratio of the Sub-Fund (as disclosed in this Supplement). Shareholders should therefore note that any redemption of its investment by an Affiliate or third party may have a negative effect on the value of their investment in the Sub-Fund. Furthermore, in certain circumstances a redemption by an Affiliate or third party may i) lead the Directors to determine to compulsorily redeem all of the remaining Shares in a Class or the Sub-Fund in accordance with the "Compulsory Transfers and Redemptions" sub-section of the "Shares" section of the Prospectus (for example, if they determined that the Net Asset Value of the Sub-Fund had fallen below the level specified in the Prospectus), in which case Shareholders' investment would be redeemed in its entirety, or ii) cause other investors in the Sub-Fund to redeem their investment, and in either case Shareholders may incur a loss as a result in the

event that they receive back less than their initial investment following such redemption of their Shares.



## **Conflicts of Interest**

---

### ***General Disclosure***

The operations which are or may be undertaken by the Investment Manager, the Administrator, the Custodian, each Counterparty and the Directors and their respective holding companies, subsidiaries and affiliates (each an “interested party”), may cause conflicts of interest to arise.

The Company may undertake transactions with or through an interested party.

In the event that a conflict of interest does arise, the Directors will endeavour to ensure that any such conflict is resolved fairly and in the best interests of the Shareholders.

Shahzad Sadique is an Executive Director of J.P. Morgan and Chief Executive Officer of the Investment Manager.

### ***Non-exclusive Services***

The interested parties may provide similar services to others, provided that the services they provide to the Company are not impaired thereby. An interested party may acquire or dispose of any investment notwithstanding that the same or similar investments may be owned by or for the account of or otherwise connected with the Company. Furthermore, an interested party may acquire, hold or dispose of investments notwithstanding that such investments had been acquired or disposed of by or on behalf of the Company by virtue of a transaction effected by the Company in which the interested party was concerned, provided that the acquisition or disposal by an interested party of such investments is effected on normal commercial terms on an arm’s length basis and the investments held by the Company are acquired in the best interests of the Shareholders. Transactions will be deemed to have been effected on normal commercial terms negotiated at arm’s length if: (a) a certified valuation of the transaction by a person approved by the Custodian (or, in the case of a transaction involving the Custodian, on terms which the Directors are satisfied) as independent and competent is obtained; (b) execution of the transaction is on best terms on organised investment exchanges in accordance with the rules of the exchange; or (c) where (a) and (b) are not practical, the transaction is executed on terms which the Custodian is satisfied (or, in the case of a transaction involving the Custodian, on terms which the Directors are satisfied) conform to the principle of execution on normal commercial terms negotiated at arm’s length and in the best interest of Shareholders. Where the competent person valuing unlisted securities is an interested party, the fees payable by the Company which are based on Net Asset Value may increase as the value of the Company’s investments increase.

The Investment Manager and/or its affiliates may invest, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets that may also be purchased or sold by the Company. Neither the Investment Manager nor any of its affiliates is under any obligation to offer investment opportunities of which any of them becomes aware to the Company or to account to the Company in respect of (or share with the Company or inform the Company of) any such transaction or any benefit received by any of them from any such transaction.

In rendering services to any accounts other than that of the Company, which it may have at present or in the future, the Investment Manager is obliged, as a result of its authorisation by

the FCA, to allocate investments fairly across the various accounts.

### ***J.P. Morgan – Conflicts of Interest Management***

The relevant J.P. Morgan entities will comply with their respective regulatory obligations for managing conflicts of interests and have policies in place to deal with them. Where these arrangements are not sufficient to ensure with reasonable confidence that the risk of damage to a client's interests will be prevented, the relevant firm shall disclose the conflict to such client before undertaking business on its behalf. Investors should be aware that:

- (i) JPMorgan Chase Bank, N.A, J.P. Morgan Securities plc. and the Investment Manager are part of the same group of companies;
- (ii) JPMorgan Chase Bank, N.A. acts as the Swap Counterparty (unless otherwise disclosed in this Prospectus or, as the case may be, the relevant Supplement of the relevant Sub-Fund);
- (iii) J.P. Morgan Securities plc. may have various roles that may give rise to potential conflicts of interest in relation to a Swap Transaction. J.P. Morgan Securities plc. acts as calculation agent in respect of a Swap Transaction as well as the index or strategy calculation agent in respect of the J.P. Morgan proprietary indices or strategies.

JPMorgan Chase Bank, N.A. and J.P. Morgan Securities plc. or, as the case may be, their affiliates will only have the duties and responsibilities expressly agreed to by them in their relevant capacities and will not be deemed to have other duties or responsibilities or be deemed to have a standard of care other than as expressly provided in respect of each capacity in which they act.

### ***Proprietary J.P. Morgan Indices or Strategies***

The proprietary indices or strategies are run according to a fixed set of rules which determine the underlying constituents and in what proportions these are held, as a result:

- (i) In the ordinary course of their businesses, J.P. Morgan Securities plc. or any of its affiliates or subsidiaries may effect transactions for their own account or for the account of their customers in the components of the proprietary indices or strategies or related derivatives including, without limitation, at or around any date on which the proprietary indices or strategies are re-weighted. In conducting such business neither J.P. Morgan Securities plc. nor any of its affiliates or subsidiaries is obliged to take into account the circumstances of any investor in a Sub-Fund or act in a manner which is favourable to them. Such activity may, or may not, affect the value of a Swap Transaction and the relevant Sub-Fund, but potential investors should be aware that a conflict may arise.
- (ii) Potential conflicts of interest may exist in the structure and operation of the proprietary indices or strategies or related derivatives including, without limitation, at or around any date on which the proprietary indices or strategies are re-weighted and a Swap Transaction in the course of the normal business activities of J.P. Morgan Securities plc. or any of its affiliates or subsidiaries or their respective directors, officers, employees, representatives, delegates or agents.

***Limitation of Disclosure***

Members of the J.P. Morgan group of companies shall not be deemed to be affected by notice of, or to be under any duty to disclose to the Sub-Fund, information which has come into its or its associates' possession as a result of effecting transactions for their own account or for the account of their customers entering into derivatives on the components of proprietary indices or strategies or related derivatives. None of the Investment Manager, any of the Counterparties or any of their associates shall be liable to account to the Company or any Sub-Fund for any profits or benefits made or derived by, or in connection with, any such transactions.

***Swap Counterparty***

The Swap Counterparty is a securities and financial firm engaged in banking, securities trading, brokerage activities and providing investment banking and advisory services. In the ordinary course of business the Swap Counterparty and/or any of its affiliates and/or any of their respective employees, directors, officers or agents or representatives may have or may have had interest or positions, or may buy or sell or otherwise trade in positions or transactions relating to the assets in which a Sub-Fund invests. Such activity may or may not affect the value of the assets in which the Sub-Fund invests, but potential investors should be aware that a potential conflict of interest may arise.

***Best Execution, Soft Commissions and Recaptured Brokerage Fees***

In selecting brokers to make purchases and sales for the Company for the account of a Sub-Fund, the Investment Manager will choose those brokers who have agreed to provide best execution to the Company. In this regard, best execution means taking all reasonable steps to obtain the best possible result for the Company, taking into account price, costs, speed, likelihood of execution and settlement, the size and nature of the order and any other considerations relevant to the execution of the order. In managing the assets of each Sub-Fund, the Investment Manager may receive certain research and statistical and other information and assistance from brokers. The Investment Manager may allocate brokerage business to brokers who have provided such research and assistance to the Company and/or other accounts for which the Investment Manager exercises investment discretion. The benefits provided under any commission arrangements must assist in the provision of investment services to the Company. The Investment Manager shall notify the Company of any such commission arrangements and these arrangements shall be disclosed in the periodic reports of the Company.

In circumstances where the Investment Manager or any sub-investment manager recaptures a portion of brokerage fees from a broker in relation to the purchase and/or sale of securities for a Sub-Fund, such rebate (less any reasonable properly vouched fees and expenses directly incurred by the Investment Manager or the sub-investment manager in arranging such rebate and agreed with the Company) must be paid into that Sub-Fund.

## Shares

---

### SUBSCRIPTION FOR SHARES

#### *General*

Under the Articles, the Directors are given authority to effect the issue of Shares and to create new Classes (in accordance with the requirements of the Central Bank) and have absolute discretion to accept or reject in whole or in part any application for Shares. If an application is rejected, the Administrator, where permitted by applicable law, will return application monies or the balance thereof (subject to completion of satisfactory money laundering requirements) by electronic transfer to the account from which it was paid at the cost and risk of the applicant. For the avoidance of doubt, no interest will be payable on such amount before its return to the applicant.

The Directors may in their discretion decide, prior to the initial date of issuance of a Class, to cancel the initial offering of those Shares. In such case, applicants who have made an application for subscription will be duly informed and any subscription monies already paid will be returned in the manner set out in the preceding paragraph.

Fractions of Shares of up to four (4) decimal places may be issued. Subscription monies representing smaller fractions of Shares will not be returned to the applicant but will be retained as part of the assets of the relevant Sub-Fund and will accordingly be made available to Shareholders of the Sub-Fund on a pro rata basis based on the Net Asset Value of each Shareholder's holding of Shares in the relevant Sub-Fund.

The Application Form contains certain conditions regarding the application procedure for Shares in the Company and certain indemnities in favour of the Company, the Directors, the relevant Sub-Fund, the Investment Manager, the Administrator, the Custodian and the other Shareholders for any loss suffered by them as a result of certain applicants acquiring or holding Shares.

A Subscription Charge (and any Duties and Charges or Anti-Dilution Levy, where applicable) may be levied on subscriptions of Shares.

#### *Application Procedure*

During the Initial Offer Period the Shares will be offered to investors at the Initial Issue Price. The Directors may decide to suspend the offer of Shares at any time prior to or on the Closing Date of the relevant Sub-Fund, in their absolute discretion, but subject to notification to the Central Bank. In this event, the basis of any Share allocation shall be at the Company's sole discretion and the Company reserves the right to reject any application in whole or in part. Where the Company rejects an application in whole or in part it will, at the risk of the applicant and subject to the satisfactory completion of any anti-money laundering requirements, return any monies (without interest) or the balance thereof within seven (7) Business Days of the rejection by telegraphic transfer, at the cost of the applicant. During the Initial Offer Period, subscription monies should be paid to the account specified in the Application Form so as to be received in cleared funds by no later than such time as may be specified in the relevant Supplement.

Following the Closing Date, Shares will be available for subscription at the Net Asset Value

per Share based on the value of the individual assets as at the relevant Valuation Point and published as soon as practicable on the relevant Valuation Day, less any applicable Duties and Charges (which may be waived by the Company).

Completed Application Forms should be sent by post, delivery, fax or electronically (with the original, together with supporting documentation in relation to anti-money laundering checks, to follow by post as soon as possible thereafter) to the address of the Administrator so as to be received by no later than the Dealing Deadline for the relevant Subscription Date, as set out in this Prospectus or, as the case may be, the relevant Supplement. An initial application for Shares may only be made by delivering a completed and signed Application Form in original form to the Administrator together with all supporting documentation in relation to money laundering prevention checks in advance of opening an account. Application Forms not received by the Administrator before the relevant Dealing Deadline will be held over until the next following Subscription Date. Partially complete or incorrectly completed Application Forms received by the Administrator by the relevant Dealing Deadline will be held over until such time as a properly completed Application Form is received by the Administrator.

Any notifications of change to a Shareholder's registration details or payment instructions must also be received in original form. Photocopies of Application Forms will not be accepted under any circumstances.

Once an investor has completed and submitted an Application Form, they may use the available fax, telephone or electronic dealing (e.g. SWIFT) facility (further details of which are set out in the Application Form) to place subsequent purchase and/or redemption orders. Subsequent subscription orders and subsequent redemption orders, using exactly the same payment account details as provided by the investor pursuant to its initial subscription application, may be accepted by the Administrator either by fax or by electronic means by the relevant Dealing Deadline, provided the relevant Shareholder has elected for such facilities. Fax and electronic orders will only be processed on the basis of the fax and electronic indemnity which is included in the Application Form as signed by the investor for the purpose of its initial application. Should an investor wish to deal by telephone, the investor must select this option on the Application Form at the time of the initial application.

Further details in respect of the settlement of subscriptions for Shares and other application notes are contained in the Application Form, together with the terms and conditions applying to applications for Shares and full details of the application procedure.

Sub-distributors appointed by the Distributor or the Sub-Distributor may impose deadlines for receipt of applications which are earlier than those set out above, to facilitate such sub-distributors forwarding those applications to the Administrator. However no application will be processed by the Administrator on any Subscription Date unless the relevant application is received in accordance with the provisions outlined above and the Application Form. Applicants should also note that they may be unable to purchase Shares through a sub-distributor on days that such sub-distributor is not open for business.

***Minimum Initial Investment Amount, Additional Investment Amount and Minimum Shareholding Requirements***

The Minimum Initial Investment Amount, the Minimum Additional Investment Amount and the Minimum Shareholding, if any, of each Class in a Sub-Fund may vary and will be set out in this Prospectus or, as the case may be, the relevant Supplement. The Directors reserve the right from time to time to waive any requirements relating to the Minimum Initial Investment

Amount, the Minimum Additional Investment Amount and the Minimum Shareholding as and when they determine, at their discretion.

The Company may, at any time, redeem all Shares from Shareholders whose holding is less than the Minimum Shareholding set out in this Prospectus or, as the case may be, the relevant Supplement. In such case the Shareholder concerned will receive prior notice so as to be able to increase his holding above such Minimum Shareholding during a period to be determined by the Directors (and set out in the notice), following the receipt of such notice.

### ***Anti-Money Laundering Procedures***

Measures aimed at the prevention of money laundering will require an applicant to verify his identity, address and the source of the subscription monies to the Administrator and/or any placing agent. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator or the Directors may refuse to accept the application and all subscription monies. The Administrator will refuse to pay out Redemption Proceeds if any requested information is not received and/or its anti-money laundering procedures have not been completed.

Notwithstanding that funds have come from a designated body within a prescribed country recognised by Ireland as having equivalent anti-money laundering regulations, evidence of identity, address and source of funds must be established in accordance with the relevant anti-money laundering requirements which are advised to clients prior to application.

By way of example, an individual will be required to produce a copy of a passport or identification card (or other form of identification that includes a photograph and signature) duly certified by a public authority such as a notary public, the police or the ambassador in his country of residence, together with two (2) pieces of evidence of his current address such as an original or certified copy of a utility bill or bank statement (not more than three (3) months old). In the case of corporate applicants, this will require production of certified copies of the following: the certificate of incorporation (and any certificate of change of name), bye-laws, authorised signatory list, memorandum and articles of association (or equivalent), or trust deed in the case of a trust and the names, addresses (both business and residential) and dates of birth of all directors, trustees and/or beneficial owners. In the case of corporate applicants from the Financial Action Task Force ("FATF") member countries, two (2) directors must supply evidence of identification and current address, whereas, directors of corporate applicants from non-FATF member countries must all supply evidence of identification and current address.

The Administrator reserves the right to request such documentation as is necessary to verify the identity, address and source of funds of the applicant. In the event of a delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and the subscription monies relating thereto.

It is further acknowledged that the Administrator, in the performance of its delegated duties, shall be indemnified and held harmless by an investor from and against any loss arising as a result of a failure to process a subscription or redemption if such information as has been requested by the Administrator has not been provided by the investor

### ***Subscription Price***

The Initial Issue Price (which is exclusive of any Subscription Charge) for each Class is set out in this Prospectus or, as the case may be, the relevant Supplement.

The price at which Shares will be issued on each Subscription Date after the close of the Initial Offer Period is calculated by ascertaining the Net Asset Value per Share of the relevant Class at the Valuation Point on the relevant Valuation Day and applying the Subscription Charge (if any), as set out in this Prospectus or, as the case may be, the relevant Supplement.

A Subscription Charge, and, for the avoidance of doubt, Duties and Charges or an Anti-Dilution Levy, may be charged by the Company on the subscription of Shares. The amount of the Subscription Charge, if any, will be set out in this Prospectus or, as the case may be, the relevant Supplement.

### ***Payment for Shares***

Payment in respect of the issue of Shares must be made by the date and time set out in this Prospectus or, as the case may be, the relevant Supplement by electronic transfer in cleared funds in the currency of denomination of the relevant Class. Cheques will only be accepted in exceptional circumstances at the discretion of the Administrator and by advance agreement. The Administrator may, at its discretion, accept payment in other currencies, but such payments will be converted into the currency in which the relevant Class is denominated at the then prevailing exchange rate available to the Administrator and only the net proceeds of this conversion (after deducting the conversion expenses) will be used to subscribe for Shares. Such conversions may result in a delay in processing applications.

### ***Limitations on Subscriptions***

Shares may not be issued or sold by the Company during any period when the calculation of the Net Asset Value of the relevant Sub-Fund is suspended in the manner described under "Suspension of Calculation of Net Asset Value" below. Applications, unless withdrawn with the consent of the Company, will be considered as at the next Subscription Date following the ending of such suspension.

### ***Indemnity for non-payment of subscription monies***

In the event that the subscription monies to be paid to the Company (for and on behalf of the relevant Sub-Fund) in connection with the subscription made are not received in full by the Company (for and on behalf of the relevant Sub-Fund) by the relevant Dealing Deadline, or in the event of non-clearance of subscription monies, the allotment of Shares made in respect of such application may, at the discretion of the Administrator or the Company, be cancelled, or, alternatively, the Administrator or the Company may treat the application as an application for such number of Shares as may be purchased with such payment on the next Subscription Date following receipt of payment in full or of cleared funds. In such cases, the Company may charge the subscriber for Shares in the relevant Sub-Fund for any resulting bank charges or losses incurred by the relevant Sub-Fund as a result of implementing the investment policy in respect of the subscription monies to be received from the subscriber for Shares. The determination of the directors of the Company to charge such losses shall be final. The subscriber for Shares shall indemnify the Company, the Administrator, the Custodian or the Investment Manager in respect of any losses or damages caused by such failure to pay the subscription monies to the Company (for and on behalf of the relevant Sub-Fund) in connection with the subscription made in full within the relevant Dealing Deadline, or in the event of non-clearance of such subscription monies.

In the event that the Company suffers any loss as a result of a failure or delay in the settlement of subscription monies, if the relevant applicant is a Shareholder, the Directors

may redeem or sell all or part of his holding of Shares and use the proceeds thereof to satisfy and make good any loss, cost, expense or fees suffered by the Company as a result of the non-receipt of cleared funds by the relevant Dealing Deadline.

### ***Forms of Shares and Transfer of Shares***

The Administrator has been appointed to maintain the Company's register of Shareholders in which all issues and transfers of Shares will be recorded. Shares will be issued in registered form only. Share certificates will not be issued unless the Directors otherwise determine but a written confirmation of ownership will be sent to the registered address of the Shareholder within thirty (30) days after the issue of the Shares. None of the Company, the Directors, the Investment Manager, any placing agent or the Administrator will be responsible or liable in any respect for acting on the instructions of any person which any of them reasonably believes to be a Shareholder.

Shares will be transferable by instrument in writing signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor. The Directors or their delegate may decline to register any transfer of Shares unless the transfer form is deposited at the registered office of the Company, or such other place as the Directors may reasonably require, accompanied by such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and to determine the identity of the transferee. The transferor shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the register of Shareholders. A transfer of Shares will not be registered unless the transferee, if not an existing Shareholder, has completed a subscription application form with respect to the relevant Shares to the satisfaction of the Directors. A transfer application made between existing Shareholders to identified and verified accounts may be accepted by fax or by electronic form (e.g. SWIFT), subject to the absolute discretion of the Directors. The Directors may also, at their absolute discretion, decline to register a transfer which would result in either the transferee holding Shares with a Net Asset Value less than the Minimum Initial Investment Amount, or the transferor holding Shares with a Net Asset Value less than the Minimum Shareholding for the relevant Class.

In the case of the death of one of joint Shareholders, the surviving Shareholder(s) will be the only person(s) recognised by the Company as having any title to, or interest in, the Shares registered in the names of such joint Shareholders.

Shares are freely transferable except that the Directors may decline to register a transfer of Shares (a) if the transfer is in breach of US securities laws; (b) in the absence of satisfactory evidence that the proposed transferee is not a Benefit Plan (as defined in Appendix V); (c) if in the opinion of the Directors the transfer would be unlawful or result or be likely to result in any adverse regulatory, legal, pecuniary or tax consequences or material administrative disadvantage for the Company, the relevant Sub-Fund or the Shareholders as a whole; (d) in the absence of satisfactory evidence of the transferee's identity; or (e) where the Company is required to redeem or cancel an appropriate number of Shares as may be necessary to meet the appropriate tax requirements of the Shareholder on such transfer. A proposed transferee may be required to provide such representations, warranties or documentation as the Directors may require in relation to a transfer of Shares and anything associated with such transfer. In the event that the Company does not receive a Declaration in respect of a transferee, the Company will be required to deduct appropriate tax in respect of any payment to that transferee or any sale, transfer, cancellation, redemption, repurchase, cancellation or other payment in respect of the Shares, as described in more detail in the section headed "Taxation" below.



The Administrator, will charge the transferor for any cost incurred in making any transfer.

## **EXCHANGES OF SHARES**

Except where dealings in Shares have been temporarily suspended in the circumstances described in this Prospectus, Shareholders may request the exchange of Shares of any Class (the “**Original Class**”) on any Business Day for Shares in any other Class of that Sub-Fund or any Class in any other Sub-Fund established by the Company (for the purposes of this section, the “**New Class**”), provided that (a) a properly completed exchange request form is received by the Administrator before the Dealing Deadline and (b) ETF Shares in a Sub-Fund may only be exchanged for ETF Shares in another Sub-Fund. Exchange requests received after the Dealing Deadline will be held and will, unless the Directors otherwise determine, be dealt with on the next applicable Valuation Day. The price at which Shares will be exchanged will be determined by reference to the Net Asset Value per Share of the relevant Shares on the relevant Valuation Day and investors should note that they may incur Duties and Charges when redeeming Shares in a Class or Sub-Fund as part of an exchange of Shares.

Requests for exchanges of Shares shall be effected by notice in writing to the Company in such form as the Directors may approve. The general provisions and procedures relating to redemptions of Shares of the Original Class and subscriptions for Shares of the New Class will apply to any exchange of Shares. Accordingly, for these purposes, an exchange request will be treated as a redemption request in respect of the Original Class and as a subscription application request in respect of Shares of the New Class. Exchange fees, if any, will be disclosed in the “Fees and Expenses” section.

Exchange request forms should be sent by post, by fax or electronically (with the original to follow by post as soon as possible thereafter) to the Administrator at the address set out in the exchange request form.

When requesting an exchange of Shares as an initial investment in a New Class, Shareholders should ensure that the Net Asset Value of the Shares exchanged is equal to or exceeds the Minimum Initial Subscription for the New Class, except and insofar as the Directors may in their absolute discretion vary or waive such requirement, either generally or in any specific case. If the number of Shares of the New Class to be issued on exchange is not an integral number of Shares, the Company may issue fractional new Shares or return the surplus arising to the Shareholder. The Directors may, in their absolute discretion, refuse to accept any request for exchange of Shares, in whole or in part.

The Administrator, will charge the shareholder for any administrative cost incurred in making any exchange.

## **REDEMPTION OF SHARES**

### ***General***

Shareholders may request the Company to redeem all or any of their Shares on any Redemption Date at their Net Asset Value per Share on such Redemption Date, in accordance with the redemption procedures, provided that a properly completed Redemption Request, accompanied, where applicable, by a share certificate in respect of the Shares (duly endorsed by the Shareholder) or such other evidence of ownership as the Administrator may request, is received by the Administrator before the relevant Dealing Deadline.

The Minimum Redemption Amount that applies to a Sub-Fund is contained in the Prospectus

or, as the case may be, the relevant Supplement. The Directors may, in their absolute discretion, waive the Minimum Redemption Amount for each Class in general, or in respect of a specific Redemption Request in whole or in part.

### ***Procedure for Redemption***

Completed Redemption Requests should be signed (where applicable) by or on behalf of the registered Shareholder and sent by post, delivery, fax, telephone or by electronic means (e.g. SWIFT) to the Administrator so as to be received by no later than the Dealing Deadline on the relevant Redemption Date. Redemption Requests not received by the Administrator before the relevant Dealing Deadline will be held over until the next following Redemption Date. Partially complete or incorrectly completed Redemption Requests received by the Administrator by the relevant Dealing Deadline will be held over until such time as a properly completed Redemption Request is received by the Administrator.

Redemption Requests received by fax, telephone and/or electronic means will only be processed provided that the Shareholder's name and account number and the applicable contact details to which the contract note is to be sent correspond to those listed in respect of the Shareholder of record registered with the Administrator. Any instructions given by a Shareholder by fax, telephone or electronic means are done at the risk of such Shareholder and such Shareholder understands that neither the Company nor any of its agents (including the Investment Manager and the Administrator) shall be under any obligation to verify the authenticity of any instructions sent by fax, telephone or electronic means.

Should the Shareholder designate that the redemption contract note be sent to a name and/or address or request that Redemption Proceeds be sent to an account which differs from that registered with the Administrator, original written confirmation of such designation/request must be submitted by the Shareholder and received by the Administrator before the order will be processed.

The Shareholder will indemnify the Company and its agents (including the Directors, the Investment Manager and the Administrator), against all losses, costs, demands, expenses, actions, proceedings and claims incurred by any such persons or entities as a result of acting on such fax, telephone or electronic instructions which they reasonably believed to be a valid instruction.

### ***Redemption Size***

An applicant may request the redemption of all or part of its Shares of any Class of a Sub-Fund. The Minimum Redemption Amount may vary according to the Sub-Fund or the Class and will be set out in this Prospectus or, as the case may be, the relevant Supplement.

For Sub-Funds having a Final Redemption Date, all Shares for which no redemption request has been made in respect of a Final Redemption Date, will be compulsorily redeemed on such Final Redemption Date at the Net Asset Value per Share calculated on the relevant Valuation Day. A Sub-Fund will have no Final Redemption Date unless otherwise stated in this Prospectus or, as the case may be, the relevant Supplement. Sub-Funds for which no Final Redemption Date has been designated may be terminated in accordance with the Articles and Shares will be redeemed at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses) calculated at the Valuation Point on the Valuation Day relevant to the Redemption Date at which such decision shall take effect.

The Administrator may decline to effect a Redemption Request which would have the effect of reducing the value of any holding retained by a Shareholder of Shares below the relevant Minimum Shareholding, as set out in this Prospectus or, as the case may be, the relevant Supplement. Any Redemption Request having such an effect may also be treated by the Company or the Administrator as being a request to redeem the Shareholder's entire holding of those Shares.

The Administrator will not accept Redemption Requests until all the necessary information required by it is obtained.

### ***Redemption Price***

The Redemption Price on a Redemption Date is the Net Asset Value per Share of the relevant Class as calculated at the Valuation Point on the relevant Valuation Day. The method of establishing the Net Asset Value of any Sub-Fund and the Net Asset Value per Share of any Class is set out in the Articles, as described in this Prospectus under the heading "Calculation of Net Asset Value" below.

A Redemption Charge, and, for the avoidance of doubt, Duties and Charges or an Anti-Dilution Levy, may be charged by the Company on the redemption of Shares. The amount of the Redemption Charge, if any, will be set out in this Prospectus or, as the case may be, the relevant Supplement. The Redemption Proceeds shall be the Redemption Price less the Redemption Charge (including any Duties and Charges or Anti-Dilution Levy, where applicable).

### ***Payment of Redemption Proceeds***

The amount due on redemption of Shares will be paid by electronic transfer to the relevant Shareholder's account of record, as set out on the original Application Form, in the currency of denomination of the relevant Class (or in such other currency as the Directors shall determine) no more than ten (10) Business Days after the relevant Dealing Deadline or, if later, the receipt of completed redemption documentation. Payment of Redemption Proceeds will be made to the registered Shareholder or, in respect of joint registered Shareholders, in favour of the first named Shareholder. The Redemption Proceeds of the Shares will be paid on receipt by the Administrator of a faxed Redemption Request, provided that the Administrator has previously received the original Application Form in respect of the Shareholder's initial subscription, all relevant anti-money laundering documentation and any other documentation that the Administrator may require.

Redemption Proceeds may, with the consent of the Shareholder concerned, be paid by in specie transfer to the Shareholder in question of assets of the Company. Where a Shareholder requests the redemption of Shares equal to 5% or more of the Net Asset Value of the relevant Sub-Fund on any Redemption Date, the Company may do so at its absolute discretion. The assets to be transferred in specie shall be selected at the discretion of the Directors on such basis as they shall deem equitable and not materially prejudicial to the interests of the remaining Shareholders. If two (2) or more Shareholders submit redemption requests to be satisfied by in specie transfer in this manner, in selecting the assets to be distributed to those Shareholders, the Directors will ensure that the assets selected for distribution are distributed on a pro rata basis ensuring that each Shareholder receives their proportionate share of the assets subject only to any marginal rounding up differences. Such asset allocation shall be subject to the approval of the Custodian and such assets shall be taken at their value used in determining the redemption price of the Shares being so

repurchased by the Company. If requested by the Shareholder, the Company will sell the assets on behalf of the Shareholder at the Shareholder's expense and give the Shareholder the cash proceeds from such sale.

### ***Limitations on Redemptions***

The Company may not redeem Shares during any period when the calculation of the Net Asset Value of the relevant Sub-Fund is suspended in the manner described under "Suspension of Calculation of Net Asset Value" below. Shareholders requesting redemptions during such periods will be notified of such postponement and, unless withdrawn with the consent of the Company, their Redemption Requests will be considered as at the next Redemption Date following the ending of such suspension.

The Directors are entitled to limit the number of Shares redeemed in a Sub-Fund on any Redemption Date to ten per cent. (10%) of the total Net Asset Value of that Sub-Fund on that Redemption Date. In this event, the limitation will apply pro rata, so that all Shareholders who have requested the redemption of Shares of that Sub-Fund on that Redemption Date will realise the same percentage of the amount of Shares which they have requested be redeemed. The residual Shares which are not redeemed on such Redemption Date will be carried forward for redemption on the next Redemption Date and will be dealt with in priority (on a rateable basis) to Redemption Requests received subsequently. If requests for redemption are so carried forward, the Administrator will notify the Shareholders affected.

The Articles provide that the Company cannot effect a redemption of Shares if after payment of any amount in connection with such redemption, the Net Asset Value of the Company would be equal to or less than €300,000 or its foreign currency equivalent. This limitation will not apply to a Redemption Request accepted by the Directors in contemplation of the dissolution of the Company.

### ***Compulsory Transfers and Redemptions***

The Directors may compulsorily redeem or transfer any holding of Shares (a) if it comes to their attention that those Shares are being held directly or beneficially by any person which would cause the Company to be in breach of US securities laws or which is a Benefit Plan (as defined in Appendix V); (b) if in the opinion of the Directors the continued holding of the Shares by such investor would be unlawful or result or be likely to result in any adverse regulatory, legal, pecuniary or tax consequences or material administrative disadvantage for the Company, the relevant Sub-Fund or the Shareholders as a whole; (c) if the Net Asset Value of the Shares held by a Shareholder in a Sub-Fund is less than the Minimum Shareholding as described more fully in the section headed "Minimum Initial Investment Amount, Additional Investment Amount and Minimum Shareholding Requirements" above; or (d) if the declaration made or any information provided or representations made in any subscription application by or on behalf of a Shareholder is no longer valid or correct. Prior to any compulsory redemption or transfer of Shares, the Directors will notify the applicable Shareholder in writing and allow such Shareholder thirty (30) days to purchase additional Shares to meet this Minimum Shareholding requirement.

The Company may (but is not obliged to) redeem all of the Shares of any Series or Class in issue if: (a) the Shareholders in that Series or Class pass a special resolution providing for such redemption at a general meeting of the holders of the Shares of that Sub-Fund or Class; (b) the Net Asset Value of any other Sub-Fund does not exceed or falls below the Base Currency equivalent of €15 million (or such other amount as may be approved by the

Directors in respect of any Sub-Fund and stated in the Relevant Supplement); (c) the Directors deem it appropriate because of adverse political, economic, fiscal or regulatory changes affecting the relevant Sub-Fund, Series or Class; (d) for such other reason in respect of a Sub-Fund, Series or Class as may be specified in the Relevant Supplement.

In each such case, the Shares of the relevant Sub-Fund or Class shall be redeemed after giving not less than two (2) week's but no more than six (6) months' prior notice to all holders of such Shares. The Shares will be redeemed at the Net Asset Value per Share on the relevant Redemption Date less such sums as the Company in its discretion may from time to time determine as an appropriate provision for Duties and Charges or an Anti-Dilution Levy in relation to the estimated realisation costs of the assets of the relevant Sub-Fund and in relation to the redemption and cancellation of the Shares to be redeemed.

Under the Articles, any person who becomes aware that he is holding Shares in breach of the Prospectus, the relevant Supplement, the Application Form or the Articles and who fails to transfer, or deliver for redemption, his Shares pursuant to the above provisions or who fails to make the appropriate notification to the Company shall indemnify and hold harmless each of the Directors, the Company, the Investment Manager, the Administrator, the Custodian and the Shareholders (each an "Indemnified Party") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

## **ETF SHARES**

### ***Primary Market for ETF Shares***

The Company may offer and issue ETF Shares in large blocks called creation units (the predetermined number of shares an Authorised Participant must subscribe for or redeem when subscribing or redeeming for ETF Shares). To subscribe for or redeem a creation unit, you must be an Authorised Participant or you must transact through a broker that is an Authorised Participant. All other investors may buy or sell ETF Shares on the Secondary Market as set out below.

Requests for subscriptions for ETF Shares should be made in accordance with the provisions set out in the "Subscription for Shares" section above. Requests for the exchange of ETF Shares should be made in accordance with the provisions set out in the "Exchange of Shares" section above. Requests for the redemption of ETF Shares should be made in accordance with the provisions set out in the "Redemption of Shares" section above.

### ***Secondary Market for ETF Shares***

It is the intention of the Company that each of its Sub-Funds in respect of which ETF Shares have been issued, through the listing of such ETF Shares on one or more Relevant Stock Exchanges, will be an exchange traded fund. Upon such listings there is an expectation that members of the Relevant Stock Exchanges will act as market makers and provide offer and bid prices at which the Shares can be purchased or sold, respectively, by investors in accordance with the requirements of the Relevant Stock Exchange. The spread between such bid and offer prices is typically monitored by the Relevant Stock Exchanges. Certain Authorised Participants who subscribe for Shares may act as market makers; other Authorised Participants are expected to subscribe for Shares in order to be able to offer to buy Shares from or sell Shares to their customers as part of their broker/dealer business. Through such Authorised Participants being able to subscribe for or redeem Shares, a liquid

and efficient secondary market may develop over time on one or more Relevant Stock Exchanges and/or other stock exchanges as they meet secondary market demand for such Shares. Through the operation of such a secondary market, persons who are not Authorised Participants will be able to buy Shares from or sell Shares to other secondary market investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares. An investor may incur customary brokerage commissions and charges and may pay some or all of the spread between the bid and the ask price in the secondary market on each leg of a round trip (purchase and sale) transaction. Investors should be aware that on days other than Business Days or Dealing Days of a Fund when one or more markets are trading Shares but the underlying Market(s) on which the Reference Index or Reference Asset of the Fund are traded are closed, the spread between the quoted bid and offer prices in the Shares may widen and the difference between the market price of a Share and the last calculated Net Asset Value per Share may, after currency conversion, increase. The settlement of trades in Shares on Relevant Stock Exchanges will be through the facilities of one or more Recognised Clearing and Settlement Systems following applicable procedures which are available from the Relevant Stock Exchanges. Investors should also be aware that on such days the Reference Index or Reference Asset value would not necessarily be calculated and available for investors in making their investment decisions because prices of Reference Index or Reference Asset securities in the underlying Market(s) would not be available on such days. Nonetheless, one or more Relevant Stock Exchanges may provide a calculation of such Reference Index or Reference Asset based upon trading, if any, of such Reference Index or Reference Asset securities on marketplaces other than the underlying Market(s). Further details of the Relevant Stock Exchanges for each Fund are set out in the relevant Supplement.

ETF Shares purchased on the secondary market cannot usually be sold directly back to the Fund. In exceptional circumstances, as determined by the Directors, whether as a result of disruptions in the secondary market or otherwise, investors who have acquired ETF Shares on the secondary market may be entitled to apply to the Fund in writing to have the ETF Shares in question registered in their own name, to enable them to access the redemption facilities described above. Investors wishing to do so should contact the Administrator to provide such proper information, including original application forms and anti-money laundering documentation, as the Administrator shall require in order to register the investor as a Shareholder. A charge, which shall be at normal market rates, may apply for this process.

### ***Secondary Market Prices***

The trading prices of ETF Shares will fluctuate continuously throughout trading hours based on market supply and demand rather than the Net Asset Value per ETF Shares, which is only calculated at the end of each Business Day. The ETF Shares will trade on the Relevant Stock Exchange at prices that may be above (i.e. at a premium) or below (i.e. at a discount), to varying degrees, the Net Asset Value per ETF Shares. The trading prices of the ETF Shares may deviate significantly from the Net Asset Value per ETF Shares during periods of market volatility and may be subject to brokerage commissions and/or transfer taxes associated with the trading and settlement through the relevant stock exchange. There can be no guarantee that once the ETF Shares are listed on a stock exchange they will remain listed. Information showing the number of days the market price of Shares was greater than the Net Asset Value per ETF Shares and the number of days it was less than the Net Asset Value per ETF Share

(i.e. premium or discount) for various time periods is available in periodic reports of the Company or on [www.jpmmansart.com](http://www.jpmmansart.com).

### **LISTING ON A STOCK EXCHANGE**

Unless otherwise stated in the Supplement for the relevant Sub-Fund, it is contemplated that application will be made to list the Shares of each Sub-Fund on Relevant Stock Exchanges. Each Class of ETF Shares of a Sub-Fund may be listed on one or more Relevant Stock Exchanges, further details of which will be set out in the relevant Supplement.

The Company does not charge any transfer fee for purchases of Shares on the secondary market.

Orders to buy Shares through the Relevant Stock Exchanges can be placed via a member firm or stockbroker. Such orders to buy Shares may incur costs over which the Company has no control.

The approval of any listing particulars pursuant to the listing requirements of the Relevant Stock Exchange does not constitute a warranty or representation by such Relevant Stock Exchange as to the competence of the service providers or as to the adequacy of information contained in the listing particulars or the suitability of the Shares for investment or for any other purpose.

For so long as the Shares of any Sub-Fund are listed on any Relevant Stock Exchange, the Company shall endeavour to comply with the requirements of the Relevant Stock Exchange relating to those Shares. For the purposes of compliance with the national laws and regulations concerning the offering and/or listing of the Shares outside Ireland this document may have attached to it one or more documents setting out information relevant for the jurisdictions in which the Shares are offered for subscription.

### **DISTRIBUTION POLICY**

Shareholders may be entitled to dividends as set out in this Prospectus or, as the case may be, the relevant Supplement. Dividends may be paid from net income and from net realised and unrealised gains and losses. Dividends will be effected by the Administrator by telegraphic transfer to the account specified in the Application Form unless the Shareholder shall have elected that dividends otherwise payable in cash be automatically re-invested in further Shares in the relevant Class. Dividends paid in cash will be paid in the class currency of the relevant Class.

The Directors may, with the sanction of an ordinary resolution of the Shareholders in any Sub-Fund, satisfy any dividend due to Shareholders, in whole or in part, by distributing to them in specie any of the assets of the Sub-Fund. If a Shareholder does not wish to receive a dividend by way of in specie distribution, it may require the Directors to realise such investments (at that Shareholder's own expense) as are necessary in order to effect the relevant distribution.

Any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Sub-Fund.

The Directors reserve the right to change the dividend policy of any Class at its discretion on prior notice to Shareholders of such Class and this Prospectus or, as the case may be, the

relevant Supplement will be updated to reflect any such change.



## Management and Administration

---

### *The Directors*

**Dermot Butler** (resident in Ireland). Mr. Butler is Chairman of Custom House Fund Services (Ireland) Limited ("Custom House") and has more than thirty five (35) years experience in the financial services industry. Mr. Butler has worked variously as both a stockbroker and stock jobber (market maker or specialist) on the London Stock Exchange, and subsequently, as a commodity broker and as a principal dealer in commodity options on the London Metal and London Commodity Exchanges. He was a founder member of McDonnell & Co Ltd. ("McD"), a Bermudan-based fund management company which was set up in 1983 and was one of the first fund management companies to outsource all of its investment management functions. By the end of 1988 McD had over USD\$100 million in assets. Early in 1989, Mr. Butler moved to Dublin and established the Custom House Group of Companies, of which, today, the primary operating company is Custom House. Mr. Butler is also currently a director of a number of other funds.

**David Blair** (resident in Ireland).

Mr. Blair is a Fellow of the Institute of Chartered Accountants in England and Wales. In 1976, he moved to Bermuda and in 1982, he established Windsor Management Services Limited, a Bermuda registered company, to provide management and administration services to Bermuda exempt companies and investment funds. Mr. Blair sold his interest in Windsor in 1989 and returned to the United Kingdom. In early 1990, he was employed by Barings to establish their fund administration and custody operations in the International Financial Services Centre in Dublin. From 1990 to 1994, he was a director of International Fund Managers (Ireland) Limited, the Barings fund administration company, and then was appointed a Director of Barings (Ireland) Limited, the Barings entity providing custody services to investment funds. In 1996, he was appointed Managing Director of the Custom House Group of companies and in 2008 following a merger between Custom House and Equity Trust's fund services business, Mr. Blair was appointed CEO of the new parent company, Custom House Global Fund Services Limited. In December 2011 Mr. Blair retired from the Custom House Group to concentrate on his non-executive directorship appointments with various investment funds some of which are listed on the Irish Stock Exchange, some of which are domiciled in Ireland and regulated by the Central Bank of Ireland and some of which are domiciled in Malta and regulated by the Malta Financial Services Authority.

**Shahzad Sadique** (resident in United Kingdom). Mr Sadique is the CEO of the J.P. Morgan Mansart Management Limited ("JPMMML"), an asset management company regulated by the FCA and based within the Investment Bank of J.P. Morgan Chase. JPMMML's focus is to deliver, amongst other initiatives, innovative Asset Management products to institutional clients and intermediaries globally (excluding the USA) on a customised basis. Mr. Sadique has over 16 years of industry experience and previously held senior positions as the Head of Morgan Stanley's structured and alternative fund business within their Investment Bank and was co-Head of the retail structuring team for the multi-asset platform at Dresdner Bank. Mr. Sadique began his career at Merrill Lynch in the global equity derivatives group. He graduated with a M.Sc degree in international securities and investment banking and a BA (Hons) in financial economics from the University of Reading ISMA.

Save for the information given in this document, no further information is required to be given

in respect of the Directors pursuant to the listing requirements of the Irish Stock Exchange.

### ***Investment Manager***

The Investment Manager is J.P. Morgan Mansart Management Limited, a limited company incorporated in the United Kingdom and regulated by the FCA under registration number 586182. As of 28 March 2013, the Investment Manager had more than £60 million of assets under management.

The Investment Manager may from time to time, with the prior approval of the Company and the Central Bank, appoint sub-investment managers in respect any particular Sub-Fund. Details of any such appointment may be disclosed in the relevant Supplement and will be included in the periodic reports of the Company. The fees and any out-of-pocket expenses payable to such sub-investment manager(s) shall be met by the Investment Manager and shall not be payable by the Company.

### ***Client Classification***

The Investment Manager has classified the Company as a Professional Client under MiFID.

#### **Appropriateness and Suitability**

While the Company is classified as a Professional Client and the Investment Manager takes the decision to execute an order on the Company's behalf, it will take reasonable steps to assess whether such services are suitable for the relevant Sub-Fund based on information provided by the Company on the Sub-Fund's investment objectives, its financial status and its knowledge and experience in the relevant investment field. As a Professional Client, the Investment Manager is entitled to assume that the Company has the requisite knowledge and experience in the relevant investment field. If the Company does not consider this to be the case, the Company must make the Investment Manager aware of this prior to the provision of its services and provide the Investment Manager with any appropriate information as to the level of the Company's knowledge and experience.

### ***The Promoter***

The Investment Manager is also the Promoter of the Company.

### ***The Administrator***

BNP Paribas Fund Services Dublin Limited has been appointed as administrator, registrar and transfer agent of the Company pursuant to the terms of the Administration Agreement (further details of which are contained under "MATERIAL CONTRACTS").

The Administrator was incorporated in Ireland as a limited liability company on 9 April 1998. The Administrator is a subsidiary of BNP Paribas Securities Services S.A., a company incorporated with limited liability in France and is 100% owned by the BNP Paribas Group. As at 1 December 2012 the Group administered assets of more than €1,100 billion. The Administrator will have with responsibility for performing the day-to-day administration of the Company and each Sub-Fund and providing related fund accounting services (including the calculation of the Net Asset Value of each Sub-Fund and the Net Asset Value per Share).

### ***The Custodian***

The Custodian is a branch of BNP Paribas Securities Services, S.C.A., a company incorporated in France as a Partnership Limited by Shares and is authorised by the ACP

(Autorité de Contrôle Prudentiel) and supervised by the AMF (Autorité des Marchés Financiers) and is a wholly-owned subsidiary of the BNP Paribas Group. The head office of the Custodian is located at 3, rue d'Antin, 75002, Paris, France. It is owned up to 99.99% by BNP Paribas Group, one of Europe's largest banks. The Custodian acts, inter alia, as trustee or custodian of a number of collective investment schemes and as at 1 December 2012 had over €5.5 trillion in assets under custody. BNP Paribas Securities Services, Dublin Branch has been appointed as custodian of all of the Company's assets pursuant to the terms of the Custodian Agreement (further details of which are contained under "**MATERIAL CONTRACTS**").

The Custodian Agreement contains provisions governing the responsibilities of the Custodian, including its primary responsibilities which are acting as custodian and ensuring the safe-keeping of the cash and assets of the Company. The Custodian is obliged to enquire into the conduct of the Company in each financial year and to report thereon to the Shareholders, stating whether in the Custodian's opinion the Company has been managed in accordance with the limitations imposed on the investment and borrowing powers of the Company and the Custodian by the Articles and the UCITS Regulations and, if it has not been so managed, in which respects it has not been so managed and the steps which the Custodian has taken to rectify the situation.

The Custodian is liable to the Company and the Shareholders for any loss suffered by them as a result of its unjustifiable failure to perform its obligations or its improper performance of them. The Company has agreed to indemnify the Custodian against any losses suffered in acting as Custodian other than losses arising as a result of its unjustifiable failure to perform its obligations or its improper performance of them.

Under the UCITS Regulations, the liability of the Custodian will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safe-keeping. The Company and the Custodian acknowledge that the Central Bank considers that, in order to discharge its responsibility under the UCITS Regulations, the Custodian must exercise care and diligence in choosing and appointing a third party as a safe-keeping agent so as to ensure that the third party has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned and must maintain an appropriate level of supervision over the safe-keeping agent and make appropriate enquiries from time to time to confirm that the obligations of the agent continue to be competently discharged. This does not purport to be a legal interpretation of the UCITS Regulations or the corresponding provisions of the UCITS Directive.

### ***The Distributor***

The Company has appointed J.P. Morgan Mansart Management Limited as global distributor of the Shares of the Company and to assist it with the registration of the Company for sale in other jurisdictions. Please see the "Investment Manager" section above for further information in relation to the Distributor.

The Distributor may appoint sub-distributors (in addition to the Sub-Distributor) for distribution in to certain jurisdictions or for specific promotional activities.

### ***The Company Secretary***

Matsack Trust Limited has been appointed as company secretary (the "**Company Secretary**") of the Company. The Company Secretary's duties will include maintaining the Company's statutory books and records, minutes of meetings and complying with regulatory

requirements in Ireland.

***Authorised Participants***

The Company has appointed several entities as Authorised Participants who are authorised to subscribe for and redeem Shares of a Fund on a cash or in-kind basis.

## **Fees and Expenses**

---

### **General**

Particulars of the specific fees and expenses (including performance fees, if any) payable to the Investment Manager, the Administrator, the Custodian and any placing agent retained in respect of a Sub-Fund will be set out in this Prospectus or, as the case may be, the relevant Supplement. Sub-Funds' investments will be structured with a view to providing each Sub-Fund with sufficient cash to meet its fees and expenses. Sub-Funds will also bear their proportional share of the general fees and expenses of the Company.

The Company may pay out of the assets of each Sub-Fund the fees and expenses payable to:

- the Investment Manager;
- the Custodian;
- the Administrator;
- any placing agent;
- the Directors; and
- any fees in respect of calculating and publishing the Net Asset Value;
- all taxes and VAT;
- company secretarial fees and any costs incurred in respect of meetings of Shareholders;
- marketing and distribution costs;
- the fees and expenses of the Auditors, tax and legal advisers;
- the fees of any independent valuation agent;
- fees and costs connected with the (initial) approval and passporting of each Sub-Fund, its registration for sale in other jurisdictions and the maintenance thereof, including the fees and expenses of any local agent (which shall be paid at normal commercial rates), and the annual levy payable to the Central Bank; and
- fees connected with listing any Shares on the Irish Stock Exchange and registering any Shares for sale in other jurisdictions.

Such fees, duties and charges will be charged to the Sub-Fund 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 may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

Please see the definition of Money Market Fund for details of potential fees which a Sub-Fund may incur in the event it invests in Money Market Funds.

### **Directors Fees**

All of the Directors are non-executive. The Company will pay the Directors out of the assets of the Sub-Fund an annual fee, accrued and calculated on each Valuation Date and payable annually in arrears. This fee will not exceed €22,000 per Director and has historically ranged between €16,000 and €22,000 per Director (plus VAT, if any). The Company will reimburse the Directors out of the assets of the Sub-Fund for reasonable properly vouched disbursements, costs, charges and out of pocket expenses (plus VAT, if any) incurred by the Directors in the provision of directorial services in respect of the Sub-Fund. Mr Sadique who is employed by the Investment Manager, has waived his fees in full. The Company has not

and does not intend to set aside any amounts to provide pensions, retirement or similar benefits to the Directors.

**Establishment Costs**

The fees and expenses incurred in connection with the establishment of each Sub-Fund created in the future, if any, will be set out in this Prospectus or, as the case may be, the relevant Supplement.

## **Net Asset Value**

---

### **Calculation of Net Asset Value**

The Net Asset Value and the Net Asset Value per Share of the Company and of each Sub-Fund or of each Class, as the case may be, will be calculated by the Administrator as at the Valuation Point on each Valuation Day in accordance with the principles more fully described in the section headed "Valuation Principles" below.

The Net Asset Value of each Sub-Fund is, on any Valuation Day, the aggregate value of the assets attributable to such Sub-Fund (including, without limitation, any unamortised expenses) less the aggregate liabilities attributable to such Sub-Fund (including, without limitation, its accrued expenses and such amount in respect of contingent or projected expenses as the Directors consider fair and reasonable). The Net Asset Value per Share in each Sub-Fund will be calculated by dividing the Net Asset Value of such Sub-Fund by the number of Shares in issue in respect of that Sub-Fund to the nearest four (4) decimal places or such other number as the Directors may determine in respect of a Sub-Fund and notify to Shareholders from time to time.

Where a Sub-Fund is made up of more than one Class, the Net Asset Value of each Class will be calculated by determining that part of the Net Asset Value of each Sub-Fund attributable to each such Class and dividing this value by the number of Shares of that Class in issue. Any increase or decrease in the Net Asset Value of each Sub-Fund will be allocated between the Classes based on their pro rata closing Net Asset Values. The Net Asset Value of Classes denominated in currencies other than the Base Currency of a Sub-Fund will be calculated using the relevant exchange rate prevailing on the relevant Valuation Day.

Where the Directors have created different Classes of Shares within a Sub-Fund and have determined and disclosed in the relevant Supplement that (i) each Class will incur different levels of fees (the details of which shall be set out in the applicable Supplement for that Sub-Fund); (ii) currency hedging transactions may be entered into in order to hedge any relevant currency exposure of any Class within a Sub-Fund denominated in a currency other than the Base Currency; (iii) interest rate hedging transactions may be entered into in respect of specific Classes within a Sub-Fund; or (iv) financial derivative instruments may be utilised on behalf of specific Classes within a Sub-Fund in accordance with the requirements of the Central Bank, in each case the Administrator shall adjust the Net Asset Value per Class in order to reflect such different levels of fees payable in respect of each Class and/or the costs and resultant gains/losses of such hedging transactions and/or financial derivative instruments.

The Net Asset Value per Share of the relevant Sub-Fund will increase or decrease in accordance with valuation increases or decreases in the net assets of that Sub-Fund.

### ***Allocation of Assets and Liabilities***

The Articles require the Directors to establish separate Sub-Funds in the following manner:

- (i) the proceeds from the issue of each Share shall be applied in the books and records of the Sub-Fund established for that Share and the assets less the liabilities plus income less expenditure attributable thereto shall be applied to such Sub-Fund subject to the provisions of the Articles;

- (ii) where any asset is derived from another asset (whether cash or otherwise), the derived asset shall be applied to the same Sub-Fund as the assets from which it was derived and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Sub-Fund;
- (iii) in the case of any asset which the Directors do not consider as attributable to a particular Sub-Fund, the Directors shall have discretion to determine the basis upon which any such asset shall be allocated between Sub-Funds and the Directors shall have the power at any time to vary such basis, provided that where an asset is not allocated between all Sub-Funds pro rata to their net asset values at the time when the allocation is made, such allocation shall, in the opinion of the Directors, be fair and equitable;
- (iv) the Directors shall have the discretion to determine the basis upon which any liability (which, without limitation, may include all operating expenses of the Company such as stamp duties, taxes, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors and tax and legal advisers, the costs of printing and distributing reports, accounts and any prospectus or other offering or marketing documentation, publishing prices and any relevant registration fees etc.) shall be allocated between Sub-Funds (including conditions as to the subsequent re-allocation thereof if circumstances so permit) and shall have the power at any time to vary such basis, provided that where a liability is not allocated between all Sub-Funds pro rata to their net asset values at the time when the allocation is made, such allocation shall, in the opinion of the Directors, be fair and equitable; and
- (v) the Directors may transfer any assets to and from Sub-Funds if, as a result of a creditor proceeding against certain of the assets of the Company or otherwise, a liability would be borne in a different manner from that in which it would have been borne under paragraph (iv) above or in any similar circumstances.

### ***Valuation Principles***

The following provisions shall apply to each determination of the Net Asset Value:

- (i) The Net Asset Value of each Sub-Fund shall be determined and shall be equal to the value at the Valuation Point on the relevant Valuation Day of all the assets, less all the liabilities, of that Sub-Fund.
- (ii) The assets of each Sub-Fund shall be deemed to include:
  - (i) subscription monies receivable for Shares allocated, all cash in hand, on loan or on deposit, or on call including any interest accrued thereon;
  - (ii) all bills, demand notes, certificates of deposit, promissory notes and accounts receivable;
  - (iii) all bonds, forward currency transactions, time notes, shares, stock, convertibles, units of or participation in collectives investment schemes, certificates, debentures, debentures stock, subscription rights, warrants, futures contracts, options contracts, swap contracts, fixed rate securities, floating rate securities in respect of which the return and/or redemption amount is calculated by reference to any index, price or rate, financial



instruments and other investments and securities owned or contracted for other than rights and securities issued by it;

- (iv) all stock and cash dividends and cash distributions which the Directors consider will be received by the Company in respect of the Sub-Fund but which have not yet been received by it but have been declared payable to stockholders of record on a date before the day as of which the Net Asset Value is being determined;
  - (v) all interest accrued on any interest bearing securities forming part of the Sub-Fund; to the extent that the same is included or reflected in the principal value of such security;
  - (vi) all other investments of the Sub-Fund;
  - (vii) the establishment expenses incurred in establishing the Sub-Fund and the cost of issuing and distributing Shares of the Sub-Fund insofar as the same have not been written off;
  - (viii) all prepaid expenses relating to that Sub-Fund and a proportion of any prepaid expenses relating to the Company generally, such prepaid expenses to be valued and defined from time to time by the Directors; and
  - (ix) all other assets of the Sub-Fund of every kind and nature.
- (iii) Subject to the Act, any expense or liability of the Company may be amortised over such period as the Directors may determine (and the Directors may at any time determine to lengthen or shorten any such period), and the unamortised amount thereof at any time shall also be deemed to be an asset of the Company.
- (iv) Assets shall be valued as follows:
- (i) deposits shall be valued at their principal amount plus accrued interest from the date on which the same was acquired or made unless in the opinion of the Directors (in consultation with the Administrator and the Custodian) any adjustment should be made to reflect the fair value thereof;
  - (ii) save as otherwise herein provided investments or assets listed, quoted or dealt in on a Recognised Market shall be valued on the Valuation Day at the latest traded price quoted on the Recognised Market on which these assets are traded or admitted for trading (or, where investments or assets are listed, quoted or dealt in on more than one Recognised Market, the Recognised Market which is in the opinion of the Directors the principal Recognised Market on which the investment or asset in question is listed, quoted or dealt in). If such price is unavailable or, in the sole opinion of the Directors, is not representative of the value of the assets, the value will be the probable realisation value, estimated with care and in good faith by such competent person as may be appointed by the Directors and approved for the purpose by the Custodian;
  - (iii) Derivative instruments including swaps, interest rate futures contracts and other financial futures and options contracts which are traded on a

Recognised Market shall be valued at the settlement price as determined by the relevant Recognised Market at the close of business on such Recognised Market, provided that where it is not the practice of the relevant Recognised Market to quote a settlement price, or if a settlement price is not available for any reason, such instruments shall be valued at their probable realisation value estimated with care and in good faith by the Directors, or such competent person as may be appointed by the Directors who shall be approved for the purpose by the Custodian;

- (i) off-exchange derivative contracts shall be valued either using the Swap Counterparty's valuation or an alternative valuation, including valuation by the Company or by an independent pricing vendor. OTC derivatives shall be valued at least daily, by:
  - (A) the Swap Counterparty. Where this valuation is used, such valuation must be approved or verified on a weekly basis by such competent person (who may be the Investment Manager) who is independent of the Swap Counterparty and is appointed by the Directors and approved for the purpose by the Custodian; or
  - (B) a competent person appointed by the Directors and approved for the purpose by the Custodian; or
  - (C) by any other means provided that the value is approved by the Custodian.

Where the off-exchange derivative contracts are valued according to (ii) or (iii) above, such valuation will:

- (A) follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as IOSCO and AIMA; and
  - (B) be reconciled to the Swap Counterparty's valuation on at least a monthly basis. Where significant differences arise these must be promptly investigated and explained;
- (ii) forward foreign exchange contracts shall be valued in accordance with paragraph (iv) above or, alternatively, by reference to freely available market quotations. If the latter is used, there is no requirement to have such prices independently verified or reconciled to the Swap Counterparty valuation;
  - (iii) any investments or assets not listed, quoted or dealt in on a Recognised Market shall, be valued at the probable realisation value as determined with care and in good faith by such competent person as may be appointed by the Directors and approved for this purpose by the Custodian;
  - (iv) securities listed or traded on a Recognised Market but acquired or traded at a premium or at a discount outside or off the relevant market may be valued, taking into account the level of premium or discount at the date of the valuation. The Custodian must ensure that the adoption of such a procedure

is justifiable in the context of establishing the probable realisation value of the security;

- (v) cash shall be valued at face value (together with accrued interest to the relevant Valuation Point) unless, in the opinion of the Directors, any adjustment should be made to reflect the value thereof in the context of currency, marketability, dealing costs and/or such other considerations as are deemed relevant;
- (vi) the value of units or shares or other similar participation in any Collective Investment Scheme shall be valued at the latest available net asset value of the shares or units in that Collective Investment Scheme as published by such Collective Investment Scheme or its authorised agent. In the event that a net asset value is not available in respect of shares or units in any Collective Investment Scheme, the value shall be the probable realisation value, estimated with care and good faith by such competent person as may be appointed by the Directors and approved for this purpose by the Custodian;
- (vii) Where the investment policy of a Sub-Fund is primarily to invest in cash and high quality money market securities which have a remaining maturity of 397 days or less (or which have regular yield adjustments at least every 397 days or have a risk profile that corresponds to financial instruments with a maturity of up to 397 days), the Sub-Fund may be valued by using the amortised cost method of valuation whereby the relevant security is valued at its cost of acquisition adjusted for amortisation of premium or accretions of discount on the security. In addition, where any other Sub-Fund invests in securities which have a remaining maturity of three (3) months or less and have no specific sensitivity to market parameters, including credit risk, such securities may also be valued by using the amortised cost method of valuation (which shall be approved by the Custodian). The Directors, or the Administrator as their delegate, will review the valuation of such securities in accordance with the requirements of the Central Bank;
- (viii) notwithstanding the forgoing, the Directors may permit some other method of valuation to be used for any particular asset if they consider that such valuation better reflects the fair value of that asset, such other method to be approved by the Custodian; and
- (ix) currencies or values in currencies other than the Base Currency of a particular Sub-Fund shall, unless the Directors otherwise determine, be converted or translated at the rate which the Directors may consider appropriate having regard (inter alia) to any premium or discount which may be relevant and to costs of exchange into the Base Currency of that Sub-Fund.

In calculating the Net Asset Value and Net Asset Value per Share, the Administrator may rely upon such automatic pricing services as it shall determine or, if so instructed by the Company or the Investment Manager, it may use information provided by particular pricing services, brokers, market makers or other intermediaries. In such circumstances, the Administrator shall not, in the absence of negligence or wilful default on the part of the Administrator, be

liable for any loss suffered by the Company or any Shareholder by reason of any error in the calculation of the Net Asset Value and Net Asset Value per Share resulting from any inaccuracy in the information provided by any such pricing service, broker, market maker or other intermediary. Furthermore, in calculating the Net Asset Value and Net Asset Value per Share, the Administrator shall use reasonable endeavours to verify pricing information supplied by the Investment Manager, counterparties, any investment adviser or any connected person, but investors should note that in certain circumstances it may not be possible or practicable for the Administrator to verify such information. In such circumstances, the Administrator shall not be liable for any loss suffered by the Company or any Shareholder by reason of any error in the calculation of the Net Asset Value and Net Asset Value per Share resulting from any inaccuracy in the information provided by any such person.

### ***Swing Pricing***

In addition, on any Dealing Day on which there are net subscriptions into or net redemptions out of a Sub-Fund, the actual cost of acquiring or disposing of assets on behalf of such Sub-Fund, due to dealing charges, taxes, and any spread between acquisition and disposal prices of assets, may be such as to affect the Net Asset Value of the Sub-Fund to the detriment of Shareholders in the Sub-Fund as a whole. The adverse effect that these costs could have on the Net Asset Value is known as “dilution”.

In order to seek to mitigate the effect of dilution the Directors may determine, at their discretion, to adjust (“swing”) the Net Asset Value to counter the possible negative effects of dilution. Where they so determine, the Administrator will calculate the Net Asset Value for the relevant Sub-Fund, as described above, and then swing the Net Asset Value by an amount intended to cover the effects of the dilution.

The direction of the swing will depend on whether there are net subscriptions or redemptions in the relevant Sub-Fund on the relevant Dealing Day, while the magnitude of the swing will be based on the trading costs of the relevant Sub-Fund.

For example, if the relevant Sub-Fund is experiencing net inflows / subscriptions, its Net Asset Value will be swung upwards, so that the incoming shareholders are effectively bearing the costs of the dealing that their subscriptions generate by paying a higher Net Asset Value per Share than they would otherwise subscribe at. Conversely, where there are net outflows / redemptions from the Sub-Fund, the Net Asset Value will be swung downwards, so that the outgoing investors are effectively bearing the costs of the dealing that their redemptions generate by receiving a lower Net Asset Value per Share than they would otherwise receive. These swings in the Net Asset Value are intended to protect non-dealing Shareholders from the impact of trading costs triggered by dealing investors.

The determination to swing the Net Asset Value in respect of a Sub-Fund will be made by the Directors or the Investment Manager in conjunction with the Administrator acting as the Director’s delegates, following a consideration of the dealing activity (i.e. level of subscriptions and redemptions) in the relevant Sub-Fund on a Dealing Day, in accordance with criteria set by the Directors from time to time. These criteria will include whether the costs of investing or divesting the net inflows into or outflows from a Sub-Fund on a Dealing Day will create, in the Directors’ opinion, a material dilutive impact. Swing pricing will only be exercised for the purpose of reducing dilution in the interests of the Shareholders in a Sub-Fund as a whole and will be applied consistently in respect of a Sub-Fund, all of that Sub-Fund’s Classes and in respect of all assets of that Sub-Fund.

For the avoidance of doubt, the Directors will not determine to both swing the Net Asset Value and impose an Anti-Dilution Levy in respect of a Sub-Fund on any particular Dealing Day.

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

The Directors may at any time temporarily suspend the calculation of the Net Asset Value of the Company or any Sub-Fund during:

- (i) any period when any of the principal markets or stock exchanges on which a substantial part of the investments of the relevant Sub-Fund are quoted, listed or dealt is closed, other than for ordinary holidays, or during which dealings thereon are restricted or suspended;
- (ii) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial part of the investments of the relevant Sub-Fund is not reasonably practicable without this being seriously detrimental to the interests of the Shareholders in the relevant Sub-Fund or if, in the opinion of the Directors, the Net Asset Value of the relevant Sub-Fund cannot be fairly calculated;
- (iii) any breakdown in the means of communication normally employed in determining the value of the investments of the relevant Sub-Fund or when for any reason the current prices on any market of a substantial part of the investments of the relevant Sub-Fund cannot be promptly and accurately ascertained;
- (iv) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, the investments of the relevant Sub-Fund or the issue or redemption of Shares is delayed or cannot, in the opinion of the Directors, be carried out promptly at normal rates of exchange;
- (v) a resolution calling for the liquidation, dissolution or merger of the relevant Sub-Fund has been proposed; or
- (vi) on the occurrence of any Market Disruption Event in respect of the relevant Sub-Fund;
- (vii) any period when the Directors determine it is in the best interests of Shareholders to do so.

Any such suspension will be notified to the Central Bank and the Irish Stock Exchange (for each Class admitted to the Official List of the Irish Stock Exchange) immediately and, where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

The issue, sale, purchase or redemption of Shares and/or the payment of Redemption Proceeds will also be suspended during any period in which the calculation of the Net Asset Value has been suspended as described above.

### ***Publication of the Net Asset Value***

The Net Asset Value per Share of each Sub-Fund as calculated for each Valuation Day will be published on a timely basis consistent with the valuation of that Sub-Fund in such media (newspaper or internet or other means) as the Directors determine prior to the launch date of

that Sub-Fund and disclose in this Prospectus or, as the case may be, the relevant Supplement.

The Net Asset Value per Share will be published as soon as practicable after each Valuation Day and will be published on each Business Day on [www.jpmmansart.com](http://www.jpmmansart.com) and Bloomberg as applicable and through other means as may be provided in the relevant Supplement.

The Directors may from time to time determine that the Net Asset Value per Share is published in a newspaper or through another media (for example, on a website). In such a situation, all Shareholders and prospective investors will be informed of the other media through which the Net Asset Value per Share will be published.

The Net Asset Value per Share will also be available from the Administrator. The Administrator will communicate the Net Asset Value per Share to the Irish Stock Exchange immediately upon calculation for each Class admitted to the Official List of the Irish Stock Exchange.

The Net Asset Value per Share is published for information only and is not an invitation to subscribe for or redeem Shares at that Net Asset Value. Any change to the means of publication of the Net Asset Value per Share shall be set out in an amendment to the Prospectus or, as the case may be, the relevant Supplement.

## **General Information**

---

### ***Availability of Prospectus***

Copies of the Prospectus may be obtained, free of charge, during normal business hours on weekdays (public holidays excepted) at the registered office of the Company and the Administrator at their respective addresses set out in the Directory above.

### ***Reports and Accounts***

The financial year of the Company will end on 31 March in each year. The annual report of the Company incorporating audited financial statements will be published within four (4) months after the end of the financial year. The financial statements of the Company will be maintained in Euro.

The Company will also publish semi-annual unaudited financial reports, which will be prepared in respect of the period ending 30 September in each year and will contain a list of the Company's holdings and their market values. These reports will be published within two (2) months of 30 September each year.

In respect of each Class admitted to the Official List of the Irish Stock Exchange, the annual and semi-annual reports will be sent to holders of such Shares and the Companies Announcement Office of the Irish Stock Exchange on publication and will be sent, on request, to any other Shareholder or prospective investor.

### ***Auditors***

Grant Thornton, Chartered Accountants, have been appointed as auditors to the Company. The Auditors will continue in office until they resign or are removed by the Company.

### ***The Sub-Funds and Segregation of Liability***

There shall be implied in every contract, agreement, arrangement or transaction entered into by the Company that:

- (i) the party or parties contracting with the Company shall not seek, whether in any proceedings or by any other means whatsoever or wheresoever, to have recourse to any assets of any Sub-Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Sub-Fund;
- (ii) if any party contracting with the Company shall succeed by any means whatsoever or wheresoever in having recourse to any assets of any Sub-Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Sub-Fund, that party shall be liable to the Company to pay a sum equal to the value of the benefit thereby obtained by it; and
- (iii) if any party contracting with the Company shall succeed in seizing or attaching by any means, or otherwise levying execution against, the assets of any Sub-Fund in respect of a liability which was not incurred on behalf of that Sub-Fund, that party shall hold those assets or the direct or indirect proceeds of the sale of such assets on trust for the Company and shall keep those assets or proceeds separate and identifiable as such trust property.

All sums recoverable by the Company shall be credited against any concurrent liability.

Any asset or sum recovered by the Company shall, after the deduction or payment of any costs of recovery, be applied so as to compensate the Sub-Fund.

A Sub-Fund is not a legal person separate from the Company but the Company may sue and be sued in respect of a particular Sub-Fund and may exercise the same rights of set-off, if any, as between its Sub-Funds as apply at law in respect of companies and the property of a Sub-Fund is subject to orders of the court as it would have been if the Sub-Fund were a separate legal person.

Separate records shall be maintained in respect of each Sub-Fund.

***Litigation and Arbitration***

Since its incorporation, the Company has not been involved in any governmental, legal or arbitration proceedings nor, so far as the Company is aware, are there any governmental, legal or arbitration proceedings pending or threatened by or against the Company which may have, or have since incorporation of the Company had, a significant effect on the Company's financial position or profitability.



## Material Contracts

---

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

### **The Investment Management Agreement**

The Investment Management Agreement appoints the Investment Manager to, among other things, research and evaluate opportunities for possible investment, purchase and sell assets, review assets and undertake the general management of the assets of each Sub-Fund. The Investment Manager may delegate its functions under this Agreement.

The Investment Management Agreement will continue in force until terminated by either the Company or the Investment Manager at any time upon ninety (90) days' prior notice in writing to the other party or until terminated by either the Company or the Investment Manager forthwith by notice in writing to the other party in the event of any material breach of obligations under the Agreement where the breach (if such breach shall be capable of remedy) is not remedied within thirty (30) days of receipt of notice served by the other party requiring the breach to be made good or until otherwise terminated by either the Company or the Investment Manager in accordance with the terms of the Investment Management Agreement.

Under the Investment Management Agreement, neither the Investment Manager nor any of its directors, officers, employees or delegates shall be liable for any loss, liability cost or expense arising out of the performance by the Investment Manager of its duties under the Investment Management Agreement unless such loss, cost or expense arises out of the negligence, wilful default or fraud of the Investment Manager in the performance of its duties or the non-performance of its duties under the Investment Management Agreement. In addition, the Company has agreed to indemnify and keep indemnified and hold harmless the Investment Manager (and each of its directors, officers, employees and delegates) from and against any and all actions, proceedings, claims, liabilities, demands, losses, damages, costs and expenses (including legal fees and expenses) directly or indirectly suffered or incurred by the Investment Manager (or any of its directors, officers, employees or delegates) in connection with the performance of its duties or exercise of its powers under the Investment Management Agreement in the absence of any negligence, wilful default or fraud of or by the Investment Manager in the performance of its duties or the non-performance of its duties under the Investment Management Agreement.

The Investment Management Agreement also contains provisions on conflicts of interest. See the section "General - Conflicts of Interest" below.

### ***Termination of appointment of the Investment Manager or any sub-investment manager at the initiative of the Shareholders***

Shareholders representing 10% or more of the Net Asset Value of a Sub-Fund, may at any time serve notice on the Directors requiring them as soon as practical to convene an extraordinary general meeting of the Company and to include as an agenda item a proposal to terminate the appointment of the Investment Manager or any relevant sub-investment manager (each referred to in this section as the "investment adviser") to act in respect of the relevant Sub-Fund. A Shareholder proposing to terminate the appointment of an investment

adviser in this manner must request the Directors to select a replacement investment adviser for the relevant Sub-Fund.

In order to be approved, the proposal to terminate the appointment of the investment adviser must be passed by Shareholders representing more than 50% of the Net Asset Value of that proportion of the Net Asset Value of the relevant Sub-Fund not held by the incumbent investment adviser or any of its affiliates, save for any Shares held under a nominee arrangement, on the date of the general meeting. If the proposal is approved by the Shareholders of the relevant Sub-Fund, the Directors shall as soon as practical serve six (6) months' notice of termination on the investment adviser and direct that the Independent Directors (being any Director who is not an employee of J.P. Morgan Mansart Management Limited (or such other entity as may be appointed from time to time to act as Investment Manager or any of its subsidiaries or holding or related companies) use their reasonable endeavours to ensure that all necessary steps are taken in relation to the selection and/or appointment of the replacement investment adviser, including, without limitation, obtaining all necessary consents and approvals from the Central Bank. The Independent Directors, may, in following such direction from the Directors, at its absolute discretion appoint such advisers as they deem reasonable, with the costs of such appointments to be borne by the relevant Sub-Fund.

In the event that the Independent Directors, in their sole discretion, having used their reasonable endeavours, at any time believe that it will not be possible to finalise the appointment of a suitable new investment adviser(s) before the termination of the relevant investment management agreement and/or sub-investment management agreement, they shall notify the Directors who shall serve not less than one (1) month's notice on all Shareholders of the relevant Sub-Fund of their intention to redeem all Shares in the Sub-Fund on or before the termination of the appointment of the incumbent investment adviser.

In the event that agreement on the terms of a new investment management agreement is reached by the Independent Directors and the proposed new investment adviser, the Directors shall convene a general meeting of the Shareholders of the relevant Sub-Fund in order to consider a resolution to approve the terms of such new investment management agreement. In order to be accepted, the terms of the new investment management agreement must be approved by Shareholders representing more than 50% of the Net Asset Value of that proportion of the Net Asset Value of the relevant Sub-Fund not held by the incumbent investment adviser or any of its affiliates, save for any Shares held under a nominee arrangement on the date of the general meeting of the Shareholders. In the event that the Shareholders do not accept the terms of the new investment management agreement, the Directors shall serve not less than one (1) month's notice on all Shareholders of the relevant Sub-Fund of their intention to redeem all Shares in the Sub-Fund on or before the termination of the appointment of the incumbent investment adviser.

In the event that J.P. Morgan Mansart Management Limited ceases to be the Investment Manager and a company which is not an affiliate of J.P. Morgan Chase & Co. is appointed in its place as an Investment Manager, then prior to or immediately following such termination becoming effective, the Directors will arrange to convene an extraordinary general meeting to propose that the name of the Company be changed to a name which will not reflect any involvement on the part of J.P. Morgan Chase & Co. (or any of its affiliates) with the Company. At any such extraordinary general meeting called to change the name, only the Subscriber Shareholders shall have the right to vote on the resolution proposed to change the name of the Company. Such change of name shall take place in accordance with the

provisions of the Act and the requirements of the Central Bank.

### **The Administration Agreement**

The Company has appointed the Administrator under the terms of the Administration Agreement to carry on the general administration and accounting of the Company and to act as registrar and transfer agent to the Company.

The Administration Agreement provides, *inter alia*, that:

- (i) the appointment shall automatically be renewed for periods of one (1) year, but may be terminated by either party giving to the other not less than ninety (90) days' written notice. Upon the insolvency of either party or the occurrence of certain other events, the Administration Agreement may be terminated by either party with immediate effect; and
- (ii) the Company undertakes to hold harmless and indemnify the Administrator on its own behalf and on behalf of its permitted delegates, servants and agents against all actions, proceedings and claims (including claims of any person purporting to be the beneficial owner of any part of the investments of the Company or Shares) and against all costs, demands and expenses (including legal and professional fees and expenses) arising therefrom which may be brought against, suffered or incurred by the Administrator, its permitted delegates, servants or agents in the performance of its obligations and duties under the Administration Agreement and from and against all taxes on profits or gains of the Company which may be assessed upon or become payable by the Administrator or its permitted delegates, servants or agents provided that such indemnity shall not apply to the extent that such actions, proceedings, claims, costs, demands and expenses arise from the negligence, fraud, bad faith or wilful default of the Administrator or its delegates, servants or agents. In particular, but without limitation, this protection and indemnity shall extend to any such items aforesaid as shall arise as a result of any such loss, delay, misdelivery or error in transmission of any fax, telegraphic, electronic or other communication or as a result of acting upon any forged document or signature.

### **The Custodian Agreement**

The Company has appointed the Custodian under the terms of the Custodian Agreement to act as custodian of the Company's assets.

The Custodian Agreement provides, *inter alia*, that:

- (a) the appointment of the Custodian shall automatically be renewed for periods of one (1) year, but may be terminated by either party on giving ninety (90) days' prior written notice to the other party. Upon the insolvency of either party or the occurrence of certain other events, the Custodian Agreement may be terminated by either party with immediate effect; and
- (b) the Company undertakes to hold harmless and indemnify the Custodian against all actions, proceedings and claims (including claims of any person purporting to be the beneficial owner of any part of the investments of the Company) and against all costs, demands and expenses (including legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Custodian by reason of the

performance or non-performance of the Custodian's duties under the terms of the Custodian Agreement, save where and to the extent that any such actions, proceedings, claims, costs, demands or expenses arise as a result of the Custodian's unjustifiable failure to perform its obligations or its improper performance of them. For avoidance of doubt and notwithstanding any other provision in the Custodian Agreement, neither party shall have any liability to, nor shall it be required to indemnify, the other party in respect of consequential or indirect losses, claims or demands.

### **The Swap Agreement**

In order to effect the Swap Transactions, a Swap Agreement will be entered into between the Company for and behalf of the relevant Sub-Fund and each Swap Counterparty. Each Swap Agreement will also consist of one or more confirmations which will document the relevant Swap Transaction.

Each Swap Agreement will be governed by the laws of England.

The Swap Agreement provides for certain "Events of Default" relating to the Company in respect of the relevant Sub-Fund and the Swap Counterparty, the occurrence of which may lead to a termination of the Swap Agreement.

The "Events of Default" which relate to each of the Company (in respect of the relevant Sub-Fund) and the Swap Counterparty include certain bankruptcy events relating to each party and, in the case of the Company, the insolvency of the relevant Sub-Fund; payment failures by the defaulting party to the non-defaulting party; certain breaches of the Swap Agreement which are not cured within a specified period after notice of such failure is given to the defaulting party; the making of misleading or incorrect representations; the occurrence of a default or similar event under certain connected agreements or instruments; and certain merger events.

Upon the occurrence of an Event of Default under the Swap Agreement, the non-defaulting party may terminate the Swap Agreement. If the Swap Agreement is terminated early, a termination payment will be payable by the Swap Counterparty to the Company or by the Company to the Swap Counterparty. The termination payment will be equal to the market value of the Swap Agreement plus or minus any amounts unpaid by either party on the termination date.

### **The Distribution Agreement**

The Company has appointed the Distributor as a non-exclusive global distributor of the Shares, to assist it with the marketing and distribution of the Shares and with the registration of the Shares for sale in other jurisdictions.

The distribution agreement may be terminated by either party on ninety (90) days' notice, or may be terminated immediately by a party by notice in writing to the other party should such other Party (the "Defaulting Party") at any time during the continuance of this Agreement: (i) commit any material breach or commit persistent breaches of the agreement which is or are either incapable of remedy or have not been remedied within thirty (30) days; (ii) be incapable of performing its obligations or duties; (iii) be unable to pay its debts as they fall due or otherwise become insolvent or enter into any composition or arrangement with or for the benefit of its creditors; (iv) be the subject of any petition for the appointment of an examiner,

administrator, trustee, official assignee or similar officer appointed to it or in respect of its affairs or assets; (v) have a receiver appointed over all or any substantial part of its undertaking, assets or revenues; (vi) be the subject of an effective resolution for its winding up (except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party); and/or (vii) be the subject of a resolution or a court order for its winding up.

The distribution agreement provides that the Distributor shall only be liable for loss or damage arising directly or indirectly out of or in connection with the performance by the Distributor of its duties under the agreement where such loss or damage arises out of or in connection with the negligence, wilful default, fraud or bad faith of or by the Distributor. The distribution agreement also provides that each of the Company and the Distributor shall indemnify and keep indemnified and hold harmless the other party from and against any and all claims, actions, proceedings, damages, losses, liabilities, costs and expenses which may be made or brought against or directly or indirectly suffered or incurred by the other party arising out of or in connection with the performance of its obligations and duties hereunder, in the absence of negligence, wilful default, fraud or bad faith on the part of the other party.

## Taxation

---

### Irish Tax Information

*The following is a summary of certain Irish tax consequences of the purchase, ownership and disposal of Shares. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant. The summary relates only to the position of persons who are the absolute beneficial owners of Shares and may not apply to certain other classes of persons.*

*The summary is based on Irish tax laws and the practice of the Irish Revenue Commissioners in effect on the date of this Prospectus (and is subject to any prospective or retroactive change). Potential investors in Shares should consult their own advisors as to the Irish or other tax consequences of the purchase, ownership and disposal of Shares.*

### Taxation of the Company

The Company intends to conduct its affairs so that it is Irish tax resident. On the basis that the Company is Irish tax resident, the Company qualifies as an 'investment undertaking' for Irish tax purposes and, consequently, is exempt from Irish corporation tax on its income and gains.

The Company will be obliged to account for Irish income tax to the Irish Revenue Commissioners if Shares are held by non-exempt Irish resident Shareholders (and in certain other circumstances), as described below. Explanations of the terms 'resident' and 'ordinarily resident' are set out at the end of this summary.

### Taxation of Non-Irish Shareholders

Where a Shareholder is not resident (or ordinarily resident) in Ireland for Irish tax purposes, the Company will not deduct any Irish tax in respect of the Shareholder's Shares once the declaration set out in the application form accompanying this Prospectus has been received by the Company confirming the Shareholder's non-resident status. The declaration may be provided by an Intermediary who holds Shares on behalf of investors who are not resident (or ordinarily resident) in Ireland, provided that, to the best of the Intermediary's knowledge, the investors are not resident (or ordinarily resident) in Ireland. An explanation of the term 'Intermediary' is set out at the end of this summary.

If this declaration is not received by the Company, the Company will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a non-exempt Irish resident Shareholder (see below). The Company will also deduct Irish tax if the Company has information which reasonably suggests that a Shareholder's declaration is incorrect. A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company and holds the Shares through an Irish branch and in certain other limited circumstances. The Company must be informed if a Shareholder becomes Irish tax resident.

Generally, Shareholders who are not Irish tax resident will have no other Irish tax liability with respect to their Shares. However, if a Shareholder is a company which holds its Shares

through an Irish branch or agency, the Shareholder may be liable to Irish corporation tax in respect of profits and gains arising in respect of the Shares (on a self-assessment basis).

### **Taxation of exempt Irish Shareholders**

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and falls within any of the categories listed in section 739D(6) of the Taxes Consolidation Act of Ireland (“TCA”), the Company will not deduct Irish tax in respect of the Shareholder’s Shares once the declaration set out in the application form accompanying this Prospectus has been received by the Company confirming the Shareholder’s exempt status.

The categories listed in section 739D(6) TCA can be summarised as follows:

1. Pension schemes (within the meaning of section 774, section 784 or section 785 TCA).
2. Companies carrying on life assurance business (within the meaning of section 706 TCA).
3. Investment undertakings (within the meaning of section 739B TCA).
4. Investment limited partnerships (within the meaning of section 739J TCA).
5. Special investment schemes (within the meaning of section 737 TCA).
6. Unauthorised unit trust schemes (to which section 731(5)(a) TCA applies).
7. Charities (within the meaning of section 739D(6)(f)(i) TCA).
8. Qualifying managing companies (within the meaning of section 734(1) TCA).
9. Specified companies (within the meaning of section 734(1) TCA).
10. Qualifying fund and savings managers (within the meaning of section 739D(6)(h) TCA).
11. Personal Retirement Savings Account (PRSA) administrators (within the meaning of section 739D(6)(i) TCA).
12. Irish credit unions (within the meaning of section 2 of the Credit Union Act 1997).
13. The National Asset Management Agency.
14. The National Pensions Reserve Fund Commission or a Commission investment vehicle.
15. Qualifying companies (within the meaning of section 110 TCA).
16. Any other person resident in Ireland who is permitted (whether by legislation or by the express concession of the Irish Revenue Commissioners) to hold Shares in the Company without requiring the Company to deduct or account for Irish tax.

Irish resident Shareholders who claim exempt status will be obliged to account for any Irish tax due in respect of Shares on a self-assessment basis.

If this declaration is not received by the Company in respect of a Shareholder, the Company will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a non-exempt Irish resident Shareholder (see below). A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company within the charge to Irish corporation tax and in certain other limited circumstances.

### **Taxation of Other Irish Shareholders**

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and is not an 'exempt' Shareholder (see above), the Company will deduct Irish tax on distributions, redemptions and transfers and, additionally, on 'eighth anniversary' events, as described below.

#### *Distributions by the Company*

If the Company pays a distribution to a non-exempt Irish resident Shareholder, the Company will deduct Irish tax from the distribution. The amount of Irish tax deducted will be:

1. 25% of the distribution, where the distributions are paid to a Shareholder who is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the distribution, in all other cases.

The Company will pay this deducted tax to the Irish Revenue Commissioners.

Generally, a Shareholder will have no further Irish tax liability in respect of the distribution. However, if the Shareholder is a company for which the distribution is a trading receipt, the gross distribution (including the Irish tax deducted) will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

#### *Redemptions and Transfers of Shares*

If the Company redeems Shares held by a non-exempt Irish resident Shareholder, the Company will deduct Irish tax from the redemption payment made to the Shareholder. Similarly, if such an Irish resident Shareholder transfers (by sale or otherwise) an entitlement to Shares, the Company will account for Irish tax in respect of that transfer. The amount of Irish tax deducted or accounted for will be calculated by reference to the gain (if any) which has accrued to the Shareholder on the Shares being redeemed or transferred and will be equal to:

1. 25% of such gain, where the Shareholder is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the gain, in all other cases.

The Company will pay this deducted tax to the Irish Revenue Commissioners. In the case of a transfer of Shares, to fund this Irish tax liability the Company may appropriate or cancel other Shares held by the Shareholder. This may result in further Irish tax becoming due.



Generally, a Shareholder will have no further Irish tax liability in respect of the redemption or transfer. However, if the Shareholder is a company for which the redemption or transfer payment is a trading receipt, the gross payment (including the Irish tax deducted) less the cost of acquiring the Shares will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

If Shares are not denominated in Euro, a Shareholder may be liable (on a self-assessment basis) to Irish capital gains taxation on any currency gain arising on the redemption or transfer of the Shares.

#### *Eighth Anniversary' Events*

If a non-exempt Irish resident Shareholder does not dispose of Shares within eight years of acquiring them, the Shareholder will be deemed for Irish tax purposes to have disposed of the Shares on the eighth anniversary of their acquisition (and any subsequent eighth anniversary). On such deemed disposal, the Company will account for Irish tax in respect of the increase in value (if any) of those Shares over that eight year period. The amount of Irish tax accounted for will be equal to:

1. 25% of such increase in value, where the Shareholder is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the increase in value, in all other cases.

The Company will pay this tax to the Irish Revenue Commissioners. To fund the Irish tax liability, the Company may appropriate or cancel Shares held by the Shareholder.

However, if less than 10% of the Shares (by value) in the relevant Sub-Fund are held by non-exempt Irish resident Shareholders, the Company may elect not to account for Irish tax on this deemed disposal. To claim this election, the Company must:

1. confirm to the Irish Revenue Commissioners, on an annual basis, that this 10% requirement is satisfied and provide the Irish Revenue Commissioners with details of any non-exempt Irish resident Shareholders (including the value of their Shares and their Irish tax reference numbers); and
2. notify any non-exempt Irish resident Shareholders that the Company is electing to claim this exemption.

If the exemption is claimed by the Company, any non-exempt Irish resident Shareholders must pay to the Irish Revenue Commissioners on a self-assessment basis the Irish tax which would otherwise have been payable by the Company on the eighth anniversary (and any subsequent eighth anniversary).

Any Irish tax paid in respect of the increase in value of Shares over the eight year period may be set off on a proportionate basis against any future Irish tax which would otherwise be payable in respect of those Shares and any excess may be recovered on an ultimate disposal of the Shares.

## Share Exchanges

Where a Shareholder exchanges Shares on arm's length terms for other Shares in the Company or for Shares in another Sub-Fund of the Company and no payment is received by the Shareholder, the Company will not deduct Irish tax in respect of the exchange.

## Stamp Duty

No Irish stamp duty (or other Irish transfer tax) will apply to the issue, transfer or redemption of Shares. If a Shareholder receives a distribution *in specie* of assets from the Company, a charge to Irish stamp duty could potentially arise.

## Gift and Inheritance Tax

Irish capital acquisitions tax (at a rate of 33%) can apply to gifts or inheritances of Irish situate assets or where either the person from whom the gift or inheritance is taken is Irish domiciled, resident or ordinarily resident or the person taking the gift or inheritance is Irish resident or ordinarily resident.

The Shares could be treated as Irish situate assets because they have been issued by an Irish company. However, any gift or inheritance of Shares will be exempt from Irish gift or inheritance tax once:

1. the Shares are comprised in the gift or inheritance both at the date of the gift or inheritance and at the 'valuation date' (as defined for Irish capital acquisitions tax purposes);
2. the person from whom the gift or inheritance is taken is neither domiciled nor ordinarily resident in Ireland at the date of the disposition; and
3. the person taking the gift or inheritance is neither domiciled nor ordinarily resident in Ireland at the date of the gift or inheritance.

## FATCA<sup>1</sup>

Ireland has an intergovernmental agreement with the United States of America (the "IGA") in relation to FATCA, of a type commonly known as a 'model 1' agreement. Ireland has also enacted regulations to introduce the provisions of the IGA into Irish law. The Company intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA, pursuant to the terms of the IGA. Unless an exemption applies, the Company shall be required to register with the US Internal Revenue Service as a 'reporting financial institution' for FATCA purposes and report information to the Irish Revenue Commissioners relating to Shareholders who, for FATCA purposes, are specified US persons, non-participating financial institutions or passive non-financial foreign entities that are controlled by specified US persons. Exemptions from the obligation to register for FATCA purposes and from the obligation to report information for FATCA purposes are available only in limited circumstances. Any information reported by the Company to the Irish Revenue Commissioners will be communicated to the US Internal Revenue Service pursuant to the

---

1. "FATCA" refers to the provisions commonly known as the Foreign Accounts Tax Compliance Act in the enactment of the United States of America known as Hiring Incentives to Restore Employment Act 2010.

IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

The Company should generally not be subject to FATCA withholding tax in respect of its US source income for so long as it complies with its FATCA obligations. FATCA withholding tax would only be envisaged to arise on US source payments to the Company if the Company did not comply with its FATCA registration and reporting obligations and the US Internal Revenue Service specifically identified the Company as being a 'non-participating financial institution' for FATCA purposes.

#### *Reporting of Information under the Savings Directive*

Ireland has transposed the EU Directive on the taxation of savings income in the form of interest payments (Directive 2003/48/EC) into Irish law. In certain circumstances, the Company (or an Irish paying agent) may be obliged to report information to the Irish Revenue Commissioners relating to Shareholders who are individuals resident in the EU (other than in Ireland) or in certain other territories. A reporting obligation may also arise with respect to Shareholders established in these jurisdictions who are not legal persons, persons subject to corporate taxation or UCITS. Any information reported to the Irish Revenue Commissioners would be communicated to the authorities in the jurisdiction of residence (or establishment) of the relevant Shareholders. However, no reporting obligation should arise in Ireland once (broadly) the Company, or the relevant sub-fund of the Company, invests less than 15% of its total assets (directly or indirectly) in debt claims or other specified assets.

The Council of the EU has adopted a Directive (the "Amending Directive") which, if implemented, will amend and broaden the scope of the Savings Directive. For the Amending Directive to be implemented in Ireland, further steps must be undertaken in Ireland. However, it remains uncertain if the Amending Directive will be implemented into national law. In particular, discussions are currently ongoing at an EU level to replace the Savings Directive (and the Amending Directive) with an automatic exchange of information regime in compliance with the regime known as the "Common Reporting Standard" proposed by the Organisation for Economic Co-operation and Development. See section below entitled "OECD Common Reporting Standard". If these proposals are carried out, it would result in the abolishment of the Savings Directive. It is currently proposed that the Savings Directive would be abolished from 1 January 2017.

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

The Council of the EU has recently adopted Directive 2014/107/EU, which amends Directive 2011/16/EU on administrative cooperation in the field of taxation. This 2014 Directive provides for the adoption of the regime known as the "Common Reporting Standard" proposed by the Organisation for Economic Co-operation and Development and will, once implemented into national law, generalise the automatic exchange of information within the European Union as of 1 January 2016. Under these measures, the Company may be required to report information relating to Shareholders, including the identity and residence of Shareholders, and income, sale or redemption proceeds received by Shareholders in respect of the Shares. This information may be shared with tax authorities in other EU member states and jurisdictions which implement the OECD Common Reporting Standard.

## **Meaning of Terms**

### *Meaning of 'Residence' for Companies*

A company which has its central management and control in Ireland is tax resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which was incorporated in Ireland on or after 1 January 2015 is tax resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

A company which does not have its central management and control in Ireland but which was incorporated before 1 January 2015 in Ireland is resident in Ireland except where:

1. 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 tax treaty, or the company (or a related company) are quoted companies on a recognised stock exchange in the EU or in a tax treaty country; or
2. the company is regarded as not resident in Ireland under a double tax treaty between Ireland and another country.

Finally, a company that was incorporated in Ireland before 1 January 2015 will also be regarded as resident in Ireland if the company is (i) managed and controlled in a territory with which a double taxation agreement with Ireland is in force (a 'relevant territory'), and such management and control would have been sufficient, if exercised in Ireland, to make the company Irish tax resident; and (ii) the company would have been tax resident in that relevant territory under its laws had it been incorporated there; and (iii) the company would not otherwise be regarded by virtue of the law of any territory as resident in that territory for the purposes of tax.

### *Meaning of 'Residence' for Individuals*

An individual will be regarded as being tax resident in Ireland for a calendar year if the individual:

1. spends 183 days or more in Ireland in that calendar year; or
2. has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that calendar year together with the number of days spent in Ireland in the preceding year. Presence in Ireland by an individual of not more than 30 days in a calendar year will not be reckoned for the purposes of applying this 'two year' test.

An individual is treated as present in Ireland for a day if that individual is personally present in Ireland at any time during that day.

### *Meaning of 'Ordinary Residence' for Individuals*

The term 'ordinary residence' (as distinct from 'residence') relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident

with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2015 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2018.

#### *Meaning of 'Intermediary'*

An 'intermediary' means a person who:

1. carries on a business which consists of, or includes, the receipt of payments from a regulated investment undertaking resident in Ireland on behalf of other persons; or
2. holds units in such an investment undertaking on behalf of other persons.

### **United Kingdom**

#### ***Taxation in the United Kingdom***

**The tax consequences for each Shareholder of acquiring, holding, redeeming or otherwise disposing of shares depends upon the relevant laws of any jurisdiction to which the Shareholder is subject. Shareholders in the Company should seek their own professional advice as to this, as well as to any relevant exchange control or other relevant laws and regulations.**

The statements below are intended to be a general guide to the anticipated tax treatment in the UK of the Company, the Sub-Funds and their Shareholders. The statements relate to Shareholders holding shares as an investment (as opposed to as a dealer) and who are not subject to special tax rules. They are based on the law and practice in force at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position will continue indefinitely (and tax law may change with retrospective effect).

#### **The Company**

The Directors intend to conduct the affairs of the Company so that it does not become resident in the UK for tax purposes. If a Sub-Fund should invest in UK investments, any UK source income arising may be subject to UK withholding tax depending on the nature of those investments.

#### **The Shareholders**

##### **Income**

The Directors do not anticipate paying any dividends in respect of the Shares although reserve the right to do so if required to maintain the UK tax status of the Shares.

Any income distributed or reported to UK taxpaying individual investors by the Sub-Fund or a share class with reporting fund status (described under 'Gains' below) will generally be taxable in their hands at their marginal rate of income tax for dividends (for the tax year 2013/2014, 37.5% for additional rate taxpayers and 32.5% for higher rate taxpayers giving, after offset of the available dividend tax credit, effective rates of 30.56% and 25% respectively in these examples). If, however, the income is deemed to be interest then it will be taxable accordingly at the marginal rate of income tax (for the tax year 2013/2014, 45% for additional

rate tax payers and 40% for higher rate tax payers. Any UK corporation tax paying company will generally be exempt from tax on any distributed or reported dividend income but taxable on interest.

## **Gains**

Each Sub-Fund (or share class if there is more than one in a Sub-Fund) is an “offshore fund” for the purposes of Section 355 Taxation (International and Other Provisions) Act 2010. Under this legislation, gains realised on the disposal of shares in a Sub-Fund are subject to income tax in the hands of UK taxpaying investors unless the Sub-Fund (or share class) is certified by HM Revenue & Customs (“HMRC”) as either a “reporting fund” or, under the previous legislation, a “distributing fund”, throughout the period during which the shares have been held by the relevant investor.

Very broadly, a Sub-Fund or share class (if applicable) must distribute or report all of its income to investors each year in order to be certified as a “reporting fund”, whereas a Sub-Fund or share class (if applicable) must have distributed substantially all of its net income each year in order to have been certified as a “distributing” fund.

Certification as a distributing fund or reporting fund has been received for Equity Index Linked Annual Review Fund, JP Morgan Commodity - IGAR Conditional Long-Short Index Capital Protected Fund, the JP Morgan Commodity Long-Short Index Fund, the JP Morgan Global Protected Profits Fund and the JP Morgan Global Protected Profits Fund II for all relevant accounting periods up to and including the year ended 31 March 2012.

Applications for certification as reporting funds have been accepted for J.P. Morgan Mansart Risk Profile 10 Fund, J.P. Morgan Mansart Risk Profile 12 Fund and J.P. Morgan Mansart Risk Profile 14 Fund for the period ended 31 March 2013 and these Sub-Funds will be issuing reports to investors in accordance with the reporting fund regulations

It is intended that these eight Sub-Funds will seek or continue to seek certification as reporting funds for all future accounting periods. Certification cannot, however, be guaranteed.

Otherwise, where a new Sub-Fund or share class is launched after 1 December 2009, it is intended that where reasonably possible and considered to be beneficial for its shareholders in the sub-fund or share class (as applicable) as a whole, the Company will apply to HMRC for certification and conduct its affairs accordingly. Although, where appropriate, the Directors will endeavour to ensure that certification is obtained and maintained, this cannot be guaranteed.

UK taxpaying individual investors in those Sub-Funds or share classes that are certified as either a distributing or reporting fund throughout their period of ownership will be liable to capital gains tax on gains realised on disposals of holdings in them depending on their personal circumstances, and UK corporation tax paying companies will similarly be subject to corporation tax on their chargeable gains.

Investors in Sub-Funds or share classes that are not certified for an accounting period, and also any Sub-Fund or share class that should fail to qualify for certification in an accounting period, are subject to the offshore funds provisions. Any gain arising on the sale, redemption or other disposal of such shares (including on death) held by persons who are resident or ordinarily resident in the UK for tax purposes will be taxed at the time of that sale, redemption

or disposal as income and not as a capital gain. Accordingly, they will be liable to income tax on the gain, not capital gains tax.

UK corporation tax payers should note that under the loan relationships regime, if at any time in an accounting period a UK corporation taxpayer holds an interest in a Sub-Fund (or share class), and there is a time in that period when that Sub-Fund or share class fails to satisfy the “qualifying investments test”, the interest held by such a person will be treated for that period as if it were rights under a creditor relationship for the purposes of the regime. An offshore fund fails to satisfy the “qualifying investments test” at any time when more than 60% of its assets (broadly, other than cash awaiting investment) by market value, broadly, comprise government and corporate debt, securities or cash on deposit or certain derivative contracts or holdings in other funds which at any time in the relevant accounting period do not themselves satisfy the “qualifying investments test”.

### **Anti-Avoidance Provisions**

The UK tax rules contain a number of anti-avoidance codes that can apply to UK investors in offshore funds in particular circumstances. It is not anticipated that they will normally apply to investors. Any UK taxpaying investor who (together with connected persons) holds over 10% of the Company should take specific advice.

The attention of individuals ordinarily resident in the UK is drawn to Section 714 et seq of the Income Taxes Act 2007 which may in certain circumstances render them liable to income tax in respect of undistributed income of the Fund. However, it is understood that the HM Revenue & Customs does not ordinarily invoke these provisions where the Offshore Funds Provisions apply.

Investors who are subject to UK tax on a remittance basis should be clear on their tax position should they be considering transferring monies to a UK collection account.

### **Reporting of Information under the Savings Directive**

Ireland has transposed the EU Directive on the taxation of savings income in the form of interest payments (Directive 2003/48/EC) into Irish law. In certain circumstances, the Company (or an Irish paying agent) may be obliged to report information to the Irish Revenue Commissioners relating to Shareholders who are individuals resident in the EU (other than in Ireland) or in certain other territories. A reporting obligation may also arise with respect to Shareholders established in these jurisdictions who are not legal persons, persons subject to corporate taxation or UCITS. Any information reported to the Irish Revenue Commissioners would be communicated to the authorities in the jurisdiction of residence (or establishment) of the relevant Shareholders. However, no reporting obligation should arise in Ireland once (broadly) the Company, or the Sub-Fund, invests less than 15% of its total assets (directly or indirectly) in debt claims or other specified assets.

### **United States Tax Withholding and Reporting under the Foreign Account Tax Compliance Act**

Under the terms of the Intergovernmental Agreement (“IGA”) entered between Ireland and the United States, the Company will be obliged to comply with the provisions of the Foreign Account Tax Compliance Act (“FATCA”) as enacted by the Irish legislation implementing the IGA (the “Irish IGA Legislation”), rather than directly complying with the US Treasury Regulations implementing FATCA. Under the terms of the IGA, Irish-resident financial

institutions that comply with the requirements of the Irish IGA Legislation will be treated as compliant with FATCA and, as a result, will not be subject to withholding tax under FATCA ("FATCA Withholding"). The Company expects that it will be considered to be an Irish-resident financial institution that will need to comply with the requirements of the Irish IGA Legislation and, as a result of such compliance, the Company should not be subject to FATCA Withholding.

Under the Irish IGA Legislation, the Company will be required to report to the Irish Revenue Commissioners certain holdings by and payments made to certain US investors in the Company, as well as to non-US financial institutions that do not comply with the terms of the Irish IGA Legislation, on or after 1 January 2013 and under the terms of the IGA, such information will be onward reported by the Irish Revenue Commissioners to the US Internal Revenue Service under the general information exchange provisions of the US-Ireland Tax Treaty. The first report to the Irish Revenue Commissioners is in 2015 in respect of 2013 and 2014.

Additional intergovernmental agreements similar to the IGA have been entered into or are under discussion by other jurisdictions with the United States. Investors holding investments via distributors or custodians that are not in Ireland or another IGA country should check with such distributor or custodian as to the distributor's or custodian's intention to comply with FATCA. Additional information may be required by the Company, custodians or distributors from certain investors in order to comply with their obligations under FATCA or under an applicable IGA.

The scope and application of FATCA Withholding and information reporting pursuant to the terms of FATCA and the IGAs is subject to review by the US, Ireland and other IGA governments, and the rules may change. Investors should contact their own tax advisors regarding the application of FATCA to their particular circumstances.



## Miscellaneous

---

No commissions, discounts, brokerages or other special terms have been paid or granted or are payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares or loan capital of the Company.

The Company does not intend to employ staff and all Directors serve in a non executive capacity. The Company does not propose to acquire any real estate and will not acquire any plant or equipment. It is not involved in intellectual property research or development. There are no exchange controls in operation in Ireland restricting the transfer of monies payable in respect of dividends or redemptions, other than prohibitions under applicable (i) anti-terrorism legislation; (ii) legislation confiscating the proceeds of crime; and (iii) legislation implementing international sanctions programmes.

## **Documents Available for Inspection**

---

Copies of the following documents may be obtained from the Administrator or the Company and inspected at the registered office of the Company during usual business hours on any Business Day at the address shown in the Directory section:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the Prospectus (as amended and supplemented) and the relevant Supplement(s);
- (c) the KIIDs; and
- (d) the most recent annual and semi-annual reports.

A copy of the Memorandum and Articles of Association of the Company (and, after publication thereof, the periodic reports and accounts) may be obtained from the Administrator free of charge.

## Appendices

---

### **Appendix I – Summary of Memorandum and Articles of Association**

Clause (3) of the Memorandum and Articles of Association provides, inter alia, that the sole object of the Company is the collective investment in transferable securities and/or in other liquid financial assets as permitted by the UCITS Regulations of capital raised from the public, operating on the principle of risk spreading.

#### **1. Articles of Association**

The Articles of Association contain provisions to the following effect.

##### **1.1 Issue of Shares**

The Directors are authorised to exercise all the powers of the Company in respect of any Sub-Fund to offer, allot or otherwise deal with or dispose of “relevant securities” within the meaning of Section 20 of the (Irish) Companies (Amendment) Act 1983 to such persons at such times and on such terms as they think proper.

The price at which Shares shall be issued shall be determined by reference to the Net Asset Value of the relevant Sub-Fund calculated as at the relevant Valuation Point.

The Directors have the power to issue different classes of Shares in respect of any Sub-Fund.

##### **1.2 Rights of Subscriber Shares**

The Subscriber Shares entitle the holders to one vote for each share held but no voting rights shall attach to the Subscriber Shares for so long as Shares are held by more than one Shareholder. The Subscriber Shares have no entitlement to receive dividends declared by the Company. On a winding-up, the holders of the Subscriber Shares will only be entitled to receive the amount subscribed for those shares.

##### **1.3 Voting Rights**

Subject to disenfranchisement in the event of non-compliance with any notice requiring disclosure of the beneficial ownership of Shares, the Articles of Association provide that on a show of hands at a general meeting of the Company, every holder of Shares present in person or by proxy shall have one vote and on a poll, each Shareholder shall be entitled to such number of votes as shall be produced by dividing the aggregate Net Asset Value of that Shareholder’s shareholding (expressed or converted into Euro) by one.

##### **1.4 Change in Share Capital**

The Company may from time to time by ordinary resolution increase its capital, consolidate and divide its Shares into shares of larger amount or subdivide its Shares into shares of smaller amount or cancel any Shares not taken or agreed to be taken by any person. The Company may by special resolution from time to time reduce its share capital in any way permitted by law.

##### **1.5 Directors’ Interests**

A Director may hold any other office or place of profit under the Company in conjunction with

his office of Director on such terms as to tenure of office, and otherwise as the Directors may determine.

No Director or intending Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company or in which the Company is interested, in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established. A Director who is in any way, whether directly or indirectly, interested in such a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest if his interest then exists, or in any other case at the first meeting of the Directors after he becomes so interested. A general notice given by a Director to the effect that he is a member of a specified company, society or firm and is to be regarded as interested in all transactions with such company, society or firm shall be a sufficient declaration of interest, and after such general notice it shall not be necessary to give any special notice relating to any subsequent transaction with such company or firm, provided that either the notice is given at a meeting of the Directors or the Director giving the notice takes reasonable steps to secure that it is brought up and read at the next meeting of the Directors after it is given.

Subject to the foregoing paragraph, a Director may vote in respect of any contract, appointment or arrangement in which he is interested and he shall be counted in the quorum present at the meeting.

Any Director may act by himself or through his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

Any Director may continue to be or become a director, managing director, manager or other officer or member of any company promoted by the Company or in which the Company may be interested, and no such Director shall be accountable for any remuneration or other benefits received by him as a director, managing director, manager, or other officer or member of any such other company. The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of such other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the directors, managing directors, managers or other officers of such company, or voting or providing for the payment of remuneration to directors, managing directors, managers or other officers of such company).

## **1.6 Borrowing Powers**

Subject to the UCITS Regulations, the Directors may exercise all of the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and assets both present and future or any part thereof, whether outright or as collateral security for any debt liability or obligation of the Company.

## **1.7 Retirement of Directors**

The Directors shall not be required to retire by rotation or by virtue of their attaining a certain age.

## **1.8 Dividends**

The Articles permit the Directors to declare on the Shares or on any Class such dividends, including interim dividends, as appear to the Directors to be justified. The Directors may, with the sanction of the Company in a general meeting, satisfy any dividend due to holders of the Shares, in whole or in part, by distributing to them in specie any of the assets of the Company and, in particular, any investments to which the Company is entitled provided that, where the share capital is divided into different Classes, any such distributions to the holders of one Class shall not materially prejudice the interests of the holders of any other Classes. Alternatively, if a holder does not wish to receive a dividend by way of in specie distribution, it may require the Directors to realise such investments necessary in order to effect the relevant distribution.

Any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

## **1.9 Compulsory Redemption of Shares**

If it shall come to the notice of the Directors that any Shares are owned directly or beneficially by any person in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares or who belongs, or may belong to, or is comprised in, or may be comprised in, a class of persons designated by the Directors as above, the Directors may give notice to such person requiring him to transfer such Shares to a person who is qualified or entitled to own the same or to give a request in writing for the redemption of such Shares in accordance with paragraph 1.8 above. If any person upon whom such a notice is served does not within thirty (30) days after such notice transfer his Shares to a person qualified to own the same or establish to the satisfaction of the Directors (whose judgement shall be final and binding) that he is qualified entitled and permitted to own the Shares he shall be deemed upon the expiration of thirty (30) days to have given a request in writing for the redemption of all his Shares.

## **1.10 Winding Up**

The Articles of Association contain provisions to the following effect.

- (a) If the Company shall be wound up, the liquidator shall apply the assets of the Company in such manner and order as he thinks fit in satisfaction of creditors' claims.
- (b) The assets available for distribution among the Shareholders shall then be applied in the following priority:
  - (i) First, in the payment to the holders of the Shares of a sum in the currency in which that Class is denominated (or in any other currency selected by the liquidator) as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares held by such holders respectively as at the date of commencement to wind up.
  - (ii) Secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not comprised within the assets of the Company available to the holders of the Shares. In the event there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to any other assets of the Company.

- (iii) Thirdly, in the payment to the holders of the Shares of any balance then remaining, such payment being made in proportion to the number of Shares held.
  
- (c) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court), then the liquidator may, with the authority of a special resolution and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the holders of different Classes. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no holder shall be compelled to accept any assets in respect of which there is liability. For the avoidance of doubt, if the Special Resolution above is passed, each Shareholder is entitled to elect on a winding-up whether or not he wishes to receive a distribution in specie or a cash distribution made in accordance with the provisions of paragraph (b) above. However, in the absence of a Shareholder electing to receive a distribution in specie on winding-up, such Shareholder shall receive a cash distribution payment in accordance with the provisions of paragraph (b) above.

## **Appendix II - List of Recognised Markets**

With the exception of permitted investments in unlisted securities, the Company's investments will be restricted to securities listed or traded on exchanges and markets listed below:

### **1. Stock Exchanges**

#### **1.1 All stock exchanges in a Member State of the European Union:**

Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom.

#### **1.2 All stock exchanges in the remaining Member States of the European Economic Area (EEA):**

- Norway
- Iceland
- Liechtenstein

#### **1.3 A stock exchange located in any of the following countries:**

- Australia
- Canada
- Japan
- Hong Kong
- New Zealand
- Switzerland
- USA

#### **1.4 Any of the following stock exchanges:**

Argentina	Bolsa de Comercio de Buenos Aires, Bolsa de Comercio de Cordoba, Bolsa de Comercio de Rosario and La Plaxa Stock Exchange
Bahrain	Bahrain Stock Exchange
Bangladesh	Dhaka Stock Exchange and Chittagong Stock Exchange
Bermuda	Bermuda Stock Exchange
Botswana	Botswana Stock Exchange
Brazil	Bolsa de Valores de Sao Paulo and Bolsa de Valores de Rio de Janeiro
Chile	Bolsa de Comercio de Santiago and Bolsa Electronica de Chile
China	Shanghai Securities Exchange and Shenzhen Stock Exchange
Colombia	Bolsa de Bogota, Bolsa de Medellin and Bolsa de Occidente
Egypt	Alexandria Stock Exchange and Cairo Stock Exchange
Ghana	Ghana Stock Exchange
India	Mumbai Stock Exchange, Delhi Stock Exchange, Bangalore Stock Exchange and the National Stock Exchange of India

Indonesia	Jakarta Stock Exchange and Surabaya Stock Exchange
Israel	Tel-Aviv Stock Exchange
Jordan	Amman Financial Market
Kazakhstan	Central Asian Stock Exchange and Kazakhstan Stock Exchange
Kenya	Nairobi Stock Exchange
Lebanon	Beirut Stock Exchange
Malaysia	Kuala Lumpur Stock Exchange
Mauritius	Stock Exchange of Mauritius
Mexico	Bolsa Mexicana de Valores
Morocco	Societe de la Bourse des Valeurs de Casablanca
Nigeria	Nigerian Stock Exchange
Oman	Muscat Stock Exchange
Pakistan	Islamabad Stock Exchange and Lahore Stock Exchange
Peru	Bolsa de Valores de Lima
Philippines	Philippine Stock Exchange
Quatar	Doha Stock Exchange
Russia	RTS Stock Exchange and MICEX (solely in relation to equity securities that are traded on level 1 or level 2 of the relevant exchange)
Singapore	Singapore Stock Exchange
South Africa	Johannesburg Stock Exchange
South Korea	Korea Stock Exchange and KOSDAQ Market
Sri Lanka	Colombo Stock Exchange
Taiwan	Taipei Stock Exchange Corporation
Thailand	Stock Exchange of Thailand
Tunisia	Bourse des Valeurs Mobilieres de Tunis
Turkey	Istanbul Stock Exchange
Ukraine	Ukrainian Stock Exchange
Zambia	Lusaka Stock Exchange
Zimbabwe	Zimbabwe Stock Exchange

## 2. Markets

Any of the following markets:

- MICEX (equity securities that are traded on level 1 or level 2 only);
- RTS1 (equity securities that are traded on level 1 or level 2 only);
- RTS2 (equity securities that are traded on level 1 or level 2 only);
- the market organised by the International Securities Market Association;



- the market conducted by the “listed money market institutions”, as described in the Financial Services Authority publication “The Investment Business Interim Prudential Sourcebook” which replaces the “Grey Paper” as amended from time to time;
- AIM - the Alternative Investment Market in the UK, regulated and operated by the London Stock Exchange;
- The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
- NASDAQ in the United States;
- the market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;
- the over-the-counter market in the United States regulated by the National Association of Securities Dealers Inc. (also described as the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the SEC and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);
- the French market for Titres de Créances Négotiables (over-the-counter market in negotiable debt instruments);
- the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;
- SESDAQ (the second tier of the Singapore Stock Exchange);
- all derivatives exchanges on which permitted financial derivative instruments may be listed or traded:
  - in a Member State;
  - in a Member State in the European Economic Area (European Union, Norway, Iceland and Liechtenstein);
- United States of America - Chicago Board of Trade;
  - Chicago Board Options Exchange;
  - Chicago Mercantile Exchange;
  - Eurex US;
  - New York Futures Exchange;
  - New York Board of Trade;
  - New York Mercantile Exchange;
- Hong Kong - the Hong Kong Future Exchange;
- Singapore - Singapore International Monetary Exchange;
  - Singapore Commodity Exchange;
- Japan - Tokyo International Financial Futures Exchange;
- New Zealand - New Zealand Futures and Options Exchange;

These exchanges and markets are listed in the Articles of Association and in accordance with the requirements of the Central Bank, which does not issue a list of approved markets.

## Appendix III- Commonly Asked Questions

This section is intended to answer some of the questions which investors may have when considering an investment in the Shares. However, any decision to invest in the Shares should only be made after careful consideration of all relevant sections of this Prospectus or, as the case may be, the relevant Supplement. This section should be treated only as an introduction to the Company and the Shares.

### Contents of Commonly Asked Questions:

1. What documents do you need to read in respect of an issuance of Shares?
2. What are the Reference Assets to which Shares may be linked?
3. Are your Shares subject to the credit risk of the Swap Counterparty?
4. How does the use of collateral mitigate the credit risk on the Swap Counterparty?
5. If your Shares are linked to a Reference Asset, will you have recourse to that asset if the Company (and a Swap Counterparty) defaults?
6. How much of your investment is at risk?
7. Who is the "Shareholder" of the Shares?
8. What determinations may the Calculation Agent have to make?
9. Are Calculation Agents' determinations binding on you?
10. Will you be able to redeem your Shares?
11. Are there any fees or expenses to pay when purchasing or selling Shares?
12. Under what circumstances can the Company redeem the Shares before their stated maturity?

#### **1. What documents do you need to read in respect of an issuance of Shares?**

There are several legal documents which you must read in respect of any Shares: (i) this Prospectus; (ii) the relevant Supplement in respect of the relevant Sub-Fund; (iii) the Articles of Association of the Company and (iv) the most recent annual and semi-annual accounts of the Company. You may request copies of any of these documents from the Investment Manager, the Administrator or any local agent of the Company.

##### **1.1 What information is included in this Prospectus or, as the case may be, the relevant Supplement?**

This Prospectus discloses restrictions about who can buy Shares and risk factors relating to the Company and the Shares issued by the Company. It also contains certain tax information and certain US regulatory and ERISA considerations. You should seek relevant specialist advice, taking into account your circumstances, when considering whether to invest in a Sub-Fund.

While this Prospectus includes general information about all Shares, the relevant Supplement sets out the specific details of each particular Sub-Fund. A Supplement may also include additional or more specific risk factors with respect to a particular Sub-Fund.

Supplements must be read in conjunction with this Prospectus.

## **2. What are the Reference Assets to which Shares may be linked?**

The return on a Sub-Fund will be linked to a number of different Reference Assets, which may (subject to the UCITS Notices) include:

- (a) transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operating regularly, recognised and open to the public in a Member State or non-Member State;
- (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. However, a UCITS may invest no more than 10 per cent of its assets in these securities. This restriction will not apply in relation to investment by a UCITS in certain US securities known as Rule 144A securities provided that:
  - (i) the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one (1) year of issue; and
  - (ii) the securities are not illiquid securities i.e. they may be realised by the UCITS within seven (7) days at the price, or approximately at the price, at which they are valued by the UCITS.
- (c) money market instruments;
- (d) units of UCITS;
- (e) units of non-UCITS CIS;
- (f) deposits with Eligible Credit Institutions;
- (g) indices;
- (h) a basket of the above; or
- (i) any combination of any of the above.

## **3. Are your Shares subject to the credit risk of the Swap Counterparty?**

Yes. You will have no recourse to the Reference Asset(s) (see question 5), so you will be exposed to the credit risk of the Swap Counterparty. However, this credit risk is mitigated through the use of Collateral (see question 4). The market value of the Shares will not only be affected by the value of the Reference Asset(s), but may also depend in part on the credit rating of the relevant Swap Counterparty and its ability to effect transactions in the market.

## **4. How does the use of collateral mitigate the credit risk on the Swap Counterparty?**

The risk exposure of a Sub-Fund to a Counterparty may not exceed 5% of Net Asset Value. This limit is raised to 10% in the case of Eligible Credit Institutions.

The risk exposure to a Counterparty may be reduced where the Counterparty provides the Sub-Fund with Collateral. Requirements in relation to permitted Collateral are set out by the Central Bank.

**5. If your Shares are linked to a Reference Asset, will you have recourse to that asset if the Company (and a Swap Counterparty) defaults?**

No. The performance of a Sub-Fund is linked to the performance of the relevant Reference Asset, but there is no obligation on the Company or the Swap Counterparty to hold the Reference Asset. Even if the Swap Counterparty does hold the Reference Asset, it will not be segregated from the other assets of the Swap Counterparty for the benefit of the Shareholders.

**6. How much of your investment is at risk?**

For some Shares, as indicated in this Prospectus or, as the case may be, the relevant Supplement, you will be entitled to receive a level of protection of, for example, 80 per cent. or more of the face amount of the Shares on the maturity date. If you sell such Shares prior to the maturity date or in certain circumstances if the Shares are repaid early, you may not receive the entire face amount of such Security, and may receive less than the amount that you invested. Note that you will always be exposed to the credit risk of any Counterparty.

For other Shares, your investment may be at risk as you may receive an amount less than your original investment on the maturity date and may even lose your entire investment. In such circumstances, the value of the Shares can fluctuate and there is no guarantee that the value of the Shares will increase or that they will retain their value. The higher the potential return of your Shares, the greater the risk of loss attached to those Shares will be.

See the section entitled "Risk Factors" on pages 40 to 61 of this Prospectus for more detailed information about the risks relating to the loss of any invested amounts. Further risks may be disclosed in this Prospectus or, as the case may be, the relevant Supplement.

**7. Who is the "Shareholder" of the Shares?**

The entities or persons whose names appear in the Company's shareholder register maintained by the Administrator are the Shareholders in the Company. Such entity may be your selling agent, or another entity on your behalf.

If you need to take any action in respect of your Shares, you must instruct the selling agent, or such another entity, who holds the Shares on your behalf to take such action (or procure that such action is taken) on your behalf.

**8. What determinations may the Calculation Agent have to make?**

The terms of each Swap Transaction shall provide that the relevant Calculation Agent is the entity responsible for determining whether certain events have occurred, and where it determines that such events have occurred, what the consequence of such event shall be - which may be (depending on the event and/or the type of Reference Asset, etc.) any of: (i) adjustment to the terms of the Swap Transaction (including reduced payout); and/or (ii) early termination of the Swap Transaction; and/or (iii) substitution or replacement of the Reference Asset.

A non-exhaustive summary of some events that the Calculation Agent may determine have occurred is set out below:

- (a) Market Disruption Event - essentially an event that may affect the valuation of the Reference Asset or, depending on the type of Reference Asset, possibly its content or formula including, for example, early closure or trading disruption or imposition of a

"limit price" on a relevant exchange or failure to publish the value of the Reference Asset, or various other events and circumstances);

- (b) Index Adjustment Event - any event that results in (i) a material non-prescribed modification of the composition of an index; (ii) the cancellation of an index, which is then not replaced; and (iii) the non-publication of an index level (though this may be a Market Disruption Event for certain indices); and
- (c) Change in Law - a change in applicable law since the issue date of the Shares that makes it illegal to hold, acquire or dispose of components of an index or more expensive for the Swap Counterparty to hedge its obligations under the relevant Shares.

If the Calculation Agent determines that any of the above events or any other applicable event has occurred, any consequential postponement of, or any alternative provisions for, valuation provided in the terms and conditions of any Swap Transaction and/or early termination of the Swap Transaction and/or substitution or replacement of the Reference Asset may have an adverse effect on the value of the relevant Shares.

#### **9. Are Calculation Agents' determinations binding on you?**

All calculations, determinations or adjustments made by a Calculation Agent shall, in the absence of manifest error, be final, conclusive and binding on the Company. The Calculation Agent may have broad discretion to make changes to the terms of relevant Swap Transaction if any of the events described in question 8 occur, although it is obliged to act in good faith and in a commercially reasonable manner. However, the Calculation Agent is not required to consult with the Company or the Investment Manager before making any determinations, and it is expected that it will not do so. In making its determinations, the Calculation Agent will take into account relevant market factors including, but not limited to, interest rates, the term structure of interest rates, spot foreign exchange rates and any other factors which the Calculation Agent may deem relevant.

The Calculation Agent is an agent of the Company and the Swap Counterparty. You should also be aware that the Calculation Agent is likely to be J.P. Morgan Securities plc. which is an affiliate of the Investment Manager and the Swap Counterparty. See the section entitled "Conflicts of Interest" on page 64 and following of this Prospectus.

#### **10. Will you be able to redeem your Shares?**

Generally, yes; normally you would be able to redeem on a daily basis. However, there may be certain restrictions or events which may limit or prevent redemptions in certain circumstances. Information in relation to such restrictions, events and circumstances specific to each Sub-Fund is provided in this Prospectus or, as the case may be, the relevant Supplement. As detailed in question 6, if you redeem your Shares prior to the maturity date you may not receive the entire face amount of such Shares; receive less than the amount that you invested or may even lose your entire investment.

#### **11. Are there any fees or expenses to pay when purchasing or selling Shares?**

At the discretion of the Company the following charges can be incurred: (i) a Subscription Charge; (ii) a Redemption Charge; and (iii) Duties and Charges or an Anti-Dilution Levy.

**12. Under what circumstances can the Company redeem the Shares before their stated maturity?**

Please see the section headed "Compulsory Transfers and Redemptions".

## **Appendix IV- Other Important Information for Investors in various jurisdictions**

### **1. Distribution**

#### **1.1 United Kingdom**

Solely for Sub-Funds passported into the United Kingdom: The Company is a recognised collective investment scheme for the purposes of section 264 of the Financial Services and Markets Act 2000 of the United Kingdom.

The information below describes the facilities available to investors resident in the United Kingdom and the procedures which apply to dealing in Shares. This information must be read in conjunction with the Prospectus, the relevant Supplement, the relevant KIID, the most recent annual report and, if published thereafter, the most recent semi-annual report of the Company. Material amendments to this Prospectus, the relevant Supplement, the KIID(s) and the Articles of Association will be filed with the FCA.

Facilities Agent in the United Kingdom

The UK Facilities Agent has agreed to act as the facilities agent for the Company in the United Kingdom. The UK Facilities Agent has agreed to provide the following from its office at 25 Bank Street, Canary Wharf, London E14 5JP (Email: JPMS\_funds\_marketing@jpmorgan.com) (the "**Office**") to the Company's investors:

- (a) Facilities at the Office: during normal business hours, UK investors may inspect and obtain copies, in the English language, of the following documents (free of charge in the case of those documents listed as (ii) and (iv));
- (i) the Articles of Association and any amendments thereto;
  - (ii) the latest version of the Prospectus and any amendments thereto;
  - (iii) the latest version of the relevant Supplement and any amendments thereto;
  - (iv) the relevant KIID(s) and any amendments thereto;
  - (v) the annual and half-yearly reports most recently prepared and published by the Company (when available);
  - (vi) the other documents specified in the Prospectus or the relevant Supplement as being available for inspection.

The Company will cover the UK Facilities Agent's reasonable costs as determined by the supply of copies of such documents mentioned in paragraph (a)(i)-(vi) to above.

- (b) Information may be obtained at the Office either orally or in writing about the latest sale and purchase prices of Shares and investors may apply to redeem their Shares and through this facility obtain payment of any redemption price. Complaints regarding the operation of the relevant Sub-Fund can be submitted at the above address for onward transmission to the Company.

### **2. Restricted Offering**

The issue or distribution of this Prospectus and any relevant Supplement and the offer of the

Shares may be limited in certain jurisdictions. The information below is given for information only, and it is the responsibility of any person in possession of this Prospectus and/or any relevant Supplement and any person wishing to apply for Shares to become informed and comply with applicable laws and regulations in any applicable jurisdiction, even if not expressly covered below. Any person wishing to apply for Shares should seek the services of an appropriate consultant in order to determine the legal and regulatory framework for their investment, including any foreign exchange or tax control rules due to their country of citizenship, residence or domicile that must be complied with.

This Prospectus and any relevant Supplement is not, and shall not be used for, or in relation with, an offer, direct sale, or solicitation by anyone in any jurisdiction in which this offer, solicitation or direct sale is not authorised, or to any person to whom it is illegal to make such an offer or solicitation.

## **2.1 Austria**

Neither this Prospectus nor any other document in connection with the Shares in a Sub-Fund is a prospectus according to the Austrian Investment Funds Act (*Investmentfondsgesetz 2011, InvFG 2011*), the Austrian Capital Markets Act (*Kapitalmarktgesetz, KMG*) or the Austrian Stock Exchange Act (*Börsegesetz, BörseG*) and has therefore not been drawn up, audited, approved, pass-ported and/or published in accordance with the aforesaid acts. Neither the Company nor its Sub-Funds or the Distributor are under the supervision of the Austrian Financial Market Authority or any other Austrian supervision authority.

Prospective purchasers of Shares in the Company should note that the Shares in the Company have not been and will not be offered in the Republic of Austria in the course of an offer to the public within the meaning of section 140 of the Austrian Investment Funds Act 2011 or sec 1 para 1 no 1 of the Austrian Capital Markets Act but under circumstances which will not be considered as an offer to the public under any of the aforesaid acts. Therefore, the provisions of the Austrian Investment Funds Act 2011 and the provisions of the Austrian Capital Markets Act relating to registration requirements and to prospectus requirements do not apply and the Shares in the Company have thus neither been registered for public distribution in Austria with the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*) nor been the subject matter of a prospectus compliant with the Austrian Investment Funds Act or the Austrian Capital Markets Act.

This Prospectus is confidential and is being provided only to a limited number of recipients who have been individually selected in advance by certain criteria and are targeted in Austria exclusively by means of a private placement. This Prospectus is provided solely for the information of such recipients and must not be reproduced, published, distributed or made available to any other person (including the press and any other media), in whole or in part, for any purpose and no steps may be taken that would constitute a public offer of the Shares in the Company or a Sub-Fund under either the Austrian Investment Funds Act 2011 or the Austrian Capital Markets Act (whether presently or in the future).

This Prospectus is a marketing communication and has not been prepared in accordance with legal requirements designed to promote the independence of investment research.

This Prospectus is not intended to provide a basis of any credit or other evaluation of the Company or a Sub-Fund and its business and should not be considered as a personal recommendation for any recipient of this Prospectus to purchase Shares in the Company or a



Sub-Fund as it does not take into account the particular investment objectives, financial situation or needs of any specific recipient. Each investor contemplating purchasing any Shares in the Company or a Sub-Fund therefore represents to make its own independent investigation of the Company or a Sub-Fund and of the suitability of an investment in the Shares in the Company or a Sub-Fund in light of their particular circumstances and represents to seek independent professional advice, including tax advice.

This Prospectus is distributed under the condition that the above obligations are accepted by the recipient and complied with.

## **2.2 Belgium**

The offering of Shares has not been and will not be notified to the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten/Autorité des Services et Marchés Financiers*) nor has this Prospectus been, nor will it be, approved by the Financial Services and Markets Authority.

The Shares may be offered in Belgium only to a maximum of 149 investors or to investors investing a minimum of €250,000 or to professional or institutional investors, in reliance on Article 5 of the Law of August 3, 2012. This Prospectus may be distributed in Belgium only to such investors for their personal use and exclusively for the purposes of this offering of Shares. Accordingly, this Prospectus may not be used for any other purpose nor passed on to any other investor in Belgium.

Any offer to sell or sale of Shares to consumers must be made in compliance with the provisions of the Code of Business Law to the extent applicable.

## **2.3 Denmark**

Please note it is not possible to privately place an unregistered UCITS fund in Denmark. Certain Sub-Funds of the Company may have been passported into Denmark. Please contact the Distributor or any J.P. Morgan sales representative for further details.

## **2.4 France**

Please note it is not possible to privately place an unregistered UCITS fund in France. Certain Sub-Funds of the Company may have been passported into France. Please contact the Distributor or any J.P. Morgan sales representative for further details.

## **2.5 Germany**

Please note it is not possible to privately place an unregistered UCITS fund in German. Certain Sub-Funds of the Company may have been passported into Germany. Please contact the Distributor or any J.P. Morgan sales representative for further details or consult the German country supplement.

## **2.6 Hong Kong**

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

This Prospectus has not been registered by the Registrar of Companies in Hong Kong. The Company is a collective investment scheme as defined in the Securities and Futures Ordinance of Hong Kong (the “Ordinance”) but has not been authorised by the Securities and Futures Commission pursuant to the Ordinance. Accordingly, the Shares may only be offered or sold in Hong Kong to persons who are “professional investors” as defined in the Ordinance and any rules made under the Ordinance or in circumstances which are permitted under the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong and the Ordinance. In addition, this Prospectus may not be issued or possessed for the purposes of issue, whether in Hong Kong or elsewhere, and the Shares may not be disposed of to any person unless such person is outside Hong Kong, such person is a “professional investor” as defined in the Ordinance and any rules made under the Ordinance or as otherwise may be permitted by the Ordinance.

## **2.7 Italy**

Please note it is not possible to privately place an unregistered UCITS fund in Italy. Certain Sub-Funds of the Company may have been passported into Italy. Please contact the Distributor or any J.P. Morgan sales representative for further details.

## **2.8 Japan**

The Shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended) and, accordingly, none of the Shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit, of any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, a “Japanese person” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## **2.9 Luxembourg**

Please note it is not possible to privately place an unregistered UCITS fund in Luxembourg. Certain Sub-Funds of the Company may have been passported into Luxembourg. Please contact the Distributor or any J.P. Morgan sales representative for further details.

## **2.10 Netherlands**

Please note it is not possible to privately place an unregistered UCITS fund in the Netherlands. Certain Sub-Funds of the Company may have been passported into Netherlands. Please contact the Distributor or any J.P. Morgan sales representative for further details.

## **2.11 Norway**

Please note it is not possible to privately place an unregistered UCITS fund in Norway. Certain Sub-Funds of the Company may have been passported into Norway. Please contact the Distributor or any J.P. Morgan sales representative for further details.

## **2.12 Portugal**

Please note it is not possible to privately place an unregistered UCITS fund in Portugal.

Certain Sub-Funds of the Company may have been passported into Portugal. Please contact the Distributor or any J.P. Morgan sales representative for further details.

## **2.13 Singapore**

### **Offers made under the Institutional Investor Exemption**

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor pursuant to Section 304 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) or (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

## **2.14 Spain**

Please note it is not possible to privately place an unregistered UCITS fund in Spain. Certain Sub-Funds of the Company may have been passported into Spain. Please contact the Distributor or any J.P. Morgan sales representative for further details.

## **2.15 Sweden**

Please note it is not possible to privately place an unregistered UCITS fund in Sweden. Certain Sub-Funds of the Company may have been passported into Sweden. Please contact the Distributor or any J.P. Morgan sales representative for further details.

## **2.17 United Kingdom**

Whilst the Company has been established and is authorised as a UCITS (in accordance with the UCITS Directive) in the Republic of Ireland, certain of the Sub-Funds have not been registered in the UK and therefore are not recognised collective investment schemes for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom (“FSMA”). Therefore, the promotion of such Sub-Funds and the distribution of this Prospectus in the United Kingdom is accordingly restricted by law.

This Prospectus may be issued outside the United Kingdom by the Company and Directors are responsible for its contents, wherever the Prospectus is issued.

For UK purposes, this Prospectus is being issued by the Investment Manager (which is authorised and regulated by the Financial Conduct Authority only to and/or is directed only at persons who are of a kind to whom the Sub-Funds may lawfully be promoted by a person authorised under FSMA (an “**authorised person**”) by virtue of Section 238(6) of FSMA and the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (“**PCISO**”) (including other authorised persons, certain persons having professional experience of participating in unrecognised collective investment schemes, high net worth companies, high net worth unincorporated associations or partnerships, the trustees of high value trusts and certified sophisticated investors) or Section 4.12 of the FCA’s Conduct of Business Sourcebook (“**COBS**”) (including persons who are

professional clients or eligible counterparties for the purposes of COBS).

In order to qualify as a certified sophisticated investor under PCISO a person must i) have a certificate in writing or other legible form signed by an authorised person to the effect that he is sufficiently knowledgeable to understand the risks associated with participating in unrecognised collective investment schemes and ii) have signed, within the last 12 months, a statement in a prescribed form declaring, amongst other things, that he qualifies as a sophisticated investor in relation to such investments.

This Prospectus is exempt from the scheme promotion restriction (in Section 238 of FSMA) on the communication of invitations or inducements to participate in unrecognised collective investment schemes on the grounds that it is being issued to and/or directed at only the types of person referred to above. To the extent that this Prospectus is issued by an authorised person the Shares are only available to such persons and this Prospectus must not be relied or acted upon by any other persons.

Any recipient of this Prospectus who is an authorised person may (if and to the extent it is permitted to do so by the FCA rules applicable to it) distribute it or otherwise promote the Sub-Funds in accordance with Section 238 of FSMA but not otherwise. Any recipient of this Prospectus who is not an authorised person may not distribute it to any other person.

This Prospectus constitutes a financial promotion for the purposes of FSMA and the rules of the FCA.

Acquiring Shares may expose an investor to a significant risk of losing all of the amount invested. Any person who is in any doubt about investing in the Company should consult an authorised person specialising in advising on such investments.

The Company will not be authorised to carry on investment business in the United Kingdom. Accordingly, all or most of the protections afforded by the United Kingdom regulatory system to retail clients will not apply to an investment in the Company. In particular, compensation will not be available under the United Kingdom Financial Services Compensation Scheme in respect of the Company and investors will not be entitled to exercise cancellation or withdrawal rights under the rules of the FCA in respect of any subscription or purchase of Shares.

Past performance may not be repeated and you may not get back the full amount (or any) of your investment. If you are in any doubt about the suitability of investing in the Company, you should contact an independent financial adviser. The Investment Manager and/or any of its associated companies may have a position in or holding of Shares.

The levels and bases of taxation and any relevant reliefs from taxation referred to in this Prospectus can change, any reliefs referred to are the ones which currently apply and their value depends upon the circumstances of each individual investor.

## **2.18 USA**

The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (“the 1933 Act”) or the securities laws of any of the states of the United States, nor is such registration contemplated. The Shares may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any “US Person” except pursuant to an exemption from, or in a transaction not subject to, the

registration requirements of the 1933 Act and any applicable state laws.

The Shares are being offered outside the United States pursuant to the exemption from registration under Regulation S under the 1933 Act and inside the United States in reliance on Regulation D promulgated under the 1933 Act and Section 4(a)(2) thereof.

There is no public market for the Shares and no such market is expected to develop in the future. The Shares offered hereby are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the 1933 Act and applicable state securities laws pursuant to registration or exemption therefrom.

The Shares are suitable only for sophisticated investors who do not require immediate liquidity for their investments, for whom an investment in the Fund does not constitute a complete investment program and who fully understand and are able to bear the loss of their investment in the Fund. The Fund's investment program, by its nature, may be considered to involve a substantial degree of risk. Subscribers for Shares must represent that they are acquiring the Shares for investment.

Offering materials for the offering of the Shares have not been filed with or approved or disapproved by the United States Securities and Exchange Commission or any other state or federal regulatory authority, nor has any such regulatory authority passed upon or endorsed the merits of this offering or passed upon the accuracy or completeness of any offering materials. Any representation to the contrary is unlawful.

The Company will not accept any subscriptions from investors that are employee benefit plans subject to Title I of ERISA, certain tax qualified plans subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended, or other entities deemed to hold assets of such plans (together, "**Benefit Plans**") if after such subscription the Shares of any class held by Benefit Plans would be 25 per cent or more of the total outstanding Shares of that class. If the Shares of any class held by Benefit Plans were to exceed this 25 per cent limit, the Company's assets might be considered "plan assets" under ERISA, which could result in adverse consequences to the Company, the Investment Manager and the fiduciaries of the Benefit Plans

## **Appendix V - Key Investor Information Document (“KIID”) Q&A**

### **1. What is a KIID**

A KIID provides appropriate information about the essential characteristics of the relevant Sub-Fund. A Key Investor Information Document constitutes pre-contractual information relating to a particular Sub-Fund, which is information provided prior to any agreement being entered into between the Company and the investor relating to investment in the relevant Sub-Fund. The Company will not incur civil liability solely on the basis of a KIID, including any translation thereof, unless it is misleading, inaccurate or inconsistent with the relevant parts of this Prospectus or the relevant Supplement. Each KIID contains a clear warning in this respect.

### **2. Why is the KIID provided?**

A KIID must be provided to investors along with the Company’s suite of offering documentation so that investors are reasonably able to understand the nature and the risks of the investment product that is being offered to them and, consequently, to make investment decisions on an informed basis.

### **3. When does the KIID need to be provided?**

A KIID must be provided to investors free of charge in good time before their proposed subscription for Shares in the Company. Thereafter, a copy of the KIID will be available for inspection, alongside all other applicable offering documents of the Company, at the registered office of the Company during usual business hours on any Business Day.

### **4. How can the KIID be provided?**

The KIID may be provided in a durable medium or by means of a website. A paper copy shall be delivered to investors free of charge on request and may otherwise be available for inspection at the registered office of the Company (see (iii) above).

### **5. What information must the KIID contain?**

A KIID must include the following elements, which must be comprehensible to an investor without necessity to reference other documents (however, the KIID should nevertheless be read in conjunction with this Prospectus, the relevant Supplement and other applicable offering documents of the Company):

- (a) the name of the Sub-Fund and the Company;
- (b) a short description of its investment objective and investment policy;
- (c) past-performance presentation, or where relevant, performance scenarios
- (d) costs and associated charges; and
- (e) risk/reward profile of the investment, including appropriate guidance and warnings in relation to the risks associated with investment in the relevant Sub-Fund.

Additional information must be disclosed depending on the structure and form of fund (e.g. fund of funds, feeder funds, structured funds or umbrella structures).

## **6. What is the “Synthetic Risk and Reward Indicator” (“SRRI”)?**

The Synthetic Risk and Reward Indicator is a reference tool identified by the European Securities and Markets Authority (“ESMA”) as being the simplest way, in terms of investor consideration, for the Company to calculate and display the relevant Sub-Fund’s prescribed risk versus reward based, where applicable, on the previous volatility of that Sub-Fund. The SRRI therefore translates the volatility of the relevant Sub-Fund’s returns into a general indication of the overall level of risk of that Sub-Fund. The Company must compute the SRRI in strict coordination with the arrangements and procedures adopted by it for risk management purposes and monitor the SRRI on an ongoing basis. The SRRI must be calculated in accordance with the methodology prescribed in ESMA Guidelines CESR/10-673. The SRRI is an integer number designed to rank the relevant Sub-Fund on a scale from 1 to 7, according to its level of historical volatility.

Any additional material risks which are not adequately captured by the SRRI must be addressed by the risk management function of the Company.

## **7. Why does the SRRI use “volatility” as a measure of risk?**

The SRRI was imposed to ensure a uniform means of identifying risk for all UCITS. The methodology for determining the SRRI was tailored to cover the particular features of the different types of UCITS and, in particular, to:

- provide investors with a meaningful indication of the overall risk and reward profile of the UCITS;
- ensure an appropriate spread of UCITS across different risk classes;
- be applicable to all types of UCITS;
- leave no room for manipulation;
- enable easy and cost-effective implementation by UCITS providers;
- be easily understood by auditors, advisers and distributors;
- enable easy and effective supervision by regulators; and
- achieve an adequate degree of stability in the risk classification process with respect to normal trends and fluctuations of financial markets.

ESMA considers the chosen SRRI methodology to be an important element in the operation of a uniform application of the directive underlying the UCITS Regulations, particularly in relation to the KIID and believes that it should be harmonised and legally binding on all UCITS.

## **8. Limitations of “volatility” as a risk indicator?**

Measuring volatility is just one way of measuring “risk”. Investors should be aware that, as with other methods for measuring risk, the use of volatility as a risk indicator has its limitations. For example, volatility does not differentiate between price decreases and increases. In addition, volatility is a measurement which relies predominantly on historical data. However, past events do not guarantee future results and, accordingly, such indicative measures are therefore limited by unpredictable future returns in financial markets. This is particularly prevalent in fluctuating market conditions.

## **9. Why is only one share class referred to in the KIID?**

Where a Sub-Fund has more than one share class, it may select a class to represent one or more other classes in the KIID, provided the information disclosed is fair, clear and not

misleading to potential investors in those other classes. Where costs and charges are structured differently between classes, the Company may be obliged to use the share class with the highest overall charge to be the most appropriate representative class, to avoid the risk of understating charges or overstating performance. However, it is the ultimate responsibility of the Company to select the most suitable representative class for the purpose of the KIID, bearing in mind the characteristics of the Sub-Fund, the nature of the differences between its share classes and the ranges of choices on offer to each investor. A mixture of specific features relating to more than one share class is not permitted. The “Risk and Reward Profile” section of the KIID must contain an explanation of material risks applicable to other share classes being represented.

**10. How often is the KIID updated?**

The KIID must at least be updated annually, within 35 business days of each calendar year. A KIID should be reviewed and revised as appropriate and as frequently as is necessary to ensure that it continues to meet the requirements of Regulation 98 of the UCITS Regulations and EU Commission Regulation 583/2010.