



# Rubrics Global UCITS Funds PLC

## Prospectus

24 February, 2022

## PROSPECTUS

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# RUBRICS GLOBAL UCITS FUNDS PLC

(a variable capital umbrella investment company with segregated liability between sub-funds; incorporated with limited liability in Ireland under the Companies Acts 2014 with registration number 426263; and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended)

**RUBRICS ASSET MANAGEMENT (IRELAND) LIMITED**  
(INVESTMENT MANAGER)

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**If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker or other independent financial adviser. Prices for shares in the Fund may fall as well as rise.**

Shares are available for subscription on the basis of the information contained in this Prospectus and the documents referred to herein. The Directors do not anticipate that an active secondary market will develop in the Shares of the Fund or any Sub-Fund.

The Directors of the Fund, whose names appear under the section headed "Management, Custody and Administration of the Fund", accept responsibility for the information contained in this document. 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. The Directors accept responsibility accordingly.

**Dated: 24 February, 2022**

## PRELIMINARY

### Responsibility Statement

Statements made in this Prospectus and any Supplement are based on the law and practice in force in Ireland at the date of the Prospectus or Supplement as the case may be, which may be subject to change. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares in the Fund shall under any circumstances constitute a representation that the affairs of the Fund have not changed since the date hereof. Any information or representation not contained herein or given or made by any broker, salesperson or other person should be regarded as unauthorised and should accordingly not be relied upon.

### Central Bank of Ireland Authorisation

The Fund was previously authorised by the Central Bank pursuant to the provisions of Part XIII of the Companies Act, 1990 and any regulations made thereunder. On 2 March, 2010 the Fund was reauthorized by the Central Bank pursuant to the UCITS Regulations.

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

The Minimum Initial Investment Amount for each Sub-Fund of the Fund is set out in relevant Supplement.

### Reliance on Prospectus

The Fund, as described in this Prospectus, will offer equity interests ("**Shares**") representing the capital of the Fund. Shares may be issued in Classes and the Classes available for subscription shall be set out in this Prospectus or a share class supplement. Shares in the Fund will have no par value and following issue their value will fluctuate in accordance with the NAV.

The Shares are offered solely on the basis of the information and representations contained in this Prospectus, and any further information given or representations made by any person may not be relied upon as having been authorised by the Directors. Neither the delivery of this Prospectus nor the issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Fund since the date hereof.

### Restrictions on Distribution

**This Prospectus does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.**

This Prospectus has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Fund, and should not be reproduced or used for any other purpose. The distribution of this Prospectus and the offering of Shares may be restricted in certain other jurisdictions. It is the responsibility of any person or persons in possession of this Prospectus and of any persons wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to legal requirements

also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

The Directors may restrict the ownership of Shares by any person, firm or corporation where such ownership would be in breach of any regulatory or legal requirement or may affect the tax status of the Fund. Any person who is holding Shares in contravention of restrictions or, by virtue of his holding, is in breach of the laws and regulations of any competent jurisdiction or whose holding could, in the opinion of the Directors, cause the Fund or any Shareholder to incur any liability to taxation or to suffer any pecuniary disadvantage which any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the Fund, the Manager, the Investment Manager, the Depositary, the Administrator, any distributor and Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the Fund.

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

## **Risk Warnings**

**Investment in a Sub-Fund of the Fund carries substantial and above average risk, and is suitable only for investors who are in a position to take such risk. Investors should note that the Net Asset Value of each Sub-Fund is likely to have a high volatility due to its investment policy and portfolio management techniques. The value of Shares can go down as well as up. There can be no assurance that the investment objective of a Sub-Fund of the Fund will be achieved, and investment results may vary substantially over time. Investment in a Sub-Fund of the Fund is not intended to be a complete investment programme for any investor. The Fund may impose an initial fee on subscriptions for Shares and/or redemption fee. The actual fees chargeable, if any, are set out in the Supplement of the relevant Sub-Fund. Accordingly, the difference at any one time between the subscription price and the redemption price means that an investment in a Sub-Fund of the Fund should be viewed as a medium to long-term investment. Prospective investors should carefully consider whether an investment in Shares is suitable for them in light of their circumstances and financial resources (see further under "Risk Factors of the Fund"). An investment in the Sub-Funds should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. The Sub-Funds may invest substantially in deposits with credit institutions. Investors should note the difference between the nature of a deposit and the nature of an investment in the Sub-Fund, in particular the risk that the value of the principal invested in the Sub-Fund may fluctuate.**

## **Financial Derivative Instruments**

The Fund may engage in transactions in Financial Derivative Instruments ("FDI") on behalf of a Sub-Fund either for investment purposes or for the purposes of efficient portfolio management as more particularly disclosed in this Prospectus and the Supplement for the relevant Sub-Fund. The Fund will employ a risk management process which will enable it to accurately measure, monitor and manage the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. The Fund will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been submitted to and cleared by the Central Bank. The Fund will provide to Shareholders on request supplementary information relating to the risk management methods employed by the Fund including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The expected effect of transactions in FDI is noted in the Supplement of each Sub-Fund.

## Stock Exchange Listing

Application has been previously made to list the following share classes of the Sub-Funds.

| Name   | Share Class |
|--|-------------|
| Rubrics Global Fixed Income UCITS Fund           | Class A     |
|  | Class B     |
|  | Class C     |
|  | Class D     |
|  | Class E     |
|  | Class F     |
|  | Class G     |
|  | Class H     |
| Rubrics Global Credit UCITS Fund                 | Class A     |
|  | Class B     |
|  | Class C     |
|  | Class D     |
|  | Class E     |
|  | Class F     |
|  | Class H     |
| Rubrics Emerging Markets Fixed Income UCITS Fund | Class A     |
|  | Class B     |
|  | Class C     |
|  | Class D     |
|  | Class E     |
|  | Class F     |
|  | Class H     |

**Global Exchange Market is not a ‘regulated market’ as defined under the Directive on Markets in Financial Instruments 2014/65/EU.**

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

As at the date of this Prospectus, neither the Sub-Funds or the Fund have any loan capital outstanding or created by unissued, nor any mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, finance leases, hire purchase commitments, guarantees other commitments or contingent liabilities.

The audited annual accounts of the Fund for the year ended 31 March 2021 form part of this Prospectus.

The Directors confirm that there has been no significant change in the financial or trading position of the Fund or Sub-Funds since 31 March 2021 the date to which the audited annual reports have been prepared.

## Translations

This Prospectus and any Supplements may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus

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

### **Governing Law**

This Prospectus and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with Irish law. With respect to any suit, action or proceedings relating to any dispute arising out of or in connection with this Prospectus (including any non-contractual obligations arising out of or in connection with it) ("Proceedings"), each party irrevocably: (i) submits to the jurisdiction of the Irish courts; (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party; and (iii) agrees, to the extent permitted by Irish law, that the bringing of Proceedings in any one or more jurisdictions will not preclude the bringing of Proceedings in any other jurisdiction.

## DIRECTORY

### RUBRICS GLOBAL UCITS FUNDS PLC

#### Directors

Carol Mahon  
John Fitzpatrick  
Caitriona O'Malley

#### Registered Office

2<sup>nd</sup> Floor  
Block E, Iveagh Court,  
Harcourt Road  
Dublin 2  
Ireland

#### Manager

Carne Global Fund Managers (Ireland) Limited  
2<sup>nd</sup> Floor  
Block E, Iveagh Court,  
Harcourt Road  
Dublin 2  
Ireland

#### Investment Manager

Rubrics Asset Management (Ireland) Limited  
5 George's Dock  
IFSC  
Dublin 1  
Ireland

#### Depository

The Bank of New York Mellon SA/NV, Dublin  
Branch  
Riverside Two Sir John Rogerson's Quay  
Dublin 2  
Ireland

#### Administrator

BNY Mellon Fund Services (Ireland) DAC  
One Dockland Central  
Guild Street  
IFSC  
Dublin 1  
Ireland

#### Auditors

Deloitte  
Deloitte House  
Earlsfort Terrace  
Dublin 2  
Ireland

#### Listing Sponsor

Davy  
Davy House  
49 Dawson Street  
Dublin 2  
Ireland

#### Irish Legal Advisors

Dillon Eustace  
33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

#### Company Secretary

Carne Global Financial Services Limited  
2<sup>nd</sup> Floor,  
Block E, Iveagh Court,  
Harcourt Road  
Dublin 2  
Ireland

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SUPPLEMENT 5 – Q RUBRICS INDIA FIXED INCOME UCITS FUND

## DEFINITIONS

|                          |  |
|--------------------------|--|
| Accounting Date          | the date by reference to which the annual accounts of the Fund and the Sub-Funds shall be prepared and shall be 31 March in each year or such other date as the Directors may from time to time decide. The Central Bank will be notified in advance of any change to the Accounting Date;                 |
| Accounting Period        | means, in respect of each Sub-Fund, a period ending on an Accounting Date and commencing, in the case of the first such period, from and including the date of the first issue of Shares of the relevant Sub-Fund and or (in any other case) from the day following the end of the last Accounting Period; |
| Administrator            | BNY Mellon Fund Services (Ireland) DAC or such other company as may be appointed by the Fund or the Manager in accordance with the requirements of the Central Bank. Any reference to the Administrator herein shall also include reference to its appointed delegates;                                    |
| Administration Agreement | the administration agreement made between the Manager and the Administrator dated 31 August 2017 (effective 00.01am on 1 September 2017), as amended, replaced or novated from time to time, pursuant to which the Administrator was appointed administrator of the Fund;                                  |
| Application Form         | means any application form to be completed by subscribers for Shares as prescribed by the Fund from time to time;  |
| Articles                 | the amended and restated Articles of Association of the Fund, as amended by special resolutions dated 31 October, 2006, 15 February, 2010, 11 April, 2011, 18 November 2013 and 11 March, 2016 or any amendment, supplement, restatement or replacement thereof;   |
| Base Currency            | the currency of account of a Sub-Fund as specified in the relevant Supplement relating to that Sub-Fund;   |
| Business Day             | any day on which banks are open for business in Ireland and/or such additional or alternative days as may be specified in the relevant Supplement (excluding Saturdays, Sundays and Irish public holidays);  |
| Central Bank             | the Central Bank of Ireland;   |

|                          |   |
|--------------------------|---|
| Central Bank Regulations | Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (as may be amended, supplemented or replaced) and Central Bank guidance as may be amended or replaced or issued from time to time; |
| Class                    | a class of Shares in a Sub-Fund;  |
| Depository               | The Bank of New York Mellon SA/NV, Dublin Branch, which acts as depository of the Fund or any successor company approval of the Central Bank;   |
| Depository Agreement     | a depository agreement dated 24 March 2016 between the Fund and the Depository;   |
| Directors                | the members of the board of directors of the Fund for the time being and any successors to such members as may be appointed from time to time with the prior approval of the Central Bank;  |
| Distributor              | Rubrics Asset Management (Ireland) Limited or such other company as may be appointed by the Investment Manager in accordance with the requirements of the Central Bank;   |
| Exempt Irish Investor    | as defined in Appendix IV - Taxation;   |
| Fund                     | Rubrics Global UCITS Funds PLC;   |
| GDPR                     | means Regulation (EU) 2016/679 of the European Parliament and of the Council;   |
| ICAV                     | Irish Collective Asset Management Vehicle;  |
| Ineligible Applicant     | an ineligible applicant for Shares in a Sub-Fund as defined in the section of this Prospectus headed "Subscriptions", sub-heading "Ineligible Applicants";  |
| Initial Offer Period     | the period as specified in the relevant Supplement, during which Shares in a Sub-Fund or Class are initially offered;   |
| Initial Offer Price      | the price per Share during the Initial Offer Period specified in the relevant Supplement;   |
| Intermediary             | as defined in Appendix IV - Taxation;   |

|                                   |   |
|-----------------------------------|---|
| Investment Manager                | Rubrics Asset Management (Ireland) Limited or such other company as may be appointed by the Fund or the Manager in accordance with the requirements of the Central Bank;  |
| Investment Management Agreement   | the investment management agreement made between the Fund, the Manager and the Investment Manager dated 1 March, 2019, pursuant to which the Investment Manager was appointed Investment Manager of the Fund;   |
| Ireland                           | the island of Ireland excluding Northern Ireland and the word "Irish" shall be construed accordingly;   |
| Irish Resident                    | as defined in Appendix IV - Taxation;   |
| Management Agreement              | means the management agreement made between the Fund and the Manager dated 31 August 2017 (effective 00.01am on 1 September 2017), as may be amended, replaced or novated from time to time, pursuant to which the Manager was appointed manager of the Fund; |
| Manager                           | means Carne Global Fund Managers (Ireland) Limited or any successor company acting as manager of the Fund and of each of its sub-funds with the prior approval of the Central Bank;   |
| Member State                      | means a member state of the European Union;   |
| MiFID                             | means Directive 2014/65/EU as may be amended, consolidated or substituted from time to time;  |
| Minimum Holding Amount            | means the minimum number or value of Shares which must be held by Shareholders as specified in the relevant Supplement, where applicable;   |
| Minimum Initial Investment Amount | means the minimum initial subscription for Shares as specified in the relevant Supplement;  |
| Minimum Transaction Size          | means the minimum value of subsequent subscriptions in any Sub-Fund or Class as specified in the relevant Supplement, where applicable;   |
| Net Asset Value                   | the net asset value of the Fund or a Sub-Fund or Class, as the context requires, determined in accordance with the Articles;  |
| Net Asset Value per Share         | in respect of a Sub-Fund or Class, the Net Asset Value of that Sub-Fund or Class divided by the number of   |

|                                |   |
|--------------------------------|---|
|                                | Shares of that Sub-Fund or Class in issue or deemed to be in issue;   |
| Northern Ireland               | the counties of Antrim, Armagh, Derry, Down, Fermanagh and Tyrone on the island of Ireland;   |
| Ordinarily Resident in Ireland | as defined in Appendix IV - Taxation;   |
| Recognised Exchange            | any regulated stock exchange or market on which a Sub-Fund may invest. A list of those stock exchanges or markets is contained in Appendix II hereto;   |
| Recognised Depositary          | depositaries which are members or operators of one or more securities clearance or settlement systems of international standing;  |
| Redemption Day                 | such Business Day or Business Days being not less than one each fortnight as shall be specified in the relevant Supplement for that Sub-Fund or any such other day or days as the Directors may determine and notify in advance to the Shareholders provided there will always be two Redemption Days per month occurring at regular intervals;   |
| Redemption Price               | the price per Share at which Shares are redeemed calculated in the manner described in the section of this Prospectus headed "Redemptions";   |
| Reference Currency             | means the designated currency of a Class of Shares in a Sub-Fund;   |
| Register of Shareholders       | the register for the time being kept by or on behalf of the Fund where a person is registered as the holder of Shares;  |
| Relevant Declaration           | as defined in Appendix IV - Taxation;   |
| Relevant Period                | as defined in Appendix IV - Taxation;   |
| Sub-Fund or Sub-Funds          | Any Sub-Fund(s) established by the Fund from time to time with the prior approval of the Central Bank;  |
| Subscription Day               | such Business Day or Business Days being not less than one each fortnight as shall be specified in the relevant Supplement for that Sub-Fund or any such other day or days as the Directors may determine and notify in advance to the Shareholders provided there will always be two Subscription Days per month occurring at regular intervals; |

|                       |   |
|-----------------------|---|
| Subscription Price    | the price per Share at which Shares are issued after the close of the Initial Offer Period calculated in the manner described in the section of this prospectus headed "Subscriptions";   |
| Supplement            | a supplement to the Prospectus describing a Sub-Fund which should be read in conjunction with the Prospectus as a whole;  |
| Share or Shares       | means a participating share or, save as otherwise provided in this Prospectus, a fraction of a participating share in the capital of the Fund;  |
| Shareholder           | a holder of Shares as recorded in the Fund's Register of Shareholders;  |
| Taxes Act             | as defined in Appendix IV - Taxation;   |
| UCITS                 | means an Undertaking for Collective Investment in Transferable Securities established pursuant to Directive 2009/65/EC as amended, consolidated or substituted from time to time;   |
| UCITS Directive       | means EC Council Directive 2009/65/EC of 13 July 2009 as amended and as may be further amended, consolidated or substituted from time to time;  |
| UCITS Regulations     | the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) as amended (and as may be further amended, consolidated or substituted from time to time) and any regulations or notices issued by the Central Bank pursuant thereto for the time being in force;   |
| U.S. Person           | means a U.S. Person as described in Appendix V;   |
| United States or U.S. | the United States of America (including the States and District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction;   |
| Umbrella Cash Account | means a cash account designated in particular currency opened in the name of the Fund on behalf of all Sub-Funds into which (i) subscription monies received from investors who have subscribed for Shares are deposited and held until Shares are issued as of the relevant Subscription Day; and (ii) redemption monies due to investors who have redeemed Shares are deposited and held until paid to the relevant investors; and (iii) dividend |

payments owing to Shareholders are deposited and held until paid to such Shareholders.

Valuation Day

such day as shall be specified in the relevant Supplement for each Sub-Fund;

Valuation Point

the time by reference to which the Net Asset Value shall be calculated on or with respect to each Subscription and Redemption Day as determined by the Directors and specified in the relevant Supplement for each Sub-Fund.

In this Prospectus, all references to "Euro", "EUR" or "€" are to the unit of the European single currency, all references to "US Dollar", "USD" or "US\$" are to the currency of the United States of America, and all references to "Sterling", "GBP" or "£" are to the currency of the United Kingdom, all references to "yen", "JPY" or "¥" are references to the Japanese yen, the currency of Japan and all references to "CHF" are references to the Swiss franc, the currency of Switzerland.

## PRINCIPAL FEATURES

The following is a summary of the principal features of the Fund and should be read in conjunction with the full text of this Prospectus.

|   |  |
|---|--|
| <b>The Fund</b>                                   | The Fund is a variable capital umbrella investment company with segregated liability between sub-funds; incorporated with limited liability in Ireland under the Companies Acts 2014 with registration number 426263; and authorised by the Central Bank pursuant to the UCITS Regulations.  |
| <b>The Sub-Funds and Segregated Liability</b>     | The Fund is made up of the Sub-Funds. The proceeds from the issue of Shares in a Sub-Fund shall be applied in the records and accounts of the Fund for that Sub-Fund and the assets, liabilities, income and expenditure attributable thereto shall be applied to that Sub-Fund subject to the provisions of the Articles. The Directors have the power to create further Sub-Funds upon the prior approval of the Central Bank. The Fund is an umbrella fund with segregated liability between Sub-Funds. As a result, as a matter of Irish company law, any liability attributable to a particular Sub-Fund may only be discharged out of the assets of that Sub-Fund, and the assets of other Sub-Funds may not be used to satisfy the liability. In addition, any contract entered into by the Fund will by operation of Irish law include an implied term to the effect that the counterparty to the contract may not have any recourse to assets of any of the Sub-Funds other than the Sub-Fund in respect of which the contract was entered into. These provisions are binding in Ireland both on creditors and in any insolvency. |
| <b>Directors, Services Providers and Advisors</b> | Details of the Fund's Directors, service providers and advisors are set out in the section headed "Directory".   |
| <b>Shares and Classes</b>                         | Shares may be issued in Classes within each Sub-Fund. The Classes of Shares available for subscription shall be set out in the relevant Supplement. Each Sub-Fund will maintain a single pool of assets. A separate pool of assets shall not be maintained in respect of each Class. The Directors have power to issue further Classes of Shares within a Sub-Fund upon prior notification and clearance by the Central Bank.  |
| <b>Investment Objective</b>                       | The assets of each Sub-Fund will be invested separately in accordance with the investment objectives and policies of that Sub-Fund as set out in the relevant Supplement.  |
| <b>Offer/Placing of Shares</b>                    | Shares in each Sub-Fund shall be offered or placed at the price set out in the relevant Supplement to this Prospectus. The Shares in each Sub-Fund shall be represented on issue by entry in the Register of Shareholders. Details of the amount of Shares on offer, Initial Offer Price and Initial Offer Periods shall be set out in the relevant Supplement. After the close of the Initial Offer Period, investors may subscribe for Shares on any Subscription Day at the relevant Subscription Price.  |



|   |  |
|---|--|
| <b>Minimum Initial Investment Amount, Minimum Holding Amount and Minimum Transaction Size</b> | The Minimum Initial Investment Amount, Minimum Holding Amount and Minimum Transaction Size (where applicable) for each Sub-Fund of the Fund is set out in relevant Supplement.   |
| <b>Redemption of Shares</b>   | Shares will be redeemable at the option of the Shareholder on each Redemption Day as set out in the relevant Supplement. Shares will be redeemed at the Redemption Price.  |
| <b>Switching</b>  | Shareholders may be entitled to exchange all or any of their Shares in one Sub-Fund or Class for Shares in another Sub-Fund or Class on any Redemption Day, subject to the Minimum Initial Investment Amount in respect of each Sub-Fund or Class. Share exchanges will be effected by way of a redemption of Shares of one Sub-Fund or Class at the relevant Redemption Price and a simultaneous subscription (at the most recent Subscription Price) for Shares of the other Sub-Fund or Class. Any switching fee, if applicable, will be set out in the relevant Supplement.  |
| <b>Distribution Policy</b>  | The specific distribution policy as determined by the Directors for each Sub-Fund and/or Class and set out in the Prospectus and/or relevant Supplement.   |
| <b>Fees and Expenses</b>  | Details of the fees and expenses payable (if any) to the Manager, Investment Manager, Administrator, the Depositary and other services providers and advisors will be set out in the relevant Supplement. Each Sub-Fund will bear all of its other ongoing operating costs and expenses. Shareholders may also be charged subscription, redemption and switching fees. Details of such fees if applicable will be set out in the Supplement for the relevant Sub-Fund.   |
| <b>Taxation</b>   | <p>The Directors have been advised that the Fund qualifies as an investment undertaking as defined in Section 739B of the Taxes Act. Under current Irish law and practice, it is not chargeable to Irish tax on its income and gains.</p> <p>However, tax can arise on the happening of a “chargeable event” in the Fund. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a Relevant Period) of Shares. No tax will arise on the Fund in respect of chargeable events in respect of a Shareholder who is neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event provided that a Relevant Declaration is in place and the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of a Relevant Declaration there is a presumption that the investor is Irish Resident or Ordinarily Resident in Ireland. Please see the section headed “TAXATION” in Appendix IV. <b>Shareholders should consult their</b></p> |

|   |   |
|---|---|
|   | <b>own professional advisers as to their own particular tax consequences of an investment in the Fund.</b>  |
| <b>Conflicts of Interest and Risk Factors</b> | Prospective investors should note certain potential conflicts of interest and special risks associated with investing in each Sub-Fund of the Fund, which are set out respectively in the sections headed "Conflicts of Interest" and "Risk Factors of the Fund".   |
| <b>Restrictions on Sale and Transfer</b>      | The Shares may only be offered, sold or transferred to investors who are not Ineligible Applicants as described under "Subscriptions" below.  |
| <b>Reports and Accounts</b>                   | Annual accounts will be made up to 31 March in each year. An annual report and the audited annual accounts of each Sub-Fund will be sent to the Central Bank within four months of the Accounting Date and to Euronext Dublin within six months of the Accounting Date. Half-yearly unaudited interim reports, incorporating unaudited accounts, will be sent to the Central Bank within two months of the end of the period to which they relate. Copies of the annual report and audited accounts and half-yearly unaudited accounts will be made available on the Investment Manager's website <a href="http://www.rubricsam.com">www.rubricsam.com</a> and sent to Shareholders on request. |

## THE FUND

### Establishment and Duration

The Fund was incorporated on 11 September, 2006 with limited liability in Ireland under the Companies Acts 2014 (registration number 426263) and was previously authorised by the Central Bank pursuant to the provisions of Part XIII of the Companies Act, 1990 and any regulations made thereunder.

On 2 March, 2010 the Fund was reauthorized by the Central Bank pursuant to the UCITS Regulations.

Clause 3 of the Memorandum of Association of the Fund provides that the Fund's sole object is the collective investment in eligible asset classes referred to in Regulation 68 of UCITS Regulations of capital raised from the public and the Fund operates on the principle of risk spreading. The Fund may take any measures and carry out any operations which it may deem useful to the accomplishment and development of its sole object to the full extent permitted by the UCITS Regulations.

Although the Fund and each Sub-Fund has an unlimited life, the Directors may, by giving not less than four and not more than twelve weeks' notice to the Shareholders, expiring on a Redemption Day, redeem at the Redemption Price prevailing on such Redemption Day all the Shares in each or any Sub-Fund then outstanding. Investors should take notice of the provisions contained under the section of this Prospectus entitled "General and Statutory Information", and in particular sub-section 7 "Compulsory Redemption" and sub-section 15 "Termination and Winding Up".

### Structure

The Fund is an umbrella type investment company comprising separate Sub-Funds with segregated liability between them.

Shares in each Sub-Fund may be classified into one or more Classes of Shares. The Directors may in their absolute discretion differentiate between Classes of Shares, without limitation, as to the Reference Currency of a particular Class, dividend policy, hedging strategies if any applied to the Reference Currency of a particular Class, fees and expenses or the Minimum Initial Investment Amount, Minimum Holding Amount or Minimum Transaction Size applicable.

The assets of each Sub-Fund will be separate from one another and will be invested separately in accordance with the investment objective and policies of each Sub-Fund. The investment objective and policies and other details in relation to each Sub-Fund are set out in the relevant Supplement which forms part of and should be read in conjunction with this Prospectus.

Where there are Shares of a different Class in a Sub-Fund, the price per Shares may differ among Classes to reflect such matters as differing charges for fees and expenses, designation of Shares in different currencies or gains/losses on and costs of different financial instruments employed for currency hedging between the Base Currency of a Sub-Fund and the Reference of the relevant Share Class.

At the date of this Prospectus the Fund has the following Sub-Funds:

| Name | Available Classes | Reference Currency |
|------|-------------------|--------------------|
|------|-------------------|--------------------|

Rubrics Global Fixed Income UCITS Fund

|           |     |
|-----------|-----|
| Class A   | USD |
| Class AC  | USD |
| Class AD  | USD |
| Class ACD | USD |
| Class B   | EUR |
| Class BC  | EUR |
| Class BD  | EUR |
| Class BCD | EUR |
| Class C   | GBP |
| Class CC  | GBP |
| Class CD  | GBP |
| Class CCD | GBP |
| Class D   | USD |
| Class DD  | USD |
| Class E   | EUR |
| Class ED  | EUR |
| Class F   | GBP |
| Class FD  | GBP |
| Class G   | CHF |
| Class GC  | CHF |
| Class GD  | CHF |
| Class GCD | CHF |
| Class H   | CHF |
| Class HD  | CHF |
| Class PA  | USD |
| Class PB  | EUR |
| Class PC  | GBP |
| Class PD  | USD |
| Class PE  | EUR |
| Class PF  | GBP |
| Class PG  | CHF |
| Class PH  | CHF |

Rubrics Emerging Markets Fixed Income UCITS Fund

|           |     |
|-----------|-----|
| Class A   | USD |
| Class AC  | USD |
| Class AD  | USD |
| Class ACD | USD |
| Class B   | EUR |
| Class BC  | EUR |
| Class BD  | EUR |
| Class BCD | EUR |
| Class C   | GBP |
| Class CC  | GBP |
| Class CD  | GBP |
| Class CCD | GBP |
| Class D   | USD |
| Class DD  | USD |
| Class E   | EUR |
| Class ED  | EUR |

|  |           |     |
|--|-----------|-----|
|  | Class F   | GBP |
|  | Class FD  | GBP |
|  | Class G   | CHF |
|  | Class GC  | CHF |
|  | Class GD  | CHF |
|  | Class GCD | CHF |
|  | Class H   | CHF |
|  | Class HD  | CHF |
|  | Class I   | USD |
|  | Class ID  | USD |
|  | Class J   | EUR |
|  | Class JD  | EUR |
|  | Class K   | GBP |
|  | Class KD  | GBP |
|  | Class L   | CHF |
|  | Class LD  | CHF |
| Rubrics India Fixed Income UCITS Fund - This Sub-Fund has terminated and an application for revocation will be made to the Central Bank in due course. | Class A1  | USD |
|  | Class B1  | EUR |
|  | Class C1  | GBP |
|  | Class D1  | JPY |
|  | Class A2  | USD |
|  | Class B2  | EUR |
|  | Class C2  | GBP |
|  | Class D2  | JPY |
|  | Class A3  | USD |
|  | Class B3  | EUR |
|  | Class C3  | GBP |
|  | Class D3  | JPY |
|  | Class E1  | CHF |
|  | Class E3  | CHF |
| Rubrics Global Credit UCITS Fund   | Class A   | USD |
|  | Class AC  | USD |
|  | Class AD  | USD |
|  | Class ACD | USD |
|  | Class B   | EUR |
|  | Class BC  | EUR |
|  | Class BD  | EUR |
|  | Class BCD | EUR |
|  | Class C   | GBP |
|  | Class CC  | GBP |
|  | Class CD  | GBP |
|  | Class CCD | GBP |
|  | Class D   | USD |
|  | Class DD  | USD |
|  | Class E   | EUR |
|  | Class ED  | EUR |
|  | Class F   | GBP |
|  | Class FD  | GBP |

|  |           |     |
|--|-----------|-----|
|  | Class G   | CHF |
|  | Class GC  | CHF |
|  | Class GD  | CHF |
|  | Class GCD | CHF |
|  | Class H   | CHF |
|  | Class HD  | CHF |
|  | Class I   | USD |
|  | Class ID  | USD |
|  | Class J   | EUR |
|  | Class JD  | EUR |
|  | Class K   | GBP |
|  | Class KD  | GBP |
|  | Class L   | CHF |
|  | Class LD  | CHF |
|  | Class PA  | USD |
|  | Class PB  | EUR |
|  | Class PC  | GBP |
|  | Class PD  | USD |
|  | Class PE  | EUR |
|  | Class PF  | GBP |
|  | Class PG  | CHF |
|  | Class PH  | CHF |
| Q Rubrics India Fixed Income UCITS Fund - This | Class A   | USD |
| Sub-Fund has terminated and an application for | Class B   | USD |
| revocation will be made to the Central Bank in |           |     |
| due course.                                    |           |     |

Further details in relation to the above Sub-Funds and Shares are set out in the relevant Supplements.

Additional Sub-Funds may be established by the Directors with the prior approval of the Central Bank. The Directors have power to issue further Classes of Shares within a Sub-Fund upon prior notification and clearance by the Central Bank. The investment objective and policies, the terms and conditions of its initial offer/placing of Shares, details of any applicable fees and expenses and other details in relation to each Sub-Fund are set out in the Supplements to this Prospectus. Details of the specific terms and conditions attaching to a particular Class will also be disclosed in the relevant Supplement. This Prospectus may only be issued with one or more Supplements each containing specific information relating to a particular Sub-Fund and/or Class.

The Fund reserves the right to offer only one or several Classes of Shares for purchase by investors in any particular jurisdiction in order to conform to local law, custom or business practice. The Fund also reserves the right to adopt standards applicable to certain classes of investors or transactions in respect of the purchase of a particular Class of Shares.

### **Segregated Liability of Sub-Funds**

The Fund is an umbrella fund with segregated liability between Sub-Funds. As a result, as a matter of Irish company law, any liability attributable to a particular Sub-Fund may only be discharged out of the assets of that Sub-Fund and the assets of other Sub-Funds may not be used to satisfy the liability. In addition, any contract entered into by the Fund will by operation of Irish law include an implied term to the effect that the counterparty to the contract may not have any recourse to assets of any of the Sub-Funds other than the

Sub-Fund in respect of which the contract was entered into. These provisions are binding under Irish law both on creditors and in any insolvency.

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

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

## **INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS OF THE FUND**

### **Investment Objective and Policy**

The assets of each Sub-Fund will be invested separately in accordance with the investment objectives and policies of that Sub-Fund as set out in the relevant Supplement.

Investors should be aware that the performance of certain Sub-Funds may be measured against a specified index or benchmark and in this regard, Shareholders are directed towards the relevant Supplement which will refer to any relevant performance measurement criteria. The Directors may at any time change that reference index where, for reasons outside its control, that index has been replaced, or another index or benchmark may reasonably be considered by the Directors to have become the appropriate standard for the relevant exposure. In such circumstances, any change in index must be disclosed in the annual or half-yearly report of the Fund issued subsequent to such change.

The investment objective of a Sub-Fund may not be altered and material changes in the investment policy of a Sub-Fund as disclosed in the relevant Supplement may not be made without prior written approval by all Shareholders of the relevant Sub-Fund or on the basis of a simple majority of votes cast at a meeting of the Shareholders of the particular Sub-Fund duly convened and held. In accordance with the requirements of the Central Bank, "material" shall be taken to mean, although not exclusively, changes which would significantly alter the asset type, credit quality, borrowing limits or risk profile of a Fund. In the event of a change of the investment objective and/or a material change to the investment policy of a Sub-Fund, the Manager shall provide Shareholders in the relevant Sub-Fund with reasonable notice of such change.

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

### **Investment Restrictions**

Investment of the assets of each Sub-Fund must comply with the UCITS Regulations. The investment and borrowing restrictions applying to the Fund and each Sub-Fund are set out in Appendix I.

The Directors, in consultation with the Investment Manager may impose further restrictions in respect of any Sub-Fund. The additional investment restrictions applicable to each Sub-Fund (if any) shall be set out in the relevant Supplement.

### **Borrowing Powers**

Borrowings on behalf of the Fund or a Sub-Fund may only be made on a temporary basis and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of each Sub-Fund. Subject to this limit the Directors may exercise discretion with respect to all borrowing powers on behalf of the Fund. In accordance with the provisions of the UCITS Regulations the Depositary may charge the assets of the Fund or a Sub-Fund as security for such borrowings. A Sub-Fund may acquire foreign currency by means of a "back-to-back" loan agreement. The Manager shall ensure that a Sub-Fund with foreign currency borrowings which exceed the value of a "back-to-back" deposit treats that excess as borrowings for the purposes of Regulation 103(1) of the UCITS Regulations.

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



It is intended that the Fund shall have the power (subject to the prior approval of the Central Bank and any applicable restrictions imposed by any exchange on which the Units are listed) to avail itself of any change in the investment and borrowing restrictions specified in the UCITS Regulations which would permit investment by the Fund in securities, derivative instruments or in any other forms of investment which is at the date of this Prospectus restricted or prohibited under the UCITS Regulations.

### **Efficient Portfolio Management**

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

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

In relation to efficient portfolio management operations, the Investment Manager will look to ensure that the techniques and instruments used are economically appropriate in that they will be realised in a cost-effective way.

Such transactions may include financial derivative instruments and/or stock lending and repurchase and reverse repurchase agreements as described below and/or in the relevant Supplement.

Investors should consult the sub-section entitled “Derivatives” in the section headed “Risk Factors of the Fund” and the section headed “Conflicts of Interest” for more information on the risks associated with efficient portfolio management.

### **Financial Derivative Instruments**

A Sub-Fund may invest in financial derivative instruments dealt in on a Recognised Exchange and/or in OTC derivative instruments in each case under and in accordance with conditions or requirements imposed by the Central Bank.

A Sub-Fund may use financial derivative instruments for investment purposes and/or use financial derivative instruments traded on a Recognised Exchange and/or on OTC markets to attempt to hedge or reduce the overall risk of its investments, enhance performance and/or to manage interest rate and exchange rate risk. A Sub-Fund's ability to invest in and use these instruments and strategies may be limited by market conditions, regulatory limits and tax considerations and these strategies may be used only in accordance with the investment objectives of the relevant Sub-Fund.

The financial derivative instruments which the Investment Manager may invest in on behalf of each Sub-Fund, and the expected effect of investment in such financial derivative instruments on the risk profile of a Sub-Fund are set out in the relevant Supplement. Further details of some of the strategies that may be employed through the use of Financial Derivative Instruments are set out in Appendix III. The extent to which a Sub-Fund may be leveraged through the use of financial derivative instruments will be disclosed in the

relevant Supplement. In addition, the attention of investors is drawn to the section of the Prospectus headed "Efficient Portfolio Management" and the risks described under the heading "Derivatives" in the section headed "Risk Factors of the Fund".

### **Securities Financing Transactions**

Where specified in the relevant Supplement, a Sub-Fund may enter into securities financing transactions which include repurchase agreements, reverse repurchase agreement and/or securities lending agreements for efficient portfolio management purposes in accordance with the limits and conditions set down in the Central Bank Regulations and the SFTR.

A repurchase agreement is an agreement pursuant to which one party sells securities to another party subject to a commitment to repurchase the securities at a specified price on a specified future date. A reverse repurchase agreement is an agreement whereby one party purchases securities from another party subject to a commitment to re-sell the relevant securities to the other party at a specified price on a specified future date. A securities lending arrangement is one where one party transfers securities to another party subject to a commitment from that party that they will return equivalent securities on a specified future date or when requested to do so by the party transferring the securities.

Where a Sub-Fund enters into a repurchase agreement under which it sells securities to the counterparty, it will incur a financing cost from engaging in this transaction which will be paid to the relevant counterparty. Cash collateral received by a Sub-Fund under a repurchase agreement is typically reinvested in order to generate a return greater than the financing costs incurred by the Sub-Fund. In such circumstances, the Sub-Fund will be exposed to market risk and to the risk of failure or default of the issuer of the relevant security in which the cash collateral has been invested. Furthermore, the Sub-Fund retains the economic risks and rewards of the securities which it has sold to the counterparty and therefore it is exposed to market risk in the event that it repurchases such securities from the counterparty at the pre-determined price which is higher than the value of the securities.

There is no global exposure generated by a Sub-Fund as a result of entering into reverse repurchase arrangements, nor do any such arrangements result in any incremental market risk unless the additional income which is generated through finance charges imposed by the Sub-Fund on the counterparty is reinvested, in which case the Sub-Fund will assume market risk in respect of such investments.

Finance charges received by a Sub-Fund under a stock-lending agreement may be reinvested in order to generate additional income. Similarly cash collateral received by a Sub-Fund may also be reinvested in order to generate additional income. In both circumstances, the Sub-Fund will be exposed to market risk in respect of any such investments.

Further details about repurchase, reverse purchase and securities lending agreements that a Sub-Fund may utilise are set out in Appendix III of the Prospectus. The use of the techniques described above may expose a Sub-Fund to the risks disclosed in the section headed "Risk Factors" under the sub-heading "Risks associated with Securities Financing Transactions".

### ***Total Return Swaps***

Where specified in the relevant Supplement, a Sub-Fund may enter into total return swaps for investment purposes in order to generate income or profits in accordance with the investment objective and policies of the relevant Sub-Fund, in order to reduce expenses or hedge against risks faced by the Sub-Fund. Further

details about total return swaps that a Sub-Fund may utilise are set out in Appendix III of the Prospectus. The use of total return swaps may expose a Sub-Fund to the risks disclosed in the section headed “Risk Factors” under the sub-heading “Risks associated with Securities Financing Transactions”.

#### *Revenues generated from Securities Financing Transactions and Total Return Swaps*

All revenues arising from securities financing transactions and total return swaps, net of direct and indirect operational costs and fees, shall be returned to the relevant Sub-Fund. This shall include fees and expenses paid to the counterparties to the relevant transactions/securities lending agents which will be at normal commercial rates plus VAT, if applicable.

Information on the revenues generated under such transactions shall be disclosed in the annual and semi-annual reports of the Fund, along with entities to whom direct and indirect operational costs and fees relating to such transactions are paid. Such entities may include the Manager, Investment Manager, the Depositary or entities related to the Manager, Investment Manager or Depositary.

#### *Eligible Counterparties*

Any counterparty to a total return swap or other OTC derivative contract shall fall within one of the following categories:

- (i) a credit institution which falls within any of the categories set down in Regulation 7 of the Central Bank Regulations (an “Approved Credit Institution”);
- (ii) an investment firm authorised in accordance with MiFID; or
- (iii) a group company of an entity issued with a bank holding company license from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve

Any counterparty to an OTC derivative contract or a securities financing transaction shall be subject to an appropriate internal assessment carried out by the Manager, which shall include amongst other considerations, external credit ratings of the counterparty, the regulatory supervision applied to the relevant counterparty, country of origin of the counterparty and legal status of the counterparty.

Save where the relevant counterparty to the relevant securities financing transaction or OTC derivative contract is an Approved Credit Institution, where such counterparty (a) is subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Manager in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Manager without delay .

#### *Collateral Management*

Types of collateral which may be received by a Sub-Fund

Where necessary, a Sub-Fund may receive both cash and non-cash collateral from a counterparty to a securities financing transaction or an OTC derivative transaction in order to reduce its counterparty risk exposure.

The non-cash collateral received by a Sub-Fund may comprise of fixed income securities or equities which

meet the specific criteria outlined below. The level of collateral required to be posted by a counterparty may vary by counterparty and where the exchange of collateral relates to initial or variation margin in respect of non-centrally cleared OTC derivatives which fall within the scope of EMIR, the level of collateral will be determined taking into account the requirements of EMIR. In all other cases, collateral will be required from a counterparty where regulatory exposure limits to that counterparty would otherwise be breached.

There are no restrictions on the maturity of the collateral received by a Sub-Fund.

The non-cash collateral received from a counterparty to an OTC derivative contract or securities financing transaction by a Sub-Fund may comprise of fixed income securities or equities provided that such collateral must, at all times, meet the specific criteria set down in the CBI UCITS Regulations relating to (i) liquidity, (ii) valuation, (iii) issuer credit quality, (iv) correlation, (v) diversification (vi) availability of collateral.

The level of collateral required to be posted by a counterparty may vary by counterparty and where the exchange of collateral relates to initial or variation margin in respect of non-centrally cleared OTC derivatives, the level of collateral will be determined taking into account the requirements of EMIR. In all other cases, collateral will be required from a counterparty where regulatory exposure limits to that counterparty would otherwise be breached. There are no restrictions on the maturity of the collateral received by a Sub-Fund.

The haircut applied to collateral posted by a counterparty will be negotiated on a counterparty basis and will vary depending on the class of asset received by a Sub-Fund, taking into account its credit standing and price volatility, any stress testing carried out to assess the liquidity risk of such asset and, where applicable taking into account the requirements of EMIR.

#### *Valuation of collateral*

Collateral that is received by a Sub-Fund will be valued on at least a daily basis and assets that exhibit high price volatility will not be accepted as collateral unless suitably conservative haircuts are in place. The non-cash collateral received by the Sub-Fund will be at mark to market given the required liquid nature of the collateral.

#### *Safe-keeping of collateral received by a Sub-Fund*

Collateral received by a Sub-Fund on a title transfer basis shall be held by the Depositary or a duly appointed sub-custodian of the Depositary. For other types of collateral arrangements, the collateral can be held by the Depositary, a duly appointed sub-custodian of the Depositary or by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral.

#### *Re-use of collateral by a Sub-Fund*

The Company on behalf of the relevant Sub-Fund shall not sell, pledge or re-invest any non-cash collateral received by the relevant Sub-Fund.

Where a Sub-Fund receives cash collateral, such cash may not be invested other than in (i) deposits with relevant institutions; (ii) high quality government bonds; (iii) reverse repurchase agreements provided the transactions are with credit institutions subject to the prudential supervision and the Sub-Fund is able to recall at any time the full amount of cash on an accrued basis; (iv) short term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds.

In accordance with the Central Bank Regulations, invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the counterparty or a related entity.

#### *Posting of collateral by a Sub-Fund*

Collateral provided by a Sub-Fund to a counterparty shall be agreed with the relevant counterparty and may comprise of cash or any types of assets held by the relevant Sub-Fund in accordance with its investment objective and policies and shall, where applicable, comply with the requirements of EMIR. Collateral may be transferred by a Sub-Fund to a counterparty on a title transfer basis where the assets are passed outside of the custody network and are no longer held by the Depositary or its sub-custodian. In such circumstances, subject to the requirements of SFTR, the counterparty to the transaction may use those assets in its absolute discretion. Where collateral is posted by a Sub-Fund to a counterparty under a security collateral arrangement where title to the relevant securities remains with the Sub-Fund, such collateral must be safe-kept by the Depositary or its sub-custodian. Any re-use of such assets by the counterparty must be effected in accordance with the SFTR and, where relevant, the UCITS Regulations. Risks associated with re-use of collateral are set down in the section headed "Risk Factors" under the heading "Risks Associated with Collateral Management".

#### **Margin and Collateral Support**

Participants in the exchange traded and OTC derivative markets and financing parties typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements.

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

#### **Investment in Financial Indices**

As outlined in the relevant Supplement(s), a Sub-Fund may gain exposure to financial indices through the use of financial derivative instruments where considered appropriate to the investment objective and investment policies of the relevant Sub-Fund. Such financial indices may or may not comprise of Eligible Assets. Where the Sub-Fund intends to use an index based on ineligible assets, the index will be cleared by the Central Bank.

The Investment Manager shall only gain exposure to financial indices which comply with the requirements of the Central Bank as set out in the Central Bank Regulations. In this regard, any such financial indices will be rebalanced/adjusted on a periodic basis in accordance with the requirements of the Central Bank e.g. on a weekly, monthly, quarterly, semi-annual or annual basis. The costs associated with gaining exposure to a financial index will be impacted by the frequency with which the relevant financial index is rebalanced. Details of any financial indices used by a Sub-Fund will be set out in the relevant Supplement.

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

However where a financial index comprised of Eligible Assets does not fulfil the criteria set out in Article 9(1) of the Commission Directive 2007/16/EC (i.e. sufficiently diversified, representative of an adequate benchmark for the market to which it refers and published in an appropriate manner), investment in such an index by the Fund on behalf of a Sub-Fund is not considered a derivative on a financial index but is regarded as a derivative on the combination of assets comprised in the index. A Sub-Fund may only gain exposure to such a financial index where on a “look through” basis, the Sub-Fund is in a position to comply with the risk spreading rules set down in the UCITS Regulations taking into account both direct and indirect exposure of the Sub-Fund to the constituents of the relevant index.

## Currency Hedging

Where a Class of a Sub-Fund is designated as “hedged” in the relevant Supplement, the Fund shall enter into certain currency related transactions in order to mitigate the exchange rate risk between the Base Currency of a Sub-Fund and the currency in which Shares in the Class of the relevant Sub-Fund are designated where that designated currency is different to the Base Currency of the Sub-Fund (“**Non-Base Currency Shares**”). Where specified in the relevant Supplement, the Fund may also enter into derivative transactions in respect of such hedged Classes in order to hedge against exchange rate fluctuation risks between the designated currency of the Class and the currencies in which the Sub-Fund’s assets may be denominated.

Any Financial Instruments used to implement such strategies with respect to one or more Classes shall be assets/liabilities of a Sub-Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class.

Any currency exposure of a Class may not be combined with, or offset against, that of any other Class of a Sub-Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes.

Where there is more than one hedged Class in a Sub-Fund denominated in the same currency (which is a currency other than the Base Currency of the relevant Sub-Fund) and it is intended to hedge the foreign currency exposure of such Classes against the Base Currency of the relevant Sub-Fund or against the currencies in which the Sub-Fund’s assets are denominated, the Sub-Fund may, in accordance with the Central Bank requirements, aggregate the foreign exchange transactions entered into on behalf of such hedged Classes and apportion the gains/losses on and the costs of the relevant financial instruments pro rata to each such hedged Class in the relevant Sub-Fund.

Where the Fund seeks to hedge against currency fluctuations at Class level, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Fund. However, over-hedged positions will not exceed 105% of the Net Asset Value of the Class and under-hedged positions shall not fall short of 95% of the portion of the Net Asset Value of the Class which is to be hedged against currency risk. Hedged positions will be reviewed daily to ensure that over-hedged or under-hedged positions do not exceed/fall short of the permitted levels outlined above and that any position that is materially in excess of 100% of the Net Asset Value will not be carried forward from month to month.

To the extent that hedging is successful for a particular Class, the performance of the Class is likely to move in line with the performance of the underlying assets with the result that investors in that Class will not gain/suffer a loss if the Class currency falls/rises against the Base Currency or such other currency as stated in the relevant supplement.

The currency hedging strategy will be monitored and adjusted in line with the valuation cycle at which investors are able to subscribe to and redeem from the relevant Fund.

In the case of an unhedged Class of Shares, a currency conversion will take place on subscriptions, redemptions, switches and distributions at prevailing exchange rates. The value of the Shares expressed in the Reference Currency of the Class will be subject to exchange rate risk in relation to the Base Currency. Investors' attention is drawn to the risk factors below entitled "**Currency Exposure**" and "**Share Currency Designation Risk**".

### **Changes to the UCITS Regulations**

It is intended that the Fund shall have the power (subject to the prior approval of the Central Bank and any applicable restrictions imposed by any exchange on which the Shares are listed) to avail itself of any change in the investment and borrowing restrictions specified in the UCITS Regulations which would permit investment by the Fund in securities, derivative instruments or in any other forms of investment which is at the date of this Prospectus restricted or prohibited under the UCITS Regulations. Any such change to the UCITS Regulations in relation to permitted derivative instruments will require an updated Risk Management Process to be cleared by the Central Bank prior to use.

### **Risk Management Process**

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

## DISTRIBUTION POLICY OF THE FUND

The Fund can issue both accumulating and distributing Shares.

All income or capital gains attributable to the accumulating Share Classes will be reinvested in accordance with the investment objectives and investment policies of the relevant Sub-Fund.

The Directors intend to declare a dividend in respect of the distributing Share Classes (the “**Distributing Share Classes**”). The distribution policy and information on the declaration and payment of dividends in respect of the Distributing Share Classes will be specified in the relevant Supplement.

Save as may be otherwise set out in the Supplement for the relevant Sub-Fund, dividends for the Distributing Share Classes may, at the sole discretion of the Directors, be paid from a Sub-Fund's net income. Shareholders should note that certain Sub-Funds, as set out in the relevant Supplement, may charge all/part of their fees and expenses to the capital of the Sub-Fund. Where a Sub-Fund that intends to pay dividends from its net income charges its fees and expenses to capital, the net income available for distribution will in practice be a gross rather than net income figure. Gross income shall generally consist of interest, dividends and other investment income less withholding and other taxes or adjustments as applicable. Further detail on the implications of charging fees and expenses to capital will be set out in the Supplement for the relevant Sub-Fund and in the section of the Prospectus headed “Risk Factors”, under the sub-heading “Charging of Fees and Expenses to Capital - Capital Erosion Risk”.

Dividends will be paid in cash by electronic funds transfer to the account of the Shareholder specified in the application form or, in the case of joint holders, to the name of the first Shareholder appearing on the register within one month of their declaration. Any dividend which is unclaimed six years from the date it became payable shall be forfeited and become the property of the relevant Sub-Fund.

On the purchase of Shares in a Sub-Fund, there may be included in the Subscription Price a sum per Share which the Directors deem to be the amount representing income of the Sub-Fund accrued but undistributed up to the time of the issue thereof. This sum is known as “the Equalisation Amount”. On the first payment of a dividend in respect of a Share of a Sub-Fund subject to equalisation, the Shareholder shall receive a distribution of the same net amount as the dividend paid to other Shareholders in the relevant Sub-Fund, but that distribution may include a capital sum representing that part of the Subscription Price of the Shares which represents the Equalisation Amount. The purpose of equalisation is to ensure that all Shareholders in the Sub-Fund receive the same distribution per Share while ensuring that an investor purchasing Shares in a Sub-Fund during a Distribution Period is not entitled to share in the income of the Sub-Fund arising before his acquisition of those Shares. Where Shares in a Sub-Fund are subject to equalisation, this will be disclosed in the relevant Supplement.

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

In the event of an insolvency of the Sub-Fund or the Fund, there is no guarantee that the Sub-Fund or the Fund will have sufficient funds to pay unsecured creditors in full. Shareholders due dividend monies which



are held in an Umbrella Cash Account will rank equally with all other unsecured creditors of the relevant Sub-Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the Shareholder may not recover all monies originally paid into an Umbrella Cash Account for onward transmission to that Shareholder.

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

## MANAGEMENT, CUSTODY AND ADMINISTRATION OF THE FUND

The Directors control the affairs of the Fund and have delegated certain of their duties to the Manager, the Administrator and the Investment Manager.

### The Directors

The Directors of the Fund, all of whom are non-executive directors, with the address of the Directors being the address of the registered office of the Fund are:

**Carol Mahon** (Irish) was the Hermes Fund Managers Ireland Ltd Head of Office (including European branches) from November 2018 until April 2021. Prior to joining Federated Hermes Investment Management, Carol was the Chief Executive Officer for FIL Life Insurance (Ireland) Limited from March 2013 and Executive Director for FIL Fund Management (Ireland) Limited from January 2004. Before joining the Fidelity International Group in 2000, Carol held a number of positions within MeesPierson Fund Services (Dublin) Limited.

Carol acted as a director (PCF 1 and 2) for a number of companies within the Federated Hermes and Fidelity Group, including corporate entities and funds (UCITS and AIFs).

Carol holds a degree in Economics and German from University College Dublin, a diploma and certificate in Financial Services and a Masters of Business Administration from UCD Michael Smurfit Graduate Business School and has successfully completed the Certified Investment Fund Director programme.

**John Fitzpatrick** (Irish) has over 25 years' experience in the management of mutual funds and currently acts as an independent director and consultant in relation to a number of management companies and investment funds. Mr. Fitzpatrick was an Executive Director and Head of Product Development and Technical Sales at Northern Trust Investor Services (Ireland) Limited between 1990 and 2005. In this role, he was responsible for consulting with clients regarding fund structures, regulatory issues and industry developments and was responsible for business development in the Dublin office, representing Northern Trust's fund services business globally. Mr. Fitzpatrick has served as Chairman of the Board for the Irish Funds Industry Association, and from 2002 to 2005 was Vice Chairman of the European Funds and Asset Managers Association. Prior to joining Northern Trust, Mr. Fitzpatrick worked for PricewaterhouseCoopers and KPMG, where he specialized in Company Law and Tax Planning. He has worked at the senior level in all aspects of the mutual fund industry since 1978.

**Caitriona O'Malley** (Irish) is the Chief Financial Officer (CFO) of the Investment Manager. Since joining the Rubrics group in 2013, Caitriona has worked on multiple projects including the restructuring of finance operations, development of an in-house reporting and monitoring platform as well as a number of fund mergers, migrations and launches and the authorisation of UCITS, AIFs and companies with the Central Bank of Ireland.

Caitriona has worked across a number of global PwC offices including Dublin, Toronto and Singapore up to managerial level. In 2006 she joined The Chandler Corporation in Singapore and managed the back office and finance function of the capital markets division for six years before relocating to London where she was recruited by Capital Generation Partners LLP as Operations Manager. Caitriona is a Fellow Chartered Accountant and holds a first class honours Bsc (Mgt) degree in Business Studies.

None of the Directors have had any unspent convictions in relation to indictable offences, been involved in any bankruptcies, receiverships, liquidations, administrations, voluntary arrangements or for any company or

partnership where they were a director with an executive function or partner at the time of or within the 12 months preceding such events, nor have had any public incrimination and/or sanctions by statutory or regulatory authorities (including recognised professional bodies) nor has any director ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

## **The Manager**

The Fund has appointed the Manager to act as manager to the Fund and each Sub-Fund with power to delegate one or more of its functions subject to the overall supervision and control of the Fund. The Manager is a private limited company and was incorporated in Ireland on 10 November 2003 under the registration number 377914 and has been authorised by the Central Bank to act as a UCITS management company and to carry on the business of providing management and related administration services to UCITS collective investment schemes. The Manager's parent company is Carne Global Financial Services Limited, a company incorporated in Ireland with limited liability.

The Manager is responsible for the general management and administration of the Fund's affairs and for ensuring compliance with the Regulations, including investment and reinvestment of each Sub-Fund's assets, having regard to the investment objective and policies of each Sub-Fund. However, pursuant to the Administration Agreement, the Manager has delegated certain of its administration and transfer agency functions in respect of each Sub-Fund to the Administrator.

Pursuant to the Investment Management Agreement, the Manager has delegated certain investment management functions in respect of each Sub-Fund to the Investment Manager.

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

### **Neil Clifford** (Irish resident):

Mr. Clifford is a Director with the Carne Group. He is an experienced Irish-based investment professional and fund director with wide experience of the governance and operations of alternative investments at the institutional level, including infrastructure and private equity funds. He has also had experience as an equity fund manager and is a qualified risk management professional. Mr. Clifford joined the Manager in October 2014 from Irish Life Investment Managers ("ILIM") (April 2006 – September 2014), where he was head of alternative investments. He also supervised ILIM's illiquid investments in private equity and infrastructure, including acting as an independent director on a number of investment companies. He began his career with Irish Life as a sector-focused equity fund manager. Prior to this, Mr. Clifford was a senior equity analyst for Goodbody Stockbrokers (September 2000 - April 2006) in Dublin. He has also worked as an engineer with a number of leading engineering and telecoms firms in Ireland. Mr. Clifford has a bachelor of electrical engineering from University College Cork and a master of business administration from the Smurfit School of Business, University College, Dublin. He is a chartered alternative investment analyst and a financial risk manager (FRM – Global Association of Risk Professionals).

### **Teddy Otto** (Irish resident):

Mr. Otto is a Principal with the Carne Group. He specialises mainly in product development, fund establishment and risk management. Before joining the Manager, Mr. Otto was employed by the Allianz / Dresdner Bank group in Ireland for six years. During this time, he acted as head of fund operations, head of product management and was appointed as a director of the Irish management company for Allianz Global

Investors and a range of Irish and Cayman domiciled investment companies. He had previously held senior positions in the areas of market data and custody at Deutsche International (Ireland) Limited and worked in the investment banking division of Deutsche Bank, Frankfurt. He spent over six years at DeutscheBank group. Prior to that, he was employed with Bankgesellschaft Berlin for two years. Mr. Otto holds a degree in business administration from Technische Universität Berlin.

**Michael Bishop** (U.K. resident):

Mr. Bishop was with UBS Global Asset Management (U.K.) Ltd. (1990 – 2011) holding executive director and then managing director positions and was responsible for the development and management of the U.K. business's range of investment funds. His areas of expertise include U.K. open-ended investment companies, unit trusts, unit linked funds and Irish, Cayman Islands, Channel Islands and other investment structures. He was a director of and responsible for the launch of UBS Global Asset Management Life Ltd. and UBS (Ireland) plc. Mr. Bishop has designed and launched products catering for all capabilities including equities, fixed income and alternative strategies. He has also been responsible for service provider appointment and management, as well as holding senior accounting and managerial roles with other financial services companies including Flemings and Tyndall. He has served on a number of the Investment Management Association's committees, industry forums and consultation groups specialising in U.K. and international regulation, product development and taxation. Mr. Bishop is a fellow of the Chartered Association of Certified Accountants. Since retiring in 2011, he has been involved with various charities.

**Elizabeth Beazley** (Irish resident):

Ms. Beazley is a Director with the Carne Group specialising in corporate governance, product development, financial reporting and fund oversight for both mutual and hedge funds. Ms. Beazley has an 20-year track record in financial services. As Group Chief of Staff for Carne Group, Ms. Beazley works on various strategic projects within the Executive Committee and oversees the Global Onboarding team at Carne which is responsible for overseeing a team project managing the establishment of UCITS and AIFs and several third-party management companies covering service provider selection, governance documentation drafting and operational set-up.

Ms. Beazley currently acts as Director on a number of funds/management companies. Prior to joining Carne Ms. Beazley spent four years with AIB/BNY Fund Management in Ireland, and before that worked for HSBC. Ms. Beazley has been a member of various industry working groups including the Technical committee and the ETF committee and currently sits on the Irish Funds Management Company working group. She graduated with a Bachelor of Commerce from University College Cork and has a Masters' degree in Business Studies from the Smurfit Graduate School of Business. Ms. Beazley is a member of the Association of Chartered Certified Accountants.

**Sarah Murphy** (Irish resident):

Ms. Murphy is a Director of Oversight at Carne, with a particular focus on the governance and operations of management companies and fund platforms. She currently acts as a Director and Chief Operations Officer of Carne's management companies in addition to serving on the boards of Carne's UCITS and QIAIF platforms. Ms. Murphy is primarily responsible for leading the execution of the firm's management companies' operations, which collectively oversee more than \$100bn in assets. She began her career at Carne as a business manager where she was tasked with leading the launch and development of a number of the firm's corporate services businesses.

Prior to joining Carne, Ms. Murphy held a number of senior management roles in BDO Ireland's corporate services business. During this period, Ms. Murphy was responsible for providing advisory services to a broad range of domestic and international clients in relation to corporate governance and company law issues associated with acquisitions, disposals and company re-organisations.

Ms. Murphy is a Fellow of the Institute of Chartered Secretaries and Administrators and is currently completing the Chartered Alternative Investment Analyst certification.

#### **David McGowan** (Irish resident)

Mr. McGowan joined Carne as the Global Chief Operating Officer in October 2019. Mr. McGowan has over 15 years' experience in building and managing complex operations teams across a variety of industries. Mr. McGowan has responsibility for a multitude of operational functions across a number of business lines across the Carne Group. As part of Mr. McGowan's remit within Carne Group, he is responsible for ensuring that the most appropriate operating model is in place for the Manager's regulatory environment as the Manager grows in terms of assets under management, number of funds under management and number of delegate arrangements.

In Mr. McGowan's role prior to joining Carne, he served as a Director of Global Business Services with LinkedIn leading a number of global business lines, including heading up functions of over 400 full time employees with global accountability for relationship management and management operating systems implementation. Prior to his role with LinkedIn, Mr. McGowan was a Director of Global Business Services with Accenture Plc providing domain and analytical support for outsourced relationships in EMEA and project implementation across a number of areas including Customer Success and Sales.

Mr. McGowan holds a BSc in Supply Chain Management and Logistics from the Aston University Manchester.

The Manager's company secretary is Carne Global Financial Services Limited.

#### **Company Secretary of the Fund**

The company secretary of the Fund is Carne Global Financial Services Limited whose registered office is at 2nd Floor, Block E, Iveagh Court, Harcourt Road, Dublin 2, Ireland.

#### **Investment Manager**

The Manager has appointed Rubrics Asset Management (Ireland) Limited to provide discretionary investment management services to the Sub-Funds. Under the terms of the Investment Management Agreement the Investment Manager is responsible, subject to the overall supervision and control of the Manager, for managing the assets and investments of the Sub-Funds of the Fund in accordance with its investment objectives and policies. Summary details of the Investment Management Agreement are set out in the section headed "**Material Contracts**".

The Investment Manager was incorporated on 24 October, 2017 under the laws of Ireland and is regulated by the Central Bank as an alternative investment fund manager under the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. No. 257 of 2013) as amended ("AIFM Regulations") and is authorised by the Central Bank in the provision of investment services under Regulation 7(4) of the AIFM Regulations. As at the date of this Prospectus the Investment Manager has assets under management of approximately US\$816 million. The Investment Manager also acts as promoter of the Fund.

## **Sub-Investment Managers**

The Investment Manager may, with the prior consent of the Manager, delegate its investment management functions to a sub-investment manager provided that such delegation is made in accordance with the requirements of the Central Bank, information on any sub-investment manager will be provided to Shareholders on request, details of the sub-investment manager will be disclosed in the annual report and accounts and the unaudited half-yearly accounts and the fees of the sub-investment manager will not be paid out of the Fund's assets.

## **The Depositary**

The Fund has appointed the Bank of New York Mellon SA/NV, Dublin Branch to act as the depositary of the Fund's assets pursuant to the Depositary Agreement. The Depositary is a limited liability company established in Belgium on 30 September 2008. The principal activity of the Depositary is asset servicing, which is provided to both third party and to internal clients within The Bank of New York Mellon group. The Depositary is regulated and supervised as a significant credit institution by the European Central Bank ("ECB") and the National Bank of Belgium (NBB) for prudential matters and under the supervision of the Belgian Financial Services and Markets Authority (FSMA) for conduct of business rules. It is regulated by the Central Bank of Ireland for conduct of business rules.

The Depositary is a wholly-owned subsidiary of The Bank of New York Mellon ("BNY Mellon"). BNY Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. BNY Mellon is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. As at 31 March 2019, it had US\$34.5 trillion in assets under custody and administration and US\$1.8 trillion in assets under management.

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

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

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

Under the Depositary Agreement, the Depositary has power to delegate the whole or any part of its depositary functions, however, its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The list of sub-delegates appointed by The Bank of New York Mellon SA/NV or The Bank of New York Mellon is set out in Appendix VI hereto. The use of particular sub-delegates will

depend on the markets in which the Fund invests.

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

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

### **The Administrator**

The Manager has appointed BNY Mellon Fund Services (Ireland) DAC as administrator and registrar of the Fund pursuant to the Administration Agreement. The Administrator is a designated activity company incorporated in Ireland on 31 May 1994 under registration number 218007. The Administrator is an indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation. The Administrator's registered office is at Once Dockland Central, Guild Street, IFSC, Dublin 1, Ireland. The Administrator's main business activity is the provision of administrative services to collective investment schemes and other portfolios.

The Administrator has been appointed to administer the day to day operations and business of the Fund, including processing subscriptions, redemptions, computing the Net Asset Value and the Net Asset Value per Share, maintaining books and records, disbursing payments, establishing and maintaining accounts on behalf of the Fund and any other matters usually performed for the administration of a fund, including the calculation of the performance fee, where applicable. The Administrator will keep the accounts of the Fund in accordance with applicable accounting standards. The Administrator will also maintain the register of Shareholders.

The Administrator is responsible and liable only for the administration services that it provides to the Fund pursuant to the Administration Agreement. The Administrator accepts no responsibility or liability for any losses suffered by the Fund as a result of any breach of such policies or restrictions by the Fund or the Investment Manager

### **Distributors**

Under the terms of the Investment Management Agreement the Investment Manager has been appointed by the Manager to act as distributor of the Shares of the Sub-Funds. The Investment Manager may appoint sub-distributors or representative agents. No distribution or sub-distribution fees will be charged directly out of the assets of the Sub-Funds.

### **Paying Agents/Representatives/Sub-Distributors**

Local laws/regulations in EEA Member States may require the appointment of paying agents/representatives/distributors/correspondent banks ("**Paying Agents**") and maintenance of accounts

by such Paying Agents through which subscription and redemption monies or dividends may be paid. Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to or from the Administrator (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Administrator for the account of the Fund or the relevant Sub-Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder. Fees and expenses of Paying Agents appointed by the Manager which will be at normal commercial rates will be borne by the Fund or the Sub-Fund in respect of which a Paying Agent has been appointed.

All Shareholders of the Fund or the Sub-Fund on whose behalf a Paying Agent is appointed may avail of the services provided by Paying Agents appointed by the Manager on behalf of the Fund or relevant Sub-Fund.



## **SUBSCRIPTIONS**

### **Offer, Shares and Classes**

The Classes of Shares available for issue in respect of each Sub-Fund shall be set out in the relevant Supplement.

### **Initial Offer**

Shares may be subscribed for during the Initial Offer Period at a price specified in the relevant Supplement (plus duties and charges, if applicable).

### **Subsequent Subscriptions**

Following the close of the Initial Offer Period, Shares will be available for subscription at the Subscription Price on each Subscription Day (plus duties and charges, if applicable). The Subscription Price will be equal to the Net Asset Value per Share as at the Valuation Point on the relevant Subscription Day. Dealing is carried out on a forward pricing basis. i.e. the Net Asset Value next computed after receipt of subscription requests.

### **Procedure**

The required procedure, documentation and applicable deadlines and fees (if applicable) for initial and subsequent applications for Shares in respect of each Sub-Fund shall be set out in the relevant Supplement.

In addition, the following shall apply to all applications for Shares in all Sub-Funds.

Monies subscribed for each Sub-Fund or Class of a Sub-Fund should be in the Reference Currency of the relevant Class. At the discretion of the Directors, applications may be accepted in currencies other than the Reference Currency. Any applications made in currencies other than Reference Currency of the relevant Class will at the discretion of the Fund be converted into that currency at the prevailing exchange rate (whether official or otherwise) that the Fund or its delegates shall determine to be appropriate. Any such foreign exchange transaction will be at the sole cost and risk of the relevant investor.

Fractions of Shares will, if necessary, be issued.

The Directors reserve the right to reject any application in whole or part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned as soon as practicable and at the risk and cost of the applicant. The Manager has appointed the Administrator to receive and process applications and redemptions. Subscription order may be accepted electronically including initial subscriptions which may be processed upon receipt of an electronic instruction.

Once completed applications have been received by the Administrator, they are irrevocable. The Administrator will issue a written confirmation on behalf of the Fund to successful applicants as soon as possible confirming acceptance of their application, and, upon issue of the Shares, will issue a written confirmation of ownership.

The Directors reserve the right from time to time to resolve to close any Sub-Fund or Class of Shares to new subscriptions, either for a specified period or until it otherwise determines. Shareholders will be notified of

any such closure. During any such period Shares of that Sub-Fund or Class will not be available for subscription. Shareholders should note that a temporary closure of this type (if any) will not affect redemptions by existing Shareholders.

### **“In Specie” Subscriptions**

The Fund may on any Subscription Day allot Shares in any Sub-Fund or Class on terms that settlement shall be made by the vesting in the Depositary of assets of the type in which the subscription monies for the relevant Shares may be invested in accordance with the investment objective, investment policy and restrictions of the relevant Sub-Fund and otherwise upon such terms as the Directors may think fit provided that:

- (i) no Shares shall be issued until the assets or property have been vested or arrangements are made to vest the assets or property with the Depositary or its sub-custodian to the Depositary's satisfaction;
- (ii) any such exchange shall be effected on terms that the number of Shares to be issued shall be the number (including, at the Manager's discretion, fractions of Shares) which would have been issued at the Subscription Price for a cash amount equal to the value of the assets or property as calculated in accordance with Net Asset Value of the Sub-Fund(s) including such sum as the Manager may consider represents an appropriate provision for duties and charges arising in connection with the vesting of the assets or property;
- (iii) the assets or property to be transferred to the Fund shall be valued by applying the rules relating to valuation of investments contained herein;
- (iv) there may be paid to the incoming Shareholder out of the assets or property of the relevant Sub-Fund a sum in cash equal to the value at the current price of any fraction of a Share excluded from the calculation aforesaid; and
- (v) the Depositary shall be satisfied that the terms of such exchange shall not be such as are likely to result in any material prejudice to the existing Shareholders.

### **Additional Subscriptions**

Details of a Minimum Transaction Size, if applicable, shall be set out in the relevant Supplement.

### **Ineligible Applicants**

The Application Form requires each prospective applicant for Shares to represent and warrant to the Fund that, among other things, he is able to acquire and hold Shares without violating applicable laws.

The Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors or Investment Manager, might result in the Fund incurring any liability to taxation or suffering any other legal, regulatory, fiscal or pecuniary disadvantage which the Fund might not otherwise incur or suffer, or would result in the Fund or its Shares being required to register under any applicable U.S. securities laws.

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

Investors must certify on the relevant Application Form that they have the knowledge, expertise and experience in financial matters to evaluate the risks of investing in the Fund, are aware of the risks inherent in investment in the assets in which the Fund will invest and the method by which these assets will be held and/or traded, and can bear the loss of their entire investment in the Fund. Any transferee of Shares will be required to certify in like terms before any transfer is registered.

Subject as mentioned above and under "**General and Statutory Information**" below, Shares are freely transferable.

### **Form of Shares**

All the Shares are registered Shares. A Shareholder's entitlement will be evidenced by an entry in the Fund's Register of Shareholders and not by a share certificate. A Share may be registered in a single name or in up to four joint names. Where Shares are registered in joint names, a joint holder will be required to authorise the Administrator to act upon the sole written instructions of any one of the joint holders in respect of the transfer or redemption of all or any of those Shares. The Register of Shareholders will be available for inspection by Shareholders at the registered office of the Fund during normal business hours.

The Shares of the Fund will be settled by means of electronic funds transfer. The Fund has decided that the current means of settlement, which is the settlement protocol offered by the Administrator, is the most efficient means of settlement for the Shares of the Fund.

### **Suspension**

The Directors may declare a temporary suspension of the issue of the Shares in certain circumstances as described under "General and Statutory Information". No Shares will be issued during any such period of suspension.

### **Operation of Umbrella Cash Accounts in the name of the Fund**

All subscriptions payable to the relevant Sub-Fund will be channelled and managed through Umbrella Cash Accounts and no such accounts shall be operated at the level of each individual Sub-Fund. However the Fund will ensure that the amounts within an Umbrella Cash Account whether positive or negative can be attributed to the relevant Sub-Fund in order to comply with the requirement that the assets and liabilities of each Sub-Fund are kept separate from all other Sub-Funds and that separate books and records are maintained for each Sub-Fund in which all transactions relevant to a Sub-Fund are recorded.

Subscription monies received from an investor in advance of a Subscription Day in respect of which an application for Shares has been, or is expected to be, received will be held in an Umbrella Cash Account and will be treated as an asset of the relevant Sub-Fund upon receipt and will not benefit from the application of

any investor money protection rules (i.e. the subscription monies in such circumstance will not be held on trust as investor monies for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the relevant Sub-Fund with respect to the amount subscribed and held by the Fund until such Shares are issued as of the relevant Subscription Day.

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

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

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

Measures aimed at the prevention of money laundering and terrorist financing in accordance with the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010 as amended by way of the Criminal Justice Act, 2013 require a detailed verification of the investor's identity and where applicable the beneficial owner on a risk sensitive basis and the ongoing monitoring of the business relationship. Politically exposed persons (“PEPs”), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, and immediate family member, or persons known to close associates of such persons, must also be identified. By way of example an individual may be required to produce an original certified copy of a passport or identification card together with evidence of his/her address such as two original copies of evidence of his/her address, i.e. utility bills or bank statements, date of birth and tax residency. In the case of corporate investors, such measures may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and resident and business addresses of all directors. Depending on the circumstances of each application, a detailed verification might not be required where for example, the application is made through a recognised intermediary. This exception will only apply if the intermediary referred to above is located within a country recognised in Ireland as having equivalent anti-money laundering and counter terrorist financing regulations or satisfies other applicable conditions and the investor produces a letter of undertaking from the recognised intermediary. Intermediaries cannot rely on third parties to meet the obligation to monitor the ongoing business relationship with an investor which remains their ultimate responsibility.

The Administrator, the Distributor and the Manager each reserves the right to request such information as is necessary to verify the identity of an investor. Verification of the investor's identity is required to take place before the establishment of the business relationship. In any event, evidence of identity is required for all investors as soon as is reasonably practicable after the initial contact.

In the event of delay or failure by an investor or applicant to produce any information required for verification purposes, the Directors, the Administrator, the Distributor or the Manager may refuse to accept the application and subscription monies and return all subscription monies or compulsorily repurchase such Shareholder's Shares and/or payment of repurchase or dividend proceeds may be delayed (no repurchase or dividend proceeds will be paid if the Shareholder fails to produce such information). In circumstances where a redemption request is received, the Fund will process any redemption request received by a Shareholder,

however the proceeds of that redemption will be held in an Umbrella Cash Account and therefore shall remain an asset of the relevant Sub-Fund. The redeeming Shareholder will rank as a general creditor of the relevant Sub-Fund until such time as the Fund is satisfied that its anti-money laundering and terrorist financing procedures have been fully complied with, following which redemption proceeds will be released.

In the event of an insolvency of the Sub-Fund or the Fund, there is no guarantee that the Sub-Fund or the Fund will have sufficient funds to pay unsecured creditors in full. Investors / Shareholders due redemption / dividend monies which are held in a Umbrella Cash Account will rank equally with all other unsecured creditors of the relevant Sub-Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the investor/ Shareholder may not recover all monies originally paid into an Umbrella Cash Account for onward transmission to that investor / Shareholder. Therefore investors / Shareholders are advised to ensure that all relevant documentation requested by the Fund in order to comply with anti-money laundering and terrorist financing procedures is submitted to the Fund promptly on subscribing for Shares in a Sub-Fund.

None of the Fund, the Manager, the Directors, the Investment Manager or the Administrator shall be liable to the subscriber or Shareholder where an application for Shares is not processed or Shares are compulsorily repurchased or payment of repurchase or dividend proceeds is delayed in such circumstances. If an application is rejected, the Administrator will return application monies or the balance thereof by electronic funds transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the applicant. The Administrator may refuse to pay or delay payment of repurchase or dividend proceeds where the requisite information for verification purposes has not been produced by a Shareholder.

#### **Data Protection Information**

Prospective investors should note that by completing the application form Shares they are providing information to the Fund which may constitute personal data within the meaning of the GDPR. This data will be used by or on behalf of the Fund for the purposes of client identification and the subscription process, management and administration of your holding in the Fund and to comply with any applicable legal, taxation or regulatory requirements. Such data may be disclosed and / or transferred to third parties including regulatory bodies, tax authorities, delegates, advisers and service providers of the Fund and their or the Fund's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including to countries outside the EEA which may not have the same data protection laws as in Ireland) for the purposes specified.

*It should also be noted that the Investment Manager, the Administrator and the Depositary may act as a data controller of the personal data provided to the Fund.*

*The Administrator and the Depositary will act as data controllers in circumstances where the Administrator and the Depositary act as a data controller of such personal data, all rights afforded to Shareholders as data subjects under the GDPR shall be exercisable by a Shareholder solely against the Administrator and the Depositary.*

Investors have a right to obtain a copy of their personal data kept by the Fund, the Investment Manager, the Administrator and the Depositary, the right to rectify any inaccuracies in personal data held by the Fund, the Investment Manager, the Administrator and the Depositary and in a number of circumstances a right to be forgotten and a right to restrict or object to processing. In certain limited circumstances a right to data portability may apply.

The Fund and its appointed service providers will retain all documentation provided by a Shareholder in relation to its investment in the Fund for such period of time as may be required by Irish legal and regulatory requirements, but for at least six years after the period of investment has ended or the date on which a Shareholder has had its last transaction with the Fund.

A copy of the data privacy statement of the Fund is available from [www.rubricsam.com](http://www.rubricsam.com).

### **Dealing Instructions sent via Facsimile**

The Manager, the Directors and the Administrator will act with due care and diligence in dealing with facsimile instructions, including but not limited to taking reasonable precautions to ensure that applications for Shares, redemption requests and switching requests are not accepted which are false, fraudulent or incomplete. Subject to the foregoing, any person who uses facsimile as a means of instruction as permitted under this Prospectus shall indemnify and hold harmless the Fund, the Manager, the Directors and the Administrator against any loss of any nature whatsoever arising to each of them as a result of any of them acting on facsimile instructions and the Fund, the Manager, the Directors and the Administrator may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instructions or other instrument believed, in good faith, to be genuine or to be signed by properly authorised persons, subject, in the case of the Administrator and the Manager, to the terms of the Administration Agreement and Management Agreement respectively and, in particular, Clause 12 of the Administration Agreement and Clause 12 of the Management Agreement (as summarised in paragraph “14” of the section of the Prospectus headed “**General and Statutory Information**”), and, in the case of the Directors, subject and without prejudice to Article 37.01 of the Articles which provides, in summary, that indemnity shall not extend to a Director if loss is sustained or incurred as a result of any fraud, negligence or wilful default by him in relation to the Fund.

The Administrator shall not be responsible to any Shareholder for any loss resulting from the non-receipt of any subscription, redemption or switching requests sent by facsimile.

## **REDEMPTIONS**

Shares will be redeemable at the option of the Shareholder on each Redemption Day except as described below. The required procedure, documentation, applicable deadlines and fees (if applicable) for the redemption of Shares in respect of each Sub-Fund shall be set out in the relevant Supplement. A redemption request, once given, is irrevocable.

### **Redemption Price**

The Redemption Price per Share will be equal to the Net Asset Value per Share of that Sub-Fund or Class as at the Valuation Point. Redemption fees, if any will be provided in the relevant Supplement in respect of a particular Sub-Fund. Any such fee, if applicable, will be paid into the Sub-Fund. The Fund may, at its sole discretion, waive such redemption charge or differentiate between applicants as to the amount of such charge within the permitted limit.

Investors should note that the price at which Shares are redeemed may be affected by fluctuations in the value of the underlying investments of the Sub-Fund during the period between the lodgement of a redemption request and the date when the Redemption Price is calculated.

### **Settlement**

Payment of redemption proceeds will be within the time limits set out in the relevant Supplements. Payment will be made in the Reference Currency of the relevant Class by direct transfer in accordance with instructions given by the redeeming Shareholder to the Administrator and at the Shareholder's risk and cost.

On request from a Shareholder and at the discretion of the Directors, payment may be made in currencies other than the Reference Currency of the relevant Class. Any such payments will be converted into that currency at the prevailing exchange rate (whether official or otherwise) that the Directors or its delegates shall determine to be appropriate. Any such foreign exchange transaction will be at the sole cost and risk of the relevant investor.

### **Suspension**

The Directors may declare a temporary suspension of the redemption of Shares in a Sub-Fund in certain circumstances as described under "General and Statutory Information". No Shares will be redeemed during any such period of suspension.

### **Operation of Umbrella Cash Accounts in the name of the Fund**

All redemption proceeds payable from the relevant Sub-Fund will be channelled and managed through Umbrella Cash Accounts and no such account shall be operated at the level of each individual Sub-Fund. However the Fund will ensure that the amounts within an Umbrella Cash Account whether positive or negative can be attributed to the relevant Sub-Fund in order to comply with the requirement that the assets and liabilities of each Sub-Fund are kept separate from all other Sub-Funds and that separate books and records are maintained for each Sub-Fund in which all transactions relevant to a Sub-Fund are recorded.

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

asset of the Sub-Fund until paid to that investor and will not benefit from the application of any investor money protection rules (i.e. the redemption monies in such circumstance will not be held on trust for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the relevant Sub-Fund with respect to the redemption amount held by the Fund until paid to the investor.

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

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

### Compulsory Redemption

The Directors reserve the right to require compulsory redemption of all Shares in a Sub-Fund held by a Shareholder in circumstances as described under “**General and Statutory Information**”.

### Deferred Redemptions

If the number of Shares to be redeemed on any Redemption Day exceed (a) at least 10% of the total number of Shares in the Sub-Fund or (b) at least 10% of the Net Asset Value of the Sub-Fund, the Manager may at its discretion refuse to redeem any Shares in excess of (a) or (b) or such higher percentage as the Manager may determine, and, if the Manager so refuses, the requests for redemption on such Redemption Day shall be reduced pro rata and shall treat the redemption requests as if they were received on each subsequent Redemption Day until all the Shares to which the original request related have been redeemed.

### “In Specie” Redemptions

The Fund may, at the discretion of the Directors, satisfy any request for redemption of Shares by the transfer in specie to a Shareholder requesting redemption of assets of the relevant Sub-Fund having a value equal to the Redemption Price for the Shares redeemed as if the redemption proceeds were paid in cash less any redemption charge and other expenses of the transfer as the Directors may determine provided that either: (a) the Shareholder requesting redemption consents to such transfer in specie; or (b) where the redeeming Shareholder requests redemption of a number of Shares that represents at least 5% of the Net Asset Value of a Sub-Fund the Manager may elect to satisfy the redemption request in specie and at the request of the Shareholder, the Fund shall sell any asset or assets proposed to be distributed in specie and distribute to such Shareholder the cash proceeds less the costs of such sale which shall be borne by the relevant Shareholder. The nature and type of assets to be transferred in specie to each Shareholder shall be determined by the Directors on such basis as the Directors in their sole discretion shall deem equitable and not prejudicial to the interests of the remaining Shareholders in the relevant Sub-Fund or Class. Allocation of assets for in specie redemptions are subject to the approval of the Depositary.

### Anti-Money Laundering

Investors should note that the Fund may refuse to accept a redemption request if it is not accompanied by such additional information as it, or the Administrator on its behalf, may in its absolute discretion require. This



power may, without limitation to the generality of the foregoing, be exercised where proper information has not been provided for money laundering verification purposes as described under “**Subscriptions**”. Investors should note in particular that redemption proceeds will not be paid by the Administrator to an account which is not in the name of the investor.

### **Clearing Systems**

The repurchase procedures and the applicable dealing deadlines may be different if applications for repurchase are made through a Clearing System, although the ultimate dealing deadlines and procedures referred to above and in the relevant Supplement will remain unaffected. Applicants for redemption may obtain information on redemption procedure directly from the relevant Clearing System.

## SWITCHING

Except when issues and redemptions of Shares have been suspended in the circumstances described under “**General and Statutory Information**”, on any Redemption Day Shareholders may, in respect of Shares held in one or more Classes or Sub-Funds (the “**Original Shares**”) request the Fund or its delegates (including the Administrator) to redesignate some or all of such Original Shares as Shares in one or more other Classes or Sub-Funds subject to the Minimum Initial Investment Amount in respect of each Sub-Fund or Class.

A Share exchange will be treated as a redemption of Shares of one Sub-Fund or Class at the relevant Redemption Price and a simultaneous subscription for Shares (at the most recent Subscription Price) of the other Sub-Fund or Class and, accordingly, the general provisions and procedures relating to redemptions and subscriptions of Shares will apply. The Fund may impose a switching fee. Any such fee, if applicable to a particular Class or Sub-Fund, will be disclosed in the relevant Supplement.

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

$$U = \frac{(R \times NAV \times ER) - F}{SP}$$

where

U = the number of Shares of the New Sub-Fund or new Class to be allotted.

R = the number of Shares in the Original Sub-Fund or Class to be redeemed.

NAV = the Net Asset Value per Share of the Original Sub-Fund or Class on the Valuation Day.

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

F = the conversion charge (if any). The Fund has the power to charge a maximum of 5% of the Net Asset Value per Share. However, no such charge is currently applied. Any change to this policy will be clearly set out in the relevant Supplement and notified to Shareholders in advance of any change.

SP = the Net Asset Value per Share of the New Fund or Class on the Valuation Day on the relevant Redemption Day.

Shareholders should send a completed switching requests in the form available from the Administrator. The deadline for the receipt of exchange requests will be set out in the Supplement for the relevant Sub-Fund. On failure to meet the deadline, the exchange request will be held over until the next following Redemption Day and Shares will be exchanged at the relevant Redemption Price and Subscription Price applicable on that Redemption Day.

## **TRADING PRACTICES/MARKET TIMING**

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

The Directors and the Investment Manager seek to deter and prevent abusive trading practices and to reduce these risks, through several methods as determined in their sole discretion. However, there can be no assurances that such trading practices can be mitigated or eliminated.

## NET ASSET VALUE

The Net Asset Value of each Sub-Fund, the Net Asset Value of each Class and the Net Asset Value per Share of each Class of Shares will be determined as at the Valuation Point.

The Directors have delegated to the Administrator or its delegates the determination of Net Asset Value and the Net Asset Value per Share.

### Net Asset Value of the Fund

The Net Asset Value of each Class of Shares will be determined by attributing the Net Asset Value of each Sub-Fund between each Class based on the Net Asset Value of each Class as at the immediately preceding Valuation Point. To the extent that different entitlements, costs or liabilities apply in respect of each Class (including gains/losses on and the costs of hedging transactions undertaken in respect of the relevant Class), these will be excluded from the initial calculation of the Net Asset Value of the Sub-Fund and will be applied separately to the Net Asset Value attributed to the relevant Class. The portion of the Net Asset Value of the Sub-Fund attributable to the Classes not being denominated in the Base Currency of the Sub-Fund will then be converted from the Base Currency into the currency of denomination.

The Net Asset Value per Share of each Class in each Sub-Fund will be calculated by dividing the Net Asset Value attributable to that Class by the number of Shares of that Class in issue as at the relevant Valuation Point. The Net Asset Value per Share will be rounded to the nearest two decimal places for Rubrics Global Fixed Income UCITS Fund, Rubrics Emerging Markets Fixed Income UCITS Fund and Rubrics India Fixed Income UCITS Fund. The Net Asset Value per Share will be rounded to the nearest four decimal places for Rubrics Global Credit UCITS Fund and Q Rubrics India Fixed Income UCITS Fund.

In determining the value of the assets of the Fund or any Sub-Fund:

- (A) Securities that are listed or traded on a Recognised Exchange save as hereinafter provided at (B), (D), (E), (F), (G) and (H) will be valued at last traded price. Where a security is listed or traded on more than one Recognised Exchange the relevant exchange or market shall be the exchange that constitutes the main market. Securities listed or traded on a Recognised Exchange, but acquired at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount at the date of valuation and the Depositary must ensure the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.
- (B) The value of any security which is not listed or traded on a Recognised Exchange or which is so quoted, listed or dealt in but for which no such quotation or value is available or the available quotation or value is not representative of the fair market value shall be the probable realisation value as estimated with care and good faith as valued by (i) the Manager; (ii) a competent person, firm or corporation (including the Investment Manager) appointed by the Manager and approved for the purpose by the Depositary or (iii) any other means provided that the means of valuation is approved by the Depositary. Where reliable market quotations are not available for fixed income securities the value of such securities may be determined using matrix methodology whereby such securities are valued by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics.
- (C) Cash (in hand or on deposit) will be valued at its nominal / face value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.

- (D) Derivative contracts traded on a regulated market will be valued at the settlement price on the relevant market where the derivative contract is traded. If the settlement price is not available, the derivative contract may be valued in accordance with paragraph (B) above. Derivative contracts which are not traded on a regulated market and are not cleared by a clearing counterparty will be valued daily either (i) on the basis of a quotation provided by the relevant counterparty and such valuation shall be approved or verified at least weekly by a party who is selected by the Manager and approved for the purpose by the Depositary and who is independent of the counterparty (the “**Counterparty Valuation**”); or (ii) using an alternative valuation provided by a competent person appointed by the Manager and approved for the purpose by the Depositary or a valuation by any other means provided that the method of valuation is approved by the Depositary (the “**Alternative Valuation**”). Where such Alternative Valuation method is used the Fund will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as the International Organisation of Securities Commissions or the Alternative Investment Management Association and will be reconciled to the Counterparty Valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained. Derivative contracts which are not traded on a regulated market but are cleared by a clearing counterparty will be valued on the basis of the mark to market value of the derivative contract or if market conditions prevent marking to market, reliable and prudent marking to model may be used.
- (E) Forward foreign exchange and interest rate swap contracts will be valued in the same manner derivatives contracts which are not traded on a regulated market or by reference to freely available market quotations.
- (F) Notwithstanding paragraph (A) above units in collective investment schemes will be valued at the latest available net asset value per unit or bid price as published by the relevant collective investment scheme or, if listed or traded on a Recognised Exchange, in accordance with (A) above. Where a final net asset value per unit is not available an estimated net asset value per unit received from the administrator or investment manager of the relevant collective investment scheme may be used. Where estimated values are used, they shall be final and conclusive notwithstanding any subsequent variation in the net asset value of the collective investment scheme.
- (G) In the case of a Sub-Fund which is a short-term money market fund, as detailed in the Central Bank Regulations, the Manager may use the amortised cost method of valuation if the use of such method of valuation is permissible pursuant to the Central Bank Regulations.
- (H) In the case of a Sub-Fund in relation to which it is not intended to apply the amortised cost method of valuation as a whole, a money market instrument within the Sub-Fund shall only be valued on an amortised basis if the money market instrument has a residual maturity of less than three months and does not have any specific sensitivity to market parameters, including credit risk.
- (I) The Manager may adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, dealing costs, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof.
- (J) Any value expressed otherwise than in the Base Currency of the relevant Sub-Fund will be converted into the Base Currency of the relevant Sub-Fund at the prevailing exchange rate (whether official or otherwise) that is available to the Manager or its delegate.
- (K) Where the value of any security is not ascertainable as described above, the value shall be the probable realisation value estimated by the Manager with care and in good faith or by a competent

person approved for the purpose by the Depositary.

- (L) If the Manager deems it necessary a specific investment may be valued under an alternative method of valuation chosen by the Manager and approved by the Depositary and the rationale/methodologies used shall be clearly documented.

In calculating the Net Asset Value, appropriate provisions will be made to account for the charges and fees charged to the Sub-Fund as well as accrued income on the Sub-Fund's investments. Subject to allocation of specific hedging costs, each Sub-Fund will be charged with the liabilities, expenses, costs and charges of the Fund attributable to that Sub-Fund, and within the Sub-Funds charges will be allocated between Classes in accordance with the terms of issue of Shares of those Classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the Directors in a manner which they believe is fair to the Shareholders generally. This allocation will normally be pro rata to the Net Asset Value of the relevant Sub-Funds.

### **Responsibility Statement**

In calculating the Net Asset Value of the Fund, the Directors, the Manager, the Administrator and the Investment Manager shall not (in the absence of bad faith, fraud, negligence or wilful default) be liable for any loss suffered by the Sub-Fund or any Shareholder by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by any pricing service or service provider to the Fund or a Sub-Fund, including but not limited to a prime broker, OTC counterparty broker, market maker, other intermediary or other counterparty (a "**Pricing Party**"). The Directors, the Manager and the Administrator shall use reasonable endeavours to verify any pricing information supplied by any Pricing Party or any connected person thereof. However, in certain circumstances it may not be possible or practicable for the Manager, the Administrator or the Investment Manager to verify such information and, in such circumstances, none of those parties shall (in the absence of bad faith, fraud, negligence or wilful default) be liable for any loss suffered by any Sub-Fund or any Shareholder by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by any Pricing Party. In circumstances where the Directors, the Manager, the Administrator or the Investment Manager is directed by a Pricing Party to use particular pricing services, brokers, market makers or other intermediaries, none of them shall (in the absence of bad faith, fraud, negligence or wilful default) be liable for any loss suffered by any Sub-Fund or any Shareholder by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by such pricing services, brokers, market makers or other intermediaries.

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

Except where the determination of the Net Asset Value of a Sub-Fund, the Net Asset Value per Share and/or the issue and repurchase prices have been temporarily suspended in the circumstances described in General and Statutory Information, the Net Asset Value per Share of each Class of a Sub-Fund and the issue and repurchase prices of the Shares on each Subscription Date and Redemption Date will be available from the Administrator upon request and is published on the web-page [www.rubricsam.com](http://www.rubricsam.com) and/or such other publication as the Directors may decide, circulating in the jurisdictions in which Shares are marketed and which are notified to Shareholders.

The latest Net Asset Value may also be obtained from the Investment Manager and is updated daily on Bloomberg. The Net Asset Value per Share will also be notified immediately upon calculation by the Administrator to Euronext Dublin in respect of listed Classes.

## **FEES AND EXPENSES OF THE FUND**

### **Subscription Fee**

Subscription fees, if any, will be provided for in the relevant Supplement in respect of a particular Sub-Fund. Such fee, if applicable, will be paid into the relevant Sub-Fund. The Directors or their delegate may, at its sole discretion, waive such subscription fees or differentiate between applicants as to the amount of such charge within the permitted limit.

### **Redemption Fee**

Redemption fees, if any, will be provided in the relevant Supplement in respect of a particular Sub-Fund. Any such fee, if applicable, will be paid into the relevant Sub-Fund. The Directors or their delegate may, at its sole discretion, waive such redemption charge or differentiate between applicants as to the amount of such charge within the permitted limit.

### **Switching Fee**

Switching fees, if any, will be provided in the relevant Supplement in respect of a particular Sub-Fund. Any such fee, if applicable, will be paid into the relevant Sub-Fund. The Directors or their delegate may, at its sole discretion, waive such switching fee or differentiate between applicants as to the amount of such charge within the permitted limit.

### **Directors Fees**

The remuneration of the Directors in respect of services rendered or to be rendered to the Fund shall not exceed €55,000 in the aggregate per annum. Caitriona O'Malley receives no fee for acting as a director of the Fund. The Directors may also be paid all other expenses properly incurred by them in the performance of their duties in connection with the business of the Fund. The Directors' remuneration and expenses will be paid pro rata out of the assets of the Sub-Funds, to include the deduction and payment of all taxes payable on remuneration earned from the Fund.

### **Manager**

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

### **Investment Manager**

The Investment Manager shall be entitled to be paid an investment management fee out of the assets of each Sub-Fund, details of which shall be set out in the relevant Supplement. The Investment Manager may also be entitled to a performance fee out of the assets of a Sub-Fund, details of a performance fee (if any) shall be set out in the relevant Supplement. The Investment Manager will be reimbursed out of the assets of the relevant Sub-Fund all of its reasonable out-of-pocket expenses and other expenses incurred by it in the performance of its duties.

### **Company Secretary**

The Company Secretary will receive a fee of approximately Euro 12,000 per annum (for 5 sub-funds) exclusive of VAT and expenses.

## **Administrator and Depositary**

The Administrator and Depositary shall be entitled to receive a fee out of the assets of each Sub-Fund calculated in the manner set out in the relevant Supplement.

## **Other Fees and Expenses**

The Fund will also pay out of the assets of the Sub-Funds the costs and expenses (i) of all transactions carried out on its behalf and (ii) of the administration of the Fund, including (a) registering the Fund and/or any Sub-Fund and the Shares with any governmental or regulatory authority including the fees and expenses of any paying agents at normal commercial rates (b) management, administration, custodial and related services, (c) license fees and other expenses associated with the use of any investment management software employed specifically by the Fund (d) the preparation, printing and posting of prospectuses, reports to Shareholders, the Central Bank and governmental agencies, (e) taxes, (f) commissions (including banking commissions), borrowing charges on equities sold short, brokerage and transaction fees, (g) auditing, tax and legal fees including litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, (h) the cost of insurance for the benefit of the Directors, (i) interest on borrowings and (j) all other organisational, marketing and operating expenses.

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

The Manager (as advised by the Investment Manager) reserves the right to impose “an anti-dilution levy” representing a provision for market spreads (the difference between the prices at which assets are valued and/or bought or sold), duties and charges and other dealing costs relating to the acquisition or disposal of assets and to preserve the value of the Sub-Fund in the event of receipt for processing of net subscription or redemption requests exceeding 5% of the Net Asset Value of a Sub-Fund including subscriptions and/or redemptions which would be effected as a result of requests for conversion from one Sub-Fund into another Sub-Fund. Any such provision will be added to the price at which Shares will be issued in the case of net subscription requests exceeding 5% of the Net Asset Value of the Sub-Fund and deducted from the price at which Shares will be redeemed in the case of net redemption requests exceeding 1% of the Net Asset Value of the Sub-Fund including the price of Shares issued or redeemed as a result of requests for conversion.

## **Allocation of Fees and Expenses**

All fees, expenses, duties and charges will be charged to the relevant Sub-Fund and within such Sub-Fund to the Classes in respect of which they were incurred other than with respect to the latter any Shareholder and transfer agency services fees which will be charged by the Administrator to the relevant Sub-Fund and allocated pro rata across all Classes of such Sub Fund. Where an expense is not considered by the Directors or their delegate to be attributable to any one Sub-Fund, the expense will normally be allocated to all Sub-Funds in proportion to the Net Asset Value of the Sub-Funds or otherwise on such basis as the Director or their delegate deems fair and equitable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors or their delegate may calculate such fees or expenses on an estimated figure for yearly or other periods in advance and accrue them in equal proportions over any period.

## **Remuneration Policy of the Manager**

The Manager has designed and implements a remuneration policy which is consistent with and promotes sound and effective risk management by having a business model which by its nature does not promote



excessive risk taking that is inconsistent with the risk profile or the Articles of Association of the Fund nor impair compliance with the Manager's duty to act in the best interests of the Fund. The Manager's remuneration policy is consistent with the business strategy, objectives, values and interests of the Manager, the Fund and the Shareholders of the Fund and includes measures to avoid conflicts of interest.

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

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

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

Details of the remuneration policy of the Manager including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, will be available at [www.carnegroup.com](http://www.carnegroup.com) and a paper copy will be made available free of charge upon request.

## **REPORTS AND ACCOUNTS**

The Accounting Date of the Fund and of each of its Sub-Funds is 31 March in each year.

In respect of each Accounting Period the Manager shall cause to be audited and certified by the auditors an annual report relating to the management of the Fund and each of its Sub-Funds. Such annual report shall be in a form approved by the Central Bank and shall contain such information required under the UCITS Regulations. There shall be attached to such annual report a statement by the Depositary in relation to the Fund and each of its Sub-Funds and a statement of such additional information as the Central Bank may specify. The annual report will be sent to the Central Bank within four months of the end of the Fund's Accounting Date and to Euronext Dublin within six months of the Fund's Accounting Date.

The Manager shall prepare an un-audited half-yearly report for the six months immediately succeeding the Accounting Date by reference to which the last annual report of the Fund and of each of the Sub-Funds was prepared. Accordingly, the half-yearly reporting date is 30 September in each year. Such half-yearly report shall be in a form approved by the Central Bank and shall contain such information required under the UCITS Regulations. The un-audited half-yearly report will be sent to the Central Bank within two months from the end of the period to which it relates.

The audited annual reports and un-audited half-yearly reports will be published on the Investment Manager's website, [www.rubricsam.com](http://www.rubricsam.com), and sent to Shareholders on request.

## CONFLICTS OF INTEREST

The Directors, the Manager, the Investment Manager, the Depositary and the Administrator their respective affiliates, officers, directors and shareholders, employees and agents may from time to time act as directors, investment manager or advisor, depositary, sub-custodian, trustee, registrar, administrator or dealer in relation to, or be otherwise involved in, other funds which have similar objectives to those of one or more of the Sub-Funds or other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the Fund and/or their respective roles with respect to the Fund. These activities may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services, currency hedging services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Fund may invest. In particular, the Investment Manager may be involved in advising or managing other investment funds which have similar or overlapping investment objectives to or with the Fund or Sub-Funds. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Sub-Funds. Each will, at all times, have regard in such event to its obligations to the Fund and will endeavour to ensure that such conflicts are resolved fairly and in the best interests of Shareholders.

The Investment Manager may be consulted by the Administrator in relation to the valuation of investments which are not listed, quoted or dealt in on an exchange. There is a conflict of interest between any involvement of the Investment Manager in this valuation process and with the Investment Manager's entitlement to any proportion of an investment management fee or performance fee which are calculated on the basis of the Net Asset Value.

There is no prohibition on transactions with the Fund by the Manager, the Investment Manager, the Administrator or the Depositary, or entities related to each of the Manager, the Investment Manager, the Administrator or the Depositary provided that such transactions are conducted as if negotiated at arm's length, are in the best interests of Shareholders and comply with the following:

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

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

The Investment Manager or any of its affiliates or any person connected with the Investment Manager may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by any Sub-Fund. 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 Directors or to account to the Fund in respect of (or share with the Fund or inform the Directors of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the Fund and other clients.

As at the date of this Prospectus, none of the Directors nor any other person closely associated has any interest in the Shares of the Fund or any options in respect of such Shares.

Caitriona O'Malley is the Chief Financial Officer of the Investment Manager.

## **DEALING COMMISSIONS**

The Investment Manager may effect transactions with or through the agency of another person with whom the Manager or Investment Manager or an entity affiliated to the Manager or Investment Manager has arrangements under which that person will, from time to time, provide to or procure for the Manager or Investment Manager and/or an affiliated party goods, services or other benefits in accordance with the requirements of the Central Bank. No direct payment may be made for such goods or services but the Manager or Investment Manager may undertake to place business with that person provided that person has agreed to provide best execution with respect to such business and the services provided must be of a type which assist in the provision of investment services to the Fund.

## **RISK FACTORS OF THE FUND**

The following considerations, which do not purport to be a complete list of all risks involved in an investment in the Fund, should be carefully evaluated before investing in the Fund.

### **General**

The nature of the Sub-Funds' investments involves certain risks and the Sub-Funds may utilise efficient portfolio management techniques for the purposes of currency hedging which may carry additional risks. There can be no assurance that the Sub-Funds' investment objectives will be achieved, and investment results may vary substantially over time. An investment in Shares therefore carries substantial risk and is suitable only for persons who can assume the risk of losing their entire investment.

### **Amortisation of Organisational Costs**

The Fund may, at the discretion of the Directors, amortise its organisational costs over a period of time and, if it does, the accounts may be qualified in this regard.

### **Valuation Policy**

Securities which are listed or quoted on any securities exchange are valued at their latest traded prices on the relevant Valuation Day. For the purposes of financial reporting, IFRS requires the use of bid/offer prices for valuing long/short positions. This may result in a difference in the value of these securities in the balance sheet, as opposed to the trading Net Asset Value calculated in accordance with the Prospectus. A reconciliation of the differences will be included in the notes to the accounts. The Directors have adopted a valuation policy to avoid any ambiguity around NAV calculation process.

### **Business Risk**

There can be no assurance that a Sub-Fund will achieve its investment objective.

### **Segregated Liability of Sub-Funds**

The Fund is an umbrella fund with segregated liability between Sub-Funds. As a result, as a matter of Irish company law, any liability attributable to a particular Sub-Fund may only be discharged out of the assets of that Sub-Fund, and the assets of other Sub-Funds may not be used to satisfy the liability. In addition, any contract entered into by the Fund will by operation of law include an implied term to the effect that the counterparty to the contract may not have any recourse to assets of any of the Sub-Funds other than the Sub-Fund in respect of which the contract was entered into. These provisions are binding both on creditors and in any insolvency. However, this may not prevent the application of any enactment or rule of law which would require the application of the assets of any Sub-Fund in discharge of some or all of the liabilities of any other Sub-Fund on the grounds of fraud or misrepresentation. In addition, these provisions have not been tested in other jurisdictions, and there remains a possibility that a creditor might seek to attach or seize assets of one Sub-Fund in satisfaction of an obligation owed in relation to another Sub-Fund in a jurisdiction which would not recognise the principle of segregation of liability between Sub-Funds. If such an event occurs, the Directors shall advise Shareholders in the next succeeding annual or half-yearly reports. As at the date of this Prospectus, the Directors are not aware of any such existing or contingent liabilities.

### **Concentration of Investments**

Although it will be the policy of each Sub-Fund to diversify its investment portfolio in accordance with the UCITS Regulations a Sub-Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer or counterparty. Additionally, historical correlations may undergo dramatic change, thereby reducing expected diversification protection.

### **Market Capitalisation Risk**

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

### **Credit Risk**

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

### **Correlation Risk**

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

### **Legal Risk**

The use of OTC derivatives, such as forward contracts and swap agreements, will expose the Sub-Funds to the risk that the legal documentation of the contract may not accurately reflect the intention of the parties.

### **Market Risk**

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

### **Investment Management Risk**

The investment performance of a Sub-Fund will be dependent on the advice of certain key employees of the Investment Manager. In the event of the death, incapacity or departure of any of these individuals, the performance of a Sub-Fund may be adversely affected.

### **Investment Manager Valuation Risk**

The Administrator may consult the Investment Manager with respect to the valuation of certain investments. Whilst there is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of each Sub-Fund's investments and the Investment Manager's other duties and responsibilities in relation to the Sub-Funds, the Investment Manager will also refer the Administrator to the relevant broker for independent prices.

### **Investment Management Models**

The Investment Manager may employ proprietary models to select investments. These models may not produce the intended results and the use of these models cannot guarantee that the Sub-Funds will achieve their objective.

### **Counterparty Risk**

A Sub-Fund will be subject to the risk of the inability of any counterparty (including any prime broker, sub-custodian or other OTC counterparty) to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. The Sub-Fund will also be exposed to a credit risk on parties with whom it trades securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments.

### **Emerging Markets Risk**

Certain Sub-Funds may invest in securities of companies in emerging markets. Such securities may involve a high degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscatory taxation, nationalization, and social, political and economic instability; (ii) the small current size of the markets for securities of emerging markets issuers and the currently low or non-existent volume of trading, resulting in lack of liquidity and in price volatility; (iii) certain national policies which may restrict a Sub-Fund's investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; and (iv) the absence of developed legal structures governing private or foreign investment and private property.

### **Redemption Risk**

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

### **Share Currency Designation Risk**

A Class of Shares of a Sub-Fund may be designated in a currency other than the Base Currency of the Sub-Fund and/or the designated currencies in which the Sub-Fund's assets are denominated. Redemption proceeds and any distributions to Shareholders will normally be made in the currency of denomination of the relevant Class. Changes in the exchange rate between the Base Currency and such designated currency or changes in the exchange rate between the designated currencies in which the Sub-Fund's assets are denominated and the designated currency of a Class may lead to a depreciation of the value of such Shares as expressed in the designated currency. The Supplement for a Sub-Fund exposed to Share Currency Designation Risk will specify if a Class of Shares of the Sub-Fund is designated in a currency other than the Base Currency of the Sub-Fund or the designated currencies in which the Sub-Fund's assets are denominated. Where a Class of a Sub-Fund is designated as "hedged" in the relevant Supplement, the Investment Manager will try to mitigate this risk by using financial instruments within the Sub-Fund's



investments, (see the section “Currency Hedging”). Investors should be aware that this strategy may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/or the currency/currencies in which the assets of the Sub-Fund are denominated. In such circumstances Shareholders of the relevant Class of Shares of the Sub-Fund may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the costs of the relevant financial instruments. Financial instruments used to implement such strategies shall be assets/liabilities of the Sub-Fund as a whole. However, the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class of Shares of the Sub-Fund.

Shareholders should note that generally there is no segregation of assets and liabilities between Classes in a Sub-Fund and therefore a counterparty to a derivative overlay entered into in respect of a hedged Class may have recourse to the assets of the relevant Sub-Fund attributable to other Classes of that Sub-Fund where there is insufficient assets attributable to the hedged Class to discharge its liabilities. While the Fund has taken steps to ensure that the risk of contagion between Classes is mitigated in order to ensure that the additional risk introduced to the Sub-Fund through the use of a derivative overlay is only borne by the Shareholders in the relevant Class, this risk cannot be fully eliminated.

### **Currency Exposure**

The Shares are denominated in various currencies, and Shares will be issued and redeemed in those currencies. A Sub-Fund may employ forward foreign exchange contracts and/or currency futures contracts to seek to hedge the foreign exchange exposure of the assets of a Sub-Fund attributable to the Shares denominated in a currency other than the Sub-Fund’s Base Currency in order to neutralise, so far as possible, the impact of exchange rate fluctuations. There can, however, be no assurance that such hedging will be effective. With respect to Rubrics Global Fixed Income UCITS Fund, Rubrics Emerging Markets Fixed Income UCITS Fund and Rubrics Global Credit UCITS Fund, prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between the Base Currency and Reference Currency and currency instruments to which the a Sub-Fund may be exposed through the use of forward foreign exchange contracts, currency futures contracts and other permitted investments are not limited. With respect to Rubrics India Fixed Income UCITS Fund and Q Rubrics India Fixed Income UCITS Fund, prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between the Indian Rupee and the Reference Currency is not limited.

### **Dealing Restrictions**

Investments may be held by, or be an appropriate investment for, a Sub-Fund as well as by or for other clients of the Investment Manager or its affiliates. There may be circumstances when purchases or sales of securities for one or more such clients have an adverse effect on other clients.

### **Execution of Stop Loss Positions**

There can be no assurance that stop losses in any trading contracts will be able to be executed at the desired time to protect against downside volatility or losses.

### **Derivatives**

A Sub-Fund may utilise both exchange-traded and over-the-counter derivatives as part of their investment policies. These instruments can be highly volatile and expose investors to a high risk of loss. The low initial

margin deposits normally required to establish a position in such contracts permit a high degree of leverage. As a result, depending on the type of contract, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in net asset value, incorrect collateral calls or delays in collateral recovery.

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

All securities and financial instrument investments present a risk of loss of capital. The use of such investment techniques as margin, futures, and leverage may, in certain circumstances, increase losses in a Sub-Fund.

### **OTC Markets Risk and Derivatives Counterparty Risk**

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

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

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

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

## **Derivatives Trading Risk**

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

## **Forward Foreign Exchange Contracts**

A Sub-Fund may enter into forward foreign exchange contracts. A forward foreign exchange contract is a contractually binding obligation to purchase or sell a particular currency at a specified date in the future. Forward foreign exchange contracts are not uniform as to the quantity or time at which a currency is to be delivered and are not traded on exchanges. Rather, they are individually negotiated transactions. Forward foreign exchange contracts are effected through a trading system known as the Interbank Market. It is not a market with a specific location but rather a network of participants electronically linked. Documentation of transactions generally consists of an exchange of telex or facsimile messages. There is no limitation as to daily price movements on this market and in exceptional circumstances there have been periods during which certain banks have refused to quote prices for forward foreign exchange contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Transactions in forward foreign exchange contracts are not regulated by any regulatory authority nor are they guaranteed by an exchange or clearing house. A Sub-Fund which uses such contracts will be subject to the risk of the inability or refusal of its counterparties to perform with respect to such contracts. Any such default would eliminate any profit potential and compel the Sub-Fund to cover its commitments for resale or repurchase, if any, at the then current market price. These events could result in significant losses.

## **Illiquidity of the Shares**

It is not anticipated that there will be an active secondary market for the Shares, and it is not expected that such a market will develop. Except when redemptions or the registration of transfers of Shares are suspended or deferred (in the case of redemptions), Shareholders will, however, be able to realise their investment in a Sub-Fund by redeeming their Shares or by a transfer to an investor who is not an Ineligible Applicant.

## **Trading Is Speculative and Volatile**

The investment of the Sub-Funds may be highly volatile. Price movements of investments are influenced by, among other things: changing supply and demand relationships; government, trade, fiscal, monetary and exchange control programs and policies; national and international political and economic events; the purchasing and marketing programs of different nations; and changes in interest rates. In addition, governments from time to time intervene, directly and by regulation, in certain markets. Such intervention is often intended to influence prices directly. None of these factors can be controlled by the Directors, the Manager or the Investment Manager and no assurances can be given that its investment management will result in profitable trades or that the Sub-Funds will not incur substantial losses.

## **Leverage**

A Sub-Fund may, as will be outlined in the relevant Supplement if applicable, engage in leverage for the purpose of making investments or hedging. The use of leverage creates special risks and may significantly increase the Sub-Fund's investment risk. Leverage will create an opportunity for greater yield and total return but, at the same time, will increase the Sub-Fund's exposure to capital risk and interest costs. Any investment income and gains earned on investments made through the use of leverage that are in excess of the interest costs associated therewith may cause the net asset value of the Shares to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the net asset value of the Shares may decrease more rapidly than would otherwise be the case.

### **Liquidity of Investments**

In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. Accordingly, a Sub-Fund's ability to respond to market movements may be impaired, and the Sub-Fund may experience adverse price movements upon liquidation of its investments.

### **Market Liquidity and Leverage**

A Sub-Fund may be adversely affected by a decrease in market liquidity for the instruments in which it invests which may impair the Sub-Fund's ability to adjust its positions. The size of the Sub-Fund's positions may magnify the effect of a decrease in market liquidity for such instruments. Changes in overall market leverage, de-leveraging as a consequence of a decision by a counterparty to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may also adversely affect the Sub-Fund's portfolio. Some of the underlying investments of the Sub-Fund may not be actively traded, and there may be uncertainties involved in the valuation of such investments. Potential investors should be warned that under such circumstances, the Net Asset Value of the Sub-Fund may be adversely affected.

### **Net Asset Value Considerations**

The Net Asset Value per Share is expected to fluctuate over time with the performance of the Sub-Fund's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption if at the time of such redemption the Net Asset Value per Share is less than the Subscription Price paid by such Shareholder.

### **Price Fluctuations**

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

### **Tax Considerations**

Where a Sub-Fund invests in assets that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. A Sub-Fund may not be able to recover such withheld tax and so any change may have an adverse effect on the Net Asset Value of the Shares. In the event that in the future such assets cease to be subject to withholding tax, the benefit thereof will accrue to the purchaser and not to the Sub-Fund.

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

Shareholders and prospective investors' attention is drawn to the taxation risks associated with investing in the Fund or a Sub-Fund. Please refer to the section headed "**Taxation**".

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

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

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

Prospective investors should consult their own tax advisor with regard to U.S. federal, state, local and non-U.S. tax reporting and certification requirements associated with an investment in the Fund.

### **Transaction Costs**

A Sub-Fund's investment approach may involve a high level of trading and turnover of the Sub-Fund's investments which may generate substantial transaction costs which will be borne by the Sub-Fund.

### **Other Fees and Expenses**

In addition to transaction costs the Sub-Funds are subject to management, administrative, custody and other expenses, regardless of whether they are profitable.

### **Risk of Litigation**

In the ordinary course of business, the Sub-Funds may be subject to litigation from time to time. The outcome of such proceedings, which may materially adversely affect the value of the Sub-Funds, may be impossible to anticipate, and such proceedings may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the Manager's and the Investment Manager's time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

### **Political, Regulatory, Settlement and Sub-Custodial Risk**

The value of a Sub-Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

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

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

### **Investment in Russia**

Whilst fundamental reforms relating to securities investments and regulations have been initiated in recent years there may still be certain ambiguities in interpretation and inconsistencies in their application. Monitoring and enforcement of applicable regulations remains uncertain.

Some securities in Russia are dematerialised and the only evidence of ownership is entry of the shareholder's name on the share register of the issues. The concept of fiduciary duty is not well established and shareholders may, therefore, suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy. Rules regulating corporate governance are undeveloped and therefore may offer little protection to minority shareholders. Specifically, with regard to investment in Russia a Sub-Fund may only invest in Russian securities which are traded on the Moscow Exchange.

### **Brexit**

The Fund faces potential risks associated with the result of the referendum on the United Kingdom's continued membership of the European Union, which took place on 23 June, 2016 and which resulted in a vote for the United Kingdom to leave the European Union. The United Kingdom subsequently made a formal application for accession from the European Union on 29 March, 2017. The decision to leave the European Union could result in substantial volatility in foreign exchange markets and in respect of risk assets which may have a material adverse effect on the Fund. The decision to leave the European Union may set in train a sustained period of uncertainty, as the United Kingdom seeks to negotiate the terms of its exit. It may also destabilise some or all of the other 27 members of the European Union and/or the members of the Eurozone, which may also have a material adverse effect on the Fund, its sub-funds, its service providers and counterparties.

### **Failure to Provide Cleared Funds**

Cleared funds in respect of all investors must be received on or before the fourth Business Day following the relevant Subscription Day (i.e. T+4). In the event that an investor defaults on its obligation to provide such cleared funds then the Fund may suffer a loss. Shares will only be allotted to the relevant applicant with respect to the Subscription Day once the Net Asset Value per Share for such Subscription Day has been determined and issued with respect to such Subscription Day once the Net Asset Value per Share for such Subscription Day has been determined and following receipt of the applicants' funds.

## **Cyber Security Risk**

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

## **Operation of Umbrella Cash Account**

All subscriptions, redemptions or dividends payable to or from the relevant Sub-Fund will be channelled and managed through Umbrella Cash Accounts.

Certain risks associated with the operation of the Umbrella Cash Accounts are set out below in the sections entitled (i) "Subscriptions" – *"Operation of Umbrella Cash Accounts in the name of the Fund"*; (ii) "Redemptions" – *"Operation of Umbrella Cash Accounts in the name of the Fund"*; and (iii) "Distribution Policy of the Fund" respectively.

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

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

## **Risks Associated with Securities Financing Transactions**

### *General*

Entering into repurchase agreements, reverse repurchase agreements and stocklending agreements create several risks for the Company and its investors. The relevant Sub-Fund is exposed to the risk that a counterparty to a securities financing transaction may default on its obligation to return assets equivalent to the ones provided to it by the relevant Sub-Fund. It is also subject to liquidity risk if it is unable to liquidate collateral provided to it to cover a counterparty default. Such transactions may also carry legal risk in that the use of standard contracts to effect securities financing transactions may expose a Sub-Fund to legal risks such as the contract may not accurately reflect the intention of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation. Such transactions may also involve operational risks in that the use of securities financing transactions and management of collateral are subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Risks may also arise with respect to any counterparty's right of re-use of any collateral as outlined below under "Risks Associated with Collateral Management".

### *Securities Lending*

Where disclosed in the relevant Supplement, a Sub-Fund may engage in securities lending activities. As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. The value of the collateral will be maintained to a certain level to ensure that the exposure to a given counterparty does not breach any risk-spreading rules imposed under the UCITS Regulations. However, there is a risk that the value of the collateral may fall below the value of the securities transferred. In addition, as a Sub-Fund may invest cash collateral received under a securities lending arrangement in accordance with the requirements set down in the CBI UCITS Regulations, a Sub-Fund will be exposed to the risk associated with such investments, such as failure or default of the issuer or the relevant security.



### *Repurchase Agreements*

Under a repurchase agreement, the relevant Sub-Fund retains the economic risks and rewards of the securities which it has sold to the counterparty and therefore is exposed to market risk in the event that it must repurchase such securities from the counterparty at the pre-determined price which is higher than the value of the securities. If it chooses to reinvest the cash collateral received under the repurchase agreement, it is also subject to market risk arising in respect of such investment.

### *Reverse Repurchase Agreements*

Where disclosed in the relevant Supplement, a Sub-Fund may enter into reverse repurchase agreement. If the seller of securities to the Sub-Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Sub-Fund will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganisation under applicable bankruptcy or other laws, the Sub-Fund's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the Sub-Fund may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the Sub-Fund may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller.

### *Risks Associated with Total Return Swaps*

Where specified in the relevant Supplement, a Sub-Fund may enter into total return swap agreements i.e. a derivative whereby the total economic performance of a reference obligation is transferred from one counterparty to another counterparty. If there is a default by the counterparty to a swap contract, a Sub-Fund will be limited to contractual remedies pursuant to the agreement related to the transaction. There is no assurance that swap contract counterparties will be able to meet their obligations pursuant to swap contracts or that, in the event of default, the Company on behalf of the Sub-Fund will succeed in pursuing contractual remedies. A Sub-Fund thus assumes the risk that it may be delayed in or prevented from exercising its rights with respect to the investments in its portfolio and obtaining payments owed to it pursuant to the relevant contract and therefore may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Furthermore, in addition to being subject to the credit risk of the counterparty to the total return swap, the Sub-Fund is also subject to the credit risk of the issuer of the reference obligation. Costs incurred in relation to entering into a total return swap and differences in currency values may result in the value of the index/reference value of the underlying of the total return swap differing from the value of the total return swap.

### *Risks Associated with Collateral Management*

Where a Sub-Fund enters into an OTC derivative contract or a securities financing transaction, it may be required to pass collateral to the relevant counterparty or broker. Collateral that a Sub-Fund posts to a counterparty or a broker that is not segregated with a third-party custodian may not have the benefit of customer-protected "segregation" of such assets. Therefore in the event of the insolvency of a counterparty or a broker, the Sub-Fund may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return if the collateral becomes available to the creditors of the relevant counterparty or broker. In addition, notwithstanding that a Sub-Fund may only accept non-cash collateral which is highly liquid, the Sub-Fund is subject to the risk that it will be unable to liquidate collateral

provided to it to cover a counterparty default. The Sub-Fund is also subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Where cash collateral received by a Sub-Fund is re-invested in accordance with the conditions imposed by the Central Bank, a Sub-Fund will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested.

Where collateral is posted to a counterparty or broker by way of a title transfer collateral arrangement or where the Company on behalf of a Sub-Fund grants a right of re-use under a security collateral arrangement which is subsequently exercised by the counterparty, the Company on behalf of a Sub-Fund will only have an unsecured contractual claim for the return of equivalent assets. In the event of the insolvency of a counterparty, the Sub-Fund shall rank as an unsecured creditor and may not receive equivalent assets or recover the full value of the assets. Investors should assume that the insolvency of any counterparty would result in a loss to the relevant Sub-fund, which could be material. In addition, assets subject to a right of re-use by a counterparty may form part of a complex chain of transactions over which the Company or its delegates will not have any visibility or control.

Because the passing of collateral is effected through the use of standard contracts, a Sub-Fund may be exposed to legal risks such as the contract may not accurately reflect the intentions of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation.

## **GDPR**

Under the GDPR, data controllers are subject to additional obligations including, amongst others, accountability and transparency requirements whereby the data controller is responsible for, and must be able to demonstrate compliance with the rules set down in the GDPR relating to data processing and must provide data subjects with more detailed information regarding the processing of their personal data. Other obligations imposed on data controllers include more enhanced data consent requirements and the obligation to report any personal data breach to the relevant supervisory authority without undue delay. Under the GDPR, data subjects are afforded additional rights, including the right to rectify inaccurate personal information, the right to have personal data held by a data controller erased in certain circumstances and the right to restrict or object to processing in a number of circumstances.

The implementation of GDPR may result in increased operational and compliance costs being borne directly or indirectly by the Fund. Further there is a risk that the measures will not be implemented correctly by the Fund or its service providers. If there are breaches of these measures by the Fund or any of its service providers, the Fund or its service providers could face significant administrative fines and/or be required to compensate any data subject who has suffered material or non-material damage as a result as well as the Fund suffering reputational damage which may have a material adverse effect on its operations and financial conditions.

## **Sub-Fund specific risks**

Specific additional risk factors applicable to any particular Sub-Fund may be set out in the relevant supplement.

## **Risk Factors Not Exhaustive**

The investment risks set out do not purport to be exhaustive. **Prospective investors should read this entire prospectus of the Fund and consult with their legal, tax and financial advisors before making any decision to invest in the Fund.**

## GENERAL AND STATUTORY INFORMATION

*The information in this section includes a summary of some of the provisions of the Memorandum and Articles of Association of the Fund and of the material contracts described below and is provided subject to the general provisions of each of such documents.*

### 1. The Fund and the Sub-Funds

The Fund was incorporated on 11 September, 2006 with limited liability in Ireland under the Act (registration number 426263) and was previously authorised by the Central Bank pursuant to the provisions of Part XIII of the Companies Act, 1990 and any regulations made thereunder. On 2 March, 2010 the Fund was reauthorized by the Central Bank pursuant to the UCITS Regulations.

Clause 3.00 of the Memorandum of Association of the Fund provides that the Fund's sole object is the collective investment in either or both transferable securities and other liquid financial assets referred to in Regulation 68 of the UCITS Regulations of capital raised from the public. Clause 3.00 further provides that the Fund operates with the aim of spreading investment risk and affording the Shareholders the benefit of the results of the management of its funds.

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

- (a) for each Sub-Fund, the Fund shall keep separate records in which all transactions relating to the relevant Sub-Fund shall be recorded and to which the proceeds from the issue of Shares in each Sub-Fund and the assets and liabilities and income and expenditure attributable to each Sub-Fund shall be applied subject to the provisions of the Articles;
- (b) any asset derived from another asset of a Sub-Fund shall be applied in the records of the relevant Sub-Fund as the asset from which it was derived and on each valuation of an asset, the increase or diminution in value thereof shall be applied to the relevant Sub-Fund;
- (c) where the Fund incurs a liability which relates to any asset of a particular Sub-Fund or to any action taken in connection with an asset of a particular Sub-Fund, such liability shall be allocated to that Sub-Fund;
- (d) in circumstances in which an asset or liability is not clearly attributable to a particular Sub-Fund or Sub-Funds, the Directors shall have the discretion to determine the basis upon which assets or liabilities shall be allocated between Sub-Funds and from time to time subject to the approval of the Depositary to vary such allocations save where the asset or liability is allocated between all Sub-Funds pro-rata to their Net Asset Value at the time of allocation; and
- (e) where hedging strategies are used in relation to a Sub-Fund or Class, the financial instruments used to implement such strategies shall be deemed to be assets or liabilities (as the case may be) of the relevant Sub-Fund as a whole but the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class.

Provided always that the liabilities of or attributable to a Sub-Fund shall be discharged solely out of the assets of that Sub-Fund and the assets of or attributable to a Sub-Fund shall not be applied in satisfaction of any

liability incurred on behalf of or attributable to any other Sub-Fund.

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

## **2. Share Capital**

The authorised share capital of the Fund as of the date of this Prospectus is €2 divided into 2 management shares of €1 each and 100 billion Shares of no par value. All of the management shares have been issued. None of the Shares issued by the Fund will carry preference rights or rights of pre-emption. The management shares entitle the holders to attend and vote at general meetings of the Fund but do not entitle the holders to participate in the dividends or net assets of the Fund except to the extent of the initial subscription and simple interest accrued thereon at normal commercial rates. The Shares entitle the holders to attend and vote at general meetings of the Fund and to participate equally on a pro rata basis in the dividends and net assets of the Fund, save in the case of dividends declared prior to becoming a Shareholder.

## **3. Voting rights**

On a show of hands every participating shareholder who is present in person or by proxy shall have one vote and every management shareholder who is present in person or by proxy shall have one vote in respect of all his/her management shares. On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each participating share held by him and one vote in respect of all of the management shares held by him. Fractions of Shares carry no voting rights.

## **4. Change in Share Capital**

The Fund may increase or reduce its authorised share capital, divide all or any of its share capital into Shares of larger amount or combine all or any of its share capital into Shares of smaller amount. If at any time the authorised share capital is divided into different Classes of Shares, the rights attached to any Class may be varied by consent in writing of holders of not less than three-quarters of the issued Shares of that Class or with the sanction of an ordinary resolution passed at a separate general meeting of the holders of the Shares of that Class and for such purposes the Directors may treat all Classes of Shares as forming one Class if they consider that all such Classes would be affected in the same way by the proposals under consideration but in any other case shall treat them as separate Classes.

## **5. Transfer of Shares**

Subject to the restrictions set out in this section and under the section headed “**Compulsory Redemption**”, Shares are transferable by written instrument of transfer signed by (or in the case of a transfer by body corporate, signed on behalf of) the transferor and containing the full name and address of the transferor and the transferee. The instrument of transfer shall be in such form as the Directors approve.

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

Shareholders wishing to transfer Shares must sign the transfer in the exact name or name(s) in which the Shares are registered, indicate any special capacity in which they are signing and supply all other required details. The completed form of transfer, together with such evidence as the Directors may reasonably require showing the right of the transferor to make the transfer, must be sent to the registered office of the Fund marked for the attention of the Administrator. The transfer shall take effect upon the registration of the transferee in the Register of Shareholders.

The Directors shall decline to register a transfer of Shares if: (i) in consequence of such transfer the transferor or the transferee would hold a number of Shares less than the Minimum Holding Amount or the transferee would hold less than the Minimum Initial Investment Amount; (ii) all applicable fees, taxes and/or stamp duties have not been paid in respect of the instrument of transfer; (iii) the instrument of transfer (together with such relevant information as may be requested) is not deposited at the registered office of the Fund or such other place as the Directors may reasonably require; (iv) the Directors are aware or reasonably believe the transfer would result in the beneficial ownership of such Shares by a person in contravention of any restrictions on ownership or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the relevant Sub-Fund or Class or Shareholders generally; and (v) the transfer would result in Shares being held by an Ineligible Applicant. The Directors shall decline to register a transfer of Shares by a Shareholder who is the bearer of a share warrant unless the transferee is a Recognised Depositary.

In addition, any transfer is subject to the receipt of all documentation required by the Administrator for anti-money laundering purposes.

The Fund will be required to account for Irish tax on the value of the Shares transferred at the applicable rate unless it has received from the transferor a Relevant Declaration, confirming that the transferor is not an Irish Resident in respect of whom it is necessary to deduct tax. The Fund reserves the right to redeem such number of Shares held by a transferor as may be necessary to discharge the tax liability arising (see under Appendix IV - Taxation).

## **6. Temporary suspension of Net Asset Value calculations and of issues and redemptions of Shares**

The Directors may, with the consent of the Depositary, declare a temporary suspension of the determination on any Valuation Day of the Net Asset Value of the Fund (and hence the Net Asset Value per Share) of each Class during:

- (A) any period (other than ordinary holiday or customary weekend closings) when any market is closed which is the main market for a significant part of the Sub-Fund's investments, or when trading thereon is restricted or suspended;
- (B) any period when any emergency exists as a result of which disposal by the Sub-Fund of investments which constitute a substantial portion of its assets is not practically feasible;
- (C) any period when for any reason the prices of any investments of the Sub-Fund cannot be reasonably promptly or accurately ascertained;

- (D) any period when remittance of monies which will, or may be, involved in the realisation of, or in the payment for, investments of the Sub-Fund cannot, in the opinion of the Directors or their delegate, be carried out at normal rates of exchange;
- (E) any period when proceeds of the issue or redemption of Shares cannot be transmitted to or from the Sub-Fund's account;
- (F) if notice has been given of a meeting at which a resolution is to be proposed to terminate the Sub-Fund or the Fund or a resolution has been passed for the termination of the Sub-Fund or the Fund.

No Shares will be issued or redeemed on any Subscription Day or Redemption Day, as the case may be, when the determination of the Net Asset Value is suspended. In such a case, a Shareholder may withdraw his Share application or exchange or redemption request, provided that a withdrawal notice is actually received by the Administrator before the suspension is terminated. Unless withdrawn, Share applications and redemption requests will be acted upon on the first Subscription Day or Redemption Day, as the case may be, after the suspension is lifted at the relevant Subscription Price or Redemption Price (as the case may be) prevailing on that day.

Notice of any such suspension and notice of the determination of any such suspension shall be notified immediately to the Central Bank and Euronext Dublin and shall be notified to Shareholders if in the opinion of the Directors it is likely to exceed fourteen (14) calendar days and will be notified to applicants for Shares at the time of application. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

## **7. Compulsory Redemption**

Shareholders are required to notify the Administrator immediately when, at any time following their initial subscription for Shares, they become Irish Residents or U.S. Persons or hold Shares for the account or benefit of Irish Residents or U.S. Persons.

When the Directors become aware that a Shareholder or beneficial Shareholder (A) is holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax, pecuniary or material administrative disadvantages for the Fund or its Shareholders; or (B) is an Ineligible Applicant; or (C) has failed to provide any information or declaration required by the Directors within seven calendar days of being requested to do so; or (D) holds less than the Minimum Holding Amount, the Directors will either (i) direct such Shareholder to redeem, or to transfer the relevant Shares to a person who is qualified or entitled to own or hold, such Shares or (ii) redeem the relevant Shares.

Any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer or redeem his Shares pursuant to the above provisions shall indemnify and hold harmless each of the Directors, the Manager, the Fund, the Administrator, the Depositary, the Investment Manager and the Shareholders of the Fund (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.

The Fund will be required to withhold Irish tax on redemption monies, at the applicable rate, unless it has received from the Shareholder a Relevant Declaration, confirming that the Shareholder is not an Irish Resident in respect of whom it is necessary to deduct tax (see under Appendix IV - "**Taxation**").

The Fund may by not less than four nor more than twelve weeks' notice to Members expiring on a Redemption Day, redeem at the Redemption Price on such Dealing Day, all of the Shares in any Sub-Fund or Class or all Sub-Funds or Classes not previously redeemed.

The Articles permit the Directors to redeem Shares where during a period of six years no cheque in respect of any dividend on the Shares has been cashed and no acknowledgement has been received in respect of any Share certificate or other confirmation of ownership of the Share sent to the Shareholder and require the redemption proceeds to be held in a separate interest-bearing account. The Articles also provide that, subject to Section 623 of the Act, any, any unclaimed dividends may be forfeited after six years and, on forfeiture, form part of the assets of the Fund.

## **8. Directors' Interests**

The interests of the Directors and their interests in companies associated with the management, administration, promotion and marketing of the Fund and the Shares are set out below.

Caitriona O'Malley is the Chief Financial Officer of a group company of the Investment Manager.

There are no existing or proposed service agreements between the Fund and any of the Directors.

No shareholding qualification for Directors is required under Irish law. The Directors or companies of which they are officers or employees may, however, subscribe for Shares in the Fund. Their applications will rank *pari passu* with all other applications.

## **9. Transactions with Directors**

A Director may hold any other office or place of profit under the Fund (other than the office of Auditor) in conjunction with his office of Director on such terms as to tenure of office and otherwise as the Directors may determine. The Articles provide that a Director may be a party to any transaction or arrangement with the Fund or in which the Fund is interested provided that he has disclosed to the Directors the nature and extent of any material interest which he may have.

A Director shall, in the absence of some material interest other than that indicated in the following, be entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters, namely: (i) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Fund or any of its subsidiaries or associated companies; or (ii) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Fund or any of its subsidiaries or associated companies for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security; or (iii) any proposal concerning an offer of Shares or debentures or other securities of or by the Fund or any of its subsidiaries or associated companies for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof; or (iv) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever PROVIDED THAT he is not the holder of or beneficially interested in five per cent or more of the issued shares of any class of such company, or of any third party through which his interest is derived, or of any of the voting rights available to shareholders of the relevant company (any such interest being deemed for the purposes of this Article to be a material interest in all circumstances); or (v) any proposal concerning the purchase of any policy of insurance against directors' and officers' liability.



## **10. Retirement of Directors**

There is no provision for the retirement of Directors on their attaining a certain age and the Articles do not provide for retirement of Directors by rotation.

## **11. Borrowing**

The Directors are authorised under the Articles to exercise all powers of the Fund to borrow money.

## **12. Meetings**

All general meetings of the Fund will be held in Ireland. In each year, the Fund will hold a general meeting as its annual general meeting. Subject to the provisions of the Act permitting a general meeting to be called by shorter notice, twenty-one (21) calendar days' notice (excluding the day of posting and the day of the meeting) will be given in respect of each general meeting of the Fund. The notice will specify the venue and time of the meeting and the business to be transacted at the meeting.

A proxy may attend on behalf of any Shareholder. At least two Shareholders present either in person or by proxy who are entitled to vote and are registered as the holders of Shares then in issue shall be a quorum for all purposes, except that for the purposes of considering a resolution which is to be proposed as a special resolution. A representative of a corporation authorised pursuant to the Articles and present at any meeting of the Fund or at any meeting of a Class shall be deemed to be a Shareholder for the purpose of a quorum.

The Articles provide that matters may be determined by a meeting of Shareholders on a show of hands unless a poll is demanded. Those entitled to demand a poll are specified as being the chairperson, at least three Shareholders present in person or by proxy, any Shareholder or Shareholders representing not less than 10% of the total voting rights of all the Shareholders of the Fund having the right to vote at meetings, and any Shareholder or Shareholder holding Shares conferring the right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on the Shares conferring that right. On a show of hands every Shareholder present in person or by proxy shall be entitled to one vote. On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him. A Shareholder entitled to more than one vote need not cast all his votes, or cast all the votes he uses in the same way.

## **13. Indemnity**

The Manager, the Administrator, the Depositary, the Investment Manager and any other person shall be entitled to such indemnity from the Fund upon such terms and subject to such conditions and exceptions and with such entitlement to have recourse to the assets of the Fund with a view to meeting and discharging the cost thereof as shall be provided under the Management Agreement, the Administration Agreement, the Depositary Agreement or the Investment Management Agreement (as applicable) provided that no such indemnity shall extend to any matters arising from the negligence, fraud or wilful default of the person so indemnified except in the case of the Depositary where no such indemnity shall extend to any matters arising from a breach of the minimum standard of liability applicable to the Depositary pursuant to the UCITS Regulations.

## **14. Material contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Fund prior to the date of this Prospectus and are, or may be, material:

*Fund Material Contracts*

- (A) Management Agreement dated 31 August, 2017 (effective 00.01am on 1 September 2017) between (1) the Fund and (2) the Manager whereby the Fund appointed the Manager to have general charge of the conduct of the Fund's affairs in all things and shall conduct on behalf of the Directors the management of the Fund. The Management Agreement may be terminated by either party on 90 days written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. The Manager has the power to delegate its duties with the prior approval of the Central Bank. The Fund shall indemnify and keep indemnified and hold harmless the Manager and each of its directors, officers or employees from and against any and all actions, proceedings, damages, claims, demands, losses, liabilities and reasonable costs and expenses including legal and professional fees and expenses which may be brought against or directly or indirectly suffered or incurred by the Manager in the performance or non-performance of its obligations or duties other than due to the fraud, negligence or wilful default of the Manager or any of its officers, employees or appointees of its obligations or duties under the Management Agreement.
- (B) Investment Management Agreement dated 1 March, 2019 between (1) the Fund (2) the Manager; and (3) the Investment Manager under which the Investment Manager was appointed as investment manager of the Fund's assets subject to terms and conditions of the Investment Management Agreement. Either party shall be entitled to terminate the Investment Management Agreement by giving not less than ninety days' notice in writing to the other parties (or such shorter notice as may be agreed by the parties) under the Investment Management Agreement. The Investment Management Agreement may also be terminated forthwith by notice in writing by either party ("Party X") if (a) the other party ("Party Y") shall commit any material breach any of its obligations under the Investment Management Agreement and shall fail to make good such breach within 30 days of receipt of notice from Party X requiring it to do so; or (b) Party Y shall pass a resolution for its winding up (except a voluntary liquidation for the purpose of reconstruction or amalgamation on terms previously approved in writing by Party X) or if a court of competent jurisdiction shall order a winding up of Party Y, or a receiver shall be appointed over Party Y's assets, or an examiner shall be appointed to Party Y pursuant to the Companies Act, 2014 (or proceedings analogous to the foregoing are commenced against Party Y in any jurisdiction); or (c) Party Y shall cease to be permitted to perform its duties and obligations under the Investment Management Agreement under any applicable laws. The Fund undertakes to indemnify, defend and hold harmless the Investment Manager from and against all actions, proceedings, claims and against all loss, costs, demands and expenses (including reasonable legal expenses) which may be brought against, suffered or incurred by the Investment Manager, by reason of the performance by the Investment Manager of its obligations under the terms of the Investment Management Agreement (other than by reference to any negligence, fraud, bad faith or wilful default in the performance or non-performance of its obligations or duties hereunder or as a result of a breach of any of its obligations under the Investment Management Agreement).
- (C) Depositary Agreement dated 24 March, 2016 between (1) the Fund and (2) the Depositary whereby the Fund appointed the Depositary as depositary of all the assets of the Fund. The Depositary Agreement may be terminated by either party on 90 days written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice provided that the Depositary shall continue to act as depositary until a successor depositary

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

- (D) Administration Agreement dated 31 August, 2017 (effective 00.01am on 1 September 2017) between (1) the Fund (2) the Manager; and (3) the Administrator whereby the Administrator has been appointed to provide certain administration, accounting, registration, transfer agency and related services to the Fund. The Administration Agreement may be terminated by either party on 90 days written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. The Administrator has the power to delegate its duties with the prior approval of the Fund and in accordance with the requirements of the Central Bank. The Fund or the Manager agrees to indemnify the Administrator out of the assets of the relevant Sub-Funds from and against any and all actions, proceedings, claims, demands, losses, liabilities, damages, costs or expenses (including reasonable legal and professional fees and expenses) arising therefrom (other than those resulting from the negligence, wilful default, bad faith or fraud on the part of the Administrator) which may be imposed on, incurred by, or asserted against the Administrator in performing its obligations or duties hereunder.

## **15. Termination and Winding up**

All of the Shares of any Class may be redeemed by the Fund in the following circumstances: (a) at any time after the first anniversary of the incorporation of the Fund, the Net Asset Value of the Fund falls below US\$ 5,000,000 on each Subscription Day or Redemption Day for a period of six consecutive weeks and the Shareholders resolve by Ordinary Resolution to wind up the Fund; or (b) the Depositary retires or gives notice of retirement and no new Depositary has been appointed; or (c) the Shareholders resolve by Ordinary Resolution that the Fund by reason of its liabilities cannot continue its business and that it be wound up; or (d) the Shareholders resolve by Special Resolution that the Fund be wound up.

On a winding up or if all of the Shares are to be redeemed, the assets available for distribution (after satisfaction of creditors' claims) may, with the authority of an ordinary resolution or with the prior written approval of the all the Shareholders, be distributed pro rata to the Shareholders of each Class in proportion to the number of Shares of the relevant Class held. A Shareholder may, by means of a notice served on a liquidator, require the liquidator to arrange for a sale of the relevant asset and for the payment of the net proceeds of sale to the Shareholder. Further the liquidator may with like authority transfer the whole or part

of the assets of the Fund to a company or collective investment scheme (the "Transferee Fund") on terms that Shareholders in the Fund shall receive from the Transferee Fund shares or units in the Transferee Fund of equivalent value to their shareholdings in the Fund.

#### **16. Documents available for Inspection**

Copies of the following documents may be obtained from, inspected free of charge during normal business hours on any week day (Saturdays and public holidays excepted) at, the registered office of the Fund:

- (A) the Certificate of Incorporation and Articles of the Fund;
- (B) the agreements referred to under "Material Contracts" above; and
- (C) the UCITS Regulations and the Central Bank Regulations.

Copies of the Articles of the Fund and the latest report and accounts of the Fund may be obtained, free of charge, upon request from the Administrator or Investment Manager and at the registered office of the Fund.

#### **17. Miscellaneous**

- (A) No share or loan capital of the Fund is under option or has been agreed conditionally or unconditionally to be put under option.
- (B) The Fund is not, and has not been since its incorporation, engaged in any litigation or arbitration and the Directors are not aware of any litigation or arbitration or claims pending or threatened against the Fund.

## APPENDIX I

### INVESTMENT AND BORROWING POWERS

The Sub-Funds shall comply with the restrictions herein on investment and borrowing, as may be applicable to the particular investment strategy of a Sub-Fund. If the limits on investments contained below are exceeded for reasons beyond the control of the Directors, the Manager or the Investment Manager or as a result of the exercise of Shareholder rights, the Directors, the Manager or the Investment Manager will adopt as a priority objective the remedying of that situation (i.e. will reduce these investments within an adequate time period to comply with the limits), taking due account of the interests of Shareholders.

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| <b>1</b>   | <b>Permitted Investments</b>  |
|            | Investments of a UCITS are confined to:   |
| <b>1.1</b> | Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.   |
| <b>1.2</b> | Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.  |
| <b>1.3</b> | Money market instruments other than those dealt on a regulated market.  |
| <b>1.4</b> | Units of UCITS.   |
| <b>1.5</b> | Units of AIFs.  |
| <b>1.6</b> | Deposits with credit institutions.  |
| <b>1.7</b> | Financial derivative instruments.   |
| <b>2</b>   | <b>Investment Restrictions</b>  |
| <b>2.1</b> | A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.  |
| <b>2.2</b> | <p><b>Recently Issued Transferable Securities</b></p> <p>Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply. Paragraph (1) does not apply to an investment by a responsible person in US Securities known as "Rule 144 A securities" provided that;</p> <p>(a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and</p> <p>(b) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the UCITS.</p> |
| <b>2.3</b> | A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and   |

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|             | money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.   |
| <b>2.4</b>  | The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the UCITS. This restriction need not be included unless it is intended to avail of this provision and reference must be made to the fact that this requires the prior approval of the Central Bank. |
| <b>2.5</b>  | The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.  |
| <b>2.6</b>  | The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.  |
| <b>2.7</b>  | Cash booked in accounts and held as ancillary liquidity shall not exceed 20% of the net assets of the UCITS.   |
| <b>2.8</b>  | <p>The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.</p> <p>This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand</p>   |
| <b>2.9</b>  | <p>Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:</p> <ul style="list-style-type: none"> <li>- investments in transferable securities or money market instruments;</li> <li>- deposits, and/or</li> <li>- counterparty risk exposures arising from OTC derivatives transactions.</li> </ul>   |
| <b>2.10</b> | The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.   |
| <b>2.11</b> | Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.   |
| <b>2.12</b> | 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.  |

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|            | <p>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, Straight-A Funding LLC, Export Import Bank.</p> <p>The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p> |
| <b>3</b>   | <b>Investment in Collective Investment Schemes ("CIS")</b>   |
| <b>3.1</b> | A UCITS may not invest more than 20% of net assets in any one CIS.   |
| <b>3.2</b> | Investment in AIFs may not, in aggregate, exceed 30% of net assets.  |
| <b>3.3</b> | The CIS are prohibited from investing more than 10% of net assets in other open-ended CIS.   |
| <b>3.4</b> | 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.  |
| <b>3.5</b> | Where by virtue of investment in the units of another investment fund, the Manager, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the Manager shall ensure that the relevant commission is paid into the property of the UCITS.  |
| <b>4</b>   | <b>Index Tracking UCITS</b>  |
| <b>4.1</b> | A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank   |
| <b>4.2</b> | The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.   |
| <b>5</b>   | <b>General Provisions</b>  |
| <b>5.1</b> | An investment company, ICAV 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.   |

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| 5.2 | <p>A UCITS may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul> <p>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.</p>   |
| 5.3 | <p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> <li>(iv) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.</li> <li>(v) Shares held by an investment company or investment companies or ICAV or ICAVs 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.</li> </ul> |
| 5.4 | <p>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.</p>   |
| 5.5 | <p>The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.</p>   |
| 5.6 | <p>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.</p>  |
| 5.7 | <p>Neither an investment company, ICAV nor a management company or a custodian acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:</p> <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- money market instruments*;</li> <li>- units of investment funds ; or</li> <li>- financial derivative instruments.</li> </ul>  |



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|            | * Any short selling of money market instruments by UCITS is prohibited.  |
| <b>5.8</b> | A UCITS may hold ancillary liquid assets.  |
| <b>6</b>   | <b>Financial Derivative Instruments ('FDIs')</b>   |
| <b>6.1</b> | The UCITS global exposure relating to FDI must not exceed its total net asset value.   |
| <b>6.2</b> | Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations/Guidance. (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 Central Bank UCITS Regulations.) |
| <b>6.3</b> | UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that<br>- The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.  |
| <b>6.4</b> | Investment in FDIs are subject to the conditions and limits laid down by the Central Bank  |

## General Restrictions

The Fund will adhere to any investment or borrowing restrictions and any criteria necessary to obtain and/or maintain any credit rating in respect of any Shares or Class in Sub-Fund, subject to the UCITS Regulations.

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

## APPENDIX II

### RECOGNISED EXCHANGES AND REGULATED MARKETS

With the exception of permitted investment in unlisted securities, investment in securities will be restricted to those traded on stock exchanges and markets listed below in this Prospectus or any Supplement thereto or revision thereof each of which stock exchanges and markets is regulated, operates regularly, is recognised and is open to the public. These stock exchanges and markets are listed in accordance with the requirements of the Central Bank. The Central Bank does not issue a list of approved markets and exchanges.

1. Any market which is a “regulated market” within the meaning of Article 4(1) of MiFID.
2. A “multilateral trading facility” as defined in MiFID will be considered a “regulated market” as long as it meets the requirements of Article 50(1)(b) of the UCITS Directive.
3. All stock exchanges of the EEA States, Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, the United Kingdom and the United States of America on which transferable securities admitted to official listing are dealt in or traded.

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| in Argentina  | Bolsa de Comercio de Buenos Aires<br>Bolsa de Comercio de Cordoba<br>Bolsa de Comercio de Rosario     |
| in Bahrain    | Bahrain Stock Exchange  |
| in Bangladesh | Dhaka Stock Exchange<br>Chittagong Stock Exchange   |
| in Bermuda    | Bermuda Stock Exchange  |
| in Botswana   | Botswana Stock Exchange   |
| in Brazil     | Bolsa de Valores do Rio de Janeiro<br>Bolsa de Mercadorias e Futuros<br>Bolsa de Valores de Sao Paulo |
| in Chile      | Bolsa de Comercio de Santiago<br>Bolsa Electronica de Chile   |
| in China      | the Shanghai Stock Exchange<br>the Shenzhen Stock Exchange  |
| in Colombia   | Bolsa de Bogota<br>Bolsa de Medellin<br>Bolsa de Occidente  |
| in Croatia    | the Zagreb Stock Exchange   |

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| in Egypt       | Alexandria Stock Exchange<br>Cairo Stock Exchange  |
| in Guernsey    | International Stock Exchange   |
| in Ghana       | Ghana Stock Exchange   |
| in India       | the National Stock Exchange<br>the Mumbai Stock Exchange<br>the Delhi Stock Exchange<br>the Bangalore Stock Exchange |
| in Indonesia   | the Jakarta Stock Exchange<br>Surabaya Stock Exchange<br>Indonesia Stock Exchange                                    |
| in Israel      | the Tel Aviv Stock Exchange  |
| in Jordan      | Amman Financial Market   |
| in Kazakhstan  | Central Asian Stock Exchange<br>Kazakhstan Stock Exchange  |
| in Kenya       | Nairobi Stock Exchange   |
| in Lebanon     | Beirut Stock Exchange  |
| in Malaysia    | the Kuala Lumpur Stock Exchange  |
| in Mauritius   | Stock Exchange of Mauritius  |
| in Mexico      | Bolsa Mexicana de Valores  |
| in Morocco     | Societe de la Bourse des Valeurs de<br>Casablanca  |
| in Namibia     | Namibian Stock Exchange  |
| in Nigeria     | Nigerian Stock Exchange  |
| in Pakistan    | Islamabad Stock Exchange<br>Karachi Stock Exchange<br>Lahore Stock Exchange  |
| in Peru        | Bolsa de Valores de Lima   |
| in Philippines | the Philippines Stock Exchange   |

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| in Russia       | Moscow Exchange   |
| in Singapore    | the Singapore Stock Exchange  |
| in South Africa | the Johannesburg Stock Exchange   |
| in South Korea  | Korea Stock Exchange<br>KOSDAQ Market   |
| in Sri Lanka    | Colombo Stock Exchange  |
| in Taiwan       | the Taiwan Stock Exchange Corporation   |
| in Thailand     | the Stock Exchange of Thailand  |
| in Tunisia      | Bourse des Valeurs Mobilières de Tunis  |
| in Turkey       | the Istanbul Stock Exchange   |
| in Ukraine      | Ukrainian Stock Exchange  |
| in Venezuela    | the Caracas Stock Exchange<br>the Maracaibo Stock Exchange<br>Venezuela Electronic Stock Exchange |
| in Zimbabwe     | Zimbabwe Stock Exchange   |
| in Zambia       | Lusaka Stock Exchange   |

4. The following regulated markets:-

the markets organised by the International Capital Markets Association;

NASDAQ in the United States;

NASDAQ Europe

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

the market in U.S. 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 Securities and Exchanges Commission and by the National Association of Securities Dealers and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;

the market conducted by the “listed money market institutions”, as described in the FSA 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

the French market for “Titres de Creance Negotiable” (over-the-counter market in negotiable debt instruments); and

the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

5. All stock exchanges listed in 3 or 4 above on which permitted financial derivative instruments may be listed or traded and the following exchanges:

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

in the United Kingdom, on any market of the London Stock Exchange;

in the United States of America, on the:

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

In Canada, on the:

- Montreal Exchange
- Toronto Stock Exchange

in China, on the Shanghai Futures Exchange;

in Hong Kong, on the Hong Kong Futures Exchange;

in Japan, on the:

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

in New Zealand, on the New Zealand Futures and Options Exchange;

in Singapore, on the:

- Singapore Exchange;
- Singapore Commodity Exchange.

In Switzerland, on the:

- Swiss Options & Financial Futures Exchange
- EUREX

In other markets on the following:

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

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

## APPENDIX III

### FINANCIAL DERIVATIVE INSTRUMENTS

#### Financial Derivative Instruments

The Financial Derivative Instruments ("FDI") which the Investment Manager may use on behalf of the Fund and the expected effect of investment in such FDI on the risk profile of a Sub-Fund are set out below. The FDI which the Investment Manager may use in respect of each Sub-Fund is set out in the relevant Sub-Fund Supplement. In addition, the attention of investors is drawn to the risks described in the "Risk Factors" section of the Prospectus.

As specified in the relevant Sub-Fund Supplement, the Investment Manager may use FDI for both (a) efficient portfolio management purposes, such as hedging (i.e. reduction of risk) and/or (b) investment and performance enhancement (i.e. reduction of cost, generation of additional capital or income, etc.), provided such FDI do not cause the Sub-Funds to diverge from their respective investment objectives.

The FDI underlying exposure in each case may relate to transferable securities, money market instruments, other collective investment schemes, financial indices and interest and foreign exchange rates or currencies to the extent permitted by the UCITS Regulations and the Central Bank Regulations.

#### Forwards

##### *Forward Rate Agreements (FRAs)*

A forward contract is the most basic interest rate management product. The idea is simple and is based on this idea of an agreement today for an exchange of something at a specific future date. An FRA is based on the idea of a forward contract, where the determinant of gain or loss is an interest rate. Under this agreement, one party pays a fixed interest rate and receives a floating interest rate (or vice versa) equal to a reference rate. The actual payments are calculated based upon a notional principal amount and paid at intervals determined by the parties. Only a net payment is made between the two parties. FRAs are always settled in cash.

FRA users are typically borrowers or lenders with a single future date on which they are exposed to interest rate risk. A series of FRAs is similar to a swap (discussed below); however, in a swap all payments are at the same rate. Each FRA in a series would be priced at different rates, unless the term structure is flat.

##### *Currency Forwards*

Currency forward contracts allow the Investment Manager to hedge against foreign exchange risk by locking in the price at which a Sub-Fund can buy or sell currency on a future date. Currency forwards may be used for the following purposes: (a) to protect the strength of the Base Currency of a Sub-Fund; (b) to mitigate the exchange rate risk between the Base Currency of the Sub-Fund and the Reference Currency in which Shares in a class of that Sub-Fund are designated where that Reference Currency is different to the Base Currency of the Sub-Fund; and (c) to mitigate the exchange rate risk between the Reference Currency of a particular class and the currency of denomination of the assets of a Sub-Fund attributable to that class where the currency of denomination of the assets of a Sub-Fund attributable to that class are different to the Reference Currency of the Class.

## *Forward Foreign Exchange Contracts*

A forward foreign exchange contract is a contractually binding obligation to purchase or sell a particular currency at a specified date in the future. Forward foreign exchange contracts are not uniform as to the quantity or time at which a currency is to be delivered and are not traded on exchanges. Rather, they are individually negotiated transactions. Forward foreign exchange contracts are typically effected through a trading system known as the interbank market. It is not a market with a specific location but rather a network of participants electronically linked. At present, there is no central clearing system for forward foreign exchange contracts entered into on this market and accordingly, if the Sub-Fund wishes to “close out” any such contract before the specified date, it will be reliant upon the agreement to enter into an appropriate “offsetting” transaction. There is no limitation as to daily price movements on this market and prime brokers or other counterparties will not be required to make or continue to make a market in any forward foreign exchange contracts. Further, effecting forward foreign exchange contracts may involve somewhat less protection against defaults than trading on commodity or other exchanges, as neither the interbank market nor transactions in forward foreign exchange contracts effected on it are regulated by any regulatory authority, nor are they guaranteed by an exchange or its clearing house.

## **Futures**

### *Index Futures*

Where the Investment Manager wants to hedge risk over a certain period of time it may use an index future to do so. Index futures will be primarily, but not exclusively, used by a Sub-Fund for EPM purposes. By shorting these contracts, the Investment Manager can protect themselves from downside price risk of the broader market. Index futures may also be used to manage a Sub-Fund’s market exposure in a more cost effective and efficient manner as futures are often more liquid and cost effective to trade for example, entering into an index future contract in place of immediate purchase of underlying stocks, in certain circumstances may be deemed more cost effective and expedient. Sub-Funds may also use index futures for tactical asset allocation reasons mainly to manage a Sub-Fund’s market exposure. Futures can be used in this way to change weightings to a particular market or market segment at the expense of another, without disturbing individual stock positions.

### *Interest Rate Futures*

Buying an interest rate futures contract allows the buyer of the contract to lock in a future investment rate; not a borrowing rate as many believe. Interest rate futures are based off an underlying security which is a debt obligation and moves in value as interest rates change.

When interest rates move higher, the buyer of the futures contract will pay the seller in an amount equal to that of the benefit received by investing at a higher rate versus that of the rate specified in the futures contract. Conversely, when interest rates move lower, the seller of the futures contract will compensate the buyer for the lower interest rate at the time of expiration.

To accurately determine the gain or loss of an interest rate futures contract, an interest rate futures price index was created. When buying, the index can be calculated by subtracting the futures interest rate from 100, or  $(100 - \text{Futures Interest Rate})$ . As rates fluctuate, so does this price index. You can see that as rates increase, the index moves lower and vice versa.

### *General information on Futures*



Futures contracts may be sold on condition that the security which is the subject of the contract remains at all times in the ownership of the Sub-Fund, or on condition that all of the assets of the Sub-Fund or a proportion of such assets, which may not be less in value than the exercise value of the futures contracts sold, can reasonably be expected to behave in terms of price movement, in the same manner as the futures contract.

## **Swaps**

### *Total Return Swaps*

Total return swaps can be utilised to gain exposure to fixed income securities which may not be directly accessible by other means. The contract is a swap agreement in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains. For example, if the Investment Manager wishes to gain exposure to a section of the market that is not readily tradable by physical securities it may be desirable to hold a total return swap which provides exposure to a bespoke basket of securities or index. The underlying assets of the total return swaps entered into by the Sub-Funds, referred to as the reference asset, will include bonds or other fixed income securities. These are owned by the party receiving the set rate payment. The Sub-Fund may also use total return swaps to seek exposure to an index. For instance, the Investment Manager may seek to reference an asset which is related to an index such as those published by JPMorgan, Citigroup or other recognised fixed income index vendors. In addition, the Investment Manager may choose to reference a widely recognised credit index such as the series of iTraxx indices. Such indices are commonly used for reference purposes as they offer a transparent and broadly accepted market proxy.

### *Interest Rate Swaps*

An interest rate swap looks like a combination of FRAs and involves an agreement between counterparties to exchange sets of future cash flows. The most common type of interest rate swap is a plain vanilla swap, which involves one party paying a fixed interest rate and receiving a floating rate and the other party paying a floating rate and receiving a fixed rate. Net payments are made at regular intervals (thus reducing an element of credit risk) and at the end of the term principals are not exchanged.

Interest rate swaps would generally be used to manage a Sub-Fund's interest-rate exposure. They may be used as a substitute for a physical security or a less expensive or more liquid way of obtaining desired exposures.

In an interest rate swap, each counterparty agrees to pay either a fixed or floating rate denominated in a particular currency to the other counterparty. The fixed or floating rate is multiplied by a notional principal amount (say, US\$ 1 million). This notional amount is generally not exchanged between counterparties, but is used only for calculating the size of cashflows to be exchanged.

The most common interest rate swap is one where one counterparty A pays a fixed rate (the swap rate) to counterparty B, while receiving a floating rate (usually pegged to a reference rate such as the Sterling Overnight Index Average ("SONIA")).

A pays fixed rate to B (A receives variable rate).

B pays variable rate to A (B receives fixed rate).

Consider the following swap in which Party A agrees to pay Party B periodic fixed interest rate payments of 8.65%, in exchange for periodic variable interest rate payments of SONIA + 70 bps (0.70%). Note that there is no exchange of the principal amounts and that the interest rates are on a "notional" (i.e. imaginary) principal amount. Also note that the interest payments are settled in net (e.g. Party A pays (SONIA + 1.50%) +8.65% - (SONIA+0.70%) = 9.45% net. The fixed rate (8.65% in this example) is referred to as the swap rate.

At the point of initiation of the swap, the swap is priced so that it has a net present value of zero. If one party wants to pay 50 bps above the par swap rate, the other party has to pay approximately 50 bps over SONIA to compensate for this.

#### Main Types:

- fixed-for-floating rate swap, same currency
- fixed-for-floating rate swap, different currencies
- floating-for-floating rate swap, same currency
- floating-for-floating rate swap, different currencies
- fixed-for-fixed rate swap, different currencies

The Investment Manager may utilise interest rate swaps if he is concerned about the prospect of rising interest rates. Most of the bonds in the Sub-Fund's portfolio are fixed rate bonds hence the values of the assets would decline were interest rates to rise. Under these circumstances, the Investment Manager could take out an interest rate swap where the Investment Manager 'pays' a fixed rate and 'receives' a floating rate. If rates were to rise, the gains from the swap, where the Investment Manager is receiving a floating rate, would offset the losses from the portfolio of fixed rate bonds. By the same logic, were interest rates to fall, the losses on the swap (where the Investment Manager is receiving a lower floating rate and paying a fixed rate) would be offset by the gains associated with the original fixed rate portfolio.

#### *Index Swaps*

Index swaps can either serve as a substitute for purchasing a group of bonds, hedge specific index exposure, gain or reduce exposure to an index or be associated to the performance of one or more relevant underlying indices that are linked directly or indirectly to certain securities. The use of indices shall in each case be within the conditions and limits set out in the Central Bank Regulations. Where relevant, dependent on the nature of the underlying, indices will be cleared in advance by the Central Bank.

#### *Credit Default Swaps (CDS)*

Whilst it is not considered a common approach within each of the Sub-Fund's portfolio, the Investment Manager retains the right to use CDS (either in single name or using an appropriate index) in order to hedge credit exposure. For instance, in order to protect against a credit spread widening event the Investment Manager may choose to 'buy protection'. It is not envisaged that the Sub-Funds would 'sell protection' to a counterparty, thereby earning a premium on securities held within the portfolio. It is also not the strategy of the Sub-Fund to 'buy protection' on assets not held within the portfolio i.e. a naked short. All CDS positions should be in reference to an asset held within the portfolio or a suitable credit index

Using a CDS hedging strategy approach would potentially offer a more liquid strategy to protect the portfolio from a credit adverse environment i.e. this manner allows the Investment Manager to reduce risk without having to pay bid-offer spreads associated with selling the physical position. Such an approach can also be used to hedge against short-term credit events, such as company results, re-structurings etc.

## **Structured Products**

Structured products were created to meet specific needs that cannot be met from the standardised financial instruments available in the markets. Structured products can be used as an alternative to a direct investment, as part of the asset allocation process to reduce risk exposure of a portfolio.

Structured products are by nature not homogeneous - as a large number of derivatives and underlying can be used - but can however be classified under the following categories:

- Interest rate-linked Notes & Deposits
- FX and Commodity-linked Notes & Deposits
- Hybrid-linked Notes & Deposits
- Credit Linked Notes & Deposits
- Market Linked Notes & Deposits

A structured note is a synthetic and generally medium-term debt obligation, or bond, with embedded components and characteristics that adjust the risk/return profile of the bond. The value of the structured note is determined by the price movement of the asset underlying the note. As a result, the bond's coupon, average life, and/or redemption values can become exposed to the forward movement in interest rates (interest rate-linked notes) and foreign exchange rates (FX-linked notes).

A credit-linked note may be used by a Sub-Fund in order to gain exposure to a specified reference asset where the return on the note is credit-linked to the performance of the underlying reference asset. Credit-linked notes may also be used by a Sub-Fund to hedge against credit risk.

Benefits of structured products may include: principal protection (depending on the type of structured product); tax-efficient access to fully taxable investments; enhanced returns within an investment (depending on the type of structured product); reduced volatility (or risk) within an investment (depending on the type of structured product)

Disadvantages of structured products may include: credit risk - structured products are unsecured debt from investment banks; lack of liquidity - structured products rarely trade after issuance and anyone looking to sell a structured product before maturity should expect to sell it at a significant discount; structured products are priced on a matrix - matrix pricing is essentially a best-guess approach; highly complex - the complexity of the return calculations means few truly understand how the structured product will perform relative to simply owning the underlying asset.

## **Convertible Bonds**

This is a bond that can be converted into a predetermined amount of a company's equity at certain times during its life. Thus, convertible bonds tend to offer a lower rate of return in exchange for the option to trade the bond into stock. Conversely, convertible bonds may be used when volatility is low as an alternative to common stock as convertible bonds may yield a greater return than the common equity and hence build premium when a share price is weak.

## **Warrants**

Warrants give the holder the right but not the obligation to buy or sell stock at a set price in the future. A warrant guarantees the holder the right to buy (or sell) a specific number of shares at a specific price (the strike price) for a defined period of time. Warrants are usually issued by corporations through private transactions and typically trade over-the-counter.

## **Repurchase/Reverse Repurchase and Stock lending Agreements**

Subject to the conditions and limits set out in the Central Bank Regulations, the Fund may use repurchase agreements, reverse repurchase agreements and/or stock lending agreements for the purposes of efficient portfolio management. Repurchase agreements are transactions in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby the Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price. A stock lending agreement is an agreement under which title to the “loaned” securities is transferred by a “lender” to a “borrower” with the borrower contracting to deliver “equivalent securities” to the lender at a later date.

## APPENDIX IV

### TAXATION

#### General

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

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

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

#### Irish Taxation

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

#### Definitions

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

#### ***“Exempt Irish Investor”***

- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;
- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a qualifying management company within the meaning of Section 739B of the Taxes Act;
- an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- a qualifying fund manager within the meaning of Section 784A(1)(a) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a personal retirement savings account (“PRSA”) administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;

- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Asset Management Agency;
- the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management Agency;
- a company which is within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act in respect of payments made to it by the Fund; or
- any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Fund or jeopardising tax exemptions associated with the Fund giving rise to a charge to tax in the Fund;

provided that they have correctly completed the Relevant Declaration.

**“Intermediary”** means a person who:-

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

**“Irish Resident”**

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

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

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

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

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

or

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

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

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

***“Ordinarily Resident in Ireland”***

- (a) in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes;
- (b) in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.

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

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

***“Recognised Clearing System”*** means any clearing system listed in Section 246A of the Taxes Act (including, but not limited to, Euroclear, Clearstream Banking AG, Clearstream Banking SA and CREST) or any other system for clearing shares which is designated for the purposes of Chapter 1A in Part 27 of the Taxes Act, by the Irish Revenue Commissioners, as a recognised clearing system.

***“Relevant Declaration”*** means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act.

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

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

**The Fund**

The Fund will be regarded as resident in Ireland for tax purposes if the central management and control of its business is exercised in Ireland and the Fund is not regarded as resident elsewhere. It is the intention of

the Directors that the business of the Fund will be conducted in such a manner as to ensure that it is Irish resident for tax purposes.

The Directors have been advised that the Fund qualifies as an investment undertaking as defined in Section 739B of the Taxes Act. Under current Irish law and practice, it is not chargeable to Irish tax on its income and gains.

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

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

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

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

### **Stamp Duty**

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

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



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

## **Shareholders Tax**

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

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

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

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

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

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

which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from their Shares or gains made on disposals of the Shares.

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

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

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

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

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

#### 10% Threshold

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

Sub-Fund (or their service providers). The Fund is deemed to have made the election to report once it has advised the Affected Shareholders in writing that it will make the required report.

#### 15 % Threshold

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

#### *Other*

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

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

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

#### *Equivalent Measures*

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

#### *Personal Portfolio Investment Undertaking ("PPIU")*

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

### *Capital Acquisitions Tax*

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

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

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

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

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

### **Compliance with U.S. reporting and withholding requirements**

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

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

In recognition of both the fact that the stated policy objective of FATCA is to achieve reporting (as opposed to being solely the collecting of withholding tax) and the difficulties which may arise in certain jurisdictions with respect to compliance with FATCA by FFIs, the U.S. has developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and U.S. Governments signed an intergovernmental agreement ("**Irish IGA**") on the 21<sup>st</sup> December 2012 and provision has been included in Finance Act 2013 for the implementation of the Irish IGA which also permits regulations to be made by the Irish Revenue Commissioners with regard to registration and reporting requirements arising from the Irish IGA. In this regard, the Irish Revenue Commissioners (in conjunction with the Department of Finance) have issued Regulations-S.I. No. 292 of 2014 which is effective from 1 July 2014.

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

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

Each Shareholder and prospective investor should consult their own tax advisor regarding the requirements under FATCA with respect to their own situation.

### **Common Reporting Standards**

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

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

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

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

For further information on the CRS requirements of the Fund, please refer to the below “Customer Information Notice”.

Each prospective investor should consult their own tax advisor regarding the requirements under CRS with respect to their own situation.

#### *Customer Information Notice*

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

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

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

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

- The name, address, jurisdiction of residence, tax identification number and date and place of birth (in the case of an individual) of each Reportable Person that is an Account Holder of the account and, in the case of any Entity that is an Account Holder and that, after application of the due diligence procedures consistent with CRS is identified as having one or more Controlling Persons that is a Reportable Person, the name, address, jurisdiction of residence and tax identification number of the Entity and the name, address, jurisdiction of residence, TIN and date and place of birth of each such Reportable Person.
- The account number (or functional equivalent in the absence of an account number);

- The account balance or value as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the date of closure of the account;
- The total gross amount paid or credited to the Account Holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution is the obligor or debtor, including the aggregate amount of any redemption payments made to the Account Holder during the calendar year or other appropriate reporting period;
- the currency in which each amount is denominated.

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

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

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

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

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

## **APPENDIX V**

### **DEFINITION OF U.S. PERSON & SPECIFIED U.S. PERSON**

The Fund defines “U.S. Person” to include any “U.S. Person” as set forth in Regulation S promulgated under the Securities Act of 1933, as amended and any “United States Person” as defined under Rule 4.7 under the U.S. Commodity Exchange Act.

Regulation S currently provides that:

“U.S. person” means:

- (1) any natural person resident in the United States;
- (2) any partnership or corporation organised or incorporated under the laws of the United States;
- (3) any estate of which any executor or administrator is a U.S. person;
- (4) any trust of which any trustee is a U.S. person;
- (5) any agency or branch of a non-U.S. entity located in the United States;
- (6) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (7) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (8) any partnership or corporation if (i) organized or incorporated under the laws of any non-U.S. jurisdiction and (ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.

“U.S. person” does not include:

- (1) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated or, if an individual, resident in the United States;
- (2) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person if (i) an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate and (ii) the estate is governed by non-U.S. law;



- (3) any trust of which any professional fiduciary acting as trustee is a U.S. person if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person;
- (4) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
- (5) any agency or branch of a U.S. person located outside the United States if (i) the agency or branch operates for valid business reasons and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; or
- (6) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

Rule 4.7 of the Commodity Exchange Act Regulations currently provides in relevant part that the following persons are not considered "United States persons":

- (1) A natural person who is not a resident of the United States;
- (2) A partnership, corporation or other entity, other than an entity organized principally for passive investment, organized under the laws of a foreign jurisdiction and which has its principal places of business in a foreign jurisdiction;
- (3) An estate or trust, the income of which is not subject to tax in the United States;
- (4) An entity organized principally for passive investment such as a pool, investment company or other similar entity; Provided, that units of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the (U.S. Commodity Futures Trading Commission's) Commission's regulations by virtue of its participants being Non-United States persons.
- (5) A pension plan for the employees, officers or principals of an entity organized and with its principal place of business outside of the United States;

An investor who is considered a “non-U.S. person” under Regulation S and a “non-United States person” under Rule 4.7 may nevertheless be generally subject to income tax under U.S. Federal income tax laws. Any such person should consult his or her tax adviser regarding an investment in the Fund.

**“U.S. Taxpayer”** means a U.S. citizen or resident alien of the United States (as defined for U.S. federal income tax purposes); any entity treated as a partnership or corporation for U.S. tax purposes that is created or organized in, or under the laws of, the United States or any State thereof; any other partnership that is treated as a U.S. Taxpayer under the U.S. Treasury Department regulations; any estate, the income of which is subject to U.S. income taxation regardless of source; and any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under control of one or more U.S. fiduciaries. Persons who have lost their U.S. citizenship and who live outside the United States may nonetheless in some circumstances be treated as U.S. Taxpayers.

An investor may be a “U.S. Taxpayer” but not a “U.S. Person”. For example, an individual who is a U.S. citizen residing outside the United States is not a “U.S. Person” but is a “U.S. Taxpayer”.

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

## APPENDIX VI

### LIST OF SUB-DELEGATES APPOINTED BY THE BANK OF NEW YORK MELLON SA/NV OR THE BANK OF NEW YORK MELLON

| Country/Market    | Sub-custodian   | Address   |
|-------------------|---|---|
| <b>Argentina</b>  | Citibank N.A., Argentina *<br>* On March 27, 2015, the Comisión Nacional de Valores (CNV: National Securities Commission) has appointed the central securities depository Caja de Valores S.A. to replace the branch of Citibank N.A. Argentina for those activities performed within the capital markets and in its role as custodian. | Bartolome Mitre 502/30<br><br>(C1036AAJ) Buenos Aires, Argentina  |
| <b>Australia</b>  | National Australia Bank Limited   | 12th Floor, 500 Bourke Street, Melbourne Victoria 3000, Australia   |
| <b>Australia</b>  | Citigroup Pty Limited   | Level 16, 120 Collins Street, Level 16, 120 Collins Street, Australia   |
| <b>Austria</b>    | Citibank N.A. Milan   | Via Mercanti, 12<br>20121 Milan<br>Italy  |
| <b>Bahrain</b>    | HSBC Bank Middle East Limited   | 2nd Floor, Building No 2505, Road No 2832, Al Seef 428, Bahrain   |
| <b>Bangladesh</b> | The Hongkong and Shanghai Banking Corporation Limited   | Management Office, Shanta Western Tower, Level 4, 186 Bir Uttam Mir Shawkat Ali Shorok, (Tejgaon Gulshan Link Road) Tejgaon Industrial Area, Dhaka 1208, Bangladesh |
| <b>Belgium</b>    | Citibank International Limited  | Citigroup Centre<br>Canada Square,<br>Canary Wharf<br>London E14 5LB<br>United Kingdom  |
| <b>Bermuda</b>    | HSBC Bank Bermuda Limited   | Custody and Clearing Department<br>6 Front Street<br>Hamilton<br>Bermuda HM11   |
| <b>Botswana</b>   | Stanbic Bank Botswana Limited   | Plot 50672, Fairground Office Park<br>Gaborone, Botswana  |

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|-----------------------|--|---|
| <b>Brazil</b>         | Citibank N.A., Brazil                          | Citibank N.A.<br>Avenida Paulista, 1111 – 12th floor<br>Cerqueira Cesar – Sao Paulo, Brazil<br>CEP: 01311-920 |
| <b>Brazil</b>         | Itau Unibanco S.A.                             | Praça Alfredo Egydio de Souza Aranha, 100, São Paulo, S.P. - Brazil 04344-902                                 |
| <b>Bulgaria</b>       | Citibank Europe plc, Bulgaria Branch           | 48 Sitnyakovo Blvd<br>Serdika Offices, 10th floor<br>Sofia 1505, Bulgaria                                     |
| <b>Canada</b>         | CIBC Mellon Trust Company (CIBC Mellon)        | 320 Bay Street<br>Toronto, Ontario, M5H 4A6<br>Canada   |
| <b>Cayman Islands</b> | The Bank of New York Mellon                    | 1 Wall Street<br>New York, NY 10286<br>United States  |
| <b>Chile</b>          | Banco de Chile                                 | Estado 260<br>2nd Floor<br>Santiago, Chile<br>Postal code 8320204   |
| <b>Chile</b>          | Bancau Itau S.A. Chile                         | Avenida Apoquindo 3457, Las Condes, 7550197, Santiago, Chile  |
| <b>China</b>          | HSBC Bank (China) Company Limited              | 33 Floor, HSBC Building, Shanghai ifc<br>8 Century Avenue, Pudong<br>Shanghai, China (200120)                 |
| <b>Colombia</b>       | Cititrust Colombia S.A. Sociedad Fiduciaria    | Carrera 9A No 99-02 Piso 3<br>Bogota D.C., Colombia   |
| <b>Costa Rica</b>     | Banco Nacional de Costa Rica                   | 1st and 3rd Avenue, 4th Street<br>San José, Costa Rica  |
| <b>Croatia</b>        | Privredna banka Zagreb d.d.                    | Radnicka cesta 50<br>10 000 Zagreb<br>Croatia   |
| <b>Cyprus</b>         | BNP Paribas Securities Services S.C.A., Athens | 94 V. Sofias Avenue & 1 Kerasountos<br>115 28 Athens<br>Greece  |
| <b>Czech Republic</b> | Citibank Europe plc, organizacni slozka        | Bucharova 2641/14<br>158 02 Prague 5, Czech Republic  |
| <b>Denmark</b>        | Skandinaviska Enskilda Banken AB (Publ)        | Kungsträdgårdsgatan 8<br>106 40 Stockholm - Sweden  |
| <b>Egypt</b>          | HSBC Bank Egypt S.A.E.                         | 306 Corniche El Nil,<br>Maadi, Cairo, Egypt   |
| <b>Estonia</b>        | SEB Pank AS                                    | Tornimäe Str. 2<br>15010 Tallinn<br>Estonia   |

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| <b>Finland</b>   | Finland Skandinaviska<br>Enskilda Banken AB (Publ)   | Kungsträdgårdsgatan 8<br>106 40 Stockholm - Sweden  |
| <b>France</b>    | BNP Paribas Securities<br>Services S.C.A.  | Office Address: Les Grands Moulins de Pantin – 9<br>rue du Débarcadère<br>93500 Pantin, France<br><br>Legal address: 3 rue d'Antin, 75002 Paris, France |
| <b>France</b>    | Citibank International Limited<br>(cash deposited with Citibank<br>NA)                       | Citigroup Centre, Canada Square, Canary Wharf,<br>London E14 5LB<br>United Kingdom  |
| <b>Germany</b>   | The Bank of New York Mellon<br>SA/NV, Asset Servicing,<br>Niederlassung Frankfurt am<br>Main | Friedrich-Ebert-Anlage, 49<br>60327 Frankfurt am Main<br>Germany  |
| <b>Ghana</b>     | Stanbic Bank Ghana Limited   | Stanbic Heights, Plot No. 215 South Liberation RD,<br>Airport City, Cantonments,<br>Accra, Ghana  |
| <b>Greece</b>    | BNP Paribas Securities<br>Services S.C.A., Athens  | 94 V. Sofias Avenue & 1 Kerasountos<br>115 28 Athens<br>Greece  |
| <b>Hong Kong</b> | The Hongkong and Shanghai<br>Banking Corporation Limited                                     | 1, Queen's Road, Central<br>Hong Kong   |
| <b>Hong Kong</b> | Deutsche Bank AG   | 52/F International Commerce Centre, 1 Austin Road<br>West, Kowloon, Hong Kong   |
| <b>Hungary</b>   | Citibank Europe plc.<br>Hungarian Branch Office  | Szabadság tér 7<br>1051 Budapest<br>Hungary   |
| <b>Iceland</b>   | Landsbankinn hf.   | Austurstraeti 11<br>155 Reykjavik<br>Iceland  |
| <b>India</b>     | Deutsche Bank AG   | 4th Floor, Block I, Nirlon Knowledge Park,<br>W.E. Highway Mumbai - 400 063, India  |
| <b>India</b>     | HSBC Ltd   | 11F, Building 3, NESCO - IT Park, NESCO Complex,<br>Western Express Highway, Goregaon (East),<br>Mumbai 400063, India                                   |
| <b>Indonesia</b> | Deutsche Bank AG   | 7th Floor, Deutsche Bank Building Jl. Imam<br>Bonjol No.80, Jakarta – 10310, Indonesia  |
| <b>Ireland</b>   | The Bank of New York Mellon  | 1 Wall Street<br>New York, NY 10286<br>United States  |
| <b>Israel</b>    | Bank Hapoalim B.M.   | 50 Rothschild Blvd<br>Tel Aviv 66883<br>Israel  |
| <b>Italy</b>     | Citibank N.A. Milan  | Via Mercanti 12<br>20121 Milan<br>Italy   |
| <b>Italy</b>     | Intesa Sanpaolo S.p.A.   | Piazza San Carlo, 156, 10121 Torino, Italy.   |

|                   |  |   |
|-------------------|--|---|
| <b>Japan</b>      | Mizuho Bank, Ltd.  | 4-16-13, Tsukishima, Chuo-ku,<br>Tokyo 104- 0052 Japan  |
| <b>Japan</b>      | The Bank of Tokyo-Mitsubishi<br>UFJ, Ltd.  | 1-3-2, Nihombashi Hongoku-cho, Chuo-ku,<br>Tokyo 103-0021, Japan  |
| <b>Jordan</b>     | Standard Chartered Bank  | 1 Basinghall Avenue<br>London, EC2V5DD, England   |
| <b>Kazakhstan</b> | Joint-Stock Company Citibank<br>Kazakhstan   | Park Palace Building A,<br>41 Kazybek Bi Street,<br>Almaty,<br>Kazakhstan                                   |
| <b>Kenya</b>      | CfC Stanbic Bank Limited   | First Floor, CfC Stanbic Centre<br>P.O. Box 72833 00200<br>Chiromo Road,<br>Westlands,<br>Nairobi,<br>Kenya |
| <b>Kuwait</b>     | HSBC Bank Middle East<br>Limited, Kuwait   | Hamad Al-Saqr St., Qibla Area, Kharafi Tower, G/1/2<br>P.O. Box 1683, Safat 13017, Kuwait                   |
| <b>Latvia</b>     | AS SEB banka   | Meistaru iela 1<br>Valdlauci<br>Kekavas pagasts,<br>Kekavas novads<br>LV-1076<br>Latvia                     |
| <b>Lebanon</b>    | HSBC Bank Middle East<br>Limited – Beirut Branch   | Lebanon Head Office<br>Minet EL-Hosn,<br>P.O. Box: 11-1380 Beirut, Lebanon                                  |
| <b>Lithuania</b>  | AB SEB bankas  | 12 Gedimino Av.<br>LT-01103 Vilnius<br>Lithuania  |
| <b>Luxembourg</b> | Euroclear Bank   | 1 Boulevard du Roi Albert II<br>B-1210 Brussels - Belgium   |
| <b>Malaysia</b>   | Deutsche Bank (Malaysia)<br>Berhad   | Level 20, Menara IMC<br>No 8 Jalan Sultan Ismail<br>50250 Kuala Lumpur, Malaysia                            |
| <b>Malaysia</b>   | HSBC Bank Malaysia Berhad  | HSBC Bank Malaysia Berhad, 12th Floor, South<br>Tower, 2 Leboh Ampang, 50100 Kuala Lumpur,<br>Malaysia      |
| <b>Malta</b>      | The Bank of New York Mellon<br>SA/NV, Asset Servicing,<br>Niederlassung Frankfurt am<br>Main | Friedrich-Ebert-Anlage, 49<br>60327 Frankfurt am Main<br>Germany  |
| <b>Mauritius</b>  | The Hongkong and Shanghai<br>Banking Corporation Limited                                     | 5th Floor, HSBC Centre, 18 Cybercity,<br>Ebene, Mauritius   |

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|--------------------|--|--|
| <b>Mexico</b>      | Banco Nacional de México S.A.                        | Isabel la Catolica No. 44<br>Colonia Centro<br>Mexico, D.F.<br>C.P. 06000  |
| <b>Morocco</b>     | Citibank Maghreb                                     | Zenith Millenium, Immeuble 1<br>Sidi Maarouf, B.P. 40<br>20190 Casablanca<br>Morocco   |
| <b>Namibia</b>     | Standard Bank Namibia Limited                        | N2nd Floor, Standard Bank Centre, Town Square<br>Corner of Post Street Mall and Werner List Street<br>Windhoek, Namibia                              |
| <b>Netherlands</b> | The Bank of New York Mellon SA/NV                    | Rue Montoyer, 46<br>1000 Brussels<br>Belgium   |
| <b>New Zealand</b> | National Australia Bank Limited                      | 12th Floor, 500 Bourke Street, Melbourne<br>Victoria 3000, Australia   |
| <b>Nigeria</b>     | Stanbic IBTC Bank Plc                                | Walter Carrington Crescent, Victoria Island, Lagos,<br>Nigeria   |
| <b>Norway</b>      | Skandinaviska Enskilda Banken AB (Publ)              | Kungsträdgårdsgatan 8<br>106 40 Stockholm - Sweden   |
| <b>Oman</b>        | HSBC Bank Oman S.A.O.G.                              | 2nd Floor, Head Office Building,<br>P.O. Box 1727, Al Khuwair, Postal Code 111,<br>Sultanate of Oman   |
| <b>Pakistan</b>    | Deutsche Bank AG                                     | 242-243, Avari Plaza, Fatima Jinnah Road<br>Karachi – 75330, Pakistan  |
| <b>Peru</b>        | Citibank del Peru S.A.                               | Avenida Canaval y Moreyra, 480, 3rd floor<br>Lima 27, Peru   |
| <b>Philippines</b> | Deutsche Bank AG                                     | 23rd Floor, Tower One & Exchange Plaza,<br>Ayala Triangle, Ayala Avenue,<br>1226 Makati City<br>Philippines  |
| <b>Poland</b>      | Bank Polska Kasa Opieki S.A.                         | 53/57 Grzybowska Street<br>00-950 Warszawa   |
| <b>Portugal</b>    | Citibank International Limited, Sucursal em Portugal | Rua Barata Salgueiro, 30<br>1269-056 Lisbon<br>Portugal  |
| <b>Qatar</b>       | HSBC Bank Middle East Limited, Doha                  | 2nd Floor, Ali Bin Ali Tower, Building no:<br>150, Al Matar Street (Airport Road)<br>P.O. Box 57, Street no. 950,<br>Umm Ghuwalina Area, Doha, Qatar |
| <b>Romania</b>     | Citibank Europe plc, Romania Branch                  | 145, Calea Victoriei<br>010072 Bucharest<br>Romania  |

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|------------------------|--|--|
| <b>Russia</b>          | Deutsche Bank Ltd  | 82 Sadovnicheskaya Street, Building 2<br>115035 Moscow, Russia                                   |
| <b>Russia</b>          | AO Citibank  | 8-10, building 1 Gasheka Street, Moscow 125047,<br>Russia  |
| <b>Saudi Arabia</b>    | HSBC Saudi Arabia Limited                                | HSBC Building, 7267 Olaya Road, Al-Murooj<br>Riyadh 12283-22555,<br>Kingdom of Saudi Arabia      |
| <b>Serbia</b>          | UniCredit Bank Serbia JSC                                | Rajiceva Street 27-29, 11000 Belgrade,<br>Serbia   |
| <b>Singapore</b>       | DBS Bank Ltd   | 12 Marina Boulevard<br>Marina Bay Financial Centre Tower 3<br>Singapore 018982                   |
| <b>Singapore</b>       | United Overseas Bank Ltd                                 | 80 Raffles Place, UOB Plaza, Singapore 048624  |
| <b>Slovak Republic</b> | Citibank Europe plc, pobočka<br>zahranicnej banky        | Mlynske Nivy 43<br>825 01 Bratislava, Slovak Republic  |
| <b>Slovenia</b>        | UniCredit Banka Slovenia d.d.                            | Smartinska 140, 1000 - Ljubljana, Slovenia   |
| <b>South Africa</b>    | The Standard Bank of South<br>Africa Limited             | 9th Floor<br>5 Simmonds Street<br>Johannesburg 2001, South Africa                                |
| <b>South Korea</b>     | The Hongkong and Shanghai<br>Banking Corporation Limited | 5th Floor, HSBC Building, 37, Chilpae-ro,<br>Jung-Gu, Seoul, Korea, 100-161                      |
| <b>South Korea</b>     | Deutsche Bank AG   | 18th Floor, Young-Poong Building 41<br>Cheonggyecheon-ro, Jongro-ku, Seoul 03188, South<br>Korea |
| <b>Spain</b>           | Banco Bilbao Vizcaya<br>Argentaria, S.A.                 | Plaza San Nicolás, 4<br>48005 Bilbao<br>Spain  |
| <b>Spain</b>           | Santander Securities Services<br>S.A.U.                  | Ciudad Grupo Santander. Avenida de Cantabria s/n,<br>Boadilla del Monte 28660 – Madrid, Spain    |
| <b>Sri Lanka</b>       | The Hongkong and Shanghai<br>Banking Corporation Limited | 24 Sir Baron Jayathilake Mawatha Colombo<br>01, Sri Lanka  |
| <b>Swaziland</b>       | Standard Bank Swaziland<br>Limited                       | Standard House, Swazi Plaza<br>Mbabane, Swaziland  |
| <b>Sweden</b>          | Skandinaviska Enskilda<br>Banken AB (Publ)               | Kungsträdgårdsgatan 8<br>106 40 Stockholm - Sweden   |
| <b>Switzerland</b>     | Credit Suisse AG   | Paradeplatz 8<br>8070 Zurich<br>Switzerland  |
| <b>Switzerland</b>     | UBS Switzerland AG                                       | Bahnhofstrasse 45, 8001 Zürich, Switzerland  |
| <b>Taiwan</b>          | HSBC Bank (Taiwan) Limited                               | 16th floor, Building G, No. 3-1 Park Street<br>Taipei 115, Taiwan                                |
| <b>Taiwan</b>          | Standard Chartered Bank<br>(Taiwan) Ltd.                 | No 168, Tun Hwa North Road, Taipei 105, Taiwan   |
| <b>Thailand</b>        | The Hongkong and Shanghai<br>Banking Corporation Limited | Level 5, HSBC Building, 968 Rama IV<br>Road, Bangrak Bangkok 10500, Thailand                     |



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|------------------|--|---|
| <b>Tunisia</b>   | Banque Internationale Arabe de Tunisie                               | 70-72, Avenue Habib Bourguiba<br>1080 Tunis<br>Tunisia  |
| <b>Turkey</b>    | Deutsche Bank A.S.   | Esentepe Mahallesi Büyükdere Caddesi<br>Tekfen Tower No:209 K:17 Sisli<br>TR-34394-Istanbul, Turkey               |
| <b>Uganda</b>    | Stanbic Bank Uganda Limited  | Plot 17 Hannington Road<br>Short Tower- Crested Towers<br>P.O. Box 7131, Kampala, Uganda                          |
| <b>Ukraine</b>   | Public Joint Stock Company "Citibank"                                | 16G Dilova Street<br>03150 Kiev<br>Ukraine  |
| <b>U.A.E.</b>    | HSBC Bank Middle East Limited, Dubai                                 | Emaar Square, Building 5, Level 4<br>PO Box 502601 Dubai, United Arab Emirates                                    |
| <b>U.K.</b>      | Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch | Winchester House<br>1 Great Winchester Street<br>London EC2N 2DB<br>United Kingdom                                |
| <b>U.K.</b>      | The Bank of New York Mellon  | 225 Liberty Street, New York, NY 10286, United States   |
| <b>U.S.A.</b>    | The Bank of New York Mellon  | 225 Liberty Street, New York, NY 10286, United States   |
| <b>Uruguay</b>   | Banco Itaú Uruguay S.A.  | Dr. Luis Bonavita 1266<br>Toree IV, Piso 10<br>CP 11300 Montevideo, Uruguay                                       |
| <b>Venezuela</b> | Citibank N.A., Sucursal Venezuela                                    | Av. Casanova, Centro Comercial El Recreo<br>Torre Norte, Piso 19<br>Sabana Grande, Caracas 1050 D.C.<br>Venezuela |
| <b>Vietnam</b>   | HSBC Bank (Vietnam) Ltd  | The Metropolitan, 235 Dong Khoi Street<br>District 1, Ho Chi Minh City, Vietnam                                   |
| <b>Zambia</b>    | Stanbic Bank Zambia Limited  | Stanbic House, Plot 2375,<br>Addis Ababa Drive<br>P.O Box 31955<br>Lusaka, Zambia                                 |
| <b>Zimbabwe</b>  | Stanbic Bank Zimbabwe Limited  | 59 Samora Machel Avenue,<br>Harare, Zimbabwe  |

## RUBRICS GLOBAL FIXED INCOME UCITS FUND (the “SUB-FUND”)

**Supplement 1 dated 24 February, 2022 to the Prospectus dated 24 February, 2022**

Distribution of this Supplement is not authorised unless accompanied by the most recently available Prospectus issued by the Fund, and this Supplement should be read in conjunction with and forms part of such Prospectus and may not otherwise be relied upon. An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Shareholders should note that all/part of fees and expenses (including Investment Management Fees) of the Sub-Fund will be charged to the capital of the Distributing Share Classes. This will have the effect of lowering the capital value of a Shareholder’s investment in the Distributing Share Classes. The attention of investors is drawn to Section 16 of the Supplement headed “Risk Factors”. Copies of the Prospectus may be obtained free of charge upon request from the registered office of the Manager or from the Administrator. Unless otherwise defined in this Supplement, words and phrases in the Prospectus will have the same meaning in this Supplement.

The other existing Sub-Funds of the Fund, details of which are set out in relevant Supplements to the Prospectus are Rubrics Emerging Markets Fixed Income UCITS Fund, Rubrics India Fixed Income UCITS Fund, Rubrics Global Credit UCITS Fund and Q Rubrics India Fixed Income UCITS Fund.

### 1. Structure

The Rubrics Global Fixed Income UCITS Fund is a Sub-Fund of the Fund. The Fund is an open-ended variable capital umbrella investment company with segregated liability between its Sub-Funds. A description of the Fund and its management, administration, charges, taxation of the Fund and its Shareholders and risk factors is contained in the Prospectus.

### 2. Shares and Classes

Shares may be subscribed for in the following Classes of Shares:

|                   | Reference Currency | Min. Initial Investment Amount | Distribution Status | Listed on Euronext Dublin |
|-------------------|--------------------|--------------------------------|---------------------|---------------------------|
| <b>Class A</b>    | USD                | \$1 million                    | Accumulating        | Yes                       |
| <b>Class AC</b>   | USD                | \$500                          | Accumulating        | No                        |
| <b>Class AD</b>   | USD                | \$1 million                    | Distributing        | No                        |
| <b>Class ACD</b>  | USD                | \$500                          | Distributing        | No                        |
| <b>Class B*</b>   | EUR                | €1 million                     | Accumulating        | Yes                       |
| <b>Class BC*</b>  | EUR                | €500                           | Accumulating        | No                        |
| <b>Class BD*</b>  | EUR                | €1 million                     | Distributing        | No                        |
| <b>Class BCD*</b> | EUR                | €500                           | Distributing        | No                        |
| <b>Class C*</b>   | GBP                | £1 million                     | Accumulating        | Yes                       |
| <b>Class CC*</b>  | GBP                | £500                           | Accumulating        | No                        |
| <b>Class CD*</b>  | GBP                | £1 million                     | Distributing        | No                        |
| <b>Class CCD*</b> | GBP                | £500                           | Distributing        | No                        |
| <b>Class D</b>    | USD                | \$500                          | Accumulating        | Yes                       |
| <b>Class DD</b>   | USD                | \$500                          | Distributing        | No                        |
| <b>Class E*</b>   | EUR                | €500                           | Accumulating        | Yes                       |
| <b>Class ED*</b>  | EUR                | €500                           | Distributing        | No                        |
| <b>Class F*</b>   | GBP                | £500                           | Accumulating        | Yes                       |
| <b>Class FD*</b>  | GBP                | £500                           | Distributing        | No                        |
| <b>Class G*</b>   | CHF                | CHF1 million                   | Accumulating        | Yes                       |
| <b>Class GC*</b>  | CHF                | CHF500                         | Accumulating        | No                        |
| <b>Class GD*</b>  | CHF                | CHF1 million                   | Distributing        | No                        |

|                   |     |        |              |     |
|-------------------|-----|--------|--------------|-----|
| <b>Class GCD*</b> | CHF | CHF500 | Distributing | No  |
| <b>Class H*</b>   | CHF | CHF500 | Accumulating | Yes |
| <b>Class HD*</b>  | CHF | CHF500 | Distributing | No  |
| <b>Class PA</b>   | USD | \$500  | Accumulating | No  |
| <b>Class PB*</b>  | EUR | €500   | Accumulating | No  |
| <b>Class PC*</b>  | GBP | £500   | Accumulating | No  |
| <b>Class PD</b>   | USD | \$500  | Accumulating | No  |
| <b>Class PE*</b>  | EUR | €500   | Accumulating | No  |
| <b>Class PF*</b>  | GBP | £500   | Accumulating | No  |
| <b>Class PG*</b>  | CHF | CHF500 | Accumulating | No  |
| <b>Class PH*</b>  | CHF | CHF500 | Accumulating | No  |

\*Non- Base Currency classes which bear an asterisk (\*) after their name in the above table shall be Hedged Classes.

The latest Net Asset Value per Share of the each launched Class is freely available from the Administrator or as set out in the section entitled “Publication of Net Asset Value” in the main Prospectus.

Monies subscribed for each Sub-Fund or Class of a Sub-Fund should be in the Base Currency of the relevant Sub-Fund or Reference Currency of a Class as the case may be. Performance of a non-Base Currency Share Class may be strongly influenced by movements in FX rates because currency positions held by the Sub-Fund may not correspond with the underlying securities position held.

The Sub-Fund may, at the discretion of the Investment Manager, attempt to reduce or minimise the effect of fluctuations in the exchange rate on the value of the non-Base Currency Shares by hedging. Currency hedging, if applicable, will be carried out in accordance with the procedures disclosed on in the section headed “Currency Hedging” in the main Prospectus and in the section headed “Share Class Currency Hedging” in this Supplement.

Each investor must satisfy the Minimum Initial Investment Amount requirements applicable to each Class as outlined above. The Directors reserve the right to differentiate between Shareholders, waive or reduce the Minimum Initial Investment Amount for certain investors. No Minimum Holding Amount and Minimum Transaction Size shall apply.

Details of the offer of Shares is set out in Section 10 below headed “Applications for Shares”. The fees applicable to each Class are set out in Section 15 below headed “Fees and Expenses”.

### **3. Base Currency**

The Base Currency of the Sub-Fund shall be US Dollars.

### **4. Investment Objective**

The Sub-Fund’s investment objective is to achieve positive total returns and long-term capital appreciation by investing primarily in global fixed income securities.

### **5. Investment Policy**

The Sub-Fund will aim to generate positive returns by building a diversified portfolio of bonds and other fixed income securities which are traded on international bond markets, which will reflect both medium and long-term views of macro-economic themes such as global inflation, growth and credit cycles. The Sub-Fund invests globally and up to 30% of the Net Asset Value of the Sub-Fund may be invested in emerging markets.

In addition, in order to participate in fixed income markets which are less accessible via direct investment or as a means to provide more diversified exposure to an asset class, the Sub-Fund may undertake investments in fixed income securities indirectly using collective investment schemes or via the use of derivatives designed for this purpose as further described below. The Sub-Fund may also hold cash and money market instruments as further described below.

The Sub-Fund may take active FX exposure as part of its overall investment policy as further described below.

Both top down and bottom up approaches will be used when constructing the portfolio of the Sub-Fund. Every security investment proposal passes through rigorous analytical process before it is included in the Sub-Fund's portfolio. Particular emphasis is placed on the ability of a company to service its debt obligations when they falls due. Benchmark and peer group weightings are not a factor in the portfolio construction process. However, as the Base Currency of the Sub-Fund is the US dollars, currency risk is also taken into consideration. Outside the individual security weighting restrictions of the Sub-Fund, positions in individual issuances depend on the credit quality of the issuer. Positions are not restricted by benchmark considerations. Turnover levels in the Sub-Fund, although typically moderate, vary depending on market conditions and opportunities.

The Sub-Fund is considered to be actively managed in reference to:

- Bloomberg Barclays Global Aggregate Index USD Hedged
- Bloomberg Barclays Global Aggregate Index EUR Hedged
- Bloomberg Barclays Global Aggregate Index GBP Hedged
- Bloomberg Barclays Global Aggregate Index CHF Hedged

(the "Benchmarks") by virtue of the fact that the Sub-Fund in respect of each Class of Shares uses the Benchmark correlated to the currency in respect of such Class of Shares for performance comparison purposes. Certain of the Sub-Fund's securities may be components of and may have similar weightings to the Benchmarks. However the Benchmarks are not used to define the portfolio composition of the Sub-Fund or as a performance target and the Fund may be wholly invested in securities which are not constituents of the Benchmark.

The Benchmarks provide a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The Benchmarks also include Eurodollar and EuroYen corporate bonds, Canadian Government securities, and USD investment grade 144A securities.

#### *Bonds and Fixed Income Securities*

Primarily, the Sub-Fund will invest directly or indirectly in bonds and other fixed income securities of governments and corporates of various types and maturities, including, for example, fixed rate, floating rate and variable rate notes, bonds, index linked debt securities, convertible bonds, preferred stock, warrants, collateralised securities (such as securities collateralised or backed by mortgages or credit card receivables) coupon-bearing and deferred interest instruments (such as zero coupon bonds). The Sub-Fund may also invest in the debt securities issued or guaranteed by supranational organizations including, without limitation, the World Bank and the European Investment Bank. The Sub-Fund may invest in fixed rate, floating rate and zero coupon bonds.

The Sub-Fund will primarily invest in investment grade bonds and other debt securities (as rated BBB- or higher by Standard & Poors Rating Group or Fitch or Baa3 or higher as rated by Moody's). In instances where a rating is split between investment grade and non-investment grade by the agencies the Investment Manager will follow the rating of the majority i.e. 2 out of the 3 agencies, in determining whether an issue is investment grade. Where an issue is rated by a single agency, the Sub-Fund will determine the investment grade status of an issue based solely on this rating. Where two of the three agencies rate a bond, the Sub-Fund will take the higher rating in the event of the agencies being split on the investment grade status of a bond. Up to 25% of the Sub-Fund's Net Asset Value may be invested in bonds and other debt securities that are rated below investment grade, although no more than 10% of the Sub-Fund's Net Asset Value can be invested in a single issuer rated below investment grade. Although the Sub-Fund will primarily invest in debt securities, the Sub-Fund may also invest in convertible securities (including contingent convertible issues), preferred securities and asset backed securities traded on global markets consistent with the primary objectives of the Sub-Fund and rated investment grade. The Sub-Fund may also invest up to 15% of its Net Asset Value in convertible securities, preferred securities and asset backed securities traded which are rated below investment grade.

#### *Liquid Assets*

The Sub-Fund will at all times consider market valuations and the prevailing investment climate. Should the Investment Manager perceive the investment climate to be negative or that the fixed income market offers investors little value, the Sub-Fund can retain substantial amounts in cash or ancillary liquid assets (including money market instruments and cash deposits) pending investment or reinvestment. In addition, the Sub-Fund may hold cash due to recent subscriptions pending investment or in anticipation of future redemptions. Further, if the Investment Manager wants to decrease the risk of the Sub-Fund, it can choose to buy relatively stable and liquid instruments such as money market instruments or invest in cash deposits. Such holdings may result in the Sub-Fund not being primarily invested in investment grade bonds and other debt securities (as described above) but shall be in accordance with the limits set out in Appendix I of the Prospectus.

#### *Collective Investment Schemes*

If the Investment Manager would like to gain exposure to a specific market or market segments without holding the underlying instruments directly, it may choose to invest in units of collective investment schemes with strategies representing a diversified mix of holdings in that area or which offer the added expertise of the manager of the collective investment scheme in asset selection. Up to 10% of the Net

Asset Value of the Sub-Fund may be invested in collective investment schemes. Such schemes may include other UCITS funds, or regulated non-UCITS primarily domiciled in the EU, which fall within the requirements set out in the Central Bank Regulations and the level of protection of which is equivalent to that provided to unitholders of a UCITS. The Sub-Fund will invest in such schemes primarily when such investment is consistent with the Sub-Fund's primary investment focus. The Sub-Fund may not charge subscription, conversion, redemption or annual management fees in respect of that portion of its assets invested in another sub-fund within the Fund. This provision is also applicable to the annual fee charged by an Investment Manager where this fee is paid directly out of the assets of the Fund.

#### *Currency Exposure*

The Sub-Fund will utilise FDI to actively manage non-Base Currency exposure. The Investment Manager may decide to hedge part or all of that exposure through the use of foreign exchange forwards (as described in the section headed "Financial Derivative Instruments" below). Where undertaken, there can be no guarantee that such hedging will be successful in eliminating part or all of the currency risk.

#### *Emerging Markets Exposure*

Up to 30% of the Net Asset Value of the Sub-Fund may be invested in emerging markets including Nigeria, Egypt, Russia, Turkey, Hong-Kong, Indonesia, Malaysia, South Korea, Philippines, Taiwan, Thailand, Brazil, India, China, South Africa, Chile, Argentina, Peru, UAE, Qatar, Kuwait, Bahrain, Kazakhstan or any other country determined by the Investment Manager to be a country which is undergoing a phase of economic development but has not yet reached the stage of a developed country such as the countries of western Europe, North America or Japan. Investment in securities listed or traded on a Recognised Exchange in Russia is not expected to exceed 20% of the Net Asset Value of the Sub-Fund.

#### *Securities Financing Transactions and Total Return Swaps*

As described in greater detail below, the Sub-Fund may enter into repurchase agreements, reverse repurchase agreements, and/or securities lending agreements ("Securities Financing Transactions") and total return swaps for efficient portfolio management purposes only where the objective of using such instruments is to hedge against risk and/or to reduce costs borne by the Sub-Fund or to generate additional capital or income which is consistent with the risk profile of Sub-Fund and the risk diversification rules set down in the UCITS Regulations.

All types of assets which may be held by the Sub-Fund in accordance with its investment objectives and policies may be subject to a Securities Financing Transaction or total return swap.

The maximum proportion of the Sub-Fund's assets which can be subject to Securities Financing Transactions is 50% of the Net Asset Value of the Sub-Fund. The maximum proportion of the Sub-Fund's assets which can be subject to total return swaps is 10% of the Net Asset Value of the Sub-Fund.

However, the expected proportion of the Sub-Fund's assets which will be subject to Securities Financing Transactions is between 0% and 30% of the Net Asset Value of the Sub-Fund's assets. The expected

proportion of the Sub-Fund's assets which will be subject to total return swaps is between 0% and 10% of the Net Asset Value of the Sub-Fund's assets. The proportion of the Sub-Fund's assets which are subject to Securities Financing Transactions and/or total return swaps at any given time will depend on prevailing market conditions and the value of the relevant investments. The amount of assets engaged in each type of Securities Financing Transactions and total return swaps, expressed as an absolute amount and as a proportion of the Sub-Fund's assets, as well as other relevant information relating to the use of Securities Financing Transactions and/or total return swaps shall be disclosed in the annual report and semi-annual report of the Company.

Further information relating to Securities Financing Transactions and total return swaps is set out below under the heading "Financial Derivative Instruments" and in the Prospectus at the sections entitled "Securities Financing Transactions", "Total Return Swaps" and in Appendix III.

#### *Financial Derivative Instruments*

The Sub-Fund may use FDI for efficient portfolio management purposes, to hedge currency exposure, and in order to participate in fixed income markets which are less accessible via direct investment or as a means to provide more diversified exposure to an asset class, subject always to the conditions and within the limits laid down by the Central Bank.

These FDI are forwards, futures and swaps together with structured products such as credit linked notes which embed a derivative as described below:

- (i) Forwards (Currency Forwards, Forward Foreign Exchange ("FX") Contracts and Forward Rate Agreements ("FRA"))

The Sub-Fund will mainly use currency forwards to hedge the currency risk of a non-Base Currency asset. For example, if the Sub-Fund purchased a EUR denominated 5 year issue, it is preferable for the Sub-Fund to earn the yield on this asset without taking on the risk of adverse movements between EUR and USD. To facilitate this outcome the Sub-Fund would sell the EUR forward versus the USD at forward date thus locking in the current exchange rate.

In order to hedge currency exposure the Sub-Fund will undertake FX forwards, selling local currency (i.e. the currency of denomination of the relevant asset) (either in deliverable currencies or by using a non-deliverable forward (NDF) in non-deliverable currencies) versus Base Currency. It is not the intention of the Investment Manager to take 'net short' FX positions with the exception of minor short FX positions associated with the movement of the hedged underlying assets i.e. if the asset price declines the Sub-Fund may appear over-hedged. Such short exposure is not expected to exceed 100% of the Sub-Fund's Net Asset Value. The Sub-Fund is not permitted to sell FX forwards where it does not hold assets in that particular currency or to sell short a currency where the Sub-Fund owns the bond. The Sub-Fund may take long positions of up to 100% of its Net Asset Value in currencies in lieu of other assets, such as fixed income assets, on the basis of expected appreciation in the currency or on the basis of earning a worthwhile interest rate differential. Forward FX positions offer a liquid and efficient means of gaining access to particular currencies.

The Sub-Fund may also enter into a FRA which is based on the idea of a forward contract, where the determinant of gain or loss is an interest rate.

(ii) Futures (Interest Rate Futures, Fixed Income Futures)

The Sub-Fund will mainly use these instruments to manage the overall duration of the portfolio. For example, the Investment Manager may take the view that a particular long dated credit offers an attractive yield, but may be unwilling to take on the duration risk associated with this position due to the outlook for longer dated bonds. Hence selling interest rate futures in the portfolio would allow us to reduce the duration risk and maintain exposure to our favoured credit. Fixed income futures may be used in the same manner i.e. to increase or reduce duration exposure without adjusting portfolio holdings; and

(iii) Swaps (Total Return Swaps, Interest Rate Swaps and Credit Default Swaps ("CDS"))

Total return swaps can be utilised to gain exposure to bonds or other fixed income securities as described above which may not be directly accessible by via by physical securities. The Sub-Fund may also use total return swaps to seek exposure to fixed income indices.

Interest rate swaps allow the Investment Manager to reduce or increase portfolio duration exposure. For example, agreeing to pay a fixed rate of interest and receive a floating rate would protect the portfolio against rising interest rates which would reduce the value of the underlying bonds or other fixed income securities in the Sub-Fund's portfolio. This investment strategy would allow the Sub-Fund to reduce duration without selling the portfolio where it maintains a positive credit outlook

Where considered appropriate, the Investment Manager may use total return swaps or CDS (either in single name or using an appropriate index) in order to somewhat hedge credit exposure. For instance, in order to protect against a credit spread widening event the Investment Manager may choose to 'buy protection'. All CDS positions will be in reference to an asset held within the portfolio or a suitable credit index. Using a CDS hedging strategy potentially offers a more liquid strategy to protect the Sub-Fund's portfolio from a credit adverse environment i.e. this manner allows the Investment Manager to reduce risk without having to pay bid-offer spreads associated with selling the physical position. Such an approach can also be used to hedge against short-term credit events, such as company results, re-structurings etc.

The Sub-Fund may gain exposure through investment in total return swaps and CDS to the following financial indices:

*Markit iBoxx Indices*

The Markit iBoxx indices offer broad benchmarking and liquid tradable index solutions that track bond markets globally. Markit iBoxx Indices includes corporate, municipal and sovereign bonds, as well as loans and securitised products. The Markit iBoxx indices that the Sub-Fund may gain exposure to are as follows:



Markit iBoxx EUR Liquid High Yield Index TRI (rebalanced monthly); Markit iBoxx Euro Corporates Overall Total Return Index (rebalanced monthly); Markit iBoxx USD Liquid Investment Grade Index (rebalanced monthly); Markit iBoxx USD Liquid High Yield Index (rebalanced monthly); and Markit iBoxx USD Emerging Markets Sovereigns & Sub-Sovereigns (rebalanced monthly).

#### *Markit iTraxx Indices*

Markit iTraxx are the standard European and Asian tradable credit default swap family of indices. The rules-based Markit iTraxx indices are comprised of the most liquid names in the European, Asian Central & Eastern European, Middle Eastern and African countries markets. The selection methodology ensures that the indices are replicable and represent the most liquid, traded part of the market. Markit CDX family of indices is the standard North American and Emerging Markets tradeable credit default swap family of indices worldwide. The Markit CDX indices are a family of indices covering multiple sectors. The Markit CDS rebalance semi-annually in March and September. The Markit iTraxx indices that the Sub-Fund may gain exposure to are as follows:

Markit iTraxx Europe indices (rebalanced twice yearly); the Asia/Pacific Markit iTraxx indices (rebalanced twice yearly); Markit CDX North American Investment Grade (125 names) (rebalanced twice yearly); Markit CDX North American High Yield (100 names) (rebalanced twice yearly); and Markit CDX Emerging Markets (15 names) (rebalanced twice yearly).

Further information on the indices can be accessed through the following links: Markit iTraxx Indices: <http://www.markit.com/Product/iTraxx> and <http://www.markit.com/Product/CDX>. Markit iBoxx Indices: <https://ihsmarkit.com/products/iboxx.html>.

The indices that the Sub-Fund will gain exposure to shall satisfy the criteria set down in the Central Bank Regulations relating to same. The costs associated with gaining exposure to a financial index will be impacted by the frequency with which the relevant index is rebalanced. Where the weighting of a particular constituent in the financial index exceeds the investment restrictions outlined in Appendix I, the Investment Manager will as a priority objective look to remedy the situation taking into account the interests of Shareholders and the Sub-Fund.

#### (iv) Structured Products

The Sub-Fund may invest in structured products which are created to meet specific needs that cannot be met from the standardised financial instruments available in the markets and can contain embedded FDI. Structured products can be used as an alternative to a direct investment, as part of the asset allocation process to reduce risk exposure of a portfolio. For example, a credit-linked note may be used by the Sub-Fund in order to gain exposure to a specified reference asset where the return on the note is credit linked to the performance of the underlying reference asset. Credit linked notes may also be used by a Sub-Fund to hedge against credit risk.

Further details of the FDI that the Sub-Fund may utilise are set out in Appendix III of the Prospectus together with a description of the relevant risks attached to each. The Investment Manager expects that the use of FDI may result in a limited to medium impact on the performance of the Sub-Fund in relation to its investment objectives and the investment techniques described in this Supplement. The Sub-Fund

will be leveraged as a result of the use of FDI and associated collateral or margin commitments as is further described in Section 8 “Leverage” (see below). Such use will not result in exposure above 100% of invested capital, therefore will not produce a leverage type effect.

With the exception of permitted investments in unlisted transferable securities, investment by the Sub-Fund is restricted to the Recognised Exchanges as listed under Appendix II to the Prospectus. FDIs may be traded on Recognised Exchanges worldwide or may be traded over the counter. The Investment Manager will only enter into over the counter derivative transactions on behalf of the Sub-Fund with counterparties which are subject to prudential supervision, belong to categories approved by the Central Bank and which are not related to the Manager but may be related to the Depositary.

Investors should be aware that when the Sub-Fund enters into FDI contracts for efficient portfolio management purposes, operational costs and/or fees shall be deducted from the revenue delivered to the Sub-Fund. In the case of total return swaps such fees and costs may include financing fees and in the case of FDI which are listed on Recognised Exchanges, such fees and costs may include brokerage fees. One of the considerations taken into account by the Investment Manager when selecting brokers and counterparties to FDI transactions on behalf of the Sub-Fund is that any such costs and/or fees which are deducted from the revenue delivered to the Sub-Fund shall be at normal commercial rates and shall not include any hidden revenue. Such direct or indirect costs and fees will be paid to the relevant broker or counterparty to the FDI transaction. The Manager shall ensure that all revenues generated through the use of FDI for efficient portfolio management purposes, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

Where necessary, the Sub-Fund will accept collateral from its counterparties in order to reduce counterparty risk exposure generated through the use of over the counter derivative instruments. Any collateral received by the Sub-Fund shall comprise of cash collateral and/or government backed securities of varying maturity which satisfy the requirements of the Central Bank relating to non-cash collateral which may be received by a UCITS. Cash collateral received by the Sub-Fund may be reinvested in accordance with the requirements of the Central Bank at the discretion of the Investment Manager. In this regard, any cash collateral received by the Sub-Fund may be placed on deposit with relevant credit institutions as permitted by the UCITS Regulations. In such circumstances, the Sub-Fund shall be exposed to the creditworthiness of the relevant credit institution with which cash collateral is placed. The level of collateral required to be posted may vary by counterparty with which the Sub-Fund trades. The haircut policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by the Sub-Fund, taking into account the credit standing and price volatility of the relevant counterparty.

#### *Integration of sustainability risk*

The management of sustainability risk forms part of the investment process implemented by the Investment Manager.

When assessing the sustainability risk associated with underlying investments, the Investment Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an ESG event or condition (“ESG Event”). In order to assist with the identification and

assessment of sustainability risks, the Company engages the services of a third-party data provider of ESG metrics and information and ESG ratings.

Sustainability risk is identified, monitored and managed by the Investment Manager in the following manner:

- (i) The overall quality of the Sub-Fund's portfolio, from a sustainability risk perspective, is subject to an ESG rating which outlines the minimum average rating as determined by the Investment Manager and initially calculated by the Data Provider. The Investment Manager seeks to maintain an ESG Rating of at least A in respect of the Sub-Fund's portfolio.
- (ii) Prior to acquiring investments on behalf of the Sub-Fund, the Investment Manager, where available, uses ESG metrics and ESG ratings of the Data Provider in order to assess the relevant investment against sustainability risk and to identify whether it is vulnerable to such risk. This process incorporates applying both an exclusion policy (whereby potential investments are removed from the investment universe on the basis that they pose too great a sustainability risk to the Sub-Fund and could impact the Sub-Fund to an extent that the Sub-Fund's overall ESG rating drops below the minimum threshold outlined above) and positive screening (whereby investments which have strong investment characteristics, and do not cause the Sub-Fund to breach its ESG rating, are included in the investment universe). The Investment Manager also conducts fundamental analysis on each potential investment in order to assess the adequacy of ESG programmes and practices of an issuer to manage the sustainability risk it faces. The information gathered from the fundamental analysis conducted will be taken into account by the Investment Manager in deciding whether to acquire a holding in an issuer and may, in certain circumstances, result in the Investment Manager investing in an issuer which may not adhere to all of the utilised ESG metrics provided by the Data Provider in its assessment. The Investment Manager may invest in such issuer where it believes that the Data Provider's ESG assessment does not fully capture the positive sustainability-related changes which have been implemented by the relevant issuer. Where no third-party ESG metrics proposed to be utilised by the Investment Manager can be sourced from the Data Provider or the relevant issuer, the issuer will be deemed as not posing a sustainability risk unless the Investment Manager has been provided with information that would otherwise indicate to the contrary, as determined by the Investment Manager based on the fundamental analysis carried out.
- (iii) During the life of the investment, sustainability risk is monitored through review of ESG data published by the issuer and the Data Provider (where relevant and available) to determine whether the level of sustainability risk has changed since the initial assessment has been conducted. This review is conducted on a monthly basis. Where the sustainability risk associated with a particular investment has increased beyond the desired threshold for the assets of the Sub-Fund, the Investment Manager will sell or reduce the Sub-Fund's exposure to the relevant investment, taking into account the best interests of the Shareholders of the Sub-Fund.

The Investment Manager acknowledges that certain of the investments that may be made by the Investment Manager on behalf of the Sub-Fund may be negatively impacted by sustainability risks (being the risk that the value of the Sub-Fund could be materially negatively impacted by an ESG Event) and that sustainability risks may impair the value of the investments made by the Sub-Fund.

Further information on the manner in which sustainability risks are integrated into the investment-decision making process by the Investment Manager is available at [www.rubricsam.com](http://www.rubricsam.com).

Pursuant to article 7(2) of Regulation (EU) 2019/2088 as may be amended, updated or supplemented from time to time (the “SFDR”), neither the Manager nor the Investment Manager currently consider the adverse impacts of investment decisions on sustainability factors in respect of the Sub-Fund. This is on the basis that the Manager and the Investment Manager are awaiting further clarity in respect of the detailed requirements in relation to the content, methodologies and presentation of information on sustainability indicators in relation to environment-related adverse impacts that are expected to be provided in final regulatory technical standards by the European Commission pursuant to Article 4(6) of SFDR. Following the adoption and coming into force of such regulatory technical standards, the Manager, in conjunction with the Investment Manager, will reconsider its position in relation to the consideration of adverse impacts of investment decisions on sustainability factors for the Sub-Fund. All investment decisions in respect of the Sub-Fund are made by the Investment Manager.

While sustainability risk forms part of the investment process implemented by the Investment Manager, the investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **6. Changes to the Investment Objective and/or Policy**

The investment objective of the Sub-Fund may not be altered and material changes in the investment policy of the Sub-Fund may not be made without prior written approval by all Shareholders of the Sub-Fund or on the basis of a simple majority of votes cast at a meeting of the Shareholders of the Sub-Fund duly convened and held. In the event of a change of the investment objective and/or a material change to the investment policy of the Sub-Fund, the Manager shall provide Shareholders in the Sub-Fund with reasonable notice of such change.

## **7. Investment and Borrowing Restrictions**

In accordance with the provisions of Appendix I of the Prospectus, the Fund may borrow up to 10% of the Net Asset Value of the Sub-Fund on a temporary basis. Such borrowings may only be used for short term liquidity purposes to cover the redemption of Shares. Investment restrictions applying to the Sub-Fund are set out in Appendix I to the Prospectus.

For the avoidance of doubt, any permitted investment by the Sub-Fund in unlisted securities under Section 2.1 of Appendix I will not include any security or instrument which will compromise the liquidity profile of the Sub-Fund.

## **8. Leverage**

The Sub-Fund will be leveraged as a result of the use of FDI and associated collateral or margin commitments (i.e. pursuant to ISDA Master Agreement or exchange-traded derivative documentation), in accordance with the Investment Policy. Such use will not result in exposure above 100% of invested capital, therefore will not produce a leverage type effect and entail greater risk to investors. The expected level of leverage for the Sub-Fund arising from the use of FDI will not exceed 100% of the Net Asset Value, calculated as the aggregate notional value of the Sub-Fund's long FDI positions and the absolute value of the Fund's short FDI positions. It is anticipated that this 100% figure will primarily be made up of the notional value of FDI used by the Fund for currency hedging purposes.

The use of derivatives (whether for hedging or investment purposes) may result in the Sub-Fund having commitments under the terms of the FDI contract. To manage its commitments the Sub-Fund will hold assets as cover for these commitments in accordance with the Central Bank Regulations. The Sub-Fund will use the Absolute VaR model, thereby ensuring that the VaR of the Sub-Fund's portfolio may not exceed 20% of the Net Asset Value of the Sub-Fund, the confidence level shall not be less than 99% and the holding period shall not be less than 20 days. The historical period will typically be 1 year or greater but a shorter observation period may be used in instances of recent significant price volatility.

It should be noted that these are the current VaR limits required by the Central Bank. In the event that the Central Bank changes these limits, the Sub-Fund will have the ability to avail of such new limits and will be included in an updated Supplement.

## **9. Profile of a Typical Investor**

The typical investor profile is made up of institutional investors and high net worth individuals who are seeking long term capital appreciation in global fixed income securities. Investors will mainly be based in the EU but may also be non-EU.

## **10. Applications for Shares**

### *Offer*

The Initial Offer Period for Class AD, Class ACD, Class BD, Class BCD, Class CC, Class CCD, Class DD, Class ED, Class GC, Class GD, Class GCD and Class HD shall commence at 9 a.m. on 4 February, 2022 and shall close at 5 p.m. (Irish time) on 29 July, 2022. The Initial Offer Period for, Class CD and Class FD Shares has been extended and will close at 5 p.m. (Irish time) on 29 July, 2022 subject to acceptance of applications for Shares by the Fund and will be issued for the first time on the first Subscription Day after expiry of the Initial Offer Period.

During the Initial Offer Period Class CC, Class CD, Class CCD and Class FD Shares will be offered at GBP100 per Share, Class BD, Class BCD and Class ED Shares will be offered at EUR100 per Share, Class GC, Class GD, Class GCD and Class HD will be offered at CHF100 per Share and Class AD,

Class ACD and Class DD will be offered at USD100 per Share or such other prices as the Directors in their discretion may determine (the “**Initial Offer Price**”). The Initial Offer Period may be shortened or extended by the Directors. The Central Bank will be notified in advance of any extension of the Initial Offer Period if subscriptions for Shares have been received and otherwise on an annual basis. Following the close of the Initial Offer Period, Class AC, Class ACD, Class CC, Class CD, Class CCD, Class DD, Class FD, Class BD, Class BCD, Class ED, Class GC, Class GD, Class GCD and Class HD Shares will be offered at the Net Asset Value per Share.

The Initial Offer Period in respect of the Classes A, AC, B, BC, C, D, E, F, G, H, PA, PB, PC, PD, PE, PF, PG and PH Shares has closed and these Classes are offered at the relevant Net Asset Value per Share.

Class PA, PB, PC, PG, AC, ACD, BC, BCD, CC, CCD, GC, and GCD Shares may be offered to institutional investors or distributors and platforms who may have separate fee arrangements with their clients. With regard to MiFID distributors, Class PA, PB, PC, PG, AC, ACD, BC, BCD, CC, CCD, GC, and GCD Shares will also be available to MiFID distributors including those providing portfolio management or independent investment advice as defined by MiFID and those providing non independent advice who have a separate fee arrangement with their clients under which they have agreed not to receive and retain inducements.

The Directors, in accordance with the terms of the Articles of the Fund, may in their absolute discretion refuse to accept any application for Shares in whole or in part at any time.

#### *Valuation Day*

Every Business Day and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders provided that there shall be at least one Valuation Day in respect of each Subscription Day and Redemption Day.

#### *Valuation Point*

The Valuation Point cut-off is 11.59 p.m. in Ireland on the relevant Valuation Day and/or such other day or days as the Directors may from time to time determine and notify to Shareholders in advance provided that the Valuation Point will always be after the relevant dealing deadline.

#### *Subscription Day*

The Subscription Day of the Sub-Fund will be every Business Day of each calendar month and/or such other day or days as the Manager may from time to time determine and notify in advance to Shareholders, provided there will always be two Subscription Days per month occurring at regular intervals.

#### *Subscription Procedure*

All applicants for Shares must submit an original signed Application Form or, if a U.S. Person, an Application Form for U.S. Persons together with all supporting documentation in relation to money

laundrying prevention checks to the Administrator. Applications for Shares may be submitted by facsimile or electronically in accordance with the requirements of the Central Bank, without a requirement to submit original documentation provided an original signed Application Form and supporting documentation in relation to money laundrying prevention has been previously received by the Administrator. In the case of initial applications submitted by facsimile or electronically, the original Application Form and supporting documentation in relation to money laundrying prevention must follow promptly. Applications for Shares are not accepted by email.

Applications for Shares must be received by the Administrator no later than 11.00 a.m. (Irish time) on the relevant Valuation Day or such later time and/or day prior to the relevant Valuation Point as the Directors may in their discretion determine in accordance with the requirements of the Central Bank. If the relevant Application Form is not received by the prescribed deadline, the application may be held over to the following Subscription Day and Shares will then be issued at the relevant Subscription Price on that Subscription Day. Late applications will only be accepted in exceptional circumstances and the decision for accepting such late applications will be fully documented.

Cleared funds must be received for the account of the Sub-Fund on or before 5 p.m. (Irish Time) on the fourth Business Day following the relevant Subscription Day (i.e. T+4). Shares will be allotted to the relevant applicant with respect to the Subscription Day once the Subscription Price has been determined and issued for such Subscription Day and following receipt of the applicants' funds.

Subject to the forgoing, the Fund may charge interest or cancel the allotment where cleared funds are not received within the prescribed deadlines. As the register of Shares of the Fund is updated each Business Day following a Subscription Day (i.e. T+1) a failure to receive cleared funds within the above-mentioned timeframe may require the cancellation of the allotment of the relevant Shares on that Subscription Day and this may result in a loss to the Fund.

Any change to the subscription procedure and cut-off times set out above will be notified to investors in advance and, where necessary, reflected by amendment to this Supplement.

#### *Amendments to Shareholders Details*

The Administrator will only accept changes to Shareholder's registration details and payment instructions on receipt of original documentation.

### **11. Restrictions on Sale and Transfer**

The Shares may not be offered, sold or transferred to investors who are Ineligible Applicants as described under "Subscriptions" in the Prospectus.

Class AC, Class ACD, Class BC, Class BCD, Class CC, Class CCD, Class GC, Class GCD, Class PA, Class PB, Class PC, Class PD, Class PE, Class PF, Class PG and Class PH Shares may only be offered, sold or transferred to investors at the discretion of the Directors.

### **12. Redemptions**

### *Redemption Day*

The Redemption Day of the Sub-Fund will be every Business Day of each calendar month and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders provided there will always be two Redemption Days per month occurring at regular intervals.

### *Redemption Price*

The Redemption Price will be equal to the Net Asset Value per Share as at the relevant Valuation Point on the relevant Redemption Day.

### *Redemption Procedure*

Shares will be redeemable at the option of the Shareholder. Shareholders should send a completed signed redemption request in the form available from the Administrator by post or by facsimile. Redemption requests may also be accepted electronically but not by email. Redemption payments following processing of instructions received electronically will only be made to the account of record of a Shareholder.

Redemption requests must be received by the Administrator no later than 11.00 a.m. (Irish time) on the Valuation Day or such other time as the Directors may in any particular case determine, provided in all cases that requests must be received prior to the relevant Valuation Point, failing which the redemption request will be held over until the next following Redemption Day and Shares will be redeemed at the relevant Redemption Price applicable on that Redemption Day.

Payment of redemption proceeds will be made as soon as possible but normally no later than five (5) Business Days after the relevant Redemption Day and in any event no later than seven (7) calendar days after the relevant Redemption Day. Shares will be redeemed at the relevant Redemption Price. Proceeds of a redemption will be paid in the Reference Currency of that Share Class.

No redemption payment may be made from a holding until the original Application Form (including payment details to an account in the Shareholder's name) has been received from the Shareholder, all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the Shareholder and the anti-money laundering procedures have been completed. In the event that the account details contained in the redemption request differ from those which are contained in the Application Form, then an original redemption request form will be required prior to any redemption payment being made.

It is not the current intention to charge a redemption fee. Any change to this policy will be notified in advance to investors, who will be given the opportunity to redeem their Shares before any change in the redemption fee policy comes into force.

## **13. Switching**



Shareholders may be entitled to exchange all or any of their Shares in one Sub-Fund or Class for Shares in another Sub-Fund or Class on any Redemption Day, subject to (i) compliance with the procedure in the paragraph below; and (ii) subject to the Minimum Initial Investment Amount in respect of each Sub-Fund or Class. Shareholders must also have regard to the details set out section headed “Switching” in the Prospectus. A Share exchange will be effected by way of a redemption of Shares of one Sub-Fund or Class at the relevant Redemption Price and a simultaneous subscription (at the most recent Subscription Price) for Shares of the other Sub-Fund or Class.

No switching fee or redemption or subscription charges are charged on switching Shares in the Sub-Fund.

Shareholders should send a completed exchange request in the form available from the Administrator to be received by the Administrator no later than 10.00 am (Irish time) on the Business Day falling at least five (5) Business Days before the relevant Redemption Day or such later time and/or day prior to the relevant Valuation Day as the Directors may in its discretion determine.

Failing which the exchange request will be held over until the next following Redemption Day and Shares will be exchanged at the relevant Redemption Price and Subscription Price applicable on that Redemption Day.

#### **14. Distribution Policy**

##### *Accumulating Share Classes*

In the case of accumulating Classes, no income or capital gains attributable to the relevant Class will be distributed by the Sub-Fund by way of dividend. All such income or capital gains will be reinvested in accordance with the investment objectives and investment policies of the Sub-Fund.

##### *Distributing Share Classes*

Dividends in respect of Class AD, Class ACD, Class BD, Class BCD, Class CD, Class CCD, Class DD, Class ED, Class FD, Class GD, Class GCD and Class HD of the Sub-Fund (the “**Distributing Share Classes**”) will be distributed on a quarterly basis as determined by the Directors.

It is the intention of the Directors that dividends will be paid from the Sub-Fund's net income. As the Sub-Fund currently charges fees and expenses to the capital of the Distributing Share Classes, the income available for distribution will in practice be a gross rather than net income figure. Gross income shall generally consist of interest, dividends and other investment income less withholding and other taxes or adjustments as applicable. In any distribution period if the calculation of distributable income results in a net deficit, there will be no distribution for that period. The distribution for a given quarter will be calculated on the gross distributable income from the previous quarter. The distributable income may be up to 100% of gross income of the previous quarter, at the sole discretion of the Directors. The amount to be distributed in each distribution period is treated independently of previous and future distribution periods.

Shares in the Distributing Share Classes are subject to equalisation in the manner described under the section headed "Distribution Policy of the Fund" in the Prospectus.

## 15. Fees and Expenses

Please refer to the Prospectus under the heading "Fees and Expenses of the Fund" for a general overview of fees and expenses applicable to the Fund, a proportion of which will be borne by the Sub-Fund. In addition, the following fees are payable by the Sub-Fund.

Shareholders should note that all or a portion of fees and expenses in respect of the Sub-Fund may be charged to the capital of the Distributing Share Classes. Thus, on redemptions of holdings Shareholders of the Distributing Share Classes may not receive back the full amount invested due to capital reduction. In addition, it should be noted that as a result capital may be eroded and income may be achieved by foregoing the potential for future capital growth. It is recommended that Shareholders of the Distributing Share Classes should seek advice in this regard. The rationale for providing for the payment of fees and expenses out of capital is to increase the level of income distributed for Shareholders in the Distributing Share Classes.

### *The Manager*

The Fund will pay to the Manager an annual management fee of up to 0.0175% of the Net Asset Value of the Sub-Fund subject to a minimum annual fee across all five Sub-Funds of €75,000 or the USD equivalent amount (the "**Management Fee**"). The Management Fee will be apportioned between the Sub-Funds on a pro rata basis based on the Net Asset Value of the Sub-Funds during the relevant period. In the event of the creation of additional Sub-Funds, the minimum annual Management Fee may increase. The Management Fee accrues as at each Valuation Point and is payable monthly in arrears. The Manager shall be entitled to be reimbursed by the Sub-Fund for out-of-pocket expenses reasonably incurred and any VAT payable thereon.

### *The Investment Manager*

The Investment Manager shall receive out of the assets of the Sub-Fund (the "**Investment Management Fee**") a fee equal to the difference between the maximum aggregate Management Fee and Investment Management Fee payable in respect of each Class as detailed in the table below and the Management Fee:

| Class     | Maximum aggregate Investment Management Fee and Management Fee |
|-----------|--|
| Class A   | 0.70% per annum  |
| Class AC  | 0.70% per annum  |
| Class AD  | 0.70% per annum  |
| Class ACD | 0.70% per annum  |
| Class B   | 0.70% per annum  |
| Class BC  | 0.70% per annum  |

|           |                 |
|-----------|-----------------|
| Class BD  | 0.70% per annum |
| Class BCD | 0.70% per annum |
| Class C   | 0.70% per annum |
| Class CC  | 0.70% per annum |
| Class CD  | 0.70% per annum |
| Class CCD | 0.70% per annum |
| Class D   | 1.25% per annum |
| Class DD  | 1.25% per annum |
| Class E   | 1.25% per annum |
| Class ED  | 1.25% per annum |
| Class F   | 1.25% per annum |
| Class FD  | 1.25% per annum |
| Class G   | 0.70% per annum |
| Class GC  | 0.70% per annum |
| Class GD  | 0.70% per annum |
| Class GCD | 0.70% per annum |
| Class H   | 1.25% per annum |
| Class HD  | 1.25% per annum |
| Class PA  | 0.70% per annum |
| Class PB  | 0.70% per annum |
| Class PC  | 0.70% per annum |
| Class PD  | 1.25% per annum |
| Class PE  | 1.25% per annum |
| Class PF  | 1.25% per annum |
| Class PG  | 0.70% per annum |
| Class PH  | 1.25% per annum |

The Investment Management Fee accrues as of each Valuation Point and is payable monthly in arrears (plus VAT, if any). The Investment Manager shall be entitled to be reimbursed by the Sub-Fund for reasonable out of pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

#### *The Depositary*

The Depositary shall receive out of the assets of the Sub-Fund an annual trustee fee which shall accrue and be payable monthly in arrears not exceeding 0.01725% of the Net Asset Value of the Sub-Fund (plus VAT, if any) subject to a minimum monthly fee in respect of the Sub-Fund of US\$1,000.

The Depositary shall also receive out of the assets of the Sub-Fund a custody fee which will vary from 0.01% per annum of the value of the assets under custody and US\$8 per transaction in the United States up to 0.40% per annum of the value of the assets under custody and US\$245 per transaction in the Ukraine. If the Sub-Fund invests in assets located in countries which attach a higher fee level, it will therefore pay a higher fee to the Depositary. Certain minimum fees may also apply.

The Depositary shall also be entitled to be repaid out of the assets of each Sub-Fund all reasonable out-of-pocket expenses incurred by it on behalf of the relevant Sub-Fund including sub-custodians fees which will be at normal commercial rates.

#### *The Administrator*

The Administrator shall receive out of the assets of the Sub-Fund an annual fund accounting fee not exceeding 0.09% of the Net Asset Value of the Sub-Fund (plus VAT, if any) subject to a minimum monthly fee of US\$5,166 in respect of the Sub-Fund. This monthly fee excludes a transfer agency fee and a financial reporting fee (to include annual and half-yearly financial statements) which are charged separately to each Sub-Fund. The transfer agency fee will be payable depending on the number of offered Share Classes, Shareholder transactions and Shareholder accounts with transactional dealing fees ranging in value from US\$12.50 to US\$25. The Administrator's fees shall accrue daily and be payable monthly in arrears.

The Administrator shall also be entitled to be repaid out of the assets of each Sub-Fund all reasonable out-of-pocket expenses incurred by it on behalf of the relevant Sub-Fund.

#### *Subscription Fee*

The Fund may charge a subscription fee not exceeding 5% of the Net Asset Value per Class. Any such charge will be payable to the Sub-Fund or as the Fund shall direct. The Directors in their absolute discretion may waive, rebate or differentiate between investors as to the amount of, any such subscription charge.

#### *Redemption Fee*

No redemption fees are charged on the redemption of Shares in the Sub-Fund.

#### *Switching Fee*

No switching fees are charged on the exchange of Shares in the Sub-Fund.

#### *Other Fees and Expenses*

The Fund will also pay out of the assets of the Sub-Fund the costs and expenses (i) of all transactions carried out on its behalf and (ii) of the administration of the Sub-Fund, including (a) registering the Sub-Fund and the Shares with any governmental or regulatory authority including the fees and expenses of any paying agents at normal commercial rates, (b) management, administration, custodian and related services, (c) the preparation, printing and posting of prospectuses, reports to Shareholders, the Central Bank and governmental agencies, (d) taxes, (e) commissions (including banking commissions), borrowing charges on equities sold short, brokerage and transaction fees, (f) auditing, tax and legal fees including litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, (g) the cost of insurance for the benefit of the Directors, (h) interest on borrowings and (i) all other organisational, marketing and operating expenses.

## 16. Risk Factors

**Some specific risk factors applicable to this Sub-Fund are set out below. These should be read in conjunction and not independent of the general risk warnings in the main Prospectus. Investors' attention is drawn to the section headed 'Risk Factors of the Fund' in the Prospectus.**

**The investment risks set out in the Prospectus and this Supplement do not purport to be exhaustive. Prospective investors should read this entire information Prospectus and consult with their legal, tax and financial advisors before making any decision to invest in the Fund.**

### *No Investment Guarantee*

Investment in the Sub-Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Any investment in the Sub-Fund is subject to fluctuations in value.

### *Investing in Fixed Income Securities*

Investment in fixed income securities is subject to security, credit, interest rate and FX risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time.

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

### *Leverage*

The Sub-Fund may, as outlined in Section 8 headed "Leverage", above, engage in leverage for the purpose of making investments.

### *Changes in Interest Rates*

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

### *Credit Risk of Lower-Rated Debt Securities*

**An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

Investors normally expect to be compensated in proportion to the risk they are assuming. Debt of companies with poor credit usually offer higher yields than those of companies with better credit. Higher-rated debt securities offer lower credit risk, but not lower interest rate risk. The value of a higher-rated investment still fluctuates in response to changes in interest rates.

The Sub-Fund will not necessarily sell an investment if its rating is reduced. A reduction in an investment's rating will generally cause its value to decline.

Debt securities rated below BBB- (or its equivalent) and comparable unrated securities are considered below investment grade and are commonly known as "junk bonds". They are considered to be of poor standing and mainly speculative, and those in the lowest rating category may be in default and are generally regarded by the rating agency as having extremely poor prospects of ever attaining any real investment standing. The lower ratings of these debt securities reflect a greater possibility that the issuing companies may be unable to make timely payments of interest and principal and thus default. If this happens, or is perceived as likely to happen, the values of those debt securities will usually be more volatile. A default or expected default could also make it difficult for the Sub-Fund to sell the debt securities at prices approximating the values the sub-fund had previously placed on them. Because junk bonds are traded mainly by institutions, they usually have a limited market, which may at times make it difficult for the Sub-Fund to establish their fair value.

Credit ratings are based largely on the issuing company's historical financial condition and the rating agencies' investment analysis at the time of purchase. The rating assigned to any particular investment does not necessarily reflect the issuing company's current financial condition and does not reflect an assessment of an investment's volatility or liquidity.

Although the Investment Manager considers credit ratings in making investment decisions, it performs its own investment analysis and does not rely only on ratings assigned by the rating agencies. The Investment Manager seeks to minimise the risks of debt securities through careful analysis of such factors as a company's experience, managerial strength, financial condition, borrowing requirements and debt maturity schedule. When the Sub-Fund buys debt securities of a company with poor credit, the achievement of its objectives depends more on the Investment Manager's ability to analyse credit risks than would be the case if the Sub-Fund were buying debt securities of a company with better credit.

Because the likelihood of default is higher for the lower-rated debt securities in which the Sub-Fund may invest, the Sub-Fund may have to participate in various legal proceedings or to take possession of and manage assets that secure the issuing company's obligations. This could increase the Sub-Fund's operating expenses and decrease its net asset value.

At times the Sub-Fund, either by itself or together with other funds and accounts managed by the Investment Manager or its affiliates, may own all or most of the debt securities of a particular issuing company. This concentration of ownership may make it more difficult to sell, or set a fair value on, these debt securities.

Although they are generally thought to have lower credit risk, the Sub-Fund's investment-grade debt securities may share some of the risks of lower-rated debt securities.

The Sub-Fund may at times invest in "zero coupon" bonds and "payment-in-kind" bonds (bonds which pay interest in the form of additional bonds). Zero coupon bonds are issued at less than their face value and make payments of interest only at maturity rather than at intervals during the life of the bond. Payment-in-kind bonds give the issuing company the option to make interest payments in additional bonds of the same kind rather than cash. Both kinds of bonds allow a company to avoid generating cash to make current interest payments. These bonds therefore involve greater credit risk and are subject to greater price fluctuations than bonds that pay current interest in cash.

#### *Emerging Markets Risk*

The Sub-Fund may invest in fixed income securities of governments and public companies in emerging markets. Such securities may involve a high degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscatory taxation, nationalization, and social, political and economic instability; (ii) the small current size of the markets for securities of emerging markets issuers and the currently low or non-existent volume of trading, resulting in lack of liquidity and in price volatility, (iii) certain national policies which may restrict the Sub-Fund's investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; and (iv) the absence of developed legal structures governing private or foreign investment and private property.

#### *Investment in Russia*

Although investment in Russia does not constitute the principal investment focus of the Sub-Fund, the Sub-Fund may gain exposure to Russian securities traded on the Moscow Exchange through its exposure to financial indices. In addition to the risks disclosed above under the heading "**Emerging Markets Risks**", investments in financial instruments in Russia may involve a particularly high degree of risk and special considerations not typically associated with investing in more developed markets, many of which stem from Russia's continuing political and economic instability and the slow-paced development of its market economy. Investment in Russian securities should be considered highly speculative. Such risks and special considerations include: (a) delays in settling portfolio transactions and the risk of loss arising out of Russia's system of share registration and custody; (b) pervasiveness of corruption, insider trading, and crime in the Russian economic system; (c) difficulties associated in obtaining accurate market valuations of many Russian financial instruments, based partly on the limited amount of publicly available information; (d) the general financial condition of Russian companies, which may involve particularly large amounts of inter-company debt; (e) the risk that the Russian tax system will not be reformed to prevent inconsistent, retroactive and/or exorbitant taxation or, in the alternative, the risk that a reformed tax system may result in the inconsistent and unpredictable enforcement of the new tax laws (f) the risk that the government of Russia or other executive or legislative bodies may decide not to continue to support the economic reform programs implemented since the dissolution of the Soviet Union (g) the lack of corporate governance provisions applying in Russia generally, and (h) the lack of any rules or regulations relating to investor protection.

Whilst fundamental reforms relating to securities investments and regulations have been initiated in recent years there may still be certain ambiguities in interpretation and inconsistencies in their application. Monitoring and enforcement of applicable regulations remains uncertain.

Some securities in Russia are dematerialised and the only evidence of ownership is entry of the Shareholder's name on the share register of the issues. Transferees of shares may have no proprietary rights in respect of shares until their name appears in the register of shareholders of the issuer. The law and practice relating to registration of shareholdings are not well developed in Russia and registration delays and failures to register shares can occur. The concept of fiduciary duty is not well established and shareholders may, therefore, suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy. Rules regulating corporate governance are undeveloped and therefore may offer little protection to minority shareholders. Specifically, with regard to investment in Russia the Sub-Fund may only invest in Russian securities which are traded on the Moscow Exchange.

#### *Charging of Fees and Expenses to Capital - Capital Erosion Risk*

The fees and expenses in respect of the Distributing Share Classes may be charged to the capital of these Classes. Investors in the Distributing Share Classes should note that the charging of fees and expenses including investment management fees, to capital may lead to a greater risk of capital erosion given the lack of potential for capital growth. Should such capital erosion occur, the value of future returns would also be diminished. In this regard, distributions made during the life of the Distributing Share Class should be understood as a type of capital reimbursement.

### **17. Taxation**

Investors' attention is drawn to the summary of the Irish taxation rules applicable to the Fund and Sub-Funds as set out in "Appendix IV – Taxation".

**Shareholders should consult their own advisers as to their own particular tax consequences of an investment in the Sub-Fund.**

### **18. Share Class Currency Hedging**

Foreign exchange transactions may be used for Class currency hedging purposes. Where a Class of Shares is designated as a hedged Class, that Class will be hedged against exchange rate fluctuation risks between the denominated currency of the Share Class and the Base Currency of the Sub-Fund. Such hedging strategy shall be subject to the conditions and within the limits laid down by the Central Bank and may not be implemented in the following circumstances:

- (i) In circumstances where the exposure to assets of the Sub-Fund which are denominated in a non-Base Currency is non-material (generally more or less than +/-3.5% of the Net Asset Value of the relevant hedged Class or where the exposure is expected to be eliminated in a short period of time (generally, in less than one month) .

Further information is set out in the Prospectus at the section entitled "Currency Hedging". It should be noted that the successful execution of a hedging strategy which mitigates this currency risk exactly cannot be assured.



Where a Class is unhedged, a currency conversion will take place on subscriptions, redemptions, conversions and distributions using, if available, as spot rates (the “**WM/Reuters Intra-Day Spot Rates**”), provided by The World Markets Company PLC in conjunction with Reuters. In such circumstances, the value of the Share expressed in the Class currency will be subject to exchange rate risk in relation to the Base Currency and/or in relation to the designated currencies of the underlying assets.

## RUBRICS EMERGING MARKETS FIXED INCOME UCITS FUND (the “SUB-FUND”)

Supplement 2 dated 24 February, 2022 to the Prospectus dated 24 February, 2022

Distribution of this Supplement is not authorised unless accompanied by the most recently available Prospectus issued by the Fund, and this Supplement should be read in conjunction with and forms part of such Prospectus and may not otherwise be relied upon. An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. The attention of investors is drawn to Section 16 of the Supplement headed “Risk Factors”. Copies of the Prospectus may be obtained free of charge upon request from the registered office of the Manager or from the Administrator.

The other existing Sub-Funds of the Fund, details of which are set out in relevant Supplements to the Prospectus are Rubrics Global Fixed Income UCITS Fund, Rubrics India Fixed Income UCITS Fund, Rubrics, Rubrics Global Credit UCITS Fund and Q Rubrics India Fixed Income UCITS Fund.

Unless otherwise defined in this Supplement, words and phrases in the Prospectus will have the same meaning in this Supplement.

### 1. Structure

The Rubrics Emerging Markets Fixed Income UCITS Fund is a Sub-Fund of the Fund. The Fund is an open-ended variable capital umbrella investment company with segregated liability between its Sub-Funds. A description of the Fund and its management, administration, charges, taxation of the Fund and its Shareholders and risk factors is contained in the Prospectus.

### 2. Shares and Classes

Shares may be subscribed for in the following Classes of Shares:

|                   | Reference Currency | Min. Initial Investment Amount | Distribution Status | Listed on Euronext Dublin |
|-------------------|--------------------|--------------------------------|---------------------|---------------------------|
| <b>Class A</b>    | USD                | \$5 million                    | Accumulating        | Yes                       |
| <b>Class AC</b>   | USD                | \$500                          | Accumulating        | No                        |
| <b>Class AD</b>   | USD                | \$5 million                    | Distributing        | No                        |
| <b>Class ACD</b>  | USD                | \$500                          | Distributing        | No                        |
| <b>Class B</b>    | EUR                | €5 million                     | Accumulating        | Yes                       |
| <b>Class BC*</b>  | EUR                | € 500                          | Accumulating        | No                        |
| <b>Class BD*</b>  | EUR                | €5 million                     | Distributing        | No                        |
| <b>Class BCD*</b> | EUR                | € 500                          | Distributing        | No                        |
| <b>Class C*</b>   | GBP                | £5 million                     | Accumulating        | Yes                       |
| <b>Class CC*</b>  | GBP                | £500                           | Accumulating        | No                        |
| <b>Class CD*</b>  | GBP                | £5 million                     | Distributing        | No                        |
| <b>Class CCD*</b> | GBP                | £500                           | Distributing        | No                        |
| <b>Class D</b>    | USD                | \$500                          | Accumulating        | Yes                       |
| <b>Class DD</b>   | USD                | \$500                          | Distributing        | No                        |
| <b>Class E*</b>   | EUR                | €500                           | Accumulating        | Yes                       |
| <b>Class ED*</b>  | EUR                | € 500                          | Distributing        | No                        |
| <b>Class F*</b>   | GBP                | £500                           | Accumulating        | Yes                       |
| <b>Class FD*</b>  | GBP                | £500                           | Distributing        | No                        |
| <b>Class G*</b>   | CHF                | CHF5 million                   | Accumulating        | No                        |
| <b>Class GC*</b>  | CHF                | CHF500                         | Accumulating        | No                        |
| <b>Class GD*</b>  | CHF                | CHF5 million                   | Distributing        | No                        |
| <b>Class GCD*</b> | CHF                | CHF500                         | Distributing        | No                        |

|                  |     |              |              |     |
|------------------|-----|--------------|--------------|-----|
| <b>Class H*</b>  | CHF | CHF500       | Accumulating | Yes |
| <b>Class HD*</b> | CHF | CHF500       | Distributing | No  |
| <b>Class I</b>   | USD | \$1 million  | Accumulating | No  |
| <b>Class ID</b>  | USD | \$1 million  | Distributing | No  |
| <b>Class J*</b>  | EUR | €1 million   | Accumulating | No  |
| <b>Class JD*</b> | EUR | €1 million   | Distributing | No  |
| <b>Class K*</b>  | GBP | £1 million   | Accumulating | No  |
| <b>Class KD*</b> | GBP | £1 million   | Distributing | No  |
| <b>Class L*</b>  | CHF | CHF1 million | Accumulating | No  |
| <b>Class LD*</b> | CHF | CHF1 million | Distributing | No  |

\*Non- Base Currency classes which bear an asterisk (\*) after their name in the above table shall be Hedged Classes.

The latest Net Asset Value per Share of the each launched Class is freely available from the Administrator or as set out in the section entitled “Publication of Net Asset Value” in the main Prospectus.

Monies subscribed for each Sub-Fund or Class of a Sub-Fund should be in the Base Currency of the relevant Sub-Fund or Reference Currency of a Class as the case may be. Performance of a non-Base Currency Share Class may be strongly influenced by movements in FX rates because currency positions held by the Sub-Fund may not correspond with the underlying securities position held.

The Sub-Fund may, at the discretion of the Investment Manager, attempt to reduce or minimise the effect of fluctuations in the exchange rate on the value of the non-Base Currency Shares by hedging. Currency hedging, if applicable, will be carried out in accordance with the procedures disclosed on in the section headed “Currency Hedging” in the main Prospectus and in the section headed “Share Class Currency Hedging” in this Supplement.

Each investor must satisfy the Minimum Initial Investment Amount requirements applicable to each Class as outlined above. The Directors reserve the right to differentiate between Shareholders, waive or reduce the Minimum Initial Investment Amount for certain investors. No Minimum Holding Amount and Minimum Transaction Size shall apply.

Details of the offer of Shares is set out in Section 10 below headed “Applications for Shares”. The fees applicable to each Class are set out in Section 15 below headed “Fees and Expenses”.

### **3. Base Currency**

The Base Currency of the Sub-Fund shall be US Dollars.

### **4. Investment Objective**

The Sub-Fund’s investment objective is to achieve positive total returns and long-term capital appreciation by investing primarily in global emerging market fixed income securities.

### **5. Investment Policy**

The Sub-Fund will aim to generate positive returns by building a diversified portfolio of transferable

securities, bonds and other fixed income securities. The portfolio will primarily be comprised of securities issued by either government or corporate entities located within emerging markets or listed on a Recognised Exchange in developed markets and the issuer is in an emerging market.

In addition, in order to participate in fixed income markets which are less accessible via direct investment or as a means to provide more diversified exposure to an asset class, the Sub-Fund may undertake investments in fixed income securities indirectly using collective investment schemes or via the use of derivatives designed for this purpose as further described below. The Sub-Fund may also hold cash and money market instruments as further described below.

The Sub-Fund may take active FX exposure as part of its overall investment policy as further described below.

The Sub-Fund adopts a pre-determined risk framework which governs the amount of regional exposure and duration the Investment Manager is permitted to take in the portfolio. These limits are monitored on a daily basis to ensure the Sub-Fund is compliant with its investment policy. Once the Investment Manager has an established country outlook, it assesses the optimal method way to implement this view. With respect to security selection, the Investment Manager focuses on the following:

- Duration
- Yield curve positioning
- Currency management
- Sector selection
- Security selection

The strategy adopts a core/tactical investment approach. In addition to core security holdings, in which the Investment Manager has a longer-term fundamental view on the underlying exposure, the Investment Manager seeks to exploit tactical opportunities brought on by the presence of various market inefficiencies through outright value trades. This focus means that the portfolio is represented by names that not only offer long term risk adjusted return but also has the capacity to take shorter term opportunities as sources of positive performance.

The Sub-Fund is considered to be actively managed in reference to the following benchmarks in respect of the below Share Classes that it uses for performance comparison purposes (each a “Benchmark” and together the “Benchmarks”):

| Share Class            | Benchmark  |
|------------------------|--|
| USD denominated Shares | 50% Bloomberg Barclays EM USD Aggregate Total Return Index Value Unhedged and 50% Bloomberg Barclays EM Local Currency Liquid Government TR Index Unhedged USD |

|                        |  |
|------------------------|--|
| EUR denominated Shares | 50% Bloomberg Barclays EM USD Aggregate Total Return Index Value EUR hedged and 50% Bloomberg Barclays EM Local Currency Liquid Government TR Index Unhedged USD |
| GBP denominated Shares | 50% Bloomberg Barclays EM USD Aggregate Total Return Index Value GBP hedged and 50% Bloomberg Barclays EM Local Currency Liquid Government TR Index Unhedged USD |
| CHF denominated Shares | 50% Bloomberg Barclays EM USD Aggregate Total Return Index Value CHF hedged and 50% Bloomberg Barclays EM Local Currency Liquid Government TR Index Unhedged USD |

Certain of the Sub-Fund's securities may be components of and may have similar weightings to the Benchmarks. However the Benchmarks are not used to define the portfolio composition of the Sub-Fund or as a performance target and the Sub-Fund may be wholly invested in securities which are not constituents of the Benchmarks. The Benchmarks are flagship indices that measures the performance of local currency emerging market debt.

#### *Bonds and other Fixed Income Securities*

Primarily, the Sub-Fund will invest directly or indirectly in bonds and other debt securities of emerging market governments and corporates of various types and maturities, including, for example, fixed rate, floating rate and variable rate notes, bonds, index linked debt securities, convertible bonds, preferred stock, warrants, collateralised securities (such as securities collateralised or backed by mortgages or credit card receivables) coupon-bearing and deferred interest instruments (such as zero coupon bonds). Such debt securities may be fixed or floating rate and rated or unrated. The Sub-Fund may invest in fixed rate, floating rate and zero coupon bonds.

The Investment Manager will divide emerging markets assets into Tier 1, Tier 2 and Tier 3 country categories and the proportion of assets allocated to investments with exposure to a particular emerging market will be adjusted accordingly.

| <b>TIER 1 COUNTRIES</b><br>(maximum of 50% of NAV exposed to any one country) | <b>TIER 2 COUNTRIES</b><br>(maximum of 10% of NAV exposed to any one country) | <b>TIER 3 COUNTRIES</b><br>(maximum of 5% of NAV exposed to any one country) |
|---|---|--|
| Czech Republic  | Croatia   | Romania  |
| Hungary   | Bulgaria  | Bosnia   |
| Poland  | Argentina   | Estonia  |
| Russia  | Colombia  | Lithuania  |
| Brazil  | Peru  | Slovakia   |
| Chile   | Venezuela   | Slovenia   |
| Mexico  | Ecuador   | Costa Rica   |
| Israel  | Egypt   | Saudi Arabia   |
| South Africa  | Vietnam   | Kuwait   |

|             |             |          |
|-------------|-------------|----------|
| Turkey      | Thailand    | Algeria  |
| South Korea | Taiwan      | Jordan   |
| Singapore   | Philippines | Kenya    |
| Malaysia    | Kazakhstan  | Lebanon  |
| Indonesia   | Nigeria     | Tunisia  |
| China       | Uruguay     | UAE      |
| Hong Kong   |             | Ukraine  |
| India       |             | Zimbabwe |
|             |             | OTHERS   |

In addition to the country specific exposure limits noted above the Sub-Fund will adhere to the issuer diversification requirements under the UCITS Regulations including those set out 2.3, 2.4, 2.5, 2.6, 2.9, 2.10, 2.11 and 2.12 in Appendix I.

With the exception of permitted investments in unlisted transferable securities investment by the Sub-Fund in assets with exposure to the above emerging markets will be restricted to those listed on the Recognised Exchanges as listed in Appendix II to the Prospectus.

The Investment Manager will also seek to manage the investment of the Sub-Fund's investments so that, at the time of investment, the following risk parameters are observed:

| <b>Corporate Issuer Limits*</b> | <b>Maximum % NAV per issuer</b> | <b>Total % NAV exposed to Local Currency Corporates**</b> |
|---------------------------------|---------------------------------|---|
|                                 | 5%                              | 30%   |

  

| <b>Credit Rating Limits</b> | <b>Maximum % NAV per Issue rated &lt; AAA</b> | <b>Maximum % NAV per issue rated = AAA</b> |
|-----------------------------|---|--|
|                             | 5%  | 15%  |

For the avoidance of doubt, it is the intention of the Investment Manager that the limits set out in the above table are aspirational in nature and are provided as a guide only.

\*Where a "Corporate Issuer" is a state-owned or quasi sovereign company the "Corporate Issuer Limit" is lifted to 10%. For the avoidance of doubt, the ultimate parent of the Corporate Issuer is determined using Bloomberg via the Corporate Issuer's parent company name (PARENT\_COMP\_NAME).

\*\* A "Corporate" is a bond or other debt security (as described earlier in this Investment Policy) issued by a corporation in either hard currency (G4 major currencies) or local currency (non G4 currencies). G4 currencies are US\$, GBP, EURO and Japanese Yen. A "Local Currency Corporate" is a bond issued by a corporation in non G4 currency, typically (but not exclusively) Canadian Dollars, Australian Dollars, Swedish Krona, Norwegian Krona, Malaysian Ringgit, Hong Kong Dollars, Taiwan Dollars, Indonesian Rupiah, Korean Won, Indian Rupee, South African Rand, Brazilian Real, Mexican Peso, Russian Rouble.

#### *Currency Exposure*

The Sub-Fund will also actively manage currency exposures via security and cash positions to reflect views on global currency markets, i.e. to take a position on a currency dependent upon this view, and may use this active management to enhance returns or hedge the portfolio. The Sub-Fund will only take active currency positioning where the Investment Manager deems such currencies to be fundamentally under or over-valued whilst using a solid technical backdrop (i.e. reference to statistical data) as further evidence of an attractive opportunity. To manage the Sub-Fund's risk against active currency positions the Investment Manager may either: (i) hedge core positions; or (ii) exploit short-term market inefficiencies through short term tactical positions. Such foreign exchange transactions are generally versus the Base Currency but where the Investment Manager sees fit, the Sub-Fund may execute a currency strategy against another developed market currency if it is deemed that the opportunity versus a non-Base Currency is more liquid or is better opportunity for expressing a regional view. For instance, acceptable use of non-Base Currency would be emerging Europe currencies versus the Euro or developing Asian currencies versus the Japanese Yen. Details of the FDI used to manage currency are described in the section headed "Financial Derivative Instruments" below.

#### *Liquid Assets*

The Sub-Fund will at all times consider market valuations and the prevailing investment climate. Should the Investment Manager perceive the investment climate to be negative, or that the fixed income market offers investors little value, the Sub-Fund can retain substantial amounts in cash or ancillary liquid assets (including money market instruments and cash deposits) pending investment or reinvestment. In addition, the Sub-Fund may hold cash due to recent subscriptions pending investment or in anticipation of future redemptions. Such holdings may result in the Sub-Fund not being primarily invested in emerging market fixed income securities but shall be in accordance with the limits set out in Appendix I of the Prospectus. The Sub-Fund may also retain amounts in high-grade government issued bonds, such as US Treasury Bills, in the interests of efficient portfolio management.

#### *Collective Investment Schemes*

If the Investment Manager would like to gain exposure to a specific market or market segments without holding the underlying instruments directly it may choose to invest in units of collective investment schemes with strategies representing a diversified mix of holdings in that area or which offer the added expertise of the manager of the collective investment scheme in asset selection. Up to 10% of the Net Asset Value of the Sub-Fund may be invested in collective investment schemes. Such schemes may include other UCITS funds, or regulated non-UCITS primarily domiciled in the EU, which fall within the requirements set out in the Central Bank Regulations and the level of protection of which is equivalent to that provided to unitholders of a UCITS. The Sub-Fund will invest in such schemes primarily when such investment is consistent with the Sub-Fund's primary investment focus.

#### *Securities Financing Transactions and Total Return Swaps*

As described in greater detail below, the Sub-Fund may enter into repurchase agreements, reverse repurchase agreements and/or securities lending agreements ("Securities Financing Transactions") and total return swaps for efficient portfolio management purposes only where the objective of using such instruments is to hedge against risk and/or to reduce costs borne by the Sub-Fund or to generate

additional capital or income which is consistent with the risk profile of Sub-Fund and the risk diversification rules set down in the UCITS Regulations.

All types of assets which may be held by the Sub-Fund in accordance with its investment objectives and policies may be subject to a Securities Financing Transaction or total return swap.

The maximum proportion of the Sub-Fund's assets which can be subject to Securities Financing Transactions is 50% of the Net Asset Value of the Sub-Fund. The maximum proportion of the Sub-Fund's assets which can be subject to total return swaps is 10% of the Net Asset Value of the Sub-Fund.

However, the expected proportion of the Sub-Fund's assets which will be subject to Securities Financing Transactions is between 0% and 30% of the Net Asset Value of the Sub-Fund's assets. The expected proportion of the Sub-Fund's assets which will be subject to total return swaps is between 0% and 10% of the Net Asset Value of the Sub-Fund's assets. The proportion of the Sub-Fund's assets which are subject to Securities Financing Transactions and/or total return swaps at any given time will depend on prevailing market conditions and the value of the relevant investments. The amount of assets engaged in each type of Securities Financing Transactions and total return swaps, expressed as an absolute amount and as a proportion of the Sub-Fund's assets, as well as other relevant information relating to the use of Securities Financing Transactions and/or total return swaps shall be disclosed in the annual report and semi-annual report of the Company.

Further information relating to Securities Financing Transactions and total return swaps is set out below under the heading "Financial Derivative Instruments" and in the Prospectus at the sections entitled "Securities Financing Transactions", "Total Return Swaps" and in Appendix III.

#### *Financial Derivative Instruments*

The Sub-Fund may use FDI for efficient portfolio management purposes, to hedge currency exposure, and in order to participate in fixed income markets which are less accessible via direct investment or as a means to provide more diversified exposure to an asset class, subject always to the conditions and within the limits laid down by the Central Bank.

These FDI are forwards, futures and swaps together with structured products which embed a derivative as described below.

- (i) Forwards (Currency Forwards, Forward Foreign Exchange ("FX") Contracts and Forward Rate Agreements ("FRA")).

The Sub-Fund will mainly use currency forwards to hedge the currency risk of a non-Base Currency asset. For example, if the Sub-Fund purchased a EUR denominated 5 year issue, it is preferable for the Sub-Fund to earn the yield on this asset without taking on the risk of adverse movements between EUR and USD. To facilitate this outcome the Sub-Fund would sell the EUR forward versus the USD at a forward date thus locking in the current exchange rate.



In order to hedge currency exposure the Sub-Fund will undertake FX forwards, selling local currency (i.e. the currency of denomination of the relevant asset) (either in deliverable currencies or by using a non-deliverable forward (NDF) in non-deliverable currencies) versus Base Currency. It is not the intention of the Investment Manager to take 'net short' FX positions with the exception of minor short FX positions associated with the movement of the hedged underlying assets i.e. if the asset price declines the Sub-Fund may appear over-hedged. Such short exposure is not expected to exceed 100% of the Sub-Fund's Net Asset Value. The Sub-Fund is not permitted to sell FX forwards where it does not hold assets in that particular currency or to sell short a currency where the Sub-Fund owns the bond. The Sub-Fund may take long positions of up to 100% of its Net Asset Value in currencies in lieu of other assets, such as fixed income assets, on the basis of expected appreciation in the currency or on the basis of earning a worthwhile interest rate differential. Forward FX positions offer a liquid and efficient means of gaining access to particular currencies.

The Sub-Fund may also enter into a FRA which is based on the idea of a forward contract, where the determinant of gain or loss is an interest rate.

(ii) Futures (Interest Rate Futures, Fixed Income Futures)

The Sub-Fund will mainly use these instruments to manage the overall duration of the portfolio. For example, the Investment Manager may take the view that a particular long dated credit offers an attractive yield, but may be unwilling to take on the duration risk associated with this position due to the outlook for longer dated bonds. Hence selling interest rate futures in the portfolio would allow us to reduce the duration risk and maintain exposure to our favoured credit. Fixed income futures may be used in the same manner i.e. to increase or reduce duration exposure without adjusting portfolio holdings.

(iii) Swaps (Total Return Swaps, Interest Rate Swaps and Credit Default Swaps ("CDS"))

Total return swaps can be utilised to gain exposure to bonds or other fixed income securities as described above which may not be directly accessible by via by physical securities. The Sub-Fund may also use total return swaps to seek exposure to fixed income indices.

Interest rate swaps allow the Investment Manager to reduce or increase portfolio duration exposure. For example, agreeing to pay a fixed rate of interest and receive a floating rate would protect the portfolio against rising interest rates which would reduce the value of the underlying bonds or other fixed income securities in the Sub-Fund's portfolio. This investment strategy would allow the Sub-Fund to reduce duration without selling the portfolio where it maintains a positive credit outlook

Where considered appropriate, the Investment Manager may use total return swaps or CDS (either in single name or using an appropriate index) in order to somewhat hedge credit exposure. For instance, in order to protect against a credit spread widening event the Investment Manager may choose to 'buy protection'. All CDS positions will be in reference to an asset held within the portfolio or a suitable credit index. Using a CDS hedging strategy potentially offers a more liquid strategy to protect the Sub-Fund's portfolio from a credit adverse environment i.e. this manner allows the Investment Manager to reduce risk without having to pay bid-offer spreads associated with selling the physical position. Such an approach can also be used to hedge against short-term credit events, such as company results, re-

structurings etc. Where undertaken, there can be no guarantees that the hedge will entirely eliminate the associated risk.

The Sub-Fund may gain exposure through investment in total return swaps and CDS to the following financial indices:

#### *Markit iBoxx Indices*

The Markit iBoxx indices offer broad benchmarking and liquid tradable index solutions that track bond markets globally. Markit iBoxx Indices includes corporate, municipal and sovereign bonds, as well as loans and securitised products. The Markit iBoxx indices that the Sub-Fund may gain exposure to are as follows:

Markit iBoxx EUR Liquid High Yield Index TRI (rebalanced monthly); Markit iBoxx Euro Corporates Overall Total Return Index (rebalanced monthly); Markit iBoxx USD Liquid Investment Grade Index (rebalanced monthly); Markit iBoxx USD Liquid High Yield Index (rebalanced monthly); and Markit iBoxx USD Emerging Markets Sovereigns & Sub-Sovereigns (rebalanced monthly).

#### *Markit iTraxx Indices*

Markit iTraxx are the standard European and Asian tradable credit default swap family of indices. The rules-based Markit iTraxx indices are comprised of the most liquid names in the European, Asian Central & Eastern European, Middle Eastern and African countries markets. The selection methodology ensures that the indices are replicable and represent the most liquid, traded part of the market. Markit CDX family of indices is the standard North American and Emerging Markets tradeable credit default swap family of indices worldwide. The Markit CDX indices are a family of indices covering multiple sectors. The Markit CDS rebalance semi-annually in March and September. The Markit iTraxx indices that the Sub-Fund may gain exposure to are as follows:

Markit iTraxx Europe indices (rebalanced twice yearly); the Asia/Pacific Markit iTraxx indices (rebalanced twice yearly); Markit CDX North American Investment Grade (125 names) (rebalanced twice yearly); Markit CDX North American High Yield (100 names) (rebalanced twice yearly); and Markit CDX Emerging Markets (15 names) (rebalanced twice yearly).

Further information on the indices can be accessed through the following links: Markit iTraxx Indices: <http://www.markit.com/Product/ITraxx> and <http://www.markit.com/Product/CDX>. Markit iBoxx Indices: <https://ihsmarkit.com/products/iboxx.html>.

The indices that the Sub-Fund will gain exposure to shall satisfy the criteria set down in the Central Bank Regulations relating to same. The costs associated with gaining exposure to a financial index will be impacted by the frequency with which the relevant index is rebalanced. Where the weighting of a particular constituent in the financial index exceeds the investment restrictions outlined in Appendix I, the Investment Manager will as a priority objective look to remedy the situation taking into account the interests of Shareholders and the Sub-Fund.

#### (iv) Structured Products

The Sub-Fund may invest in structured products which are created to meet specific needs that cannot be met from the standardised financial instruments available in the markets and can contain embedded FDI. Structured products can be used as an alternative to a direct investment, as part of the asset allocation process to reduce risk exposure of a portfolio. For example, a credit-linked note may be used by the Sub-Fund in order to gain exposure to a specified reference asset where the return on the note is credit linked to the performance of the underlying reference asset. Credit linked notes may also be used by a Sub-Fund to hedge against credit risk.

Further details of the FDI that the Sub-Fund may utilise are set out in Appendix III of the Prospectus together with a description of the relevant risks attached to each. The Investment Manager expects that the use of FDI may result in a limited to medium impact on the performance of the Sub-Fund in relation to its investment objectives and the investment techniques described in this Supplement. The Sub-Fund will be leveraged as a result of the use of FDI and associated collateral or margin commitments as is further described in Section 8 “Leverage” (see below). Such use will not result in exposure above 100% of invested capital, therefore will not produce a leverage type effect.

With the exception of permitted investments in unlisted transferable securities, investment by the Sub-Fund is restricted to the Recognised Exchanges as listed under Appendix II to the Prospectus. FDIs may be traded on Recognised Exchanges worldwide or may be traded over the counter. The Investment Manager will only enter into over the counter derivative transactions on behalf of the Sub-Fund with counterparties which are subject to prudential supervision, belong to categories approved by the Central Bank and which are not related to the Manager but may be related to the Depositary.

Investors should be aware that when the Sub-Fund enters into FDI contracts for efficient portfolio management purposes, operational costs and/or fees shall be deducted from the revenue delivered to the Sub-Fund. In the case of total return swaps such fees and costs may include financing fees and in the case of FDI which are listed on Recognised Exchanges, such fees and costs may include brokerage fees. One of the considerations taken into account by the Investment Manager when selecting brokers and counterparties to FDI transactions on behalf of the Sub-Fund is that any such costs and/or fees which are deducted from the revenue delivered to the Sub-Fund shall be at normal commercial rates and shall not include any hidden revenue. Such direct or indirect costs and fees will be paid to the relevant broker or counterparty to the FDI transaction. The Manager shall ensure that all revenues generated through the use of FDI for efficient portfolio management purposes, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

Where necessary, the Sub-Fund will accept collateral from its counterparties in order to reduce counterparty risk exposure generated through the use of over the counter derivative instruments. Any collateral received by the Sub-Fund shall comprise of cash collateral and/or government backed securities of varying maturity which satisfy the requirements of the Central Bank relating to non-cash collateral which may be received by a UCITS. Cash collateral received by the Sub-Fund may be reinvested in accordance with the requirements of the Central Bank at the discretion of the Investment Manager. In this regard, any cash collateral received by the Sub-Fund may be placed on deposit with relevant credit institutions as permitted by the UCITS Regulations. In such circumstances, the Sub-Fund shall be exposed to the creditworthiness of the relevant credit institution with which cash collateral is placed. The level of collateral required to be posted may vary by counterparty with which the Sub-

Fund trades. The haircut policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by the Sub-Fund, taking into account the credit standing and price volatility of the relevant counterparty.

#### *Integration of sustainability risk*

The management of sustainability risk forms part of the investment process implemented by the Investment Manager.

When assessing the sustainability risk associated with underlying investments, the Investment Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an ESG event or condition ("ESG Event"). In order to assist with the identification and assessment of sustainability risks, the Company engages the services of a third-party data provider of ESG metrics and information and ESG ratings.

Sustainability risk is identified, monitored and managed by the Investment Manager in the following manner:

- (i) The overall quality of the Sub-Fund's portfolio, from a sustainability risk perspective, is subject to an ESG rating which outlines the minimum average rating as determined by the Investment Manager and initially calculated by the Data Provider. The Investment Manager seeks to maintain an ESG Rating of at least BBB in respect of the Sub-Fund's portfolio.
- (ii) Prior to acquiring investments on behalf of the Sub-Fund, the Investment Manager, where available, uses ESG metrics and ESG ratings of the Data Provider in order to assess the relevant investment against sustainability risk and to identify whether it is vulnerable to such risk. This process incorporates applying both an exclusion policy (whereby potential investments are removed from the investment universe on the basis that they pose too great a sustainability risk to the Sub-Fund and could impact the Sub-Fund to an extent that the Sub-Fund's overall ESG rating drops below the minimum threshold outlined above) and positive screening (whereby investments which have strong investment characteristics, and do not cause the Sub-Fund to breach its ESG rating, are included in the investment universe). The Investment Manager also conducts fundamental analysis on each potential investment in order to assess the adequacy of ESG programmes and practices of an issuer to manage the sustainability risk it faces. The information gathered from the fundamental analysis conducted will be taken into account by the Investment Manager in deciding whether to acquire a holding in an issuer and may, in certain circumstances, result in the Investment Manager investing in an issuer which may not adhere to all of the utilised ESG metrics provided by the Data Provider in its assessment. The Investment Manager may invest in such issuer where it believes that the Data Provider's ESG assessment does not fully capture the positive sustainability-related changes which have been implemented by the relevant issuer. Where no third-party ESG metrics proposed to be utilised by the Investment Manager can be sourced from the Data Provider or the relevant issuer, the issuer will be deemed as not posing a sustainability risk unless the Investment Manager

has been provided with information that would otherwise indicate to the contrary, as determined by the Investment Manager based on the fundamental analysis carried out.

- (iii) During the life of the investment, sustainability risk is monitored through review of ESG data published by the issuer and the Data Provider (where relevant and available) to determine whether the level of sustainability risk has changed since the initial assessment has been conducted. This review is conducted on a monthly basis. Where the sustainability risk associated with a particular investment has increased beyond the desired threshold for the assets of the Sub-Fund, the Investment Manager will sell or reduce the Sub-Fund's exposure to the relevant investment, taking into account the best interests of the Shareholders of the Sub-Fund.

The Investment Manager acknowledges that certain of the investments that may be made by the Investment Manager on behalf of the Sub-Fund may be negatively impacted by sustainability risks (being the risk that the value of the Sub-Fund could be materially negatively impacted by an ESG Event) and that sustainability risks may impair the value of the investments made by the Sub-Fund.

Further information on the manner in which sustainability risks are integrated into the investment-decision making process by the Investment Manager is available at [www.rubricsam.com](http://www.rubricsam.com).

Pursuant to article 7(2) of Regulation (EU) 2019/2088 as may be amended, updated or supplemented from time to time (the "SFDR"), neither the Manager nor the Investment Manager currently consider the adverse impacts of investment decisions on sustainability factors in respect of the Sub-Fund. This is on the basis that the Manager and the Investment Manager are awaiting further clarity in respect of the detailed requirements in relation to the content, methodologies and presentation of information on sustainability indicators in relation to environment-related adverse impacts that are expected to be provided in final regulatory technical standards by the European Commission pursuant to Article 4(6) of SFDR. Following the adoption and coming into force of such regulatory technical standards, the Manager, in conjunction with the Investment Manager, will reconsider its position in relation to the consideration of adverse impacts of investment decisions on sustainability factors for the Sub-Fund. All investment decisions in respect of the Sub-Fund are made by the Investment Manager.

While sustainability risk forms part of the investment process implemented by the Investment Manager, the investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **6. Changes to the Investment Objective and/or Policy**

The investment objective of the Sub-Fund may not be altered and material changes in the investment policy of the Sub-Fund may not be made without prior written approval by all Shareholders of the Sub-Fund or on the basis of a simple majority of votes cast at a meeting of the Shareholders of the Sub-Fund duly convened and held. In the event of a change of the investment objective and/or a material change to the investment policy of the Sub-Fund, the Manager shall provide Shareholders in the Sub-Fund with reasonable notice of such change.

## **7. Investment and Borrowing Restrictions**

In accordance with the provisions of Appendix I of the Prospectus, the Fund may borrow up to 10% of the Net Asset Value of the Sub-Fund on a temporary basis. Such borrowings may only be used for short term liquidity purposes to cover the redemption of Shares. Investment restrictions applying to the Sub-Fund are set out in Appendix I to the Prospectus.

For the avoidance of doubt, any permitted investment by the Sub-Fund in unlisted securities under Section 2.1 of Appendix I will not include any security or instrument which will compromise the liquidity profile of the Sub-Fund.

## **8. Leverage**

The Sub-Fund will be leveraged as a result of the use of FDI and associated collateral or margin commitments (i.e. pursuant to ISDA Master Agreement or exchange-traded derivative documentation), in accordance with the Investment Policy. Such use will not result in exposure above 100% of invested capital, therefore will not produce a leverage type effect and entail greater risk to investors. The expected level of leverage for the Sub-Fund arising from the use of FDI will not exceed 100% of the Net Asset Value, calculated as the aggregate notional value of the Sub-Fund's long FDI positions and the absolute value of the Fund's short FDI positions. It is anticipated that this 100% figure will primarily be made up of the notional value of FDI used by the Fund for currency hedging purposes.

The use of derivatives (whether for hedging or investment purposes) may result in the Sub-Fund having commitments under the terms of the FDI contract. To manage its commitments the Sub-Fund will hold assets as cover for these commitments in accordance with the Central Bank Regulations. The Sub-Fund will use the Absolute VaR model, thereby ensuring that the VaR of the Sub-Fund's portfolio may not exceed 20% of the Net Asset Value of the Sub-Fund, the confidence level shall not be less than 99% and the holding period shall not be less than 20 days. The historical period will typically be 1 year or greater but a shorter observation period may be used in instances of recent significant price volatility.

It should be noted that these are the current VaR limits required by the Central Bank. In the event that the Central Bank changes these limits, the Sub-Fund will have the ability to avail of such new limits and will be included in an updated Supplement.

## **9. Profile of a Typical Investor**

The typical investor profile is made up of institutional investors and high net worth individuals who are seeking long term capital appreciation in emerging market, fixed income securities. Investors will mainly be based in the EU but may also be non-EU.

## **10. Applications for Shares**

*Offer*

The Initial Offer Period for Class AC, Class AD, Class ACD, Class BC, Class BD, Class BCD, Class CC, Class CD, Class CCD, Class DD, Class ED, Class FD, Class GC, Class GD, Class GCD, Class HD, Class ID, Class JD, Class KD, Class LD shall commence at 9 a.m. on 4 February, 2022 and shall close at 5 p.m. (Irish time) on 29 July, 2022. The Initial Offer Period for Class I, Class J, Class K and Class L and Class G has been extended and will close at 5 p.m. (Irish time) on 29 July, 2022 subject to acceptance of applications for Shares by the Fund and will be issued for the first time on the first Subscription Day after expiry of the Initial Offer Period. During the Initial Offer Period Class G, Class GC, Class GD, Class GCD, Class HD, Class L and Class LD Shares will be offered at CHF100 per Share, Class AC, Class AD, Class ACD, Class DD, Class I and Class ID Shares will be offered at USD 100 per Share, Class BC, Class BD, Class BCD, Class ED, Class J and Class JD Shares will be offered at EUR 100 per Share and Class CC, Class CD, Class CCD, Class FD, Class K and Class KD Shares will be offered at GBP 100 per Share, or such other price as the Directors in their discretion may determine (the “**Initial Offer Price**”). The Initial Offer Period may be shortened or extended by the Directors. The Central Bank will be notified in advance of any extension of the Initial Offer Period if subscriptions for Shares have been received and otherwise on an annual basis. Following the close of the Initial Offer Period, Class AC, Class AD, Class ACD, Class BC, Class BD, Class BCD, Class CC, Class CD, Class CCD, Class DD, Class ED, Class FD, Class G, Class GC, Class GD, Class GCD, Class HD, Class I, Class ID, Class J, Class JD, Class K, Class KD, Class L and Class LD Shares will be offered at the Net Asset Value per Share.

The Initial Offer Period in respect of Classes A, B, C, D, E, F and H Shares has closed and these Classes are offered at the relevant Net Asset Value per Share.

Class AC, ACD, BC, BCD, CC, CCD, GC, and GCD Shares may be offered to institutional investors or distributors and platforms who may have separate fee arrangements with their clients. With regard to MiFID distributors, Class AC, ACD, BC, BCD, CC, CCD, GC, and GCD Shares will also be available to MiFID distributors including those providing portfolio management or independent investment advice as defined by MiFID and those providing non independent advice who have a separate fee arrangement with their clients under which they have agreed not to receive and retain inducements.

The Directors, in accordance with the terms of the Articles of the Fund, may in their absolute discretion refuse to accept any application for Shares in whole or in part at any time.

#### *Valuation Day*

Every Business Day and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders provided that there shall be at least one Valuation Day in respect of each Subscription Day and Redemption Day.

#### *Valuation Point*

The Valuation Point cut-off is 11.59 p.m. in Ireland on the relevant Valuation Day and/or such other day or days as the Directors may from time to time determine and notify to Shareholders in advance provided that the Valuation Point will always be after the relevant dealing deadline.

### *Subscription Day*

The Subscription Day of the Sub-Fund will be every Business Day of each calendar month and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided there will always be two Subscription Days per month occurring at regular intervals.

### *Subscription Procedure*

All applicants for Shares must submit an original signed Application Form or, if a U.S. Person, an Application Form for U.S. Persons together with all supporting documentation in relation to money laundering prevention checks to the Administrator. Applications for Shares may be submitted by facsimile or electronically in accordance with the requirements of the Central Bank, without a requirement to submit original documentation provided an original signed Application Form and supporting documentation in relation to money laundering prevention has been previously received by the Administrator. In the case of initial applications submitted by facsimile or electronically, the original Application Form and supporting documentation in relation to money laundering prevention must follow promptly. Applications for Shares are not accepted by email.

Applications for Shares must be received by the Administrator no later than 11.00 a.m. (Irish time) on the relevant Valuation Day or such later time and/or day prior to the relevant Valuation Point as the Directors may in their discretion determine in accordance with the requirements of the Central Bank. If the relevant Application Form is not received by the prescribed deadline, the application may be held over to the following Subscription Day and Shares will then be issued at the relevant Subscription Price on that Subscription Day. Late applications will only be accepted in exceptional circumstances and the decision for accepting such late applications will be fully documented.

Cleared funds must be received for the account of the Sub-Fund on or before 5 p.m. (Irish Time) on the fourth Business Day following the relevant Subscription Day (i.e. T+4). Shares will be allotted to the relevant applicant with respect to the Subscription Day once the Subscription Price has been determined and issued for such Subscription Day and following receipt of the applicants' funds.

Subject to the forgoing, the Fund may charge interest or cancel the allotment where cleared funds are not received within the prescribed deadlines. As the register of Shares of the Fund is updated each Business Day following a Subscription Day (i.e. T+1) a failure to receive cleared funds within the above-mentioned timeframe may require the cancellation of the allotment of the relevant Shares on that Subscription Day and this may result in a loss to the Fund.

Any change to the subscription procedure and cut-off times set out above will be notified to investors in advance and, where necessary, reflected by amendment to this Supplement.

### *Amendments to Shareholders Details*

The Administrator will only accept changes to Shareholder's registration details and payment instructions on receipt of original documentation.



## **11. Restrictions on Sale and Transfer**

The Shares may not be offered, sold or transferred to investors who are Ineligible Applicants as described under "Subscriptions" in the Prospectus.

Class AC, Class ACD, Class BC, Class BCD, Class CC, Class CCD, Class GC, Class GCD Shares may only be offered, sold or transferred to investors at the discretion of the Directors.

## **12. Redemptions**

### *Redemption Day*

The Redemption Day of the Sub-Fund will be every Business Day of each calendar month and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders provided there will always be two Redemption Days per month occurring at regular intervals.

### *Redemption Price*

The Redemption Price will be equal to the Net Asset Value per Share as at the relevant Valuation Point on the relevant Redemption Day.

### *Redemption Procedure*

Shares will be redeemable at the option of the Shareholder. Shareholders should send a completed signed redemption request in the form available from the Administrator by post or by facsimile. Redemption requests may also be accepted electronically but not by email. Redemption payments following processing of instructions received electronically will only be made to the account of record of a Shareholder.

Redemption requests must be received by the Administrator no later than 11.00 a.m. (Irish time) on the Valuation Day or such other time as the Directors may in any particular case determine, provided in all cases that requests must be received prior to the relevant Valuation Point, failing which the redemption request will be held over until the next following Redemption Day and Shares will be redeemed at the relevant Redemption Price applicable on that Redemption Day.

Payment of redemption proceeds will be made as soon as possible but normally no later than five (5) Business Days after the relevant Redemption Day and in any event no later than seven (7) calendar days after the relevant Redemption Day. Shares will be redeemed at the relevant Redemption Price. Proceeds of a redemption will be paid in the Reference Currency of that Share Class.

No redemption payment may be made from a holding until the original Application Form (including payment details to an account in the Shareholder's name) has been received from the Shareholder, all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the Shareholder and the anti-money laundering

procedures have been completed. In the event that the account details contained in the redemption request differ from those which are contained in the Application Form, then an original redemption request form will be required prior to any redemption payment being made.

It is not the current intention to charge a redemption fee. Any change to this policy will be notified in advance to investors, who will be given the opportunity to redeem their Shares before any change in the redemption fee policy comes into force.

### **13. Switching**

Shareholders may be entitled to exchange all or any of their Shares in one Sub-Fund or Class for Shares in another Sub-Fund or Class on any Redemption Day, subject to (i) compliance with the procedure in the paragraph below; and (ii) subject to the Minimum Initial Investment Amount in respect of each Sub-Fund or Class. Shareholders must also have regard to the details set out under the section headed "Switching" in the main Prospectus. A Share exchange will be effected by way of a redemption of Shares of one Sub-Fund or Class at the relevant Redemption Price and a simultaneous subscription (at the most recent Subscription Price) for Shares of the other Sub-Fund or Class.

No switching fee or redemption or subscription charges are charged on switching Shares in the Sub-Fund.

Shareholders should send a completed exchange request in the form available from the Administrator to be received by the Administrator no later than 10.00 am (Irish time) on the Business Day falling at least five (5) Business Days before the relevant Redemption Day or such later time and/or day prior to the relevant Valuation Day as the Directors may in their discretion determine. Failing which the exchange request will be held over until the next following Redemption Day and Shares will be exchanged at the relevant Redemption Price and Subscription Price applicable on that Redemption Day.

### **14. Distribution Policy**

#### *Accumulating Share Classes*

In the case of accumulating Classes, no income or capital gains attributable to the relevant Class will be distributed by the Sub-Fund by way of dividend. All such income or capital gains will be reinvested in accordance with the investment objectives and investment policies of the Sub-Fund.

#### *Distributing Share Classes*

Dividends in respect of Class AD, Class ACD, Class BD, Class BCD, Class CD, Class CCD, Class DD, Class ED, Class FD, Class GD, Class GCD, Class HD, Class ID, Class JD, Class KD, and Class LD Shares of the Sub-Fund (the "**Distributing Share Classes**") will be distributed on a quarterly basis as determined by the Directors.

It is the intention of the Directors that dividends will be paid from the Sub-Fund's net income. As the Sub-Fund currently charges fees and expenses to the capital of the Distributing Share Classes, the

income available for distribution will in practice be a gross rather than net income figure. Gross income shall generally consist of interest, dividends and other investment income less withholding and other taxes or adjustments as applicable. In any distribution period if the calculation of distributable income results in a net deficit, there will be no distribution for that period. The distribution for a given quarter will be calculated on the gross distributable income from the previous quarter. The distributable income may be up to 100% of gross income of the previous quarter, at the sole discretion of the Directors. The amount to be distributed in each distribution period is treated independently of previous and future distribution periods.

Shares in the Distributing Share Classes are subject to equalisation in the manner described under the section headed "Distribution Policy of the Fund" in the Prospectus.

## 15. Fees and Expenses

Please refer to the Prospectus under the heading "Fees and Expenses of the Fund" for a general overview of fees and expenses applicable to the Fund, a proportion of which will be borne by the Sub-Fund. In addition, the following fees are payable by the Sub-Fund.

### *The Manager*

The Fund will pay to the Manager an annual management fee of up to 0.0175% of the Net Asset Value of the Sub-Fund subject to a minimum annual fee across all five Sub-Funds of €75,000 or the USD equivalent amount (the "**Management Fee**"). The Management Fee will be apportioned between the Sub-Funds on a pro rata basis based on the Net Asset Value of the Sub-Funds during the relevant period. In the event of the creation of additional Sub-Funds, the minimum annual Management Fee may increase. The Management Fee accrues as at each Valuation Point and is payable monthly in arrears. The Manager shall be entitled to be reimbursed by the Sub-Fund for out-of-pocket expenses reasonably incurred and any VAT payable thereon.

### *The Investment Manager*

The Investment Manager shall receive out of the assets of the Sub-Fund (the "**Investment Management Fee**") a fee equal to the difference between the maximum aggregate Management Fee and Investment Management Fee payable in respect of each Class as detailed in the table below and the Management Fee:

| <b>Class</b> | <b>Maximum aggregate Investment Management Fee and Management Fee</b> |
|--------------|---|
| Class A      | 0.50% per annum   |
| Class AC     | 0.50% per annum   |
| Class AD     | 0.50% per annum   |
| Class ACD    | 0.50% per annum   |
| Class B      | 0.50% per annum   |
| Class BC     | 0.50% per annum   |
| Class BD     | 0.50% per annum   |

|           |                 |
|-----------|-----------------|
| Class BCD | 0.50% per annum |
| Class C   | 0.50% per annum |
| Class CC  | 0.50% per annum |
| Class CD  | 0.50% per annum |
| Class CCD | 0.50% per annum |
| Class D   | 1.25% per annum |
| Class DD  | 1.25% per annum |
| Class E   | 1.25% per annum |
| Class ED  | 1.25% per annum |
| Class F   | 1.25% per annum |
| Class FD  | 1.25% per annum |
| Class G   | 0.50% per annum |
| Class GC  | 0.50% per annum |
| Class GD  | 0.50% per annum |
| Class GCD | 0.50% per annum |
| Class H   | 1.25% per annum |
| Class HD  | 1.25% per annum |
| Class I   | 0.70% per annum |
| Class ID  | 0.70% per annum |
| Class J   | 0.70% per annum |
| Class JD  | 0.70% per annum |
| Class K   | 0.70% per annum |
| Class KD  | 0.70% per annum |
| Class L   | 0.70% per annum |
| Class LD  | 0.70% per annum |

The Investment Management Fee accrues as of each Valuation Point and is payable monthly in arrears (plus VAT, if any). The Investment Manager shall be entitled to be reimbursed by the Sub-Fund for reasonable out of pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

#### *The Depositary*

The Depositary shall receive out of the assets of the Sub-Fund an annual trustee fee which shall accrue and be payable monthly in arrears not exceeding 0.01725% of the Net Asset Value of the Sub-Fund (plus VAT, if any) subject to a minimum monthly fee in respect of the Sub-Fund of US\$1,000.

The Depositary shall also receive out of the assets of the Sub-Fund a custody fee which will vary from 0.01% per annum of the value of the assets under custody and US\$8 per transaction in the United States up to 0.40% per annum of the value of the assets under custody and US\$245 per transaction in the Ukraine. If the Sub-Fund invests in assets located in countries which attach a higher fee level, it will therefore pay a higher fee to the Depositary. Certain minimum fees may also apply.

The Depositary shall also be entitled to be repaid out of the assets of each Sub-Fund all reasonable out-of-pocket expenses incurred by it on behalf of the relevant Sub-Fund including sub-custodians fees which will be at normal commercial rates.

### *The Administrator*

The Administrator shall receive out of the assets of the Sub-Fund an annual fund accounting fee not exceeding 0.09% of the Net Asset Value of the Sub-Fund (plus VAT, if any) subject to a minimum monthly fee of US\$5,166 in respect of the Sub-Fund. This monthly fee excludes a transfer agency fee and a financial reporting fee (to include annual and half-yearly financial statements) which are charged separately to each Sub-Fund. The transfer agency fee will be payable depending on the number of offered Share Classes, Shareholder transactions and Shareholder accounts with transactional dealing fees ranging in value from US\$12.50 to US\$25. The Administrator's fees shall accrue daily and be payable monthly in arrears.

The Administrator shall also be entitled to be repaid out of the assets of each Sub-Fund all reasonable out-of-pocket expenses incurred by it on behalf of the relevant Sub-Fund.

### *Subscription Fee*

The Fund may charge a subscription fee not exceeding 5% of the Net Asset Value per Class. Any such charge will be payable to the Sub-Fund or as the Fund shall direct. The Directors in their absolute discretion may waive, rebate or differentiate between investors as to the amount of, any such subscription charge.

### *Redemption Fee*

No redemption fees are charged on the redemption of Shares in the Sub-Fund.

### *Switching Fee*

No switching fees are charged on the exchange of Shares in the Sub-Fund.

### *Other Fees and Expenses*

The Manager will also pay out of the assets of the Sub-Fund of the costs and expenses (i) of all transactions carried out on its behalf and (ii) of the administration of the Sub-Fund, including (a) registering the Sub-Fund and the Shares with any governmental or regulatory authority including the fees and expenses of any paying agents at normal commercial rates, (b) management, administration, custodian and related services, (c) the preparation, printing and posting of prospectuses, reports to Shareholders, the Central Bank and governmental agencies, (d) taxes, (e) commissions (including banking commissions), borrowing charges on equities sold short, brokerage and transaction fees, (f) auditing, tax and legal fees including litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, (g) the cost of insurance for the benefit of the Directors, (h) interest on borrowings and (i) all other organisational, marketing and operating expenses.

## **16. Risk Factors**

**Some specific risk factors applicable to this Sub-Fund are set out below. These should be read in conjunction and not independent of the general risk warnings in the main Prospectus. Investors' attention is drawn to the section headed 'Risk Factors of the Fund' in the Prospectus.**

**The investment risks set out in the Prospectus and this Supplement do not purport to be exhaustive. Prospective investors should read this entire information Prospectus and consult with their legal, tax and financial advisors before making any decision to invest in the Fund.**

#### *No Investment Guarantee*

Investment in the Sub-Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Any investment in the Sub-Fund is subject to fluctuations in value.

#### *Investing in Fixed Income Securities*

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time.

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

#### *Leverage*

The Sub-Fund may, as outlined in Section 8 "Leverage", above, engage in leverage for the purpose of making investments.

#### *Changes in Interest Rates*

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

#### *Credit Risk of Lower-Rated Debt Securities*

Investors normally expect to be compensated in proportion to the risk they are assuming. Debt of companies with poor credit usually offer higher yields than those of companies with better credit quality. Higher-rated debt securities offer lower credit risk, but not lower interest rate risk. The value of a higher-rated investment still fluctuates in response to changes in interest rates.

The Sub-Fund will not necessarily sell an investment if its rating is reduced. A reduction in an investment's rating will generally cause its value to decline if the downgrade was unexpected.

Debt securities rated below BBB- (or its equivalent) and comparable unrated securities are considered below investment grade and are commonly known as "junk bonds". They are considered to be of poor standing and mainly speculative, and those in the lowest rating category may be in default and are generally regarded by the rating agency as having extremely poor prospects of ever attaining any real investment standing. The lower ratings of these debt securities reflect a greater possibility that the issuing companies may be unable to make timely payments of interest and principal and thus default. If this happens, or is perceived as likely to happen, the values of those debt securities will usually be more volatile. A default or expected default could also make it difficult for the Sub-Fund to sell the debt securities at prices approximating the values the sub-fund had previously placed on them. Because junk bonds are traded mainly by institutions, they usually have a limited market, which may at times make it difficult for the Sub-Fund to establish their fair value.

Credit ratings are based largely on the issuing company's historical financial condition and the rating agencies' investment analysis at the time of purchase. The rating assigned to any particular investment does not necessarily reflect the issuing company's current financial condition and does not reflect an assessment of an investment's volatility or liquidity.

Although the Investment Manager considers credit ratings in making investment decisions, it performs its own investment analysis and does not rely only on ratings assigned by the rating agencies. The investment Manager seeks to minimise the risks of debt securities through careful analysis of such factors as a company's experience, managerial strength, financial condition, borrowing requirements and debt maturity schedule. When the Sub-Fund buys debt securities of a company with poor credit, the achievement of its objectives depends more on the Investment Manager's ability to analyse credit risks than would be the case if the Sub-Fund were buying debt securities of a company with better credit.

Because the likelihood of default is higher for the lower-rated debt securities in which the Sub-Fund may invest, the Sub-Fund may have to participate in various legal proceedings or to take possession of and manage assets that secure the issuing company's obligations. This could increase the Sub-Fund's operating expenses and decrease its net asset value.

At times the Sub-Fund, either by itself or together with other funds and accounts managed by the Investment Manager or its affiliates, may own all or most of the debt securities of a particular issuing company. This concentration of ownership may make it more difficult to sell, or set a fair value on, these debt securities.

Although they are generally thought to have lower credit risk, the Sub-Fund's investment-grade debt securities may share some of the risks of lower-rated debt securities.

The Sub-Fund may at times invest in "zero coupon" bonds and "payment-in-kind" bonds (bonds which pay interest in the form of additional bonds). Zero coupon bonds are issued at less than their face value and make payments of interest only at maturity rather than at intervals during the life of the bond. Payment-in-kind bonds give the issuing company the option to make interest payments in additional

bonds of the same kind rather than cash. Both kinds of bonds allow a company to avoid generating cash to make current interest payments. These bonds therefore involve greater credit risk and are subject to greater price fluctuations than bonds that pay current interest in cash.

#### *Emerging Markets Risk*

The Sub-Fund may invest in fixed income securities of Governments and public companies, and securities of companies, in emerging markets. Such securities may involve a high degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscatory taxation, nationalization, and social, political and economic instability; (ii) the small current size of the markets for securities of emerging markets issuers and the currently low or non-existent volume of trading, resulting in lack of liquidity and in price volatility, (iii) certain national policies which may restrict the Sub-Fund's investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; and (iv) the absence of developed legal structures governing private or foreign investment and private property.

#### *Political, Regulatory, Settlement and Sub-Custodial Risk*

The value of the Sub-Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

#### *Investment in Russia*

Whilst fundamental reforms relating to securities investments and regulations have been initiated in recent years there may still be certain ambiguities in interpretation and inconsistencies in their application. Monitoring and enforcement of applicable regulations remains uncertain.

Some securities in Russia are dematerialised and the only evidence of ownership is entry of the Shareholder's name on the share register of the issues. The concept of fiduciary duty is not well established and shareholders may, therefore, suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy. Rules regulating corporate governance are undeveloped and therefore may offer little protection to minority shareholders. Specifically, with regard to investment in Russia the Sub-Fund may only invest in Russian securities which are traded on the Moscow Exchange.

## **17. Taxation**

Investors' attention is drawn to the summary of the Irish taxation rules applicable to the Fund and Sub-Funds as set out in "Appendix IV – Taxation".



**Shareholders should consult their own advisers as to their own particular tax consequences of an investment in the Sub-Fund.**

#### **18. Share Class Currency Hedging**

Foreign exchange transactions may be used for Class currency hedging purposes. Where a Class of Shares is designated as a hedged Class, that Class will be hedged against exchange rate fluctuation risks between the denominated currency of the Share Class and the Base Currency of the Sub-Fund. Such hedging strategy shall be subject to the conditions and within the limits laid down by the Central Bank and may not be implemented in the following circumstances:

- (i) In circumstances where the exposure to assets of the Sub-Fund which are denominated in a non-Base Currency is non-material (generally more or less than +/-3.5% of the Net Asset Value of the relevant hedged Class or where the exposure is expected to be eliminated in a short period of time (generally, in less than one month) .

Further information is set out in the Prospectus at the section entitled “Currency Hedging”. It should be noted that the successful execution of a hedging strategy which mitigates this currency risk exactly cannot be assured.

Where a Class is unhedged, a currency conversion will take place on subscriptions, redemptions, conversions and distributions using, if available, as spot rates (the “**WM/Reuters Intra-Day Spot Rates**”), provided by The World Markets Company PLC in conjunction with Reuters. In such circumstances, the value of the Share expressed in the Class currency will be subject to exchange rate risk in relation to the Base Currency and/or in relation to the designated currencies of the underlying assets.

## RUBRICS INDIA FIXED INCOME UCITS FUND (the “SUB-FUND”)

**This Sub-Fund has terminated and an application for revocation will be made to the Central Bank in due course. Correspondingly the Mauritian Vehicle is in liquidation.**

**Supplement 3 dated 24 February, 2022 to the Prospectus dated 24 February, 2022**

**Distribution of this Supplement is not authorised unless accompanied by the most recently available Prospectus issued by the Fund and this Supplement should be read in conjunction with and forms part of such Prospectus and may not otherwise be relied upon. This Supplement contains specific details regarding the Sub-Fund. An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. The attention of investors is drawn to Section 16 of the Supplement headed “Risk Factors”. Copies of the Prospectus may be obtained free of charge upon request from the registered office of the Manager or from the Administrator.**

The other existing Sub-Funds of the Fund, details of which are set out in relevant Supplements to the Prospectus are Rubrics Global Fixed Income UCITS Fund, Rubrics Emerging Markets Fixed Income UCITS Fund, Rubrics Global Credit UCITS Fund and Q Rubrics India Fixed Income UCITS Fund

Unless otherwise defined in this Supplement, words and phrases which are defined in the Prospectus will have the same meaning in this Supplement.

### **1. Structure**

The Rubrics India Fixed Income UCITS Fund is a sub-fund of the Fund. The Fund is an open-ended variable capital umbrella investment company with segregated liability between its sub-funds. A description of the Fund and its management, administration, charges, taxation of the Fund and its Shareholders and risk factors is contained in the Prospectus. The Sub-Fund will carry out its investment objective by investing substantially through a Mauritian vehicle, IFI Rubrics Limited (the “**Mauritian Vehicle**”).

### **2. Shares and Classes**

Shares may be subscribed for in the following Classes of Shares:

| <b>Class</b> | <b>Reference Currency</b> | <b>Listed on ISE</b> | <b>Min. Initial Investment Amount</b> | <b>Distribution Status</b> |
|--------------|---------------------------|----------------------|---------------------------------------|----------------------------|
| <b>A1</b>    | USD                       | Yes                  | \$500                                 | Accumulating               |
| <b>B1</b>    | EUR                       | Yes                  | €500                                  | Accumulating               |
| <b>C1</b>    | GBP                       | Yes                  | £500                                  | Accumulating               |
| <b>D1</b>    | JPY                       | No                   | JPY equivalent of \$500               | Accumulating               |
| <b>E1</b>    | CHF                       | No                   | CHF500                                | Accumulating               |
| <b>A2</b>    | USD                       | Yes                  | \$1 million                           | Accumulating               |
| <b>B2</b>    | EUR                       | Yes                  | €1 million                            | Accumulating               |
| <b>C2</b>    | GBP                       | No                   | £1 million                            | Accumulating               |
| <b>D2</b>    | JPY                       | No                   | JPY equivalent of \$1 million         | Accumulating               |
| <b>A3</b>    | USD                       | Yes                  | \$5 million                           | Accumulating               |
| <b>B3</b>    | EUR                       | Yes                  | €5 million                            | Accumulating               |
| <b>C3</b>    | GBP                       | Yes                  | £5 million                            | Accumulating               |

|           |     |    |                               |              |
|-----------|-----|----|-------------------------------|--------------|
| <b>D3</b> | JPY | No | JPY equivalent of \$5 million | Accumulating |
| <b>E3</b> | CHF | No | CHF5 million                  | Accumulating |

The latest Net Asset Value per Share of the each launched Class is freely available from the Administrator or as set out in the section entitled “Publication of Net Asset Value” in the Prospectus.

Monies subscribed for each Class of the Sub-Fund should be in the Reference Currency of the Class. Performance of all Classes will be strongly influenced by movements in FX rates because the currency of the underlying security positions held by the Sub-Fund, through the Mauritian Vehicle (Indian Rupee), will not correspond with the Reference Currency.

Non-Base Currency Share Classes shall not be hedged against the US Dollar.

Each investor must satisfy the Minimum Initial Investment Amount requirements applicable to each Class as outlined above. The Directors reserve the right to differentiate between Shareholders, waive or reduce the Minimum Initial Investment Amount for certain investors. No Minimum Holding Amount and Minimum Transaction Size shall apply.

Details of the offer of Shares is set out in Section 11 below headed “Application for Shares”. The fees applicable to each Class are set out in Section 16 below headed “Fees and Expenses”

### **3. Base Currency**

The Base Currency of the Sub-Fund shall be US Dollars.

### **4. Management**

#### *Directors*

The directors of the Mauritian Vehicle are David Dillon, John Fitzpatrick, Caitriona O’Malley, Danielle Tin Kin Wang and Kamalam Pillay Rungapadiachy, the latter two directors being residents of Mauritius and officers of the Mauritian Administrator as described in this Supplement under the heading “Mauritian Vehicle”.

The biographies of John Fitzpatrick and Caitriona O’Malley are set out in main Prospectus under the heading “Management, Custody and Administration of the Fund”.

The biographies of the Mauritius-resident directors are as follows:

#### **Mrs. Danielle Tin Kin Wang**

Danielle is a manager at CIM Fund Services Ltd. She is a fellow member of the Association of Chartered Certified Accountants and holds a BSc in Accounting and Financial Management from the University of Buckingham, UK. She worked for a few years in UK before joining PricewaterhouseCoopers, Mauritius in 2000. She was responsible for the audit of clients operating in finance, manufacturing, retail, telecommunication and the offshore sector. She has been with CIM Fund Services Ltd, a leading fund

administrator and corporate services provider in Mauritius, since March 2005 and is responsible for monitoring and reviewing of administration and accounting work of several teams.

### **Ms. Kamalam Pillay Rungapadiachy**

Kamalam is a qualified member of the Association of Chartered Certified Accountants (UK) and holds a M.Sc. in Finance and Financial Information System from the University of Greenwich, London. She worked for several years in the audit department in leading accountancy firms in Mauritius and has joined CIM Fund Services Ltd in 2000. She has under her responsibility several teams handling collectively some 400 accounts and providing a full range of services to them.

#### *Manager*

The Manager was appointed manager of the Fund and all of its sub-funds pursuant to the terms of the Management Agreement. The biography of the Manager is set out in the section of the Prospectus headed "Manager".

#### *Investment Manager*

The Investment Manager was appointed investment manager of the Fund and of all of its Sub-Funds pursuant to the terms of the Investment Management Agreement. Under the terms of the Investment Management Agreement, the Manager and the Mauritian Vehicle have appointed the Investment Manager to provide discretionary investment management services to the Mauritian Vehicle. The biography of the Investment Manager is set out in the section of the Prospectus headed "Investment Manager".

#### *Advisor*

Under the terms of an investment advisory agreement dated 18 April, 2011 between the Investment Manager and QIEF Management, LLC (the "**Advisor**"), whose principal place of business is 118, St Jean Road (Corner of Avenue des Azalées and Royal Road St Jean), Quatre Bornes, Mauritius, as novated by way of agreement dated 5 May, 2015 the Advisor will be responsible for advising the Investment Manager as regards the overall investment policy and strategy of the Sub-Fund, and, following approval of the Investment Manager in respect of each proposed transaction, for executing such transactions. The Advisor was incorporated in the State of Delaware in September, 2004 and later migrated in May, 2006 to Mauritius where it obtained a Category One Global Business Licence from the Mauritius Financial Services Commission ("**FSC**"). The Advisor holds both CIS Manager and Investment Adviser (Unrestricted) licences issued by the FSC under the Securities Act in Mauritius. The Advisor is also registered with the United States Securities Exchange Commission ("**SEC**") since March 2012 as an Investment Adviser\*.

*\*Registration with the SEC as an investment adviser does not imply any level of skill or training.*

#### *Research Provider*

The Advisor receives investment research services pursuant to a Research Agreement dated 18 April, 2011 between the Advisor and Quantum Asset Management Company Private Limited (the “**Research Provider**”) a private limited company, and wholly owned subsidiary of the Indian Advisor, whose principal place of business is 503, Regent Chambers, 5<sup>th</sup> Floor, Nariman Point, Mumbai – 400 021, India. The Research Provider shall provide research to the Advisor under the Research Agreement. The Research Provider was established in 2005 and its activities are focused on debt research and managing debt funds. The Research Provider is registered under the Securities and Exchange Board of India (Mutual Fund) Regulations, 1996.

#### *Back Office Provider*

The Advisor receives back-office services from Quantum Advisors Private Limited (the “**Back Office Provider**”), a private limited company, whose principal place of business is 503, Regent Chambers, 5<sup>th</sup> Floor, Nariman Point, Mumbai – 400 021, India, pursuant to a back office agreement dated 18 April, 2011 and as further novated by way of agreement dated 1 March, 2019 between the Advisor and the Back Office Provider. Under the terms of the back office agreement, the Back Office Provider provides certain back office services to the Advisor including trade processing, trade dissemination, trade reconciliation and trade storage.

#### *Indian Advisor*

The Advisor receives debt related advisory and back-office services from Quantum Advisors Private Limited (the “**Indian Advisor**”), a private limited company, whose principal place of business is 503, Regent Chambers, 5<sup>th</sup> Floor, Nariman Point, Mumbai – 400 021, India, pursuant to an advisory and back office agreement dated 18 April, 2011 between the Advisor and the Indian Advisor. Under the terms of the said agreement, the Indian Advisor provides certain advisory services to the Advisor including providing general information on the Indian economy, making investment recommendations for the portfolio of the Mauritian Vehicle, reviewing the performance of the portfolio, assisting the Advisor in preparation of Sub-Fund marketing material.

### **5. Investment Objective**

The Sub-Fund’s investment objective is to generate income and capital gains by investing in fixed income securities issued by the Central Government of India and government owned companies of Indian origin.

### **6. Investment Policy**

#### General

The Sub-Fund aims to achieve its investment objective by investing primarily in fixed income securities issued by the Central Government of India (sovereign) and government owned companies of Indian origin (otherwise known as PSU corporate debt, PSU meaning Public Sector Undertakings).

In addition, in order to gain exposure to developed money markets or to participate in fixed income markets which are less accessible via direct investment or as a means to provide more diversified exposure to an asset class, the Sub-Fund may undertake investments in fixed income securities indirectly using collective investment schemes. The Sub-Fund may also hold cash and money market instruments as further described below.

The Investment Manager may engage in foreign exchange transactions to obtain currency exposure in the event of a material subscription in or redemption from the Sub-Fund as set out under the heading “Financial Derivative Instruments” below.

The Sub-Fund is considered to be actively managed in reference to Bloomberg Barclays EM Local Currency Liquid Government Total Return Index Unhedged USD (the “Benchmark”) by virtue of the fact that it uses the Benchmark for performance comparison purposes. Certain of the Sub-Fund’s securities may be components of and may have similar weightings to the Benchmark. However the Benchmark is not used to define the portfolio composition of the Sub-Fund or as a performance target and the Fund may be wholly invested in securities which are not constituents of the Benchmark. The Benchmark is a flagship index that measures the performance of local currency emerging market debt.

### Investment Strategy

The Sub-Fund endeavours to maintain consistent performance by seeking to balance yields and capital preservation as well as maintaining a high level of liquidity. The Sub-Fund aims to actively monitor the local Indian interest rate markets as well as the developments in global markets and to rebalance its portfolio of investments and adjust its holdings as it deems necessary or desirable based on macro economic factors and micro economic factors as described below. The Sub-Fund’s investment strategy comprises a number of elements as set out under the sub-headings below.

### *Research and Investment Process*

The investment process which the Sub-Fund uses is systematic, disciplined and research driven. The Sub-Fund’s investment decisions are arrived at by using a well-researched top-down approach. The research process combines macro factors (i.e. factors relating to the broad economy) and micro (i.e. security-level) factors for investment decisions.

The macro analysis will look at long-term macro economic indicators such as, without limitation, gross domestic product (GDP), inflation, fiscal and monetary policy, deficits and currency, global macro economic changes that may impact the domestic environment, liquidity, government borrowing and corporate borrowing. This macro analysis helps forecast the direction and level of interest rates.

The micro analysis will look at individual companies and instruments and will aim to identify good quality corporate securities, to identify undervalued securities and will look to analyse the associated risks of each investment.

### *Portfolio Construction*

The Sub-Fund follows a top down (macro to micro) approach to build its portfolio. The Sub-Fund takes a view on the direction of interest rates on the basis of its analysis of the macro economic factors and on the choice of security based on its micro analysis.

The macro and micro analysis will create a portfolio of securities based on the following considerations; maturity profile, credit quality (as described below), spread differential to its benchmark, liquidity of the underlying securities with regards to the Sub-Fund's subscription and redemptions policy, the holding period and the risk profile of the securities.

### *Investment Universe*

The Sub-Fund will primarily invest in the following instruments:

- securities issued by the Central Government of India (the “**Government**”) (for example, government securities, infrastructure bonds, treasury bills and money market instruments such as commercial paper (“**CP**”));
- commercial paper issued by companies of Indian origin majority owned by the Indian government;
- investment grade corporate debt securities such as non convertible debentures (NCDs) and fixed or floating rate bonds issued by companies of Indian origin majority owned by the Indian government;
- debt obligations of banks and financial institutions of Indian origin majority owned by the Indian government, including perpetual (i.e. bonds issued with no fixed maturity), infrastructure bonds and subordinated fixed or floating rate bonds (i.e. bonds which in the event of the insolvency of the issuer, entitle the holder to be paid after other debt holders (i.e. senior bonds) and ordinary bank depositors but before shareholders in the issuer); and
- floating rate debt instruments, issued by companies or banks of Indian origin which are majority owned by the Indian government whose coupon rates are linked to a benchmark like the NSE MIBOR (Mumbai inter-bank offer rate) or the INBMK (Reuters Indian government bond benchmark).

Investments in non-sovereign debentures and bonds will usually be in instruments which have been assigned AAA or equivalent (which indicates a highest degree of safety of interest and principal) ratings by a Securities and Exchange Board of India (“**SEBI**”) registered rating agency such as Crisil, Icra, Fitch or Care. As at the date of this Prospectus, the equivalent rating from international credit rating agencies such as Standard & Poor's and Moody's Investor Services, Inc is investment grade.

The Sub-Fund's portfolio of securities will be primarily of investment grade and in any event not more than 30% of the Net Asset Value of the Sub-Fund attributable to securities will be of non-investment grade.

Investments may be in listed and to be listed instruments through secondary and primary market purchases. With the exception of permitted investments in unlisted transferable securities investment by the Sub-Fund in assets with exposure to the above emerging markets will be restricted to those listed on the Stock Exchange or Regulated Market as listed in Appendix II to the Prospectus and the following markets:

- The market in Indian Government Bonds regulated by the Reserve Bank of India (“**RBI**”)
- The market in Indian Corporate Bonds regulated by the SEBI

Investment policies of the Sub-Fund shall comply with the restrictions for Foreign Institutional Investors (“**FII**”) investments as established by SEBI and the RBI.

Investments by FII’s in debt instruments in India are regulated by both the SEBI and the RBI. There are limits on the overall investments that all FII’s can make in Indian debt instruments.

As at January 2016, the limits that govern the investments in Indian debt instruments by FII’s are:

|                              |   |
|------------------------------|---|
| Government Bonds and T-Bills | US\$30 billion (includes a USD 5 billion limit for long term investors) |
| Corporate Bonds              | US\$51 billion  |

The FIIs registered with SEBI can invest in Indian corporate bonds at any time without prior SEBI approval subject to outstanding investments up to a threshold level. For investments in government bonds, though, the FIIs have to participate in a monthly auction and acquire limits. These limit lapse if they are not utilised within a specific timeframe.

This process thus leads to uncertainty on the timing and the pattern of investment and could affect performance, however, this will not affect the funding of redemptions in accordance with the redemption policy of the Sub-Fund as set out under the heading “Redemptions” below and in the Prospectus.

#### *Liquid Assets*

Notwithstanding the preceding paragraphs, the Sub-Fund will at all times consider market valuations and the prevailing investment climate. Should the Investment Manager perceive the investment climate to be negative or that the fixed income market offers investors little value, the Sub-Fund can retain substantial amounts in cash or ancillary liquid assets (such as money market schemes) in accordance with the requirements of the Central Bank and as permitted by SEBI.

#### *Collective Investment Schemes*

Up to 10% of the Net Asset Value of the Sub-Fund may be invested in money market schemes and will be made to gain exposure to the Indian fixed income securities markets or developed money markets. Such schemes may include other UCITS funds or regulated non-UCITS primarily domiciled in the EU, which fall within the requirements set out in the Central Bank Regulations and the level of protection of which is equivalent to that provided to unitholders of a UCITS.

#### *Currency Exposure*

Investors should note that the Sub-Fund, through the Mauritian Vehicle, maintains substantial or full currency exposure to the Indian Rupee. Consequently, a significant depreciation in the value of the Indian Rupee will result in a corresponding fall in the Reference Currency value of the Sub-Fund’s



investments. In this regard, performance of the Sub-Fund will be strongly influenced by movements in FX rates.

#### *Financial Derivative Instruments*

The Sub-Fund does not intend to invest in financial derivative instruments ("**FDI**") or to utilise FDI for the purpose of hedging the Sub-Fund's interest rate or credit risks. The Investment Manager may, however, utilise FDI to obtain currency exposure to the Indian Rupee in the event of a material subscription or redemption from the Sub-Fund. In such circumstances, the Investment Manager reserves the right to hedge subscription and redemption flows up until a time when the Investment Manager is able to maintain exposure to the Indian Rupee via direct investments in Indian Rupee denominated assets. Such action is aimed to maintain the Sub-Fund's passive exposure to the Indian Rupee.

In order to hedge such currency exposure, the Sub-Fund will undertake FX forwards, selling or buying local currency (i.e. the currency of denomination of the relevant asset) (either in deliverable currencies or by using a non-deliverable forward (NDF) in non-deliverable currencies) versus the Base Currency. It is not the intention of the Investment Manager to take 'net short' FX positions with the exception of minor short FX positions associated with the movement of the hedged underlying assets i.e. if the asset price declines the Sub-Fund may appear over-hedged. Such short exposure is not expected to exceed 100% of the Sub-Fund's Net Asset Value.

The Sub-Fund may take long positions of up to 100% of its Net Asset Value in Indian Rupee in order to maintain full currency exposure to the Indian Rupee.

With the exception of permitted investments in unlisted transferable securities, investment by the Sub-Fund is restricted to the Recognised Exchanges as listed under Appendix II to the Prospectus. FDIs may be traded on Recognised Exchanges worldwide or may be traded over the counter. The Investment Manager will only enter into over the counter derivative transactions on behalf of the Sub-Fund with counterparties which are subject to prudential supervision, belong to categories approved by the Central Bank and which are not related to the Manager but may be related to the Depositary.

Investors should be aware that when the Sub-Fund enters into FDI contracts for hedging substantial subscriptions and/or redemptions, operational costs and/or fees shall be deducted from the revenue delivered to the Sub-Fund. In the case of FDI which are listed on Recognised Exchanges, such fees and costs may include brokerage fees. One of the considerations taken into account by the Investment Manager when selecting brokers and counterparties to FDI transactions on behalf of the Sub-Fund is that any such costs and/or fees which are deducted from the revenue delivered to the Sub-Fund shall be at normal commercial rates and shall not include any hidden revenue. Such direct or indirect costs and fees will be paid to the relevant broker or counterparty to the FDI transaction. The Manager shall ensure that all revenues generated through the use of FDI for efficient portfolio management purposes, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

Where necessary, the Sub-Fund will accept collateral from its counterparties in order to reduce counterparty risk exposure generated through the use of over the counter derivative instruments. Any collateral received by the Sub-Fund shall comprise of cash collateral and/or government backed

securities of varying maturity which satisfy the requirements of the Central Bank relating to non-cash collateral which may be received by a UCITS. Cash collateral received by the Sub-Fund may be reinvested in accordance with the requirements of the Central Bank at the discretion of the Investment Manager. In this regard, any cash collateral received by the Sub-Fund may be placed on deposit with relevant credit institutions as permitted by the UCITS Regulations. In such circumstances, the Sub-Fund shall be exposed to the creditworthiness of the relevant credit institution with which cash collateral is placed. The level of collateral required to be posted may vary by counterparty with which the Sub-Fund trades. The haircut policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by the Sub-Fund, taking into account the credit standing and price volatility of the relevant counterparty.

### *Risk Control*

The Investment Manager sets, reviews and monitors periodically the risk control and tolerance limits of the Sub-Fund. The various risks such as interest rate risk, credit risk and liquidity risk are generally measured, managed and monitored as follows:

#### a. Interest Rate Risk

The risk management tools which the Investment Manager employs in seeking to address this risk are modified duration analysis and Per Value of a Basis Point (“**PVBP**”) analysis (which is a measure of the change in the price of a bond if the required yield changes by one basis point), as well as value-at-risk (“**VaR**”), stress and scenario yield analysis.

#### b. Credit Risk

This Investment Manager seeks to address this risk by an in-depth credit evaluation of the securities and the company to be invested in.

The Investment Manager is guided but not limited by the ratings assigned by various rating agencies.

The Sub-Fund shall invest only in fixed income instruments issued by the government (sovereign) or government owned entities (PSUs) with a AAA rating (companies in which government holds majority stake), assigned to them by a SEBI registered rating agency such as Crisil, Icra, Fitch or Care.

Since the portfolio will comprise of sovereign and AAA rated entities, the Investment Manager considers that the liquidity risk to the Sub-Fund would as such be lower as sovereign and AAA rated securities are actively traded.

#### c. Currency Risk

This risk relates to a fall in the dollar value of investments if the Rupee depreciates against the US dollar or other major currencies

Since a majority of investments would be in rupee denominated securities, there is a likelihood of losses due to depreciation of the rupee against global currencies.

d. Investment Restrictions

| Security           | Per Issuer Maximum Limit      | Per Issue Maximum Limit                                 |
|--------------------|-------------------------------|---|
| Government Bonds   | N/A                           | 30% of Net Assets, minimum of 6 issues if 100% invested |
| PSU Corporate Debt | 5%/10%/40% of Net Asset Value | 10% of Outstanding Issue                                |

Credit Rating Investment Matrix

| Rating Value (*)             | Minimum | Maximum |
|------------------------------|---------|---------|
| Sovereign                    | 0%      | 100%    |
| Corporate AAA or equivalents | 0%      | 100%    |

(\*this rating pertains to the domestic credit rating of the instruments as assigned by a SEBI registered rating agency)

e. Duration Risk Control

The Sub-Fund's portfolio is expected to run an average duration between 3 months to 10 years

f. Derivative Investments

The Sub-Fund is allowed under present Indian regulations to invest in exchange-traded derivatives. Currently, the only exchange-traded derivative instrument in the Indian fixed income markets allowed for FII is the interest rate future. FII are only allowed to hedge their cash exposure through futures. The Sub-Fund does not intend to use interest rate derivative products.

## 7. Changes to the Investment Objective and/or Policy

The investment objective of the Sub-Fund may not be altered and material changes in the investment policy of the Sub-Fund may not be made without prior written approval by all Shareholders of the Sub-Fund or on the basis of a simple majority of votes cast at a meeting of the Shareholders of the Sub-Fund duly convened and held. In the event of a change of the investment objective and/or a material change to the investment policy of the Sub-Fund, the Manager shall provide Shareholders in the Sub-Fund with reasonable notice of such change.

## 8. Investment and Borrowing Restrictions

In accordance with the provisions of Appendix I of the Prospectus, the Fund may borrow up to 10% of the Net Asset Value of the Sub-Fund on a temporary basis. Such borrowings may only be used for short

term liquidity purposes to cover the redemption of Shares. Investment restrictions applying to the Sub-Fund are set out in Appendix I to the Prospectus.

For the avoidance of doubt, any permitted investment by the Sub-Fund in unlisted securities under Section 2.1 of Appendix I will not include any security or instrument which will compromise the liquidity profile of the Sub-Fund.

## **9. Leverage**

The expected level of leverage for the Sub-Fund arising from the use of FDI will not exceed 100% of the Net Asset Value, calculated as the aggregate notional value of the Sub-Fund's long FDI positions and the absolute value of the Sub-Fund's short FDI positions. It is anticipated that this 100% figure will primarily be made up of the notional value of FDI used by the Sub-Fund for currency hedging purposes and that this figure will be reduced to 10% of the Net Asset Value of the Sub-Fund where the Sub-Fund using the commitment approach deducts from that figure the aggregate notional value of financial derivative instruments entered into by the Sub-Fund with the sole aim of offsetting currency risk linked to positions taken through the Sub-Fund's other FDI and/or security positions. Where the commitment approach is used in leverage calculations, this method is supplementary to the calculation of leverage as the sum of the notionals of the derivatives used.

In calculating its global exposure, the Sub-Fund will use the Absolute VaR model, thereby ensuring that the VaR of the Sub-Fund's portfolio may not exceed 20% of the Net Asset Value of the Sub-Fund, the one-tailed confidence interval shall not be less than 99% and the holding period shall not be less than 20 days. The historical period will typically be one year or greater but a shorter observation period may be used in instances of recent significant price volatility.

It should be noted that these are the current VaR limits required by the Central Bank. In the event that the Central Bank changes these limits, the Sub-Fund will have the ability to avail of such new limits and will be included in an updated Supplement.

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

The typical investor profile is made up of institutional investors and high net worth individuals who are seeking long term capital appreciation in Indian fixed income securities. A typical investor has an investment horizon of five years or more and is prepared to accept a higher level of volatility.

## **11. Applications for Shares**

### *Offer*

The Initial Offer Period for Class C2, Class D1, Class D2, Class D3 and Class E3 has been extended and will close at 5 p.m. (Irish time) on 11 September, 2020 and subject to acceptance of applications for Shares by the Fund and will be issued for the first time on the first Subscription Day after expiry of the Initial Offer Period.

The Initial Offer Period for Class E1 Shares which are being relaunched will begin at 9 a.m. (Irish time) on 27 March, 2020 and will close at 5 p.m. (Irish time) on 11 September 2020.

During the Initial Offer Period Class C2 will be offered at GBP£100 per Share, Class D1, Class D2 and Class D3 will be offered at JPY100 per Share and Class E1 and Class E3 Shares will be offered at CHF100 per Share, or such other price as the Directors in their discretion may determine (the “**Initial Offer Price**”). The Initial Offer Period may be shortened or extended by the Directors. The Central Bank will be notified in advance of any extension of the Initial Offer Period if subscriptions for Shares have been received and otherwise on an annual basis. Following the close of the Initial Offer Period, Class C2, Class D1, Class D2, Class D3, Class E1 and Class E3 Shares will be offered at the Net Asset Value per Share.

The Initial Offer Period in respect of the Classes A1, B1, C1, A2, B2, A3, B3 and C3 Shares has closed and these Classes are offered at the relevant Net Asset Value per Share.

The Directors, in accordance with the terms of the Articles of the Fund, may in their absolute discretion refuse to accept any application for Shares in whole or in part at any time.

#### *Valuation Day*

The Valuation Day for the Sub-Fund will be every Business Day. A Business Day for the purposes of this Sub-Fund shall be defined as any day on which banks are open for business in Ireland, Mauritius and India.

#### *Valuation Point*

The Valuation Point cut-off is 11.59 p.m. in Ireland on the relevant Valuation Day and/or such other day or days as the Directors may from time to time determine and notify to Shareholders in advance provided that the Valuation Point will always be after the relevant dealing deadline.

#### *Subscription Day*

The Subscription Day of the Sub-Fund will be every Business Day, and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided there will always be two Subscription Days per month occurring at regular intervals.

#### *Subscription Procedure*

All applicants for Shares must submit an original signed Application Form or, if a U.S. Person, an Application Form for U.S. Persons together with all supporting documentation in relation to money laundering prevention checks to the Administrator. Applications for Shares may be submitted by facsimile or electronically in accordance with the requirements of the Central Bank, without a requirement to submit original documentation provided an original signed Application Form and supporting documentation in relation to money laundering prevention has been previously received by the Administrator. In the case of initial applications submitted by facsimile or electronically, the original

Application Form and supporting documentation in relation to money laundering prevention must follow promptly. Applications for Shares are not accepted by email.

Applications for Shares must be received by the Administrator no later than 11.00 a.m. (Irish time) on the relevant Valuation Day or such later time and/or day prior to the relevant Valuation Point as the Directors may in their discretion determine in accordance with the requirements of the Central Bank. If the relevant Application Form is not received by the prescribed deadline, the application may be held over to the following Subscription Day and Shares will then be issued at the relevant Subscription Price on that Subscription Day. Late applications will only be accepted in exceptional circumstances and the decision for accepting such late applications will be fully documented.

Cleared funds must be received for the account of the Sub-Fund on or before 5 p.m. (Irish Time) on the fourth Business Day following the relevant Subscription Day (i.e. T+4). Shares will be allotted to the relevant applicant with respect to the Subscription Day once the Subscription Price has been determined and issued for such Subscription Day and following receipt of the applicants' funds.

Subject to the forgoing, the Fund may charge interest or cancel the allotment where cleared funds are not received within the prescribed deadlines. As the register of Shares of the Fund is updated each Business Day following a Subscription Day (i.e. T+1) a failure to receive cleared funds within the above-mentioned timeframe may require the cancellation of the allotment of the relevant Shares on that Subscription Day and this may result in a loss to the Fund.

Any change to the subscription procedure and cut-off times set out above will be notified to investors in advance and, where necessary, reflected by amendment to this Supplement.

#### *Amendments to Shareholders Details*

The Administrator will only accept changes to Shareholder's registration details and payment instructions on receipt of original documentation.

## **12. Restrictions on Sale and Transfer**

The Shares may not be offered, sold or transferred to investors who are Ineligible Applicants as described under "Subscriptions" in the Prospectus.

## **13. Redemptions**

### *Redemption Day*

The Redemption Day of the Sub-Fund will be every Business Day of each calendar month and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders provided there will always be two Redemption Days per month occurring at regular intervals.

### *Redemption Price*

The Redemption Price will be equal to the Net Asset Value per Share as at the relevant Valuation Point on the relevant Redemption Day.

#### *Redemption Procedure*

Shares will be redeemable at the option of the Shareholder. Shareholders should send a completed signed redemption request in the form available from the Administrator by post or by facsimile. Redemption requests may also be accepted electronically but not by email. Redemption payments following processing of instructions received electronically will only be made to the account of record of a Shareholder.

Redemption requests must be received by the Administrator no later than 11.00 a.m. (Irish time) on the Valuation Day or such other time as the Directors may in any particular case determine, provided in all cases that requests must be received prior to the relevant Valuation Point, failing which the redemption request will be held over until the next following Redemption Day and Shares will be redeemed at the relevant Redemption Price applicable on that Redemption Day.

Payment of redemption proceeds will be made as soon as possible but normally no later than five (5) Business Days after the relevant Redemption Day and in any event no later than seven (7) calendar days after the relevant Redemption Day. Shares will be redeemed at the relevant Redemption Price. Proceeds of a redemption will be paid in the Reference Currency of that Share Class.

No redemption payment may be made from a holding until the original Application Form (including payment details to an account in the Shareholder's name) has been received from the Shareholder, all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the Shareholder and the anti-money laundering procedures have been completed. In the event that the account details contained in the redemption request differ from those which are contained in the Application Form, then an original redemption request form will be required prior to any redemption payment being made.

It is not the current intention to charge a redemption fee. Any change to this policy will be notified in advance to investors, who will be given the opportunity to redeem their Shares before any change in the redemption fee policy comes into force.

#### **14. Switching**

Shareholders may be entitled to exchange all or any of their Shares in one Sub-Fund or Class for Shares in another Sub-Fund or Class on any Redemption Day, subject to (i) compliance with the procedure in the paragraph below; and (ii) subject to the Minimum Initial Investment Amount in respect of each Sub-Fund or Class. Shareholders must also have regard to the details set out in the section headed "Switching" in the Prospectus. A Share exchange will be effected by way of a redemption of Shares of one Sub-Fund or Class at the relevant Redemption Price and a simultaneous subscription (at the most recent Subscription Price) for Shares of the other Sub-Fund or Class.

No switching fee or redemption or subscription charges are charged on switching Shares in the Sub-Fund.

Shareholders should send a completed exchange request in the form available from the Administrator to be received by the Administrator no later than 11.00 am (Irish time) on the Business Day falling at least ten (10) Business Days before the relevant Redemption Day or such later time and/or day prior to the relevant Valuation Day as the Manager may in its discretion determine.

Failing which the exchange request will be held over until the next following Redemption Day and Shares will be exchanged at the relevant Redemption Price and Subscription Price applicable on that Redemption Day.

## **15. Distribution Policy**

No income or gains will be distributed by the Sub-Fund by way of dividend. All such income or gains will accumulate within the Sub-Fund.

In the event of alteration of the Sub-Fund's distribution policy, full details of such policy will be disclosed in an updated Supplement (including the method as to how it will be paid) and all Shareholders will be notified in advance.

## **16. Fees and Expenses**

Please refer to the Prospectus under the heading "Fees and Expenses of the Fund" for a general overview of fees and expenses applicable to the Fund, a proportion of which will be borne by the Sub-Fund. In addition, the following fees are payable by the Sub-Fund.

### *The Manager*

The Fund will pay to the Manager an annual management fee of up to 0.0175% of the Net Asset Value of the Sub-Fund subject to a minimum annual fee across all five Sub-Funds of €75,000 or the USD equivalent amount (the **"Management Fee"**). The Management Fee will be apportioned between the Sub-Funds on a pro rata basis based on the Net Asset Value of the Sub-Funds during the relevant period. In the event of the creation of additional Sub-Funds, the minimum annual Management Fee may increase. The Management Fee accrues as at each Valuation Point and is payable monthly in arrears. The Manager shall be entitled to be reimbursed by the Sub-Fund for out-of-pocket expenses reasonably incurred and any VAT payable thereon.

### *The Investment Manager*

The Investment Manager shall receive out of the assets of the Sub-Fund (the **"Investment Management Fee"**) a fee equal to the difference between the maximum aggregate Management Fee and Investment Management Fee payable in respect of each Class as detailed in the table below and the Management Fee:

| <b>Class</b> | <b>Maximum aggregate Investment Management Fee and Management Fee</b> |
|--------------|---|
|--------------|---|



|          |                 |
|----------|-----------------|
| Class A1 | 1.5% per annum  |
| Class B1 | 1.5% per annum  |
| Class C1 | 1.5% per annum  |
| Class D1 | 1.5% per annum  |
| Class E1 | 1.5% per annum  |
| Class A2 | 1.25% per annum |
| Class B2 | 1.25% per annum |
| Class C2 | 1.25% per annum |
| Class D2 | 1.25% per annum |
| Class A3 | 1% per annum    |
| Class B3 | 1% per annum    |
| Class C3 | 1% per annum    |
| Class D3 | 1% per annum    |
| Class E3 | 1% per annum    |

The Investment Management Fee accrues as of each Valuation Point and is payable monthly in arrears (plus VAT, if any). The Investment Manager shall be entitled to be reimbursed by the Sub-Fund for reasonable out-of-pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

#### *The Advisor, Research Provider and Indian Advisor*

The Advisor will receive no investment management fee out of the assets of the Sub-Fund. The Advisor may be remunerated by the Investment Manager for its services and such payment, if any, will be made out of the Investment Manager's own assets. The Advisor will discharge the fees of the Research Provider and the Indian Advisor out of the Advisor's own assets. The Advisor, Research Provider and the Indian Advisor will be entitled to have reimbursed out of the assets of the Mauritian Vehicle all of its reasonable out-of-pocket expenses and other expenses incurred by it in the performance of its duties.

#### *The Depositary*

The Depositary shall receive out of the assets of the Sub-Fund an annual trustee fee which shall accrue and be payable monthly in arrears not exceeding 0.01725% of the Net Asset Value of the Sub-Fund (plus VAT, if any) subject to a minimum monthly fee in respect of the Sub-Fund of US\$1,000.

The Depositary shall also receive out of the assets of the Sub-Fund a custody fee which will vary from 0.01% per annum of the value of the assets under custody and US\$8 per transaction in the United States up to 0.40% per annum of the value of the assets under custody and US\$245 per transaction in the Ukraine. If the Sub-Fund invests in assets located in countries which attach a higher fee level, it will therefore pay a higher fee to the Depositary. Certain minimum fees may also apply.

The Depositary shall also be entitled to be repaid out of the assets of each Sub-Fund all reasonable out-of-pocket expenses incurred by it on behalf of the relevant Sub-Fund including sub-custodians fees which will be at normal commercial rates.

#### *The Administrator*

The Administrator shall receive out of the assets of the Sub-Fund an annual fund accounting fee not exceeding 0.09% of the Net Asset Value of the Sub-Fund (plus VAT, if any) subject to a minimum monthly fee of US\$5,166 in respect of the Sub-Fund. This monthly fee excludes a transfer agency fee and a financial reporting fee (to include annual and half-yearly financial statements) which are charged separately to each Sub-Fund. The transfer agency fee will be payable depending on the number of offered Share Classes, Shareholder transactions and Shareholder accounts with transactional dealing fees ranging in value from US\$12.50 to US\$25. The Administrator's fees shall accrue daily and be payable monthly in arrears.

The Administrator shall also be entitled to be repaid out of the assets of each Sub-Fund all reasonable out-of-pocket expenses incurred by it on behalf of the relevant Sub-Fund.

#### *Subscription Fee*

The Fund may charge a subscription fee not exceeding 5% of the Net Asset Value per Class. Any such charge will be payable to the Sub-Fund or as the Fund shall direct. The Directors in their absolute discretion may waive, rebate or differentiate between investors as to the amount of, any such subscription charge.

#### *Redemption Fee*

No redemption fees are charged on the redemption of Shares in the Sub-Fund.

#### *Switching Fee*

No switching fees are charged on the exchange of Shares in the Sub-Fund.

#### *Other Fees and Expenses*

The Manager will also pay out of the assets of the Sub-Fund of the costs and expenses (i) of all transactions carried out on its behalf and (ii) of the administration of the Sub-Fund, including (a) registering the Sub-Fund and the Shares with any governmental or regulatory authority including the fees and expenses of any paying agents at normal commercial rates, (b) management, administration, custodian and related services, (c) the preparation, printing and posting of prospectuses, reports to Shareholders, the Central Bank and governmental agencies, (d) taxes, (e) commissions (including banking commissions), borrowing charges on equities sold short, brokerage and transaction fees, (f) auditing, tax and legal fees including litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, (g) the cost of insurance for the benefit of the Directors, (h) interest on borrowings and (i) all other organisational, marketing and operating expenses.

#### ***Fees and Expenses of the Mauritian Vehicle***

All administrative, accounting, auditing expenses, management fees, legal fees and other expenses relating to the operation of the Mauritian Vehicle, including the fees of the Depositary, Mauritian

Administrator and Calculation Agent to the Mauritian Vehicle as set out below and statutory dues will be borne by the Mauritian Vehicle and hence indirectly by the Sub-Fund.

#### *The Mauritian Administrator*

The Mauritian Administrator shall be entitled to an annual fee of US\$31,000 in respect of its role as administrator of the Mauritian Vehicle which will be calculated daily and payable quarterly in arrears. The Mauritian Administrator shall also be entitled to be repaid all reasonable out-of-pocket expenses incurred by it on behalf of the Mauritian Vehicle.

#### *The Calculation Agent*

The Calculation Agent shall be entitled to an annual fee of US\$30,000 in respect of its role as calculation agent of the Mauritian Vehicle which will be calculated daily and payable monthly in arrears.

### **17. Risk Factors**

**Some specific risk factors applicable to this Sub-Fund are set out below. These should be read in conjunction and not independent of the general risk warnings in the main Prospectus. Investors' attention is drawn to the Section headed 'Risk Factors of the Fund' in the Prospectus.**

**The investment risks set out in the Prospectus and this Supplement do not purport to be exhaustive. Prospective investors should read this entire information Prospectus and consult with their legal, tax and financial advisors before making any decision to invest in the Fund.**

#### *Certain Risk Factors Concerning India*

Given the focus of its investment strategy, the success of the Sub-Fund will depend in large part on the general economic and business conditions in India. Risks associated with the investments in India, including but not limited to the risks described below, could adversely affect the performance of the Sub-Fund and result in substantial losses. No assurance can be given as to the ability of the Sub-Fund to achieve any return on its investments and, in turn, any return on an investor's investment in the Sub-Fund. Accordingly, in acquiring Shares in the Sub-Fund, appropriate consideration should be given to the following factors:

#### *Economic Factors*

The success of the Sub-Fund's investments depends in part on general economic and business conditions in India. A significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and in particular if new restrictions on the private sector are introduced or if existing restrictions are not relaxed over time. Notwithstanding current policies of economic liberalization, the roles of the Indian central and state governments in the Indian economy as producers, consumers and regulators have remained significant. The current Government of India is a coalition led by the Congress Party which was formed originally in May 2004 and re-elected in a new coalition in the elections held in May 2009. The government has

announced policies and taken initiatives that support the continued economic liberalization policies that have been pursued by previous governments. There is, however, no assurance that these liberalization policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting taxation, foreign investment, currency exchange and other matters affecting the Sub-Fund's investments could change as well. In addition, laws and policies affecting the various investments held by the Sub-Fund could change, adversely affecting the values or liquidity of securities issued by those companies.

#### *Political Factors*

India's relations with other neighbouring countries historically have been tense. Since the separation of India and Pakistan upon their independence in 1947, a source of ongoing tension between the two countries has been the dispute over the northern border state of Kashmir. India and Pakistan have fought three wars since independence, and in the last several years both countries have conducted successful tests of nuclear weapons and missile delivery systems. Although there are periodic efforts to normalize relations between the two countries, significant military confrontations between India and Pakistan have occurred in the disputed region of Kashmir in the last few years and both India and Pakistan continue to allocate substantial resources to the defense of their borders as a result. More recently, terrorist attacks in November 2008 and July 2011 in Mumbai have heightened tensions and security risks in both countries. Events of this nature in the future could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, and on the market for the services of Indian companies in which the Sub-Fund may have investments. The Indian government is also confronted by insurgencies and separatist movements in several states in addition to Kashmir.

#### *Communal Factors*

India's population is comprised of numerous ethnic groups with diverse religions and languages, sometimes resulting in communal conflict among groups. For instance, in recent years India has experienced considerable sectarian tension between Hindus and Muslims, marked by periodic violence that has caused considerable loss of property and, in 1992, a riot that resulted in the closure of the Bombay Stock Exchange for a period of three days.

#### *Capital Raising Constraints Under Indian Law*

Approvals from SEBI/the Government of India are required for the Sub-Fund to invest in debt securities of Indian companies. The total outstanding FII investments in Government bonds and in corporate bonds cannot exceed the limits as allotted by SEBI.

#### *Currency Exchange Rate Risks*

Exchange controls have traditionally been administered with draconian measures under the Foreign Exchange Regulation Act ("**FERA**"). The Indian Rupee is not convertible on the capital account and most capital account transactions require the prior permission of the RBI, India's central bank. However, throughout the 1990s, the RBI eased the exchange control regime and made it more market-friendly.

The Indian Parliament has enacted the Foreign Exchange Management Act ("**FEMA**") to replace FERA. FEMA and the rules made thereunder constitute the body of exchange controls applicable in India. The significant shift in the approach to exchange controls under FEMA is the move from a regime of limited permitted transactions to one in which all transactions are permitted except a limited number to which restrictions apply. FEMA and the notifications under FEMA were effective commencing 1 June 2000. FEMA differentiates foreign exchange transactions between capital account transactions and current account transactions. A capital account transaction is generally defined as one that alters the assets or liabilities, including contingent liabilities outside India, of persons resident in India or assets or liabilities in India of persons resident outside India. FEMA further provides for specific classes of transactions that fall within the ambit of capital account transactions and the RBI has issued regulations governing each such class of transactions. Transactions other than capital account transactions, including payments in connection with foreign trade, current businesses, services, short term credit and banking facilities, interest payments, living expenses, foreign travel, education and medical care are current account transactions. The RBI has issued regulations governing such current account transactions.

Currency risk in relation to the Indian Rupee remains a significant risk factor. A decrease in the value of the Indian Rupee would adversely affect the Sub-Fund's returns, and such a decrease may be likely given India's current account deficits and its budget deficits.

The operation of the Sub-Fund's bank account in India is subject to regulation by RBI under the Indian Foreign Exchange Regulations. The Indian domestic custodian acting also as the remitting banker will be authorized to convert currency and repatriate capital and income on behalf of the Sub-Fund. There can be no assurance that the Indian Government would not, in the future, impose certain restrictions on foreign exchange. The repatriation of capital may be hampered by changes in Indian regulations concerning exchange controls or political circumstances. In addition, India may in the future re-introduce foreign exchange control regulations which can limit the ability of the Sub-Fund to repatriate the dividends, interest or other income from the investments or the proceeds from sale of securities. Any amendments to the Indian exchange control regulations may impact adversely on the performance of the Sub-Fund.

### *Indian Legal System*

Indian civil judicial process to enforce remedies and legal rights is less developed, more lengthy and, therefore, more uncertain than that in more developed countries. Enforcement by the Sub-Fund of civil liabilities under the laws of a jurisdiction other than India may be adversely affected by the fact that the Sub-Fund's portfolio companies may have a significant amount of assets in India. The laws and regulations in India can be subject to frequent changes as a result of economic, social and political instability. In addition, the level of legal and regulatory protections customary in countries with developed securities markets to protect investors and securities transactions, and to ensure market discipline, may not be available. Where the legal and regulatory framework is in place, the enforcement may be inadequate or insufficient. Regulation by the exchanges and self-regulatory organizations may not be recognized as law that can be enforced through the judiciary or by means otherwise available to the investors in developed markets.

### *Indian Capital Gains Tax*

Under current laws and regulations, short term capital gains on the sale of equity shares listed on an approved exchange are currently taxed by the Indian government at the rate of 15% (plus applicable surcharge and education cess), and long term capital gains on the sale of such shares are exempt from tax. For other securities the rate is 30% (plus applicable surcharge and education cess) for short term capital gains and 10% (plus applicable surcharge and education cess) for long term capital gains. The Sub-Fund will seek an exemption under the India Mauritius Tax Treaty (the “**Treaty**”), which would exempt gains on the sale of certain securities held by the Sub-Fund from the Indian capital gains tax. However, there can be no assurance that the Sub-Fund will be able to avail itself of the benefits of the Treaty, or that future legislation, regulation or court rulings will not limit or eliminate exemptions from capital gains taxes (See “Reliance on India/Mauritius Double Tax Avoidance Treaty” below). Accordingly, sales of securities may be subject to capital gains tax in India, and this could significantly reduce returns for investors in the Sub-Fund in the absence of an offset or credit for such tax under the tax laws or regulations of the investors domicile.

#### *Taxation of Capital Gains earned by the Shareholders in the Sub-Fund*

No Shareholder will be subject to taxation in India unless such investor is a resident of India or, if a non-resident, has an Indian source income or income received (whether accrued or otherwise) in India.

Under Section 9 of the Indian Income Tax Act (ITA), all income accruing or arising, whether directly or indirectly, through or from any business connection in India, or through or from any property in India, or through or from any asset or source of income in India, or through the transfer of a capital asset situated in India is deemed to accrue or arise in India.

Amongst others, the Indian Finance Act (FA) 2012 has made clarificatory amendments, with retrospective effect from 1st April 1962.

One of these proposals is being interpreted to mean that the capital gain income earned by an investor in a fund, like the Sub-Fund, on redemption of his shares could be treated to be income earned by such investor in India and hence subject to Indian tax.

The Sub-Fund is awaiting a policy circular from the Indian Income Tax Department on the interpretation of the aforesaid indirect transfer tax provision with regard to Sub-Fund’s Shareholders at the time of redemption. Meanwhile, the following steps are proposed to be taken by the Sub-Fund:

1. Pending the issue of the above policy circular by the Indian Income Tax Department, the Sub-Fund does not propose to withhold any taxes at the time of a Shareholder’s redemption. However the Sub-Fund will obtain from the Shareholder an appropriate indemnity upon subscription. Such indemnity shall state that a) the investor shall only be required to indemnify the Sub-Fund with respect to its pro rata share of such Indian tax liability; b) the investor shall only be required to repay to the Sub-Fund its pro rata share of any applicable Indian tax liability and c) the Sub-Fund shall only withhold from the redemption proceeds of an investor, the pro rata share of any applicable Indian tax liability of the said investor.
2. As and when the policy circular is issued by the Indian Government, the Sub-Fund will review the same. After such review if the Sub-Fund is of the view that capital gain income of

Shareholders in the Sub-Fund is taxable at the time of redemption, the Sub-Fund shall thereafter start withholding Indian taxes at applicable rates on such capital gain income and distribute only the net amount to the investor.

#### *Taxation of Interest Income*

Interest income arising from Indian securities (other than those issued under the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 (the “**Scheme**”)) will be subject to income tax at the rate of 20% on gross interest (plus applicable surcharge and education cess); provided that interest on Rupee denominated bonds of an Indian company or an Indian Government security payable on or after 1<sup>st</sup> June 2013 but before 1<sup>st</sup> June 2015 will be subject to income tax at the rate of 5% on gross interest (plus applicable surcharge and education cess). Interest income from Indian securities issued in accordance with the Scheme will be subject to income tax at the rate of 10% on gross interest (plus applicable surcharge and education cess). Interest income from loans made or debt securities held in India will be taxed at the rate of 20% (plus applicable surcharge and education cess).

#### *Reliance on the Treaty*

Investors should note that taxation of the income of the Sub-Fund arising from its investments in India is expected to be minimized under the provisions of the Treaty. No assurance can be given that the terms of the Treaty will not be subject to renegotiation in the future. Any change in the Treaty could have a material adverse effect on the returns of the Sub-Fund. There can be no assurance that the Treaty will continue and will be in full force and effect during the life of the Sub-Fund. Further, it is possible that Indian tax authorities may seek to take the position that the Sub-Fund is not entitled to the benefit of the Treaty. There can be no assurance that the Sub-Fund will be able to obtain or maintain the benefit of the Treaty.

#### *Exposure to Permanent Establishment*

While the Fund believes that the activities of the Sub-Fund and the Investment Manager, the Advisor, the Research Provider and the Indian Advisor described in this Supplement should not create a permanent establishment of the Sub-Fund in India, there may, however, be a risk that the Indian tax authorities claim that these activities result in the Research Provider and/or Indian Advisor constituting a ‘permanent establishment’ of the Sub-Fund. If for any reason the Research Provider or the Indian Advisor is held to be a ‘permanent establishment’ of the Sub-Fund in India, then the profits of the Sub-Fund could be subject to tax in India.

#### *Bond Market Risks*

The Indian bond markets especially the corporate bond markets are smaller in size and depth which could impact the liquidity in the instruments held by the Sub-Fund. Also, due to lack of broad based participation from a varied set of investors, the market participants often have uni-directional views which result in extreme reactions in valuations of certain instruments. The bond markets also have dual regulators with RBI regulating the government bond market and SEBI regulating the corporate bond market which leads to dealing with multiple settlement and trading practices.

### *Limited Liquidity*

Some segments of the government bond market and the corporate bond markets have limited liquidity which could impact prices of instruments. Also, given the nascent stage of the markets, there have been instances where the liquidity for the entire markets has seized up leading to poor price discovery.

### *Corporate Disclosure, Accounting, Custody and Regulatory Standards*

Indian disclosure and regulatory standards are in many respects less stringent than standards in certain OECD countries. There may be less publicly available information about Indian companies than is regularly published by or about companies in such other countries. The difficulty in obtaining such information may mean that the Sub-Fund may experience difficulties in obtaining reliable information regarding any corporate actions and dividends of companies in which the Sub-Fund has invested which may, in turn, lead to difficulties in determining the Net Asset Value with the same degree of accuracy which might be expected from more established markets. Indian accounting standards and requirements also differ in significant respects from those applicable to companies in many OECD countries.

### *Limitations on Investments*

Although, the total outstanding FII investments in Government bonds cannot exceed US\$30 billion; there is a sub-cap of US\$20 billion for non-long term investors. Investment in corporate bonds cannot exceed USD 51 billion with a sub-cap for commercial papers of USD 2 billion (reduced from the earlier sub-cap of USD 5.50 billion). The Sub-Fund's debt investments cannot exceed the limits as allotted by SEBI. FII's cannot invest in certificate of deposits and fixed deposits issued by banks. Recently, RBI also banned FIIs from investing in T-bills and lowered the investment limit on CPs to dissuade short term investors.

### *Loss of FII Registration*

For accessing the Indian securities market, the Mauritian Vehicle is registered with SEBI as a sub-account of QIEF Management LLC (in this capacity the "**Investment Facilitator**"). The Investment Facilitator is, in turn, registered as a FII. The investment by the Mauritian Vehicle is dependent on the continued registration of Investment Facilitator as a FII and the Mauritian Vehicle as its sub-account. In the event the registration of the Investment Facilitator as a FII or the Mauritian Vehicle as a sub-account is terminated or is not renewed, the Mauritian Vehicle could potentially be forced to redeem the investments held in the Mauritian Vehicle, and such forced redemption could adversely affect the returns to the Shareholders unless the Mauritian Vehicle registers itself with a SEBI approved Designated Depository Participant, as a Foreign Portfolio Investor under the SEBI (FPI Foreign Portfolio Investors) Regulations, 2014.

### *Investigations*



Any investigations of, or actions against, the Advisor or the Sub-Fund or the Mauritian Vehicle initiated by SEBI or any other Indian regulatory authority may impose a ban of the investment and advisory activities of the Advisor and/or the Sub-Fund or the Mauritian Vehicle.

#### *Risks in Relation to Mauritius*

Mauritius has been a politically and economically stable country over the last several decades. However, as with any other developing country, there can be no assurance that it will continue to remain politically and economically stable and thus there may be political and economic risks associated with investing in a Mauritian company.

#### *Investing in Fixed Income Securities*

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time.

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

#### *Concentration Risk*

The Sub-Fund, through the Mauritian Vehicle, concentrates its investments in fixed income securities of companies listed on stock exchanges in India or closely related to the economic development and growth of India. A concentrated investment strategy may be subject to a greater degree of volatility and risk than a portfolio which is diversified across different geographic regions.

#### *No Investment Guarantee*

Investment in the Sub-Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Any investment in the Sub-Fund is subject to fluctuations in value.

#### *Leverage*

The Sub-Fund may, as outlined in Section 9 "Leverage", above, engage in leverage for the purpose of making investments.

## **18. Taxation**

Investors' attention is drawn to the summary of the Irish taxation rules applicable to the Fund and Sub-Funds as set out in "Appendix IV – Taxation" in the Prospectus, and to the risk warnings set out under the heading "Certain risk factors concerning India" above.

The Mauritian Vehicle has obtained a certificate of Mauritian Tax Residency from the Mauritius Revenue Authority. The Mauritian Vehicle holds a Category 1 Global Business Licence for the purposes of the Financial Services Act 2007 and is therefore regulated by the FSC.

As a Mauritian tax resident, the Mauritian Vehicle will be liable to tax under the Income Tax Act 1995, at a rate of 15%. However, the Mauritian Vehicle will be entitled to a credit for foreign tax on its income, which is not derived from Mauritius against the Mauritius tax computed by reference to that same income. If no written evidence is presented to the Mauritius Revenue Authority showing the amount of foreign tax charged on income derived by the Mauritian Vehicle outside of Mauritius, the amount of foreign tax shall be conclusively presumed to be equal to 80% of the Mauritius tax chargeable with respect to that income, which would reduce the rate of tax effectively to 3%. If the foreign tax is at a rate greater than 12% the effective rate of tax may be reduced further in certain circumstances. In addition, capital gains tax on the sale of securities held by the Mauritian Vehicle is exempt from tax in Mauritius.

Investors should note that the Mauritian Vehicle relies upon the provisions of the Treaty to minimise, so far as possible, the taxation of the Mauritian Vehicle. No assurance can be given that the terms of the Treaty will not be subject to re-negotiation or re-interpretation in the future and any change could have a material adverse effect on the returns of the Mauritian Vehicle. There can therefore be no assurance that the Treaty will continue to be in full force and effect and of benefit to the Sub-Fund during the life of the Mauritian Vehicle.

To the extent that the Mauritian Vehicle pays dividends to the Sub-Fund as its sole shareholder, no withholding tax shall be levied under current Mauritian law. Such dividends received by the Sub-Fund shall not therefore be subject to Mauritius tax.

**Shareholders should consult their own advisers as to their own particular tax consequences of an investment in the Sub-Fund.**

## **19. Mauritian Vehicle**

### *General*

For the purposes of efficient portfolio management, the Sub-Fund may invest in India through the Mauritian Vehicle, a private limited liability company incorporated on 11 November, 2010 under the laws of Mauritius. The Mauritian Vehicle is wholly owned by the Sub-Fund. The Mauritian Vehicle will pursue the same investment objective as the Sub-Fund and will be subject to the same investment policies, restrictions and guidelines of the Sub-Fund and the Fund generally. The registered address of the Mauritian Vehicle is 118, St Jean Road (Corner of Avenue des Azalées and Royal Road St Jean), Quatre Bornes, Mauritius. The Mauritian Vehicle holds a Category 1 Global Business Licence issued

by the FSC. The Sub-Fund is the only shareholder in the Mauritian Vehicle and the Mauritian Vehicle is authorised in Mauritius to conduct business as an investment holding company.

#### *Share Capital*

The share capital of the Mauritian Vehicle comprises a number of shares entirely held by the Depositary on behalf of the Sub-Fund.

#### *Administration*

The Manager and the Mauritian Vehicle have appointed CIM Fund Services Ltd, a company incorporated in Mauritius (the “**Mauritian Administrator**”) with its registered office at 33 Edith Cavell Street, Port Louis, Republic of Mauritius, to provide certain administration services to the Mauritian Vehicle pursuant to an agreement dated 18 April 2011, as novated by an agreement dated 28 February 2012, as further novated by way of agreement dated 12 December, 2013 and as further novated by way of agreement dated 1 September, 2017 (the “**Mauritian Administration Agreement**”).

The services provided by the Mauritian Administrator pursuant to the agreement include the provision of a registered office, ensuring that the Mauritian Vehicle complies with the conditions attached to its licence issued by the Mauritian Financial Services Commission, preparation of minutes of directors and shareholders meetings, and providing such other accounting and administrative services as are required by Mauritian law. The Mauritian Administrator is a licensed management company based in Mauritius and regulated by the FSC.

#### *Management*

A description of the management of the Mauritian Vehicle is set out under the heading “Management” in section 4 of this Supplement.

#### *Depositary*

The Fund appointed the Depositary to act as depositary of all of the Sub-Funds of the Fund pursuant to a Depositary Agreement dated 24<sup>th</sup> March, 2016. The Fund, the Depositary and the Mauritian Vehicle have entered into an agreement dated 18<sup>th</sup> April, 2011 pursuant to which the Depositary will act as depositary of the Mauritian Vehicle.

#### *Valuation*

BNY Mellon Fund Services (Ireland) DAC (in this capacity, the “**Calculation Agent**”) shall, inter alia, calculate the Net Asset Value of the Mauritian Vehicle and the fees of the service providers of the Mauritian Vehicle pursuant to a Net Asset Value Calculation Agreement dated 18 April, 2011, as novated, between the Manager, the Mauritian Vehicle and the Calculation Agent.

#### *Auditor*

Deloitte, Mauritius is the auditor of the Mauritian Vehicle. The address of Deloitte, Mauritius is 7<sup>th</sup> Floor, Raffles Tower, 19 Cybercity, Ebene, Mauritius.

## 20. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Fund in respect of the Sub-Fund, and, where applicable, the Mauritian Vehicle, prior to the date of this Supplement and are, or may be, material. These contracts are in addition to those described under the heading “Material Contracts” in the section “General and Statutory Information” of the main Prospectus.

- (A) Mauritian Investment Management Agreement dated 18 April, 2011, as novated by way of agreement on 12 December 2013, 5 May 2015, 1 September 2017, and as further novated by way of agreement dated 1 March, 2019 (the “**Mauritian Investment Management Agreement**”), between (1) the Manager; and (2) the Investment Manager and (3) the Mauritian Vehicle whereby the Manager and the Mauritian Vehicle jointly appoint the Investment Manager to act as discretionary investment manager of the Mauritian Vehicle subject to the general supervision of the Manager, to assist with the implementation of the investment objective and policies of the Mauritian Vehicle. Any of the parties shall be entitled to terminate the Mauritian Investment Management Agreement by giving not less than six calendar months’ notice in writing to the other party (or such shorter notice as may be agreed by the parties) hereto. The Mauritian Investment Management Agreement may also be terminated forthwith by any party (“**Party X**”) if (a) one of the other parties (“**Party Y**”) shall breach any of its obligations under this Agreement and shall fail to make good such breach within 30 days of receipt of notice from Party X requiring it to do so; or (b) Party Y shall pass a resolution for its winding-up (except a voluntary liquidation for the purpose of reconstruction or amalgamation on terms previously approved in writing by Party X) or if a Court of competent jurisdiction shall order a winding-up of Party Y, or a receiver shall be appointed over Party Y’s assets (or proceedings analogous to the foregoing are commenced against Party Y in any jurisdiction); or (c) the Sub-Fund’s approval is revoked by the Central Bank. In the absence of negligence, fraud, bad faith or wilful default on the part of the Investment Manager, the Investment Manager shall not be liable to the Manager, to the Mauritian Vehicle or to the Sub-Fund for any loss suffered as a result of any act or omission in the course of, or connected with, rendering services under the Mauritian Investment Management Agreement and shall not be liable in any circumstances for indirect, special or consequential loss or damage. The Mauritian Vehicle shall hold harmless and indemnify out of the Sub-Fund’s assets the Investment Manager, its employees, delegates and agents from and against all actions, proceedings, claims, damages, costs, demands and expenses other than due to the negligence, fraud, bad faith or wilful default of the Investment Manager, its employees, delegates or agents in the performance of its obligations.
- (B) An investment advisory agreement dated 18 April, 2011 as novated by way of agreement dated 5 May, 2015 and as further novated by way of agreement dated 1 March, 2019 (the “**Investment Advisory Agreement**”) between (i) the Investment Manager and (ii) the Advisor, whereby the Advisor will be responsible for advising the Investment Manager as regards the overall investment policy and strategy of the Mauritian Vehicle, and, following approval of the Investment Manager in respect of each proposed transaction, for executing such transactions.

Either party shall be entitled to terminate the Advisory Agreement by giving not less than 90 days' notice in writing to the other party (or such shorter notice as may be agreed by the parties) hereto. The Advisory Agreement may also be terminated forthwith by any party ("**Party X**") if (a) one the other party ("**Party Y**") shall breach any of its obligations under this Agreement and shall fail to make good such breach within 30 days of receipt of notice from Party X requiring it to do so; or (b) Party Y shall pass a resolution for its winding-up (except a voluntary liquidation for the purpose of reconstruction or amalgamation on terms previously approved in writing by Party X) or if a Court of competent jurisdiction shall order a winding-up of Party Y, or a receiver shall be appointed over Party Y's assets (or proceedings analogous to the foregoing are commenced against Party Y in any jurisdiction); or (c) the Sub-Fund's approval is revoked by the Central Bank. In the absence of negligence, fraud, bad faith or wilful default on the part of the Advisor, the Advisor shall not be liable to the Investment Manager for any loss suffered as a result of any act or omission in the course of, or connected with, rendering services under the Advisory Agreement and shall not be liable in any circumstances for indirect, special or consequential loss or damage. The Investment Manager as agent of the Manager shall hold harmless and indemnify out of the Mauritian Vehicle's assets the Advisor, its employees, delegates and agents from and against all actions, proceedings, claims, damages, costs, demands and expenses other than due to the negligence, fraud, bad faith or wilful default of the Advisor, its employees, delegates or agents in the performance of its obligations.

- (C) Mauritian Custodian Agreement dated 18 April, 2011 between (1) the Fund (2) the Mauritian Vehicle and (3) the Depositary whereby the Depositary is appointed by the Fund and the Mauritian Vehicle as custodian of all the assets of the Mauritian Vehicle. The Mauritian Custodian Agreement may be terminated at any time, by either the Fund or the Depositary upon the provision of not less than ninety (90) days written notice provided that: (a) either the Depositary or the Fund may at any time immediately terminate the Mauritian Custodian Agreement by giving notice in writing to the other parties in the event that another party goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the parties) or be unable to pay its debts or commits any act of bankruptcy under the laws of Ireland or if a receiver/examiner or similar person is appointed over any of the assets of that party or if some event having an equivalent effect in any jurisdiction occurs; (b) the Fund may at any time immediately terminate the Mauritian Custodian Agreement by giving notice in writing to the Depositary in the event that the Depositary is no longer permitted to perform its obligations pursuant to applicable law; (c) either the Depositary or the Fund may at any time terminate the Mauritian Custodian Agreement by giving notice in writing to the other party if the other party shall engage in any material breach of its obligations under the Mauritian Custodian Agreement and shall fail within thirty days' of receipt of notice served by the non-defaulting party requiring it so to do to cease such breach; or (d) the duties of the Depositary shall in any event cease upon the Sub-Fund's approval being revoked by the Central Bank. The Fund may not terminate the appointment of the Depositary and the Depositary may not retire or resign from such appointment unless and until a successor Depositary, approved for the purpose by the Central Bank, shall have been appointed in accordance with the Articles, and the Regulations and such appointment is approved by the Central Bank or the Sub-Fund's approval by the Central Bank has been revoked. If the Depositary shall have given to the Fund notice of its desire to retire or resign from its appointment or the appointment of the Depositary is terminated pursuant to the terms of the

Mauritian Custodian Agreement and no successor shall have been appointed in accordance with the Articles within 90 days from the giving of such notice, the Fund shall, forthwith convene an extraordinary general meeting of the Shareholders at which there shall be proposed an ordinary resolution to wind up the Sub-Fund in accordance with the provisions of the Articles. Notwithstanding anything set out above, the Depositary's appointment shall only terminate on revocation of the Sub-Fund's approval by the Central Bank. The Depositary will be liable to the Sub-Fund and the Shareholders and the Mauritian Vehicle for any loss suffered by them as a result of the Depositary's unjustifiable failure to perform its obligations or its improper performance of them. The Mauritian Vehicle shall keep the Depositary indemnified from and against all costs, liabilities, damages and expenses (including, without limitation, legal and professional fees including those incurred in connection with the defence of any claim, action or proceedings) suffered by the Depositary or its directors, officers or employees in connection with the performance by the Depositary of its obligations under the Mauritian Custodian Agreement (including, without limitation, acting on Proper Instructions) otherwise than as a result of the Depositary's unjustifiable failure to perform its obligations or its improper performance of them.

- (D) Mauritian Net Asset Value Calculation Agreement dated 18 April, 2011, as novated by way of agreement on 12 December, 2013 (the "Mauritian Net Asset Value Calculation Agreement") between (1) the Manager; (2) the Mauritian Vehicle and (3) the Calculation Agent whereby the Manager and the Mauritian Vehicle have appointed the Calculation Agent to act as calculation agent of the Mauritian Vehicle, subject to the general supervision of the Manager. The Calculation Agent has been appointed to provide certain valuation and related services to the Mauritian Vehicle. The Mauritian Net Asset Value Calculation Agreement may be terminated by any party on ninety (90) calendar days' notice in writing to the other parties. Further, the Mauritian Net Asset Value Calculation Agreement may be terminated: (i) by any party at any time forthwith by notice in writing in the event of the appointment of an examiner, liquidator or receiver to another party; (ii) by the Manager at any time forthwith if the Calculation Agent is no longer permitted to perform its obligations under applicable law; (iii) by the Calculation Agent at any time forthwith if the Sub-Fund is no longer approved by the Central Bank or if the Mauritian Vehicle carries out any activities of a collective investment scheme or is deemed to be or classified as a collective investment scheme by the Mauritian Financial Services Commission; or (iv) by any party at any time forthwith in the event of a material breach of the Mauritian Net Asset Value Calculation Agreement by another party and the failure of that other party to remedy such breach within 30 calendar days of receipt of written notice requesting it to do so. The Mauritian Net Asset Value Calculation Agreement provides that in the absence of fraud, bad faith, reckless disregard of its duties, wilful misfeasance or negligence, the Calculation Agent will not be liable for any loss incurred by the Manager or the Mauritian Vehicle, and will be indemnified out of the assets of the Mauritian Vehicle against any loss suffered by the Calculation Agent in the performance of its duties under the Mauritian Net Asset Value Calculation Agreement, save where such loss arises as a result of negligence, wilful misfeasance, reckless disregard of its duties, bad faith or fraud on the part of the Calculation Agent. The Calculation Agent shall not be liable for indirect, special or consequential damages of any nature.



## RUBRICS GLOBAL CREDIT UCITS FUND (the “SUB-FUND”)

**Supplement 4 dated 24 February, 2022 to the Prospectus dated 24 February, 2022**

Distribution of this Supplement is not authorised unless accompanied by the most recently available Prospectus issued by the Fund, and this Supplement should be read in conjunction with and forms part of such Prospectus and may not otherwise be relied upon. An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Shareholders should note that all/part of fees and expenses (including Investment Management Fees) of the Sub-Fund will be charged to the capital of the Distributing Share Classes. This will have the effect of lowering the capital value of a Shareholder’s investment in the Distributing Share Classes. The attention of investors is drawn to Section 16 of the Supplement headed “Risk Factors”. Copies of the Prospectus may be obtained free of charge upon request from the registered office of the Manager or from the Administrator. Unless otherwise defined in this Supplement, words and phrases in the Prospectus will have the same meaning in this Supplement.

The other existing Sub-Funds of the Fund, details of which are set out in relevant Supplements to the Prospectus are Rubrics Global Fixed Income UCITS Fund, Rubrics Emerging Markets Fixed Income UCITS Fund, Rubrics India Fixed Income UCITS Fund and Q Rubrics India Fixed Income UCITS Fund.

### 1. Structure

The Rubrics Global Credit UCITS Fund is a Sub-Fund of the Fund. The Fund is an open-ended variable capital umbrella investment company with segregated liability between its Sub-Funds. A description of the Fund and its management, administration, charges, taxation of the Fund and its Shareholders and risk factors is contained in the Prospectus.

### 2. Shares and Classes

Shares may be subscribed for in the following Classes of Shares:

|                   | Reference Currency | Min. Initial Investment Amount | Distribution Status | Listed on Euronext Dublin |
|-------------------|--------------------|--------------------------------|---------------------|---------------------------|
| <b>Class A</b>    | USD                | \$5 million                    | Accumulating        | Yes                       |
| <b>Class AC</b>   | USD                | \$500                          | Accumulating        | No                        |
| <b>Class AD</b>   | USD                | \$5 million                    | Distributing        | No                        |
| <b>Class ACD</b>  | USD                | \$500                          | Distributing        | No                        |
| <b>Class B*</b>   | EUR                | €5 million                     | Accumulating        | Yes                       |
| <b>Class BC*</b>  | EUR                | €500                           | Accumulating        | No                        |
| <b>Class BD*</b>  | EUR                | €5 million                     | Distributing        | No                        |
| <b>Class BCD*</b> | EUR                | €500                           | Distributing        | No                        |
| <b>Class C*</b>   | GBP                | £5 million                     | Accumulating        | Yes                       |
| <b>Class CC*</b>  | GBP                | £500                           | Accumulating        | No                        |
| <b>Class CD*</b>  | GBP                | £5 million                     | Distributing        | No                        |
| <b>Class CCD*</b> | GBP                | £500                           | Distributing        | No                        |
| <b>Class D</b>    | USD                | \$500                          | Accumulating        | Yes                       |
| <b>Class DD</b>   | USD                | \$500                          | Distributing        | No                        |
| <b>Class E*</b>   | EUR                | €500                           | Accumulating        | Yes                       |
| <b>Class ED*</b>  | EUR                | €500                           | Distributing        | No                        |
| <b>Class F*</b>   | GBP                | £500                           | Accumulating        | Yes                       |
| <b>Class FD*</b>  | GBP                | £500                           | Distributing        | No                        |
| <b>Class G*</b>   | CHF                | CHF5 million                   | Accumulating        | No                        |
| <b>Class GC*</b>  | CHF                | CHF500                         | Accumulating        | No                        |
| <b>Class GD*</b>  | CHF                | CHF5 million                   | Distributing        | No                        |
| <b>Class GCD*</b> | CHF                | CHF500                         | Distributing        | No                        |
| <b>Class H*</b>   | CHF                | CHF500                         | Accumulating        | Yes                       |
| <b>Class HD*</b>  | CHF                | CHF500                         | Distributing        | No                        |
| <b>Class I</b>    | USD                | \$1 million                    | Accumulating        | No                        |
| <b>Class ID</b>   | USD                | \$1 million                    | Distributing        | No                        |
| <b>Class J*</b>   | EUR                | €1 million                     | Accumulating        | No                        |
| <b>Class JD*</b>  | EUR                | €1 million                     | Distributing        | No                        |
| <b>Class K*</b>   | GBP                | £1 million                     | Accumulating        | No                        |
| <b>Class KD*</b>  | GBP                | £1 million                     | Distributing        | No                        |



|           |     |              |              |    |
|-----------|-----|--------------|--------------|----|
| Class L*  | CHF | CHF1 million | Accumulating | No |
| Class LD* | CHF | CHF1 million | Distributing | No |
| Class PA  | USD | \$500        | Accumulating | No |
| Class PB* | EUR | €500         | Accumulating | No |
| Class PC* | GBP | £500         | Accumulating | No |
| Class PD  | USD | \$500        | Accumulating | No |
| Class PE* | EUR | €500         | Accumulating | No |
| Class PF* | GBP | £500         | Accumulating | No |
| Class PG* | CHF | CHF500       | Accumulating | No |
| Class PH* | CHF | CHF500       | Accumulating | No |

\*Non- Base Currency classes which bear an asterisk (\*) after their name in the above table shall be Hedged Classes.

The latest Net Asset Value per Share of the each launched Class is freely available from the Administrator or as set out in the section entitled “Publication of Net Asset Value” in the main Prospectus.

Monies subscribed for each Sub-Fund or Class of a Sub-Fund should be in the Base Currency of the relevant Sub-Fund or Reference Currency of a Class as the case may be. Performance of a non-Reference Currency Share Class may be strongly influenced by movements in FX rates because currency positions held by the Sub-Fund may not correspond with the underlying securities position held.

The Sub-Fund may, at the discretion of the Investment Manager, attempt to reduce or minimise the effect of fluctuations in the exchange rate on the value of the Non-Reference Currency Shares by hedging. Currency hedging, if applicable, will be carried out in accordance with the procedures disclosed on in the section headed “Currency Hedging” in the main Prospectus and in the section headed “Share Class Currency Hedging” in this Supplement.

Each investor must satisfy the Minimum Initial Investment Amount requirements applicable to each Class as outlined above. The Directors reserve the right to differentiate between Shareholders, waive or reduce the Minimum Initial Investment Amount for certain investors. No Minimum Holding Amount and Minimum Transaction Size shall apply.

Details of the offer of Shares is set out in Section 10 below headed “Applications for Shares”. The fees applicable to each Class are set out in Section 15 below headed “Fees and Expenses”.

### **3. Base Currency**

The Base Currency of the Sub-Fund is US Dollars.

### **4. Investment Objective**

The investment objective of the Sub-Fund is to invest in a diversified, global portfolio of high-quality credit securities over the long-term.

### **5. Investment Policy**

The Sub-Fund will seek to achieve its investment objective by primarily investing directly in a combination of fixed rate and floating rate bonds issued by corporates and interest-bearing securities

(including loan stock, debenture bonds and notes and liquid assets as set out under the section headed “Liquid Assets” below). The Sub-Fund will invest globally with its exposure to emerging markets not exceeding 35% of its Net Asset Value.

In addition, in order to participate in credit markets which are less accessible via direct investment or as a means to provide more diversified exposure to an asset class, the Sub-Fund may undertake investments in credit securities indirectly using collective investment schemes or via the use of derivatives designed for this purpose such as credit linked notes and swaps as further described below.

The Sub-Fund may take active FX exposure as part of its overall investment policy as further described below.

The Sub-Fund pursues a total return strategy with a strong capital preservation emphasis, maintaining a low-duration portfolio bias, typically around three years. The portfolio is built around the need to provide strong cash flow and capital gains in a conservative manner.

The Sub-Fund is considered to be actively managed in reference to the following benchmarks by virtue of the fact that the Sub-Fund in respect of each Class of Shares, seeks to outperform the benchmark correlated to the currency in respect of such Class of Shares plus 2.5% over the medium term. However the Benchmarks are not used to define the portfolio composition of the Sub-Fund (each a “Benchmark” and together the “Benchmarks”):

| Share Class            | Benchmark                                     |
|------------------------|---|
| USD denominated Shares | Secured Overnight Financing Rate (SOFR)       |
| EUR denominated Shares | Euro Short-Term Rate (ESTR)                   |
| GBP denominated Shares | Sterling Overnight Index Average (SONIA)      |
| CHF denominated Shares | Swiss Average Rate Overnight (SARON) Fixing 3 |

The Euro Short-Term Rate (ESTR) reflects the wholesale EUR unsecured overnight borrowing costs of banks located in the euro area. The Sterling Overnight Index Average (SONIA) reflects the average of the interest rates that banks pay to borrow GBP overnight from other financial institutions and other institutional investors. The Secured Overnight Financing Rate (SOFR) is a broad measure of the cost of borrowing USD overnight collateralized by Treasury securities. The Swiss Average Rate Overnight (SARON) reflects the secured overnight borrowing costs of banks in the CHF repo interbank market.

#### Investment Strategy

The Investment Manager aims to achieve the Sub-Fund’s investment objective through engaging in fundamental analysis.

Fundamental research (debt maturity profile, country/industry outlook, level of foreign indebtedness etc.) on individual securities is performed to help identify good risk adjusted opportunities on a global basis. Liquidity of the instrument is a key consideration in this part of the process.

The primary driver of performance of the Sub-Fund is credit, although the Sub-Fund is permitted to take duration exposure also, however typically overall fund duration is kept to a level of approximately 3 years

The Sub-Fund invests predominantly in investment grade securities, with a maximum limit on non-investment grade securities of 10% of the Net Asset Value of the Sub-Fund. The Investment Manager's portfolio management team performs in-depth fundamental research on corporate bond issuers which includes analysis of the strengths of the balance sheet and the strengths of future cash flows in order to eliminate companies where credit risk could become an issue.

The portfolio will be composed of three components:

1. *Roll down portfolio*: Contains securities with a short duration of less than two years that are intended to be held until maturity. The focus for these issuers is generally on crossover, investment grade, low default-risk corporates that capitalise on market opportunities (e.g., anti-home bias factors).
2. *Core portfolio*: Contains securities that generally are from two to five years to maturity. They are typically BBB to A rated issuers, with significant enterprise value, low business risk and/or significant government support.
3. *Tactical portfolio*: Contains financial corporate bonds issued by well capitalised, low regulatory risk institutions across the capital structure and corporates with excellent risk-adjusted yield characteristics

#### *Currency Exposure*

Up to 100% of the Net Asset Value of the Sub-Fund may be denominated in currencies other than the Base Currency. The Investment Manager may decide to hedge that currency exposure through the use of foreign exchange forwards (as described in the section headed "**Financial Derivative Instruments**" below). Non FX hedged assets will be limited to 20% of the Net Asset Value of the Sub-Fund. Where undertaken, there can be no guarantee that such hedging will be successful in eliminating part or all of the currency risk.

#### *Collective Investment Schemes*

The Sub-Fund may invest in collective investment schemes in accordance with the Central Bank Regulations. The investment in collective investment schemes will be limited to 10% of the Net Asset Value of the Sub-Fund. In addition, such collective investment schemes must have a risk profile which is not significantly higher than the risk profile of the Sub-Fund.

#### *Liquid Assets*

Notwithstanding the preceding paragraphs, the Sub-Fund will at all times consider market valuations and the prevailing investment climate. Should the Investment Manager perceive the investment climate to be negative or that the fixed income market offers investors little value, the Sub-Fund can retain

substantial amounts in cash or ancillary liquid assets pending investment or reinvestment including cash deposits (denominated in such currency or currencies as the Investment Manager may determine) and/or cash equivalent assets such as fixed income and money market instruments (such as short term commercial paper, certificates of deposit, treasury bills, floating rate notes and fixed or variable rate commercial paper, listed or traded on one or more Recognised Exchanges) subject to the conditions and within the limits laid down by the Central Bank. In addition, the Sub-Fund may hold cash due to recent subscriptions pending investment or in anticipation of future redemptions. Such holdings may result in the Sub-Fund not being primarily invested in investment grade bonds and other credit securities but shall be in accordance with the limits set out in Appendix I of the Prospectus. The amount of liquid assets that the Sub-Fund will hold will vary depending on prevailing circumstances.

### *Emerging Markets Exposure*

Up to 35% of the Net Asset Value of the Sub-Fund may be invested in emerging markets including Nigeria, Egypt, Russia, Turkey, Hong-Kong, Indonesia, Malaysia, South Korea, Philippines, Taiwan, Thailand, Brazil, India, China, South Africa, Chile, Argentina, Peru, UAE, Qatar, Kuwait, Bahrain, Kazakhstan or any other country determined by the Investment Manager to be a country which is undergoing a phase of economic development but has not yet reached the stage of a developed country such as the countries of western Europe, North America or Japan. Investment in securities listed or traded on a Recognised Exchange in Russia is not expected to exceed 20% of the Net Asset Value of the Sub-Fund.

### *Securities Financing Transactions and Total Return Swaps*

As described in greater detail below, the Sub-Fund may enter into repurchase agreements, reverse repurchase agreements and/or securities lending agreements ("Securities Financing Transactions") and total return swaps for efficient portfolio management purposes only where the objective of using such instruments is to hedge against risk and/or to reduce costs borne by the Sub-Fund or to generate additional capital or income which is consistent with the risk profile of Sub-Fund and the risk diversification rules set down in the UCITS Regulations.

All types of assets which may be held by the Sub-Fund in accordance with its investment objectives and policies may be subject to a Securities Financing Transaction or total return swap.

The maximum proportion of the Sub-Fund's assets which can be subject to Securities Financing Transactions is 50% of the Net Asset Value of the Sub-Fund. The maximum proportion of the Sub-Fund's assets which can be subject to total return swaps is 10% of the Net Asset Value of the Sub-Fund.

However, the expected proportion of the Sub-Fund's assets which will be subject to Securities Financing Transactions is between 0% and 30% of the Net Asset Value of the Sub-Fund's assets. The expected proportion of the Sub-Fund's assets which will be subject to total return swaps is between 0% and 10% of the Net Asset Value of the Sub-Fund's assets. The proportion of the Sub-Fund's assets which are subject to Securities Financing Transactions and/or total return swaps at any given time will depend on prevailing market conditions and the value of the relevant investments. The amount of assets engaged in each type of Securities Financing Transactions and total return swaps, expressed as an absolute

amount and as a proportion of the Sub-Fund's assets, as well as other relevant information relating to the use of Securities Financing Transactions and/or total return swaps shall be disclosed in the annual report and semi-annual report of the Company.

Further information relating to Securities Financing Transactions and total return swaps is set out below under the heading "Financial Derivative Instruments" and in the Prospectus at the sections entitled "Securities Financing Transactions", "Total Return Swaps" and in Appendix III.

#### *Financial Derivative Instruments*

The Sub-Funds may use FDI for efficient portfolio management purposes, to hedge currency exposure, and in order to participate in fixed income markets which are less accessible via direct investment or as a means to provide more diversified exposure to an asset class, subject always to the conditions and within the limits laid down by the Central Bank.

These FDI are forwards and swaps together with structured products such as credit linked notes which embed a derivative as described below.

- (i) Forwards (Currency Forwards, Forward Foreign Exchange ("FX") Contracts and Forward Rate Agreements ("FRA"))

The Sub-Fund will mainly use currency forwards to hedge the currency risk of a non-Base Currency asset. For example, if the Sub-Fund purchased a EUR denominated 5 year issue, it is preferable for the Sub-Fund to earn the yield on this asset without taking on the risk of adverse movements between EUR and USD. To facilitate this outcome the Sub-Fund would sell the EUR forward versus the USD at forward date thus locking in the current exchange rate.

In order to hedge currency exposure the Sub-Fund will undertake FX forwards, selling local currency (i.e. the currency of denomination of the relevant asset) (either in deliverable currencies or by using a non-deliverable forward (NDF) in non-deliverable currencies) versus Base Currency. It is not the intention of the Investment Manager to take 'net short' FX positions with the exception of minor short FX positions associated with the movement of the hedged underlying assets i.e. if the asset price declines the Sub-Fund may appear over-hedged. Such short exposure is not expected to exceed 100% of the Sub-Fund's Net Asset Value. The Sub-Fund is not permitted to sell FX forwards where it does not hold assets in that particular currency or to sell short a currency where the Sub-Fund owns the bond. The Sub-Fund may take long positions of up to 100% of its Net Asset Value in currencies in lieu of other assets, such as fixed income assets, on the basis of expected appreciation in the currency or on the basis of earning a worthwhile interest rate differential. Forward FX positions offer a liquid and efficient means of gaining access to particular currencies.

The Sub-Fund may also enter into a FRA which is based on the idea of a forward contract, where the determinant of gain or loss is an interest rate.

- (ii) Swaps (Total Return Swaps, Interest Rate Swaps and Credit Default Swaps ("CDS"))

Total return swaps can be utilised to gain exposure to bonds or other fixed income securities as described above which may not be directly accessible by via by physical securities. The Sub-Fund may also use total return swaps to seek exposure to fixed income indices.

Interest rate swaps allow the Investment Manager to reduce or increase portfolio duration exposure. For example, agreeing to pay a fixed rate of interest and receive a floating rate would protect the portfolio against rising interest rates which would reduce the value of the underlying bonds or other fixed income securities in the Sub-Fund's portfolio. This investment strategy would allow the Sub-Fund to reduce duration without selling the portfolio where it maintains a positive credit outlook

Where considered appropriate, the Investment Manager may use total return swaps or CDS (either in single name or using an appropriate index) in order to somewhat hedge credit exposure. For instance, in order to protect against a credit spread widening event the Investment Manager may choose to 'buy protection'. All CDS positions will be in reference to an asset held within the portfolio or a suitable credit index. Using a CDS hedging strategy potentially offers a more liquid strategy to protect the Sub-Fund's portfolio from a credit adverse environment i.e. this manner allows the Investment Manager to reduce risk without having to pay bid-offer spreads associated with selling the physical position. Such an approach can also be used to hedge against short-term credit events, such as company results, re-structurings etc. Where undertaken, there can be no guarantees that the hedging will entirely eliminate the associated risk.

The Sub-Fund may gain exposure through investment in total return swaps and CDS to the following financial indices:

#### *Markit iBoxx Indices*

The Markit iBoxx indices offer broad benchmarking and liquid tradable index solutions that track bond markets globally. Markit iBoxx Indices includes corporate, municipal and sovereign bonds, as well as loans and securitised products. The Markit iBoxx indices that the Sub-Fund may gain exposure to are as follows:

Markit iBoxx EUR Liquid High Yield Index TRI (rebalanced monthly); Markit iBoxx Euro Corporates Overall Total Return Index (rebalanced monthly); Markit iBoxx USD Liquid Investment Grade Index (rebalanced monthly); Markit iBoxx USD Liquid High Yield Index (rebalanced monthly); and Markit iBoxx USD Emerging Markets Sovereigns & Sub-Sovereigns (rebalanced monthly).

#### *Markit iTraxx Indices*

Markit iTraxx are the standard European and Asian tradable credit default swap family of indices. The rules-based Markit iTraxx indices are comprised of the most liquid names in the European, Asian Central & Eastern European, Middle Eastern and African countries markets. The selection methodology ensures that the indices are replicable and represent the most liquid, traded part of the market. Markit CDX family of indices is the standard North American and Emerging Markets tradeable credit default swap family of indices worldwide. The Markit CDX indices are a family of indices covering multiple sectors. The Markit CDS rebalance semi-annually in March and September. The Markit iTraxx indices that the Sub-Fund may gain exposure to are as follows:

Markit iTraxx Europe indices (rebalanced twice yearly); the Asia/Pacific Markit iTraxx indices (rebalanced twice yearly); Markit CDX North American Investment Grade (125 names) (rebalanced twice yearly); Markit CDX North American High Yield (100 names) (rebalanced twice yearly); and Markit CDX Emerging Markets (15 names) (rebalanced twice yearly).

Further information on the indices can be accessed through the following links: Markit iTraxx Indices: <http://www.markit.com/Product/ITraxx> and <http://www.markit.com/Product/CDX>. Markit iBoxx Indices: <https://ihsmarkit.com/products/iboxx.html>.

The indices that the Sub-Fund will gain exposure to shall satisfy the criteria set down in the Central Bank Regulations relating to same. The costs associated with gaining exposure to a financial index will be impacted by the frequency with which the relevant index is rebalanced. Where the weighting of a particular constituent in the financial index exceeds the investment restrictions outlined in Appendix I, the Investment Manager will as a priority objective look to remedy the situation taking into account the interests of Shareholders and the Sub-Fund.

### (iii) Structured Products

The Sub-Fund may invest in structured products which are created to meet specific needs that cannot be met from the standardised financial instruments available in the markets and can contain embedded FDI. Structured products can be used as an alternative to a direct investment, as part of the asset allocation process to reduce risk exposure of a portfolio. For example, a credit-linked note may be used by the Sub-Fund in order to gain exposure to a specified reference asset where the return on the note is credit linked to the performance of the underlying reference asset. Credit linked notes may also be used by a Sub-Fund to hedge against credit risk.

Further details of the FDI that the Sub-Fund may utilise are set out in Appendix III of the Prospectus together with a description of the relevant risks attached to each. The Investment Manager expects that the use of FDI may result in a limited to medium impact on the performance of the Sub-Fund in relation to its investment objectives and the investment techniques described in this Supplement. The Sub-Fund will be leveraged as a result of the use of FDI and associated collateral or margin commitments as is further described in Section 8 “Leverage” (see below). Such use will not result in exposure above 100% of invested capital, therefore it will not produce a leverage type effect.

With the exception of permitted investments in unlisted transferable securities, investment by the Sub-Fund is restricted to the Recognised Exchanges as listed under Appendix II to the Prospectus. FDIs may be traded on Recognised Exchanges worldwide or may be traded over the counter. The Investment Manager will only enter into over the counter derivative transactions on behalf of the Sub-Fund with counterparties which are subject to prudential supervision, belong to categories approved by the Central Bank and which are not related to the Manager but may be related to the Depositary.

Investors should be aware that when the Sub-Fund enters into FDI contracts for efficient portfolio management purposes, operational costs and/or fees shall be deducted from the revenue delivered to the Sub-Fund. In the case of total return swaps such fees and costs may include financing fees and in the case of FDI which are listed on Recognised Exchanges, such fees and costs may include brokerage fees. One of the considerations taken into account by the Investment Manager when selecting brokers

and counterparties to FDI transactions on behalf of the Sub-Fund is that any such costs and/or fees which are deducted from the revenue delivered to the Sub-Fund shall be at normal commercial rates and shall not include any hidden revenue. Such direct or indirect costs and fees will be paid to the relevant broker or counterparty to the FDI transaction. The Manager shall ensure that all revenues generated through the use of FDI for efficient portfolio management purposes, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

Where necessary, the Sub-Fund will accept collateral from its counterparties in order to reduce counterparty risk exposure generated through the use of over the counter derivative instruments. Any collateral received by the Sub-Fund shall comprise of cash collateral and/or government backed securities of varying maturity which satisfy the requirements of the Central Bank relating to non-cash collateral which may be received by a UCITS. Cash collateral received by the Sub-Fund may be reinvested in accordance with the requirements of the Central Bank at the discretion of the Investment Manager. In this regard, any cash collateral received by the Sub-Fund may be placed on deposit with relevant credit institutions as permitted by the UCITS Regulations. In such circumstances, the Sub-Fund shall be exposed to the creditworthiness of the relevant credit institution with which cash collateral is placed. The level of collateral required to be posted may vary by counterparty with which the Sub-Fund trades. The haircut policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by the Sub-Fund, taking into account the credit standing and price volatility of the relevant counterparty.

#### *Integration of sustainability risk*

The management of sustainability risk forms part of the investment process implemented by the Investment Manager.

When assessing the sustainability risk associated with underlying investments, the Investment Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an ESG event or condition ("ESG Event"). In order to assist with the identification and assessment of sustainability risks, the Company engages the services of a third-party data provider of ESG metrics and information and ESG ratings.

Sustainability risk is identified, monitored and managed by the Investment Manager in the following manner:

- (i) The overall quality of the Sub-Fund's portfolio, from a sustainability risk perspective, is subject to an ESG rating which outlines the minimum average rating as determined by the Investment Manager and initially calculated by the Data Provider. The Investment Manager seeks to maintain an ESG Rating of at least A in respect of the Sub-Fund's portfolio.
- (ii) Prior to acquiring investments on behalf of the Sub-Fund, the Investment Manager, where available, uses ESG metrics and ESG ratings of the Data Provider in order to assess the relevant investment against sustainability risk and to identify whether it is vulnerable to such risk. This process incorporates applying both an exclusion policy (whereby potential investments are removed from the investment universe on the basis



that they pose too great a sustainability risk to the Sub-Fund and could impact the Sub-Fund to an extent that the Sub-Fund's overall ESG rating drops below the minimum threshold outlined above) and positive screening (whereby investments which have strong investment characteristics, and do not cause the Sub-Fund to breach its ESG rating, are included in the investment universe). The Investment Manager also conducts fundamental analysis on each potential investment in order to assess the adequacy of ESG programmes and practices of an issuer to manage the sustainability risk it faces. The information gathered from the fundamental analysis conducted will be taken into account by the Investment Manager in deciding whether to acquire a holding in an issuer and may, in certain circumstances, result in the Investment Manager investing in an issuer which may not adhere to all of the utilised ESG metrics provided by the Data Provider in its assessment. The Investment Manager may invest in such issuer where it believes that the Data Provider's ESG assessment does not fully capture the positive sustainability-related changes which have been implemented by the relevant issuer. Where no third-party ESG metrics proposed to be utilised by the Investment Manager can be sourced from the Data Provider or the relevant issuer, the issuer will be deemed as not posing a sustainability risk unless the Investment Manager has been provided with information that would otherwise indicate to the contrary, as determined by the Investment Manager based on the fundamental analysis carried out.

- (iii) During the life of the investment, sustainability risk is monitored through review of ESG data published by the issuer and the Data Provider (where relevant and available) to determine whether the level of sustainability risk has changed since the initial assessment has been conducted. This review is conducted on a monthly basis. Where the sustainability risk associated with a particular investment has increased beyond the desired threshold for the assets of the Sub-Fund, the Investment Manager will sell or reduce the Sub-Fund's exposure to the relevant investment, taking into account the best interests of the Shareholders of the Sub-Fund.

The Investment Manager acknowledges that certain of the investments that may be made by the Investment Manager on behalf of the Sub-Fund may be negatively impacted by sustainability risks (being the risk that the value of the Sub-Fund could be materially negatively impacted by an ESG Event) and that sustainability risks may impair the value of the investments made by the Sub-Fund.

Further information on the manner in which sustainability risks are integrated into the investment-decision making process by the Investment Manager is available at [www.rubricsam.com](http://www.rubricsam.com).

Pursuant to article 7(2) of Regulation (EU) 2019/2088 as may be amended, updated or supplemented from time to time (the "SFDR"), neither the Manager nor the Investment Manager currently consider the adverse impacts of investment decisions on sustainability factors in respect of the Sub-Fund. This is on the basis that the Manager and the Investment Manager are awaiting further clarity in respect of the detailed requirements in relation to the content, methodologies and presentation of information on sustainability indicators in relation to environment-related adverse impacts that are expected to be provided in final regulatory technical standards by the European Commission pursuant to Article 4(6) of SFDR. Following the adoption and coming into force of such regulatory technical standards, the Manager, in conjunction with the Investment Manager, will reconsider its position in relation to the

consideration of adverse impacts of investment decisions on sustainability factors for the Sub-Fund. All investment decisions in respect of the Sub-Fund are made by the Investment Manager.

While sustainability risk forms part of the investment process implemented by the Investment Manager, the investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **6. Changes to the Investment Objective and/or Policy**

The investment objective of the Sub-Fund may not be altered and material changes in the investment policy of the Sub-Fund may not be made without prior written approval by all Shareholders of the Sub-Fund or on the basis of a simple majority of votes cast at a meeting of the Shareholders of the Sub-Fund duly convened and held. In the event of a change of the investment objective and/or a material change to the investment policy of the Sub-Fund, the Manager shall provide Shareholders in the Sub-Fund with reasonable notice of such change.

## **7. Investment and Borrowing Restrictions**

In accordance with the provisions of Appendix I of the Prospectus, the Fund may borrow up to 10% of the Net Asset Value of the Sub-Fund on a temporary basis. Such borrowings may only be used for short term liquidity purposes to cover the redemption of Shares. Investment restrictions applying to the Sub-Fund are set out in Appendix I to the Prospectus.

For the avoidance of doubt, any permitted investment by the Sub-Fund in unlisted securities under Section 2.1 of Appendix I will not include any security or instrument which will compromise the liquidity profile of the Sub-Fund.

## **8. Leverage**

In general terms, the Sub-Fund will not take leveraged positions. While leverage is not generally part of the Sub-Fund's investment strategy, under certain circumstances, such as the mismatched settlement of trades, the Sub-Fund may use leverage. The expected level of leverage for the Sub-Fund arising from the use of FDI will not exceed 100% of the Net Asset Value, calculated as the aggregate notional value of the Sub-Fund's long FDI positions and the absolute value of the Sub-Fund's short FDI positions. It is anticipated that this 100% figure will primarily be made up of the notional value of FDI used by the Sub-Fund for currency hedging purposes.

The use of derivatives may result in the Sub-Fund having commitments under the terms of the FDI contract. To manage its commitments the Sub-Fund will hold assets as cover for these commitments in accordance with the Central Bank Regulations. The Sub-Fund will use the Absolute VaR model, thereby ensuring that the VaR of the Sub-Fund's portfolio may not exceed 20% of the Net Asset Value of the Sub-Fund, the one tailed confidence interval shall not be less than 99% and the holding period shall not be less than 20 days. The historical period will typically be 1 year or greater but a shorter observation period may be used in instances of recent significant price volatility.

It should be noted that these are the current VaR limits required by the Central Bank. In the event that the Central Bank changes these limits, the Sub-Fund will have the ability to avail of such new limits and will be included in an updated Supplement.

## **9. Profile of a Typical Investor**

The typical investor profile is made up of institutional investors and high net worth individuals who are seeking long term capital appreciation with a low to medium term risk appetite.

## **10. Applications for Shares**

### *Offer*

The Initial Offer Period for Class AD, Class ACD, Class BD, Class BCD, Class CC, Class CCD, Class DD, Class ED, Class GC, Class GD, Class GCD, Class HD, Class JD, and Class LD shall commence at 9 a.m. on 4 February, 2022 and shall close at 5 p.m. (Irish time) on 29 July, 2022. The Initial Offer Period for Class AC, Class BC, Class CD and Class FD Shares has been extended and will close at 5 p.m. (Irish time) on 29 July, 2022 subject to acceptance of applications for Shares by the Fund and will be issued for the first time on the first Subscription Day after expiry of the Initial Offer Period.

During the Initial Offer Period Class BC, Class BD, Class BCD, Class ED and Class JD Shares will be offered at EUR10 per Share, Class CC, Class CD, Class CCD and Class FD Shares will be offered at GBP10 per Share, Class AC, Class AD, Class ACD and Class DD Shares will be offered at USD10 per Share, Class GC, Class GD, Class GCD, Class HD and Class LD will be offered at CHF10 per Share or such other price as the Directors in their discretion may determine (the “**Initial Offer Price**”).

The Initial Offer Period may be shortened or extended by the Directors. The Central Bank will be notified in advance of any extension of the Initial Offer Period if subscriptions for Shares have been received and otherwise on an annual basis. Following the close of the Initial Offer Period, Class AC, Class AD, Class ACD, Class BC, Class BD, Class BCD, Class CC, Class CD, Class CCD, Class DD, Class ED, Class FD, Class GC, Class GD, Class GCD, Class HD, Class JD and Class LD Shares will be offered at the Net Asset Value per Share.

The Initial Offer Period in respect of the Class A, Class B, Class C, Class D, Class E, Class F, Class G, Class H, Class I, Class ID, Class J, Class K, Class KD, Class L, Class PA, Class PB, Class PC, Class PD, Class PE, Class PF, Class PG, Class PH Shares has closed and these Classes are offered at the relevant Net Asset Value per Share.

Class AC, ACD, BC, BCD, CC, CCD, GC, GCD, PA, PB, PC and PG Shares may be offered to institutional investors or distributors and platforms who may have separate fee arrangements with their clients. With regard to MiFID distributors, Class AC, ACD, BC, BCD, CC, CCD, GC, GCD, PA, PB, PC and PG Shares will also be available to MiFID distributors including those providing portfolio management or independent investment advice as defined by MiFID and those providing non independent advice who have a separate fee arrangement with their clients under which they have agreed not to receive and retain inducements.

The Directors, in accordance with the terms of the Articles of the Fund, may in their absolute discretion refuse to accept any application for Shares in whole or in part at any time.

#### *Valuation Day*

Every Business Day and/or such other day or days as the Directors may from time to time determine and notify to Shareholders provided there shall be at least Valuation Day in respect of each Subscription Day and Redemption Day.

#### *Valuation Point*

The Valuation Point cut-off is 11.59p.m. in Ireland on the relevant Valuation Day and/or such other time as the Directors may from time to time determine and notify to Shareholders provided that the Valuation Point shall be after the relevant dealing deadline.

#### *Subscription Day*

The Subscription Day of the Sub-Fund will be every Business Day of each calendar month and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided there will always be two Redemption Days per month occurring at regular intervals.

#### *Subscription Procedure*

All applicants for Shares must submit an original signed Application Form or, if a U.S. Person, an Application Form for U.S. Persons together with all supporting documentation in relation to money laundering prevention checks to the Administrator. Applications for Shares may be submitted by facsimile or electronically in accordance with the requirements of the Central Bank, without a requirement to submit original documentation provided an original signed Application Form and supporting documentation in relation to money laundering prevention has been previously received by the Administrator. In the case of initial applications submitted by facsimile or electronically, the original Application Form and supporting documentation in relation to money laundering prevention must follow promptly. Applications for Shares are not accepted by email.

Applications for Shares must be received by the Administrator no later than 11.00 a.m. (Irish time) on the relevant Valuation Day or such later time and/or day prior to the relevant Valuation Point as the Directors may in their discretion determine in accordance with the requirements of the Central Bank. If the relevant Application Form is not received by the prescribed deadline, the application may be held over to the following Subscription Day and Shares will then be issued at the relevant Subscription Price on that Subscription Day. Late applications will only be accepted in exceptional circumstances and the decision for accepting such late applications will be fully documented.

Cleared funds must be received for the account of the Sub-Fund on or before 5 p.m. (Irish Time) on the fourth Business Day following the relevant Subscription Day (i.e. T+4). Shares will be allotted to the relevant applicant with respect to the Subscription Day once the Subscription Price has been determined and issued for such Subscription Day and following receipt of the applicants' funds.

Subject to the forgoing, the Fund may charge interest or cancel the allotment where cleared funds are not received within the prescribed deadlines. As the register of Shares of the Fund is updated each Business Day following a Subscription Day (i.e. T+1) a failure to receive cleared funds within the above-mentioned timeframe may require the cancellation of the allotment of the relevant Shares on that Subscription Day and this may result in a loss to the Fund.

Any change to the subscription procedure and cut-off times set out above will be notified to investors in advance and, where necessary, reflected by amendment to this Supplement.

#### *Amendments to Shareholders Details*

The Administrator will only accept changes to Shareholder's registration details and payment instructions on receipt of original documentation.

### **11. Restrictions on Sale and Transfer**

The Shares may not be offered, sold or transferred to investors who are Ineligible Applicants as described under "Subscriptions" in the Prospectus.

Class, AC, Class ACD, Class BC, Class BCD, Class CC, Class CCD, Class GC, Class GCD, Class PA, Class PB, Class PC, Class PD, Class PE, Class PF, Class PG and Class PH Shares may only be offered, sold or transferred to investors at the discretion of the Directors.

### **12. Redemptions**

#### *Redemption Day*

The Redemption Day of the Sub-Fund will be every Business Day of each calendar month and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders provided there will always be two Redemption Days per month occurring at regular intervals.

#### *Redemption Price*

The Redemption Price will be equal to the Net Asset Value per Share as at the relevant Valuation Point on the relevant Redemption Day.

#### *Redemption Procedure*

Shares will be redeemable at the option of the Shareholder. Shareholders should send a completed signed redemption request in the form available from the Administrator by post or by facsimile. Redemption requests may also be accepted electronically but not by email. Redemption payments following processing of instructions received electronically will only be made to the account of record of a Shareholder.

Redemption requests must be received by the Administrator no later than 11.00 a.m. (Irish time) on the Valuation Day or such other time as the Directors may in any particular case determine, provided in all cases that requests must be received prior to the relevant Valuation Point, failing which the redemption request will be held over until the next following Redemption Day and Shares will be redeemed at the relevant Redemption Price applicable on that Redemption Day.

Payment of redemption proceeds will be made as soon as possible but normally no later than five (5) Business Days after the relevant Redemption Day and in any event no later than seven (7) calendar days after the relevant Redemption Day. Shares will be redeemed at the relevant Redemption Price. Proceeds of a redemption will be paid in the Reference Currency of that Share Class.

No redemption payment may be made from a holding until the original Application Form (including payment details to an account in the Shareholder's name) has been received from the Shareholder, all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the Shareholder and the anti-money laundering procedures have been completed. In the event that the account details contained in the redemption request differ from those which are contained in the Application Form, then an original redemption request form will be required prior to any redemption payment being made.

It is not the current intention to charge a redemption fee. Any change to this policy will be notified in advance to investors, who will be given the opportunity to redeem their Shares before any change in the redemption fee policy comes into force.

### **13. Switching**

Shareholders may be entitled to exchange all or any of their Shares in one Sub-Fund or Class for Shares in another Sub-Fund or Class on any Redemption Day, subject to (i) compliance with the procedure in the paragraph below; and (ii) subject to the Minimum Initial Investment Amount in respect of each Sub-Fund or Class. Shareholders must also have regard to the details set out under the heading "Switching" in the Prospectus. A Share exchange will be effected by way of a redemption of Shares of one Sub-Fund or Class at the relevant Redemption Price and a simultaneous subscription (at the most recent Subscription Price) for Shares of the other Sub-Fund or Class.

Shareholders should send a completed switching request in the form available from the Administrator to be received by the Administrator no later than 10.00 am (Irish time) on the Business Day falling at least five (5) Business Days before the relevant Redemption Day or such later time prior to the relevant Valuation Day as the Directors may in their discretion determine. Failing which the switching request will be held over until the next following Redemption Day and Shares will be exchanged at the relevant Redemption Price and Subscription Price applicable on that Redemption Day.

### **14. Distribution Policy**

#### *Accumulating Share Classes*

In the case of accumulating Classes, no income or capital gains attributable to the relevant Class will be distributed by the Sub-Fund by way of dividend. All such income or capital gains will be reinvested in accordance with the investment objectives and investment policies of the Sub-Fund.

#### *Distributing Share Classes*

Dividends in respect of Class AD, Class ACD, Class BD, Class BCD, Class CD, Class CCD, Class DD, Class ED, Class FD, Class GD, Class GCD, Class HD, Class ID, Class JD, Class KD and Class LD Shares of the Sub-Fund (the “**Distributing Share Classes**”) will be distributed on a quarterly basis as determined by the Directors.

It is the intention of the Directors that dividends will be paid from the Sub-Fund's net income. As the Sub-Fund currently charges fees and expenses to the capital of the Distributing Share Classes, the income available for distribution will in practice be a gross rather than net income figure. Gross income shall generally consist of interest, dividends and other investment income less withholding and other taxes or adjustments as applicable. In any distribution period if the calculation of distributable income results in a net deficit, there will be no distribution for that period. The distribution for a given quarter will be calculated on the gross distributable income from the previous quarter. The distributable income may be up to 100% of gross income of the previous quarter, at the sole discretion of the Directors. The amount to be distributed in each distribution period is treated independently of previous and future distribution periods.

Shares in the Distributing Share Classes are subject to equalisation in the manner described under the section headed "Distribution Policy of the Fund" in the Prospectus.

## **15. Fees and Expenses**

Please refer to the Prospectus under the heading "Fees and Expenses of the Fund" for a general Overview of fees and expenses applicable to the Fund, a proportion of which will be borne by the Sub-Fund. In addition, the following fees are payable by the Sub-Fund.

#### *The Manager*

The Fund will pay to the Manager an annual management fee of up to 0.0175% of the Net Asset Value of the Sub-Fund subject to a minimum annual fee across all five Sub-Funds of €75,000 or the USD equivalent amount (the “**Management Fee**”). The Management Fee will be apportioned between the Sub-Funds on a pro rata basis based on the Net Asset Value of the Sub-Funds during the relevant period. In the event of the creation of additional Sub-Funds, the minimum annual Management Fee may increase. The Management Fee accrues as at each Valuation Point and is payable monthly in arrears. The Manager shall be entitled to be reimbursed by the Sub-Fund for out-of-pocket expenses reasonably incurred and any VAT payable thereon.

#### *The Investment Manager*

The Investment Manager shall receive out of the assets of the Sub-Fund (the “Investment Management Fee”) a fee equal to the difference between the maximum aggregate Management Fee and Investment

Management Fee payable in respect of each Class as detailed in the table below and the Management Fee:

| <b>Class</b> | <b>Maximum aggregate Investment Management Fee and Management Fee</b> |
|--------------|---|
| Class A      | 0.50% per annum   |
| Class AC     | 0.50% per annum   |
| Class AD     | 0.50% per annum   |
| Class ACD    | 0.50% per annum   |
| Class B      | 0.50% per annum   |
| Class BC     | 0.50% per annum   |
| Class BD     | 0.50% per annum   |
| Class BCD    | 0.50% per annum   |
| Class C      | 0.50% per annum   |
| Class CC     | 0.50% per annum   |
| Class CD     | 0.50% per annum   |
| Class CCD    | 0.50% per annum   |
| Class D      | 1.25% per annum   |
| Class DD     | 1.25% per annum   |
| Class E      | 1.25% per annum   |
| Class ED     | 1.25% per annum   |
| Class F      | 1.25% per annum   |
| Class FD     | 1.25% per annum   |
| Class G      | 0.50% per annum   |
| Class GC     | 0.50% per annum   |
| Class GD     | 0.50% per annum   |
| Class GCD    | 0.50% per annum   |
| Class H      | 1.25% per annum   |
| Class HD     | 1.25% per annum   |
| Class I      | 0.70% per annum   |
| Class ID     | 0.70% per annum   |
| Class J      | 0.70% per annum   |
| Class JD     | 0.70% per annum   |
| Class K      | 0.70% per annum   |
| Class KD     | 0.70% per annum   |
| Class L      | 0.70% per annum   |
| Class LD     | 0.70% per annum   |
| Class PA     | 0.50% per annum   |
| Class PB     | 0.50% per annum   |
| Class PC     | 0.50% per annum   |
| Class PD     | 1.25% per annum   |
| Class PE     | 1.25% per annum   |
| Class PF     | 1.25% per annum   |
| Class PG     | 0.50% per annum   |
| Class PH     | 1.25% per annum   |



The Investment Management Fee accrues as of each Valuation Point and is payable monthly in arrears (plus VAT, if any). The Investment Manager shall be entitled to be reimbursed by the Sub-Fund for reasonable out of pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

#### *The Depositary*

The Depositary shall receive out of the assets of the Sub-Fund an annual trustee fee which shall accrue and be payable monthly in arrears not exceeding 0.01725% of the Net Asset Value of the Sub-Fund (plus VAT, if any) subject to a minimum monthly fee in respect of the Sub-Fund of US\$1,000.

The Depositary shall also receive out of the assets of the Sub-Fund a custody fee which will vary from 0.01% per annum of the value of the assets under custody and US\$8 per transaction in the United States up to 0.40% per annum of the value of the assets under custody and US\$245 per transaction in the Ukraine. If the Sub-Fund invests in assets located in countries which attach a higher fee level, it will therefore pay a higher fee to the Depositary. Certain minimum fees may also apply.

The Depositary shall also be entitled to be repaid out of the assets of each Sub-Fund all reasonable out-of-pocket expenses incurred by it on behalf of the relevant Sub-Fund including sub-custodians fees which will be at normal commercial rates.

#### *The Administrator*

The Administrator shall receive out of the assets of the Sub-Fund an annual fund accounting fee not exceeding 0.09% of the Net Asset Value of the Sub-Fund (plus VAT, if any) subject to a minimum monthly fee of US\$5,166 in respect of the Sub-Fund. This monthly fee excludes a transfer agency fee and a financial reporting fee (to include annual and half-yearly financial statements) which are charged separately to each Sub-Fund. The transfer agency fee will be payable depending on the number of offered Share Classes, Shareholder transactions and Shareholder accounts with transactional dealing fees ranging in value from US\$12.50 to US\$25. The Administrator's fees shall accrue daily and be payable monthly in arrears.

The Administrator shall also be entitled to be repaid out of the assets of each Sub-Fund all reasonable out-of-pocket expenses incurred by it on behalf of the relevant Sub-Fund.

#### *Subscription Fee*

The Fund may charge a subscription fee not exceeding 5% of the Net Asset Value per Class. Any such charge will be payable to the Sub-Fund or as the Fund shall direct. The Directors in their absolute discretion may waive, rebate or differentiate between investors as to the amount of, any such subscription charge.

#### *Redemption Fee*

No redemption fees are charged on the redemption of Shares in the Sub-Fund.

### *Switching Fee*

No switching fees are charged on the exchange of Shares in the Sub-Fund.

### *Other Fees and Expenses*

The Fund will also pay out of the assets of the Sub-Fund of the costs and expenses (i) of all transactions carried out on its behalf and (ii) of the administration of the Sub-Fund, including (a) registering the Sub-Fund and the Shares with any governmental or regulatory authority including the fees and expenses of any paying agents at normal commercial rates, (b) management, administration, trustee and related services, (c) the preparation, printing and posting of prospectuses, reports to Shareholders, the Central Bank and governmental agencies, (d) taxes, (e) commissions (including banking commissions), brokerage and transaction fees, (f) auditing, tax and legal fees including litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, (g) the cost of insurance for the benefit of the Directors, (h) interest on borrowings and (i) all other organisational and operating expenses.

## **16. Risk Factors**

**Some specific risk factors applicable to this Sub-Fund are set out below. These should be read in conjunction and not independent of the general risk warnings in the main Prospectus. Investors' attention is drawn to the Section headed 'Risk Factors of the Fund' in the Prospectus.**

**The investment risks set out in the Prospectus and this Supplement do not purport to be exhaustive. Prospective investors should read this entire information Prospectus and consult with their legal, tax and financial advisors before making any decision to invest in the Fund.**

### *No Investment Guarantee*

Investment in the Sub-Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Any investment in the Sub-Fund is subject to fluctuations in value.

### *Interest Rate Risk*

Interest rate risk is that which exists in an interest-bearing asset, such as a bond, due to the possibility of a change in the asset's value resulting from the variability of interest rates. Interest rate risk management has become very important, and assorted instruments have been developed to deal with interest rate risk.

Interest rate swaps and other derivatives allow the Investment Manager to add or subtract duration, adjust interest rate exposure, and offset the risks posed by interest rate volatility. By increasing or decreasing interest rate exposure in various parts of the yield curve using derivatives, the Investment Manager can either extend or neutralize their exposure to changes in the shape of the curve, and can also express views on credit spreads.

Crucially, interest rate derivatives allow the Investment Manager to quickly and cost-effectively alter the profile of the Sub-Fund's portfolio. For instance, the Investment Manager may wish to lower overall duration of the portfolio (or change the yield curve exposure) to reduce the overall risk without having to sell the underlying positions. This means that the Investment Manager is able to reduce the duration without altering the credit profile of the Sub-Fund. Such an exercise would avoid paying bid/offer spreads to sell positions (which the Investment Manager may favour from a credit perspective) and permit an efficient approach to managing duration. This is particularly useful in expressing a short-term view i.e. the swap may be utilised to reduce risk prior to a specific market event e.g. economic data points, interest rates decisions, elections etc. This approach forsakes the need to sell positions and therefore offers an efficient approach to expressing a short-term interest rate view.

Derivatives can act as substitutes for other, less liquid fixed income instruments. In addition, swaps could be used to add duration in the event of client subscriptions. The efficiency of using swaps would allow the Investment Manager to gain immediate exposure to duration, thereby maintaining preferred exposure, which could be unwound as the Investment Manager adds specific bonds to the portfolio over time.

Conversely, if the portfolio is dealing with redemptions the portfolio exposure can be reduced precisely to coincide with the NAV point, until assets to pay the redemption are raised (at which point the derivative position could be unwound).

#### *Investing in Fixed Income Securities*

Investment in fixed income securities is subject to security, credit, interest rate and FX risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time.

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

#### *Emerging Markets Risk*

The Sub-Fund may invest in fixed income securities of Governments and public companies in emerging markets. Such securities may involve a high degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscatory taxation, nationalization, and social, political and economic instability; (ii) the small current size of the markets for securities of emerging markets issuers and the currently low or non-existent volume of trading, resulting in lack of liquidity and in price volatility, (iii) certain national policies which may restrict the Sub-Fund's investment opportunities including

restrictions on investing in issuers or industries deemed sensitive to relevant national interests; and (iv) the absence of developed legal structures governing private or foreign investment and private property.

#### *Investment in Russia*

Whilst fundamental reforms relating to securities investments and regulations have been initiated in recent years there may still be certain ambiguities in interpretation and inconsistencies in their application. Monitoring and enforcement of applicable regulations remains uncertain.

Some securities in Russia are dematerialised and the only evidence of ownership is entry of the Shareholder's name on the share register of the issues. The concept of fiduciary duty is not well established and shareholders may, therefore, suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy. Rules regulating corporate governance are undeveloped and therefore may offer little protection to minority shareholders. Specifically, with regard to investment in Russia the Sub-Fund may only invest in Russian securities which are traded on the Moscow Exchange.

#### *Charging of Fees and Expenses to Capital - Capital Erosion Risk*

The fees and expenses in respect of the Distributing Share Classes may be charged to the capital of these Classes. Investors in the Distributing Share Classes should note that the charging of fees and expenses including investment management fees, to capital may lead to a greater risk of capital erosion given the lack of potential for capital growth. Should such capital erosion occur, the value of future returns would also be diminished. In this regard, distributions made during the life of the Distributing Share Class should be understood as a type of capital reimbursement.

### **17. Taxation**

Investors' attention is drawn to the summary of the Irish taxation rules applicable to the Fund and Sub-Funds as set out in "Appendix IV – Taxation".

**Shareholders should consult their own advisers as to their own particular tax consequences of an investment in the Sub-Fund.**

### **18. Share Class Currency Hedging**

Foreign exchange transactions may be used for Class currency hedging purposes. Where a Class of Shares is designated as a hedged Class, that Class will be hedged against exchange rate fluctuation risks between the denominated currency of the Share Class and the Base Currency of the Sub-Fund. Such hedging strategy shall be subject to the conditions and within the limits laid down by the Central Bank and may not be implemented in the following circumstances:

- (i) In circumstances where the exposure to assets of the Sub-Fund which are denominated in a non-Base Currency is non-material (generally more or less than +/-3.5% of the Net Asset Value

of the relevant hedged Class or where the exposure is expected to be eliminated in a short period of time (generally, in less than one month) .

Further information is set out in the Prospectus at the section entitled “Currency Hedging”. It should be noted that the successful execution of a hedging strategy which mitigates this currency risk exactly cannot be assured.

Where a Class is unhedged, a currency conversion will take place on subscriptions, redemptions, conversions and distributions using, if available, as spot rates (the “**WM/Reuters Intra-Day Spot Rates**”), provided by The World Markets Company PLC in conjunction with Reuters. In such circumstances, the value of the Share expressed in the Class currency will be subject to exchange rate risk in relation to the Base Currency and/or in relation to the designated currencies of the underlying assets.

## Q RUBRICS INDIA FIXED INCOME UCITS FUND (the “SUB-FUND”)

**This Sub-Fund has terminated and an application for revocation will be made to the Central Bank in due course. Correspondingly the Q Mauritian Vehicle is in liquidation.**

**Supplement 5 dated 24 February, 2022 to the Prospectus dated 24 February, 2022**

**Distribution of this Supplement is not authorised unless accompanied by the most recently available Prospectus issued by the Fund and this Supplement should be read in conjunction with and forms part of such Prospectus and may not otherwise be relied upon. This Supplement contains specific details regarding the Sub-Fund. An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. The attention of investors is drawn to Section 17 of the Supplement headed “Risk Factors”. Copies of the Prospectus may be obtained free of charge upon request from the registered office of the Manager or from the Administrator.**

The other existing Sub-Funds of the Fund, details of which are set out in relevant Supplements to the Prospectus are Rubrics Global Fixed Income UCITS Fund, Rubrics Emerging Markets Fixed Income UCITS Fund, Rubrics India Fixed Income UCITS Fund and Rubrics Global Credit UCITS Fund.

Unless otherwise defined in this Supplement, words and phrases which are defined in the Prospectus will have the same meaning in this Supplement.

### **1. Structure**

The Q Rubrics India Fixed Income UCITS Fund is a sub-fund of the Fund. The Fund is an open-ended variable capital umbrella investment company with segregated liability between its sub-funds. A description of the Fund and its management, administration, charges, taxation of the Fund and its Shareholders and risk factors is contained in the Prospectus. The Sub-Fund will carry out its investment objective by investing substantially through a Mauritian vehicle, Q IFI Rubrics Limited (the “**Q Mauritian Vehicle**”).

### **2. Shares and Classes**

Shares may be subscribed for in the following Classes of Shares:

| <b>Class</b> | <b>Reference Currency</b> | <b>Listed on ISE</b> | <b>Min. Initial Investment Amount</b> | <b>Distribution Status</b> |
|--------------|---------------------------|----------------------|---------------------------------------|----------------------------|
| <b>A</b>     | USD                       | Yes                  | US\$10 million                        | Accumulating               |
| <b>B</b>     | USD                       | Yes                  | US\$1 million                         | Accumulating               |

The latest Net Asset Value per Share of the each launched Class is freely available from the Administrator or as set out in the section entitled “Publication of Net Asset Value” in the Prospectus.

Monies subscribed for each Class of the Sub-Fund should be in the Reference Currency of the Class. Performance of all Classes will be strongly influenced by movements in FX rates because the currency

of the underlying security positions held by the Sub-Fund, through the Mauritian Vehicle (Indian Rupee), will not correspond with the Reference Currency.

Each investor must satisfy the Minimum Initial Investment Amount requirements applicable to each Class as outlined above. The Directors reserve the right to differentiate between Shareholders, waive or reduce the Minimum Initial Investment Amount for certain investors. No Minimum Holding Amount and Minimum Transaction Size shall apply.

Details of the offer of Shares is set out in Section 11 below headed "Application for Shares". The fees applicable to each Class are set out in Section 16 below headed "Fees and Expenses"

### **3. Base Currency**

The Base Currency of the Sub-Fund shall be US Dollars.

### **4. Management**

#### *Directors*

The directors of the Q Mauritian Vehicle are David Dillon, John Fitzpatrick, Caitriona O'Malley, Danielle Tin Kin Wang and Savinilorna Payandi-Pillay-Ramen, the latter two directors being residents of Mauritius and officers of the Mauritian Administrator as described in this Supplement under the heading "Q Mauritian Vehicle".

The biographies of John Fitzpatrick and Caitriona O'Malley are set out in main Prospectus under the heading "Management, Custody and Administration of the Fund".

The biographies of the Mauritius-resident directors are as follows:

#### **Danielle Tin Kin Wang**

Danielle is a manager at CIM Fund Services Ltd. She is a fellow member of the Association of Chartered Certified Accountants and holds a BSc in Accounting and Financial Management from the University of Buckingham, UK. She worked for a few years in UK before joining PricewaterhouseCoopers, Mauritius in 2000. She was responsible for the audit of clients operating in finance, manufacturing, retail, telecommunication and the offshore sector. She has been with CIM Fund Services Ltd, a leading fund administrator and corporate services provider in Mauritius, since March 2005 and is responsible for monitoring and reviewing of administration and accounting work of several teams.

#### **Savinilorna (Lorna) Payandi-Pillay-Ramen**

Lorna holds a Masters Degree in Business Administration and a Bachelor Degree in Psychology. After completing her studies in the USA, she joined the CIM Group in 2003. Lorna has a wide experience in the corporate secretarial field and has been involved in the setting up and administration of global business entities. She is currently a manager in the Corporate Services Team of CIM Global

Management and has now several teams under her supervision, handling a portfolio of clients consisting of high net worth individuals, institutional investors and multinationals.

#### *Manager*

The Manager was appointed manager of the Fund and all of its sub-funds pursuant to the terms of the Management Agreement. The biography of the Manager is set out in the section of the Prospectus headed "Manager".

#### *Investment Manager*

The Investment Manager was appointed investment manager of the Fund and of all of its Sub-Funds pursuant to the terms of the Investment Management Agreement. Under the terms of the Investment Management Agreement the Manager and the Q Mauritian Vehicle have appointed the Investment Manager to provide discretionary investment management services to the Q Mauritian Vehicle. The biography of the Investment Manager is set out in the section of the Prospectus headed "Investment Manager".

#### *Back Office Provider*

The Investment Manager receives back office, non-discretionary investment management and research services from QIEF Management LLC (the "**Back Office Provider**") pursuant to a back office, investment management and research agreement dated 20 February, 2015 (as novated by way of agreement dated 5 May, 2015 and as further novated by way of agreement dated 1 March, 2019) between the Investment Manager and the Back Office Provider.

The Back Office Provider's principal place of business is 118, St Jean Road (Corner of Avenue des Azalées and Royal Road St Jean), Quatre Bornes, Mauritius. The Back Office Provider was incorporated in the State of Delaware in September, 2004 and later migrated in May, 2006 to Mauritius where it obtained a Category One Global Business Licence from the Mauritius Financial Services Commission ("**FSC**"). The Back Office Provider holds both CIS Manager and Investment Adviser (Unrestricted) licences issued by the FSC under the Securities Act in Mauritius. The Back Office Provider is also registered with the SEC since March 2012 as an Investment Adviser\*. Under the terms of the back office and investment management and research agreement, the Back Office Provider shall provide non-discretionary investment management research and certain back office services to the Investment Manager including trade processing, trade dissemination, trade reconciliation and trade storage and shall also provide the registered office of the Q Mauritian Vehicle, ensuring that the Q Mauritian Vehicle complies with the conditions attached to its licence issued by the FSC.

*\*Registration with the SEC as an investment adviser does not imply any level of skill or training.*

#### *Research Provider*

The Back Office Provider receives investment research services from Quantum Asset Management Company Private Limited (the "**Research Provider**") pursuant to a research agreement dated 12 July,



2010 as amended by way of addendum dated 11 January, 2011 between the Back Office Provider and the Research Provider. The Research Provider is a private limited company, and a wholly owned subsidiary of Quantum Advisors Private Limited, whose principal place of business is 505, Regent Chambers, 5<sup>th</sup> Floor, Nariman Point, Mumbai – 400 021, India.

## 5. Investment Objective

The Sub-Fund's investment objective is to generate income and capital gains by investing in fixed income securities issued by the Central Government of India and government owned companies of Indian origin.

## 6. Investment Policy

### General

The Sub-Fund aims to achieve its investment objective by investing primarily in fixed income securities issued by the Central Government of India ("**Sovereign Debt**") and government owned companies of Indian origin, known as public sector undertakings ("**PSU**") ("**PSU Corporate Debt**").

In addition, in order to gain exposure to developed money markets or to participate in fixed income markets which are less accessible via direct investment or as a means to provide more diversified exposure to an asset class, the Sub-Fund may undertake investments in fixed income securities indirectly using collective investment schemes as described below under the heading "Collective Investment Schemes".

The Sub-Fund may also hold cash and money market instruments as further described below under the heading "Liquid Assets".

The Investment Manager may engage in foreign exchange transactions to obtain currency exposure in the event of a material subscription in or redemption from the Sub-Fund as set out under the heading "Financial Derivative Instruments" below.

The Sub-Fund is considered to be actively managed in reference to Bloomberg Barclays EM Local Currency Liquid Government Total Return Index Unhedged USD (the "Benchmark") by virtue of the fact that it uses the Benchmark for performance comparison purposes. Certain of the Sub-Fund's securities may be components of and may have similar weightings to the Benchmark. However the Benchmark is not used to define the portfolio composition of the Sub-Fund or as a performance target and the Fund may be wholly invested in securities which are not constituents of the Benchmark. The Benchmark is a flagship index that measures the performance of local currency emerging market debt.

### Investment Strategy

The Sub-Fund endeavours to maintain consistent performance by seeking to balance yields and capital preservation as well as maintaining a high level of liquidity. The Sub-Fund aims to actively monitor the local Indian interest rate markets as well as the developments in global markets and to rebalance its portfolio of investments and adjust its holdings as it deems necessary or desirable based on macro

economic factors and micro economic factors as described below. The Sub-Fund's investment strategy comprises a number of elements as set out under the sub-headings below.

#### *Research and Investment Process*

The investment process which the Sub-Fund uses is systematic, disciplined and research driven. The Sub-Fund's investment decisions are arrived at by using a well-researched top-down approach. The research process combines macro factors (i.e. factors relating to the broad economy) and micro (i.e. security-level) factors for investment decisions.

The macro analysis will look at long-term macro economic indicators such as, without limitation, gross domestic product ("**GDP**"), inflation, fiscal and monetary policy, deficits and currency, global macro economic changes that may impact the domestic environment, liquidity, government borrowing and corporate borrowing. This macro analysis helps forecast the direction and level of interest rates.

The micro analysis will look at individual companies and instruments and will aim to identify good quality corporate securities; to identify undervalued securities on the yield curve and will look to analyse the associated risks of each investment.

#### *Portfolio Construction*

The Sub-Fund follows a top down (macro to micro) approach to build its portfolio. The Sub-Fund takes a view on the direction of interest rates on the basis of its analysis of the macroeconomic factors and on the choice of security based on its micro analysis.

The macro and micro analysis will create a portfolio of securities based on the following considerations; maturity profile, credit quality (as described below), spread differential to its benchmark, liquidity of the underlying securities with regards to the Sub-Fund's subscription and redemptions policy, the holding period and the risk profile of the securities.

#### *Investment Universe*

The Sub-Fund will primarily invest in the following instruments:

- Sovereign Debt (for example, government securities, inflation linked bonds and treasury bills);
- PSU Corporate Debt such as infrastructure bonds and money market instruments such as commercial paper ("**CP**") ("**Money Market Instruments**");
- investment grade corporate debt securities issued by PSU's such as non-convertible debentures (NCDs) and fixed or floating rate bonds, including zero coupon bonds;
- debt obligations of PSU banks and PSU financial institutions including perpetual (i.e. bonds issued with no fixed maturity) infrastructure bonds and subordinated fixed or floating rate bonds (i.e. bonds which in the event of the insolvency of the issuer, entitle the holder to be paid after other debt holders (i.e. senior bonds) and ordinary bank depositors but before shareholders in the issuer); and

- Sovereign Debt issued outside India denominated in Indian Rupee; and

Investments in PSU Corporate Debt will be in instruments which have been assigned AAA (which indicates a highest degree of safety of interest and principal) or equivalent ratings by a SEBI registered domestic rating agency such as CRISIL, ICRA, Fitch or CARE. As at the date of this Supplement, the equivalent rating from international credit rating agencies such as Standard & Poor's and Moody's Investor Services, Inc is investment grade.

Investments may be in listed and to be listed instruments through secondary and primary market purchases. With the exception of permitted investments in unlisted transferable securities, investment by the Sub-Fund will be restricted to the following markets:

- The market in Indian Government Bonds regulated by the Reserve Bank of India ("**RBI**")
- The market in Indian Corporate Bonds regulated by SEBI

Investment policies of the Sub-Fund shall comply with the restrictions for Foreign Institutional Investors ("**FII**") investments as established by SEBI and the RBI.

Investments by FII's in debt instruments in India are regulated by both the SEBI and the RBI. There are limits on the overall investments that all FII's can make in Indian debt instruments.

As at January 2016, the limits that govern the investments in Indian debt instruments by FII's are:

|                        |   |
|------------------------|---|
| Government bonds       | US\$30 billion (includes a USD 5 billion limit for long term investors) |
| Corporate bonds and CP | US\$51 billion  |

The FIIs registered with SEBI can invest in Indian Government and corporate bonds at any time without prior SEBI approval subject to outstanding investments up to a threshold level, which is currently at 90% of the above limits.

The RBI has disallowed FIIs from investing in treasury bills ("**T-bills**") and capped the total amount of investments in CP. This inability to buy T-bills/CP and the possible breach of the threshold level thus leads to uncertainty on the timing and the pattern of investment and could affect performance. However, this will not affect the funding of redemptions in accordance with the redemption policy of the Sub-Fund as set out under the heading "Redemptions" below and in the Prospectus.

#### *Liquid Assets*

Notwithstanding the preceding paragraphs, the Sub-Fund will at all times consider market valuations and the prevailing investment climate. Should the Investment Manager perceive the investment climate to be negative or that the fixed income market offers investors little value, the Sub-Fund can retain substantial amounts in cash or ancillary liquid assets (such as treasury securities issued by OECD countries; Indian Rupee or US Dollar denominated deposits of any investment grade bank worldwide or money market schemes) in accordance with the requirements of the Central Bank and as permitted

by SEBI.

#### *Collective Investment Schemes*

Up to 10% of the Net Asset Value of the Sub-Fund may be invested in collective investment schemes (including money market schemes) to gain exposure to the Indian fixed income securities markets or developed money markets. Such schemes may include other UCITS funds or regulated non-UCITS primarily domiciled in the EU which fall within the requirements set out in the Central Bank Regulations and the level of protection of which is equivalent to that provided to unitholders of a UCITS.

The Sub-Fund may also invest in SEBI regulated non-UCITS collective investment schemes domiciled in India which have a similar investment policy to the Sub-Fund provided they have been cleared by the Central Bank in advance of any investment in accordance with the requirements set out in Central Bank Regulations.

#### *Currency Exposure*

Investors should note that the Sub-Fund, through the Mauritian Vehicle, maintains substantial or full currency exposure to the Indian Rupee. Consequently, a significant depreciation in the value of the Indian Rupee will result in a corresponding fall in the Reference Currency value of the Sub-Fund's investments. In this regard, performance of the Sub-Fund will be strongly influenced by movements in FX rates.

#### *Financial Derivative Instruments*

The Sub-Fund does not intend to invest in financial derivative instruments ("FDI") or to utilise FDI for the purpose of hedging the Sub-Fund's interest rate or credit risks. The Investment Manager may however utilise FDI to obtain currency exposure to the Indian Rupee in the event of a material subscription or redemption from the Sub-Fund. In such circumstances, the Investment Manager reserves the right to hedge subscription and redemption flows up until a time when it is able to maintain exposure to the Indian Rupee via direct investments in Indian Rupee denominated assets. Such action is aimed to maintain the Sub-Fund's passive exposure to the Indian Rupee.

In order to hedge such currency exposure, the Sub-Fund will undertake FX forwards, selling or buying local currency (i.e. the currency of denomination of the relevant asset) (either in deliverable currencies or by using a non-deliverable forward (NDF) in non-deliverable currencies) versus the Base Currency. It is not the intention of the Investment Manager to take 'net short' FX positions with the exception of minor short FX positions associated with the movement of the hedged underlying assets i.e. if the asset price declines the Sub-Fund may appear over-hedged. Such short exposure is not expected to exceed 100% of the Sub-Fund's Net Asset Value.

The Sub-Fund may take long positions of up to 100% of its Net Asset Value in Indian Rupee in order to maintain full currency exposure to the Indian Rupee.

With the exception of permitted investments in unlisted transferable securities, investment by the Sub-Fund is restricted to the Recognised Exchanges as listed under Appendix II to the Prospectus. FDIs

may be traded on Recognised Exchanges worldwide or may be traded over the counter. The Investment Manager will only enter into over the counter derivative transactions on behalf of the Sub-Fund with counterparties which are subject to prudential supervision, belong to categories approved by the Central Bank as set down in the Central Bank Regulations and which are not related to the Manager but may be related to the Depositary.

Investors should be aware that when the Sub-Fund enters into FDI contracts for hedging substantial subscriptions and/or redemptions, operational costs and/or fees shall be deducted from the revenue delivered to the Sub-Fund. In the case of FDI which are listed on Recognised Exchanges, such fees and costs may include brokerage fees. One of the considerations taken into account by the Investment Manager when selecting brokers and counterparties to FDI transactions on behalf of the Sub-Fund is that any such costs and/or fees which are deducted from the revenue delivered to the Sub-Fund shall be at normal commercial rates and shall not include any hidden revenue. Such direct or indirect costs and fees will be paid to the relevant broker or counterparty to the FDI transaction. The Manager shall ensure that all revenues generated through the use of FDI for efficient portfolio management purposes, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

Where necessary, the Sub-Fund will accept collateral from its counterparties in order to reduce counterparty risk exposure generated through the use of over the counter derivative instruments. Any collateral received by the Sub-Fund shall comprise of cash collateral and/or government backed securities of varying maturity which satisfy the requirements of the Central Bank relating to non-cash collateral which may be received by a UCITS. Cash collateral received by the Sub-Fund may be reinvested in accordance with the requirements of the Central Bank at the discretion of the Investment Manager. In this regard, any cash collateral received by the Sub-Fund may be placed on deposit with relevant credit institutions as permitted by the UCITS Regulations. In such circumstances, the Sub-Fund shall be exposed to the creditworthiness of the relevant credit institution with which cash collateral is placed. The level of collateral required to be posted may vary by counterparty with which the Sub-Fund trades. The haircut policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by the Sub-Fund, taking into account the credit standing and price volatility of the relevant counterparty.

### *Risk Control*

The Investment Manager sets, reviews and monitors periodically the risk control and tolerance limits of the Sub-Fund. The various risks such as interest rate risk, credit risk and liquidity risk are generally measured, managed and monitored as follows:

- a. Interest rate risk as measured through average maturity, duration, portfolio sensitivity to interest rate changes.

Since the Sub-Fund can invest in short term and long term instruments; interest rate risk is inherent in the portfolio.

The management of interest rate risk is a function of the quality of the fixed income research inputs and the active investment management strategy.

Since the Sub-Fund does not intend to use FDI to hedge interest rate risk, the management of interest rate risk would be achieved by altering the Sub-Fund's maturity profile at appropriate times and also with the use of cash and cash equivalent investments.

b. Credit and default risk as measured through portfolio credit quality.

The Sub-Fund is not allowed to invest in debt instruments issued by non PSU companies. This reduces the credit / default risk of the portfolio.

The internal guidelines also do not allow investment in non-AAA rated instruments. This reduces the overall credit risk in the portfolio.

c. Liquidity risk as measured through trading data and portfolio liquidity.

With the overall improvement in the reporting and transparency of traded market data of all debt and money market instruments, the Investment Manager can gauge the liquidity of individual instruments within the portfolio.

Furthermore, the Investment Manager can also determine the time required to liquidate a position based on historical trading data.

Portfolio liquidity reports help address any illiquid securities in the portfolio.

d. Concentration risk as measured through a portfolio holdings report and shareholder register

The Investment Manager has a well laid out investment approach that contains pre-defined limits of exposure to each security based on its maturity and credit profile.

The Sub-Fund also limits portfolio concentration in non-sovereign investments.

e. Investment Restrictions

| Security  | Per Issuer Maximum Limit      | Per Issue Maximum Limit                                 |
|---|-------------------------------|---|
| Sovereign Debt                                  | N/A                           | 30% of Net Assets, minimum of 6 issues if 100% invested |
| PSU Corporate Debt and Money Market Instruments | 5%/10%/40% of Net Asset Value | 10% of Outstanding Issue                                |

f. Credit Rating Investment Matrix

| Rating Value (*) | Minimum | Maximum |
|------------------|---------|---------|
|------------------|---------|---------|

|                                 |    |      |
|---------------------------------|----|------|
| Sovereign                       | 0% | 100% |
| Corporate AAA or<br>equivalents | 0% | 100% |

(\*this rating pertains to the domestic credit rating of the instruments as assigned by a SEBI registered rating agency)

g. Duration Risk Control

The Sub-Fund's portfolio is expected to run an average duration between 3 months to 10 years

h. Derivative Investments

FII are allowed under present Indian regulations to invest in exchange-traded derivatives. Currently, the only exchange-traded derivative instrument in the Indian fixed income markets allowed for FIIs is the interest rate future. FII are only allowed to hedge their cash exposure through futures. The Sub-Fund does not intend to use interest rate derivative products.

## 7. Changes to the Investment Objective and/or Policy

The investment objective of the Sub-Fund may not be altered and material changes in the investment policy of the Sub-Fund may not be made without prior written approval by all Shareholders of the Sub-Fund or on the basis of a simple majority of votes cast at a meeting of the Shareholders of the Sub-Fund duly convened and held. In the event of a change of the investment objective and/or a material change to the investment policy of the Sub-Fund, the Manager shall provide Shareholders in the Sub-Fund with reasonable notice of such change.

## 8. Investment and Borrowing Restrictions

In accordance with the provisions of Appendix I of the Prospectus, the Fund may borrow up to 10% of the Net Asset Value of the Sub-Fund on a temporary basis. Such borrowings may only be used for short term liquidity purposes to cover the redemption of Shares. Investment restrictions applying to the Sub-Fund are set out in Appendix I to the Prospectus.

For the avoidance of doubt, any permitted investment by the Sub-Fund in unlisted securities under Section 2.1 of Appendix I will not include any security or instrument which will compromise the liquidity profile of the Sub-Fund.

## 9. Leverage

The expected level of leverage for the Sub-Fund arising from the use of FDI will not exceed 100% of the Net Asset Value, calculated as the aggregate notional value of the Sub-Fund's long FDI positions and the absolute value of the Sub-Fund's short FDI positions. It is anticipated that this 100% figure will primarily be made up of the notional value of FDI used by the Sub-Fund for currency hedging purposes and that this figure will be reduced to 10% of the Net Asset Value of the Sub-Fund where the Sub-Fund using the commitment approach deducts from that figure the aggregate notional value of FDI entered into by the Sub-Fund with the sole aim of offsetting currency risk linked to positions taken through the

Sub-Fund's other FDI and/or security positions. Where the commitment approach is used in leverage calculations, this method is supplementary to the calculation of leverage as the sum of the notional of the derivatives used.

In calculating its global exposure, the Sub-Fund will use the Absolute VaR model, thereby ensuring that the VaR of the Sub-Fund's portfolio may not exceed 20% of the Net Asset Value of the Sub-Fund, the one-tailed confidence interval shall not be less than 99% and the holding period shall not be less than 20 days. The historical period will typically be one year or greater but a shorter observation period may be used in instances of recent significant price volatility.

It should be noted that these are the current VaR limits required by the Central Bank. In the event that the Central Bank changes these limits, the Sub-Fund will have the ability to avail of such new limits and will be included in an updated Supplement.

## **10. Profile of a Typical Investor**

The typical investor profile is made up of institutional investors and high net worth individuals who are seeking long term capital appreciation in Indian fixed income securities. A typical investor has an investment horizon of five years or more and is prepared to accept a high level of volatility.

## **11. Applications for Shares**

### *Offer*

The Initial Offer Period for Class A and Class B has closed. These Classes are offered at the relevant Net Asset Value per Share.

The Directors, in accordance with the terms of the Articles of the Fund, may in their absolute discretion refuse to accept any application for Shares in whole or in part at any time.

### *Valuation Day*

The Valuation Day for the Sub-Fund will be every Business Day. A Business Day for the purposes of this Sub-Fund shall be defined as any day on which banks are open for business in Ireland, Mauritius and Mumbai.

### *Valuation Point*

The Valuation Point cut-off is 11.59 p.m. in Ireland on the relevant Valuation Day and/or such other day or days as the Directors may from time to time determine and notify to Shareholders in advance provided that the Valuation Point will always be after the relevant dealing deadline.

### *Subscription Day*



The Subscription Day of the Sub-Fund will be every Business Day, and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided there will always be two Subscription Days per month occurring at regular intervals.

#### *Subscription Procedure*

All applicants for Shares must submit an original signed Application Form or, if a U.S. Person, an Application Form for U.S. Persons together with all supporting documentation in relation to money laundering prevention checks to the Administrator. Applications for Shares may be submitted by facsimile or electronically in accordance with the requirements of the Central Bank, without a requirement to submit original documentation provided an original signed Application Form and supporting documentation in relation to money laundering prevention has been previously received by the Administrator. In the case of initial applications submitted by facsimile or electronically, the original Application Form and supporting documentation in relation to money laundering prevention must follow promptly. Applications for Shares are not accepted by email.

Applications for Shares must be received by the Administrator no later than 11.00 a.m. (Irish time) on the relevant Valuation Day or such later time and/or day prior to the relevant Valuation Point as the Directors may in their discretion determine in accordance with the requirements of the Central Bank. If the relevant Application Form is not received by the prescribed deadline, the application may be held over to the following Subscription Day and Shares will then be issued at the relevant Subscription Price on that Subscription Day. Late applications will only be accepted in exceptional circumstances and the decision for accepting such late applications will be fully documented.

Cleared funds must be received for the account of the Sub-Fund on or before 5 p.m. (Irish Time) on the fourth Business Day following the relevant Subscription Day (i.e. T+4). Shares will be allotted to the relevant applicant with respect to the Subscription Day once the Subscription Price has been determined and issued for such Subscription Day and following receipt of the applicants' funds.

Subject to the forgoing, the Fund may charge interest or cancel the allotment where cleared funds are not received within the prescribed deadlines. As the register of Shares of the Fund is updated each Business Day following a Subscription Day (i.e. T+1) a failure to receive cleared funds within the above-mentioned timeframe may require the cancellation of the allotment of the relevant Shares on that Subscription Day and this may result in a loss to the Fund.

Any change to the subscription procedure and cut-off times set out above will be notified to investors in advance and, where necessary, reflected by amendment to this Supplement.

#### *Amendments to Shareholders Details*

The Administrator will only accept changes to Shareholder's registration details and payment instructions on receipt of original documentation.

## **12. Restrictions on Sale and Transfer**

The Shares may not be offered, sold or transferred to investors who are Ineligible Applicants as described under "Subscriptions" in the Prospectus.

### **13. Redemptions**

#### *Redemption Day*

The Redemption Day of the Sub-Fund will be every Business Day of each calendar month and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided there will always be two Redemption Days per month occurring at regular intervals.

#### *Redemption Price*

The Redemption Price will be equal to the Net Asset Value per Share as at the relevant Valuation Point on the relevant Redemption Day.

#### *Redemption Procedure*

Shares will be redeemable at the option of the Shareholder. Shareholders should send a completed signed redemption request in the form available from the Administrator by post or by facsimile. Redemption requests may also be accepted electronically but not by email. Redemption payments following processing of instructions received electronically will only be made to the account of record of a Shareholder.

Redemption requests must be received by the Administrator no later than 11.00 a.m. (Irish time) on the Valuation Day or such other time as the Directors may in any particular case determine, provided in all cases that requests must be received prior to the relevant Valuation Point, failing which the redemption request will be held over until the next following Redemption Day and Shares will be redeemed at the relevant Redemption Price applicable on that Redemption Day.

Payment of redemption proceeds will be made as soon as possible but normally no later than five (5) Business Days after the relevant Redemption Day and in any event no later than seven (7) calendar days after the relevant Redemption Day. Shares will be redeemed at the relevant Redemption Price. Proceeds of a redemption will be paid in the Reference Currency of that Share Class.

No redemption payment may be made from a holding until the original Application Form (including payment details to an account in the Shareholder's name) has been received from the Shareholder, all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the Shareholder and the anti-money laundering procedures have been completed. In the event that the account details contained in the redemption request differ from those which are contained in the Application Form, then an original redemption request form will be required prior to any redemption payment being made.

It is not the current intention to charge a redemption fee. Any change to this policy will be notified in advance to investors, who will be given the opportunity to redeem their Shares before any change in the redemption fee policy comes into force.

#### **14. Switching**

Shareholders may be entitled to exchange all or any of their Shares in one Sub-Fund or Class for Shares in another Sub-Fund or Class on any Redemption Day, subject to (i) compliance with the procedure in the paragraph below; and (ii) subject to the Minimum Initial Investment Amount in respect of each Sub-Fund or Class. Shareholders must also have regard to the details set out in the section headed "Switching" in the Prospectus. A Share exchange will be effected by way of a redemption of Shares of one Sub-Fund or Class at the relevant Redemption Price and a simultaneous subscription (at the most recent Subscription Price) for Shares of the other Sub-Fund or Class.

No switching fee or redemption or subscription charges are charged on switching Shares in the Sub-Fund.

Shareholders should send a completed exchange request in the form available from the Administrator to be received by the Administrator no later than 11.00 am (Irish time) on the Business Day falling at least ten (10) Business Days before the relevant Redemption Day or such later time and/or day prior to the relevant Valuation Day as the Manager may in its discretion determine.

Failing which the exchange request will be held over until the next following Redemption Day and Shares will be exchanged at the relevant Redemption Price and Subscription Price applicable on that Redemption Day.

#### **15. Distribution Policy**

No income or gains will be distributed by the Sub-Fund by way of dividend. All such income or gains will accumulate within the Sub-Fund.

In the event of alteration of the Sub-Fund's distribution policy, full details of such policy will be disclosed in an updated Supplement (including the method as to how it will be paid) and all Shareholders will be notified in advance.

#### **16. Fees and Expenses**

Please refer to the Prospectus under the heading "Fees and Expenses of the Fund" for a general overview of fees and expenses applicable to the Fund, a proportion of which will be borne by the Sub-Fund. In addition, the following fees are payable by the Sub-Fund.

##### *The Manager*

The Fund will pay to the Manager an annual management fee of up to 0.0175% of the Net Asset Value of the Sub-Fund subject to a minimum annual fee across all five Sub-Funds of €75,000 or the USD equivalent amount (the "**Management Fee**"). The Management Fee will be apportioned between the

Sub-Funds on a pro rata basis based on the Net Asset Value of the Sub-Funds during the relevant period. In the event of the creation of additional Sub-Funds, the minimum annual Management Fee may increase. The Management Fee accrues as at each Valuation Point and is payable monthly in arrears. The Manager shall be entitled to be reimbursed by the Sub-Fund for out-of-pocket expenses reasonably incurred and any VAT payable thereon.

#### *The Investment Manager*

The Investment Manager shall receive out of the assets of the Sub-Fund (the “**Investment Management Fee**”) a fee payable in respect of each Class as detailed in the table below:

| <b>Class</b> | <b>Investment Management Fee</b> |
|--------------|----------------------------------|
| Class A      | 0.75% per annum                  |
| Class B      | 1.25% per annum                  |

The Investment Management Fee accrues as of each Valuation Point and is payable monthly in arrears (plus VAT, if any). The Investment Manager shall be entitled to be reimbursed by the Sub-Fund for reasonable out-of-pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

#### *The Back Office Provider and Research Provider*

The Back Office Provider and the Research Provider will receive no fees out of the assets of the Sub-Fund. The Back Office Provider shall be remunerated by the Investment Manager for its services and such payment will be made out of the Investment Manager’s own assets. The Back Office Provider will discharge the fees of the Research Provider out of the Back Office Provider’s own assets. The Back Office Provider and Research Provider will be entitled to have reimbursed out of the assets of the Sub-Fund all of its reasonable out-of-pocket expenses and other expenses incurred by it in the performance of their duties.

#### *The Depositary*

The Depositary shall receive out of the assets of the Sub-Fund an annual trustee fee which shall accrue and be payable monthly in arrears not exceeding 0.01725% of the Net Asset Value of the Sub-Fund (plus VAT, if any) subject to a minimum monthly fee in respect of the Sub-Fund of US\$1,000.

The Depositary shall also receive out of the assets of the Sub-Fund a custody fee which will vary from 0.01% per annum of the value of the assets under custody and US\$8 per transaction in the United States up to 0.40% per annum of the value of the assets under custody and US\$245 per transaction in the Ukraine. If the Sub-Fund invests in assets located in countries which attach a higher fee level, it will therefore pay a higher fee to the Depositary. Certain minimum fees may also apply.

The Depositary shall also be entitled to be repaid out of the assets of each Sub-Fund all reasonable out-of-pocket expenses incurred by it on behalf of the relevant Sub-Fund including sub-custodians fees which will be at normal commercial rates.

### *The Administrator*

The Administrator shall receive out of the assets of the Sub-Fund an annual fund accounting fee not exceeding 0.09% of the Net Asset Value of the Sub-Fund (plus VAT, if any) subject to a minimum monthly fee of US\$5,166 in respect of the Sub-Fund. This total monthly fee excludes a transfer agency fee and a financial reporting fee (to include annual and half-yearly financial statements) which are charged separately. Transfer agency fees will be payable depending on the number of offered Share Classes, Shareholder transactions and Shareholder accounts with transactional dealing fees ranging in value from US\$12.50 to US\$25. The Administrator's fees shall accrue daily and be payable monthly in arrears.

The Administrator shall also be entitled to be repaid out of the assets of each Sub-Fund all reasonable out-of-pocket expenses incurred by it on behalf of the relevant Sub-Fund.

### *Subscription Fee*

The Fund may charge a subscription fee not exceeding 1% of the Net Asset Value of the Class A Shares. The Fund may charge a subscription fee not exceeding 0.25% of the Net Asset Value of the Class B Shares. Any such charge will be payable to the Sub-Fund or as the Fund shall direct and shall be subject in each case to the prior authorisation of the Directors or their delegate.

### *Redemption Fee*

No redemption fees are charged on the redemption of Shares in the Sub-Fund.

### *Switching Fee*

No switching fees are charged on the exchange of Shares in the Sub-Fund.

### *Other Fees and Expenses*

The Manager will also pay out of the assets of the Sub-Fund the costs and expenses (i) relating to the establishment of the Sub-Fund, which amounted to approximately €23,000 and are being amortised over the first three Accounting Periods of the Sub-Fund or such other period as the Directors may determine and in such manner as the Directors in their absolute discretion deem fair; (ii) relating to the establishment of the Q Mauritian Vehicle, which amounted to approximately US\$12,000 and are being amortised over the first three Accounting Periods of the Sub-Fund or such other period as the Directors may determine and in such manner as the Directors in their absolute discretion deem fair; (iii) of all transactions carried out on its behalf and (iv) of the administration of the Sub-Fund, including (a) registering the Sub-Fund and the Shares with any governmental or regulatory authority including the fees and expenses of any paying agents at normal commercial rates, (b) management, administration, custodian and related services, (c) the preparation, printing and posting of prospectuses, reports to Shareholders, the Central Bank and governmental agencies, (d) taxes, (e) commissions (including banking commissions), borrowing charges on equities sold short, brokerage and transaction fees, (f) auditing, tax and legal fees including litigation and indemnification expenses and extraordinary

expenses not incurred in the ordinary course of business, (g) the cost of insurance for the benefit of the Directors, (h) interest on borrowings and (i) all other organisational, marketing and operating expenses.

### ***Fees and Expenses of the Q Mauritian Vehicle***

All administrative, accounting, auditing expenses, management fees, legal fees and other expenses relating to the operation of the Q Mauritian Vehicle, including the fees of the Depositary, Mauritian Administrator and Calculation Agent to the Q Mauritian Vehicle as set out below and statutory dues will be borne by the Q Mauritian Vehicle and hence indirectly by the Sub-Fund.

#### ***The Mauritian Administrator***

The Mauritian Administrator shall be entitled to an annual fee of approximately US\$31,000 in respect of its role as administrator of the Q Mauritian Vehicle which will be calculated daily and payable quarterly in arrears. The Mauritian Administrator shall also be entitled to be repaid all reasonable out-of-pocket expenses incurred by it on behalf of the Q Mauritian Vehicle.

#### ***The Calculation Agent***

The Calculation Agent shall be entitled to an annual fee of US\$30,000 in respect of its role as calculation agent of the Q Mauritian Vehicle which will be calculated daily and payable monthly in arrears.

#### ***The Investment Facilitator***

The Investment Facilitator shall be entitled to an annual fee of \$40,000 in respect of its role as investment facilitator of the Q Mauritian Vehicle which will be payable quarterly in arrears.

## **17. Risk Factors**

**Some specific risk factors applicable to this Sub-Fund are set out below. These should be read in conjunction and not independent of the general risk warnings in the main Prospectus. Investors' attention is drawn to the Section headed 'Risk Factors of the Fund' in the Prospectus.**

**The investment risks set out in the Prospectus and this Supplement do not purport to be exhaustive. Prospective investors should read this entire information Prospectus and consult with their legal, tax and financial advisors before making any decision to invest in the Fund.**

#### ***Certain Risk Factors Concerning India***

Given the focus of its investment strategy, the success of the Sub-Fund will depend in large part on the general economic and business conditions in India. Risks associated with the investments in India, including but not limited to the risks described below, could adversely affect the performance of the Sub-Fund and result in substantial losses. No assurance can be given as to the ability of the Sub-Fund

to achieve any return on its investments and, in turn, any return on an investor's investment in the Sub-Fund. Accordingly, in acquiring Shares in the Sub-Fund, appropriate consideration should be given to the following factors:

#### *Economic Factors*

The success of the Sub-Fund's investments depends in part on general economic and business conditions in India. A significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and in particular if new restrictions on the private sector are introduced or if existing restrictions are not relaxed over time. Notwithstanding current policies of economic liberalization, the roles of the Indian central and state governments in the Indian economy as producers, consumers and regulators have remained significant. The current Government of India is a recently elected majority government formed by the Bharatiya Janata Party (BJP) led by Narendra Modi which was formed in May 2014. The government has announced certain policies and taken initiatives that support the continued economic liberalization policies that have been pursued by previous governments. There is, however, no assurance that these liberalization policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting taxation, foreign investment, currency exchange and other matters affecting the Sub-Fund's investments could change as well. In addition, laws and policies affecting the various investments held by the Sub-Fund could change, adversely affecting the values or liquidity of securities issued by those companies.

#### *Political Factors*

India's relations with other neighbouring countries historically have been tense. Since the separation of India and Pakistan upon their independence in 1947, a source of ongoing tension between the two countries has been the dispute over the northern border state of Kashmir. India and Pakistan have fought three wars since independence, and in the last several years both countries have conducted successful tests of nuclear weapons and missile delivery systems. Although there are periodic efforts to normalize relations between the two countries, significant military confrontations between India and Pakistan have occurred in the disputed region of Kashmir in the last few years and both India and Pakistan continue to allocate substantial resources to the defense of their borders as a result. More recently, terrorist attacks in November 2008 and July 2011 in Mumbai have heightened tensions and security risks in both countries. Events of this nature in the future could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, and on the market for the services of Indian companies in which the Sub-Fund may have investments. The Indian government is also confronted by insurgencies and separatist movements in several states in addition to Kashmir.

#### *Communal Factors*

India's population is comprised of numerous ethnic groups with diverse religions and languages, sometimes resulting in communal conflict among groups. For instance, in recent years India has experienced considerable sectarian tension between Hindus and Muslims, marked by periodic violence that has caused considerable loss of property and, in 1992, a riot that resulted in the closure of the Bombay Stock Exchange for a period of three days.

### *Capital Raising Constraints Under Indian Law*

Approvals from SEBI/the Government of India are required for the Sub-Fund to invest in debt securities of Indian companies. The total outstanding FII investments in Government bonds and in corporate bonds cannot exceed the limits as allotted by SEBI.

### *Currency Exchange Rate Risks*

Exchange controls have traditionally been administered with draconian measures under the Foreign Exchange Regulation Act ("**FERA**"). The Indian Rupee is not convertible on the capital account and most capital account transactions require the prior permission of the RBI, India's central bank. However, throughout the 1990s, the RBI eased the exchange control regime and made it more market-friendly. The Indian Parliament has enacted the Foreign Exchange Management Act ("**FEMA**") to replace FERA. FEMA and the rules made thereunder constitute the body of exchange controls applicable in India. The significant shift in the approach to exchange controls under FEMA is the move from a regime of limited permitted transactions to one in which all transactions are permitted except a limited number to which restrictions apply. FEMA and the notifications under FEMA were effective commencing 1 June 2000. FEMA differentiates foreign exchange transactions between capital account transactions and current account transactions. A capital account transaction is generally defined as one that alters the assets or liabilities, including contingent liabilities outside India, of persons resident in India or assets or liabilities in India of persons resident outside India. FEMA further provides for specific classes of transactions that fall within the ambit of capital account transactions and the RBI has issued regulations governing each such class of transactions. Transactions other than capital account Transactions, including payments in connection with foreign trade, current businesses, services, short term credit and banking facilities, interest payments, living expenses, foreign travel, education and medical care are current account transactions. The RBI has issued regulations governing such current account transactions.

Currency risk in relation to the Indian Rupee remains a significant risk factor. A decrease in the value of the Indian Rupee would adversely affect the Sub-Fund's returns, and such a decrease may be likely given India's current account deficits and its budget deficits.

The operation of the Sub-Fund's bank account in India is subject to regulation by RBI under the Indian Foreign Exchange Regulations. The Indian domestic custodian acting also as the remitting banker will be authorized to convert currency and repatriate capital and income on behalf of the Sub-Fund. There can be no assurance that the Indian Government would not, in the future, impose certain restrictions on foreign exchange. The repatriation of capital may be hampered by changes in Indian regulations concerning exchange controls or political circumstances. In addition, India may in the future re-introduce foreign exchange control regulations which can limit the ability of the Sub-Fund to repatriate the dividends, interest or other income from the investments or the proceeds from sale of securities. Any amendments to the Indian exchange control regulations may impact adversely on the performance of the Sub-Fund.

### *Indian Legal System*



Indian civil judicial process to enforce remedies and legal rights is less developed, more lengthy and, therefore, more uncertain than that in more developed countries. Enforcement by the Sub-Fund of civil liabilities under the laws of a jurisdiction other than India may be adversely affected by the fact that the Sub-Fund's portfolio companies may have a significant amount of assets in India. The laws and regulations in India can be subject to frequent changes as a result of economic, social and political instability. In addition, the level of legal and regulatory protections customary in countries with developed securities markets to protect investors and securities transactions, and to ensure market discipline, may not be available. Where the legal and regulatory framework is in place, the enforcement may be inadequate or insufficient. Regulation by the exchanges and self-regulatory organizations may not be recognized as law that can be enforced through the judiciary or by means otherwise available to the investors in developed markets.

### *Indian Capital Gains Tax*

Under current laws and regulations, short term capital gains on the sale of equity shares listed on an approved exchange are currently taxed by the Indian government at the rate of 15% (plus applicable surcharge and education cess), and long term capital gains on the sale of such shares are exempt from tax. For other securities the rate is 30% (plus applicable surcharge and education cess) for short term capital gains and 10% (plus applicable surcharge and education cess) for long term capital gains. The Sub-Fund will seek an exemption under the India Mauritius Tax Treaty (the "**Treaty**"), which would exempt gains on the sale of certain securities held by the Sub-Fund from the Indian capital gains tax. However, there can be no assurance that the Sub-Fund will be able to avail itself of the benefits of the Treaty, or that future legislation, regulation or court rulings will not limit or eliminate exemptions from capital gains taxes (See "Reliance on India/Mauritius Double Tax Avoidance Treaty" below). Accordingly, sales of securities may be subject to capital gains tax in India, and this could significantly reduce returns for investors in the Sub-Fund in the absence of an offset or credit for such tax under the tax laws or regulations of the investors domicile.

### *Taxation of Capital Gains earned by the Shareholders in the Sub-Fund*

No Shareholder will be subject to taxation in India unless such investor is a resident of India or, if a non-resident, has an Indian source income or income received (whether accrued or otherwise) in India.

Under Section 9 of the Indian Income Tax Act (ITA), all income accruing or arising, whether directly or indirectly, through or from any business connection in India, or through or from any property in India, or through or from any asset or source of income in India, or through the transfer of a capital asset situated in India is deemed to accrue or arise in India.

Amongst others, the Indian Finance Act (FA) 2012 has made clarificatory amendments, with retrospective effect from 1st April 1962.

One of these proposals is being interpreted to mean that the capital gain income earned by an investor in a fund, like the Sub-Fund, on redemption of his shares could be treated to be income earned by such investor in India and hence subject to Indian tax.

The Sub-Fund is awaiting a policy circular from the Indian Income Tax Department on the interpretation of the aforesaid indirect transfer tax provision with regard to Sub-Fund's Shareholders at the time of redemption. Meanwhile, the following steps are proposed to be taken by the Sub-Fund:

1. Pending the issue of the above policy circular by the Indian Income Tax Department, the Sub-Fund does not propose to withhold any taxes at the time of a Shareholder's redemption. However the Sub-Fund will obtain from the Shareholder an appropriate indemnity upon subscription. Such indemnity shall state that a) the investor shall only be required to indemnify the Sub-Fund with respect to its pro rata share of such Indian tax liability; b) the investor shall only be required to repay to the Sub-Fund its pro rata share of any applicable Indian tax liability and c) the Sub-Fund shall only withhold from the redemption proceeds of an investor, the pro rata share of any applicable Indian tax liability of the said investor.
2. As and when the policy circular is issued by the Indian Government, the Sub-Fund will review the same. After such review if the Sub-Fund is of the view that capital gain income of Shareholders in the Sub-Fund is taxable at the time of redemption, the Sub-Fund shall thereafter start withholding Indian taxes at applicable rates on such capital gain income and distribute only the net amount to the investor.

#### *Taxation of Interest Income*

Interest income arising from Indian securities (other than those issued under the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 (the "**Scheme**")) will be subject to income tax at the rate of 20% on gross interest (plus applicable surcharge and education cess); provided that interest on Rupee denominated bonds of an Indian company or an Indian Government security payable on or after 1<sup>st</sup> June 2013 but before 1<sup>st</sup> June 2015 will be subject to income tax at the rate of 5% on gross interest (plus applicable surcharge and education cess). Interest income from Indian securities issued in accordance with the Scheme will be subject to income tax at the rate of 10% on gross interest (plus applicable surcharge and education cess). Interest income from loans made or debt securities held in India will be taxed at the rate of 20% (plus applicable surcharge and education cess).

#### *Reliance on the Treaty*

Investors should note that taxation of the income of the Sub-Fund arising from its investments in India is expected to be minimized under the provisions of the Treaty. No assurance can be given that the terms of the Treaty will not be subject to renegotiation in the future. Any change in the Treaty could have a material adverse effect on the returns of the Sub-Fund. There can be no assurance that the Treaty will continue and will be in full force and effect during the life of the Sub-Fund. Further, it is possible that Indian tax authorities may seek to take the position that the Sub-Fund is not entitled to the benefit of the Treaty. There can be no assurance that the Sub-Fund will be able to obtain or maintain the benefit of the Treaty.

#### *Exposure to Permanent Establishment*

While the Fund believes that the activities of the Sub-Fund and the Investment Manager, the Back Office Provider, the Research Provider described in this Supplement and any sub-investment manager appointed to the Sub-Fund, should not create a permanent establishment of the Sub-Fund or the Q Mauritian Vehicle in India, there may, however, be a risk that the Indian tax authorities claim that these activities result in the Research Provider and/or any sub-investment manager appointed to the Sub-Fund constituting a 'permanent establishment' of the Sub-Fund or the Q Mauritian Vehicle. If for any reason the Research Provider and/or any sub-investment manager appointed to the Sub-Fund, is held to be a 'permanent establishment' of the Sub-Fund Q Mauritian Vehicle in India, then the profits of the Sub-Fund or the Q Mauritian Vehicle could be subject to tax in India.

#### *Bond Market Risks*

The Indian bond markets especially the corporate bond markets are smaller in size and depth which could impact the liquidity in the instruments held by the Sub-Fund. Also, due to lack of broad based participation from a varied set of investors, the market participants often have uni-directional views which result in extreme reactions in valuations of certain instruments. The bond markets also have dual regulators with RBI regulating the government bond market and SEBI regulating the corporate bond market which leads to dealing with multiple settlement and trading practices.

#### *Limited Liquidity*

Some segments of the government bond market and the corporate bond markets have limited liquidity which could impact prices of instruments. Also, given the nascent stage of the markets, there have been instances where the liquidity for the entire markets has seized up leading to poor price discovery.

#### *Corporate Disclosure, Accounting, Custody and Regulatory Standards*

Indian disclosure and regulatory standards are in many respects less stringent than standards in certain OECD countries. There may be less publicly available information about Indian companies than is regularly published by or about companies in such other countries. The difficulty in obtaining such information may mean that the Sub-Fund may experience difficulties in obtaining reliable information regarding any corporate actions and dividends of companies in which the Sub-Fund has invested which may, in turn, lead to difficulties in determining the Net Asset Value with the same degree of accuracy which might be expected from more established markets. Indian accounting standards and requirements also differ in significant respects from those applicable to companies in many OECD countries.

#### *Limitations on Investments*

Although, the total outstanding FII investments in Sovereign Debt is capped at USD 30 billion; there is a sub-cap of US\$20 billion for non-long term investors. Investment in corporate bonds cannot exceed USD 51 billion with a sub-cap for commercial papers of USD 2 billion (reduced from the earlier sub-cap of USD 5.50 billion). The Sub-Fund's debt investments cannot exceed the limits as allotted by SEBI. FII's cannot invest in certificate of deposits and fixed deposits issued by banks. Recently, RBI also banned FIIs from investing in Treasury bills and lowered the investment limit on CPs to dissuade short term investors

### *Loss of FII Registration*

For accessing the Indian securities market, the Q Mauritian Vehicle will be registered with SEBI as a sub-account of QIEF Management LLC (in this capacity the “**Investment Facilitator**”). The Investment Facilitator will be, in turn, registered as a FII. The investment by the Q Mauritian Vehicle is dependent on the continued registration of Investment Facilitator as a FII and the Q Mauritian Vehicle as its sub-account. In the event the registration of the Investment Facilitator as a FII or the Q Mauritian Vehicle as a sub-account is terminated or is not renewed, the Q Mauritian Vehicle could potentially be forced to redeem the investments held in the Q Mauritian Vehicle, and such forced redemption could adversely affect the returns to the Shareholders unless the Q Mauritian Vehicle registers itself with a SEBI approved Designated Depository Participant, as a Foreign Portfolio Investor under the SEBI (FPI Foreign Portfolio Investors) Regulations, 2014.

### *Investigations*

Any investigations of, or actions against, a sub-investment manager appointed to the Sub-Fund or the Sub-Fund or the Q Mauritian Vehicle initiated by SEBI or any other Indian regulatory authority may impose a ban of the investment and advisory activities of the sub-investment manager and/or the Sub-Fund or the Q Mauritian Vehicle.

### *Risks in Relation to Mauritius*

Mauritius has been a politically and economically stable country over the last several decades. However, as with any other developing country, there can be no assurance that it will continue to remain politically and economically stable and thus there may be political and economic risks associated with investing in a Mauritian company.

### *Investing in Fixed Income Securities*

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time.

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

### *Concentration Risk*

The Sub-Fund, through the Q Mauritian Vehicle, concentrates its investments in fixed income securities of companies listed on stock exchanges in India or closely related to the economic development and growth of India. A concentrated investment strategy may be subject to a greater degree of volatility and risk than a portfolio which is diversified across different geographic regions.

### *No Investment Guarantee*

Investment in the Sub-Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Any investment in the Sub-Fund is subject to fluctuations in value.

### *Leverage*

The Sub-Fund may, as outlined in Section 9 “Leverage”, above, engage in leverage for the purpose of making investments.

## **18. Taxation**

Investors’ attention is drawn to the summary of the Irish taxation rules applicable to the Fund and Sub-Funds as set out in “Appendix IV – Taxation” in the Prospectus, and to the risk warnings set out under the heading “Certain risk factors concerning India” above.

The Q Mauritian Vehicle has obtained a certificate of Mauritian Tax Residency from the Mauritius Revenue Authority. The Q Mauritian Vehicle holds a Category 1 Global Business Licence for the purposes of the Financial Services Act 2007 and is therefore regulated by the FSC.

As a Mauritian tax resident, the Q Mauritian Vehicle will be liable to tax under the Income Tax Act 1995, at a rate of 15%. However, the Q Mauritian Vehicle will be entitled to a credit for foreign tax on its income, which is not derived from Mauritius against the Mauritius tax computed by reference to that same income. If no written evidence is presented to the Mauritius Revenue Authority showing the amount of foreign tax charged on income derived by the Q Mauritian Vehicle outside of Mauritius, the amount of foreign tax shall be conclusively presumed to be equal to 80% of the Mauritius tax chargeable with respect to that income, which would reduce the rate of tax effectively to 3%. If the foreign tax is at a rate greater than 12% the effective rate of tax may be reduced further in certain circumstances. In addition, capital gains tax on the sale of securities held by the Q Mauritian Vehicle is exempt from tax in Mauritius.

Investors should note that the Q Mauritian Vehicle relies upon the provisions of the Treaty to minimise, so far as possible, the taxation of the Q Mauritian Vehicle. No assurance can be given that the terms of the Treaty will not be subject to re-negotiation or re-interpretation in the future and any change could have a material adverse effect on the returns of the Q Mauritian Vehicle. There can therefore be no

assurance that the Treaty will continue to be in full force and effect and of benefit to the Sub-Fund during the life of the Q Mauritian Vehicle.

To the extent that the Q Mauritian Vehicle pays dividends to the Sub-Fund as its sole shareholder, no withholding tax shall be levied under current Mauritian law. Such dividends received by the Sub-Fund shall not therefore be subject to Mauritius tax.

**Shareholders should consult their own advisers as to their own particular tax consequences of an investment in the Sub-Fund.**

## **19. Q Mauritian Vehicle**

### *General*

For the purposes of efficient portfolio management, the Sub-Fund may invest in India through the Q Mauritian Vehicle, a private limited liability company incorporated on 5<sup>th</sup> April, 2010 under the laws of Mauritius. The Q Mauritian Vehicle is wholly owned by the Sub-Fund. The Q Mauritian Vehicle will pursue the same investment objective as the Sub-Fund and will be subject to the same investment policies, restrictions and guidelines of the Sub-Fund and the Fund generally. The registered address of the Q Mauritian Vehicle is 118, St Jean Road (Corner of Avenue des Azalées and Royal Road St Jean), Quatre Bornes, Mauritius. The Q Mauritian Vehicle holds a Category 1 Global Business Licence issued by the FSC. The Sub-Fund will be the only shareholder in the Q Mauritian Vehicle and the Q Mauritian Vehicle is authorised in Mauritius to conduct business as an investment holding company.

### *Share Capital*

The share capital of the Q Mauritian Vehicle comprises a number of shares entirely held by the Depositary on behalf of the Sub-Fund.

### *Administration*

The Manager and the Q Mauritian Vehicle have appointed CIM Fund Services Ltd, a company incorporated in Mauritius (the “**Mauritian Administrator**”) with its registered office at 33 Edith Cavell Street, Port Louis, Republic of Mauritius, to provide certain administration services to the Q Mauritian Vehicle pursuant to an agreement dated 20 February, 2015 and novated by of agreement dated 1 September, 2017 (the “**Mauritian Administration Agreement**”). The services provided by the Mauritian Administrator pursuant to the Mauritian Administration Agreement include preparation of minutes of directors and shareholders meetings, and providing such other accounting and administrative services as are required by Mauritian law. The Mauritian Administrator is a licensed management company based in Mauritius and regulated by the FSC.

### *Management*

A description of the management of the Q Mauritian Vehicle is set out under the heading “Management” in section 4 of this Supplement.

### *Custody*

The Fund appointed the Depositary to act as depositary of all of the sub-funds of the Fund pursuant to a Depositary Agreement dated 24<sup>th</sup> March, 2016. The Fund, the Depositary and the Q Mauritian Vehicle have entered into an agreement dated 28<sup>th</sup> January, 2015 pursuant to which the Depositary will act as depositary of the Q Mauritian Vehicle.

### *Valuation*

BNY Mellon Fund Services (Ireland) DAC (in this capacity, the “**Calculation Agent**”) shall, inter alia, calculate the Net Asset Value of the Q Mauritian Vehicle and the fees of the service providers of the Q Mauritian Vehicle pursuant to a Net Asset Value Calculation Agreement dated 20 February, 2015 between the Manager, the Q Mauritian Vehicle and the Calculation Agent and as novated by way of agreement dated 1 September, 2017.

### *Investment Facilitator*

The Investment Facilitator facilitates access to the Indian securities market for the Q Mauritian Vehicle pursuant to an agreement dated 20 February, 2015 between the Manager, the Q Mauritian Vehicle and the Investment Facilitator and as novated by way of agreement dated 1 September, 2017.

### *Auditor*

Deloitte, Mauritius is the auditor of the Q Mauritian Vehicle. The address of Deloitte, Mauritius is 7<sup>th</sup> Floor, Raffles Tower, 19 Cybercity, Ebene, Mauritius.

## **20. Material Contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Fund in respect of the Sub-Fund, and, where applicable, the Q Mauritian Vehicle, prior to the date of this Supplement and are, or may be, material. These contracts are in addition to those described under the heading “Material Contracts” in the section “General and Statutory Information” of the main Prospectus.

- (A) Mauritian Investment Management Agreement dated 20 February, 2015, as novated by way of agreement dated 5 May, 2015, 1 September, 2017 and as further novated by way of agreement dated 1 March, 2019 between (1) the Manager; (2) the Q Mauritian Vehicle; and (3) the Investment Manager whereby the Manager and the Q Mauritian Vehicle appoint the Investment Manager to act as discretionary investment manager of the Q Mauritian Vehicle subject to the general supervision of the Manager, to assist with the implementation of the investment objective and policies of the Q Mauritian Vehicle.
- (B) Mauritian Custodian Agreement dated 28 January, 2015 (effective date 20 February, 2015) between (1) the Fund; (2) the Q Mauritian Vehicle and (3) the Depositary whereby the Depositary is appointed by the Fund and the Q Mauritian Vehicle as custodian of all the assets of the Q Mauritian Vehicle. The Mauritian Custodian Agreement may be terminated at any time,

by either the Fund or the Depositary upon the provision of not less than ninety (90) days written notice provided that: (a) either the Depositary or the Fund may at any time immediately terminate the Mauritian Custodian Agreement by giving notice in writing to the other parties in the event that another party goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the parties) or be unable to pay its debts or commits any act of bankruptcy under the laws of Ireland or if a receiver/examiner or similar person is appointed over any of the assets of that party or if some event having an equivalent effect in any jurisdiction occurs; (b) the Fund may at any time immediately terminate the Mauritian Custodian Agreement by giving notice in writing to the Depositary in the event that the Depositary is no longer permitted to perform its obligations pursuant to applicable law; (c) either the Depositary or the Fund may at any time terminate the Mauritian Custodian Agreement by giving notice in writing to the other party if the other party shall engage in any material breach of its obligations under the Mauritian Custodian Agreement and shall fail within thirty days' of receipt of notice served by the non-defaulting party requiring it so to do to cease such breach; or (d) the duties of the Depositary shall in any event cease upon the Sub-Fund's approval being revoked by the Central Bank. The Fund may not terminate the appointment of the Depositary and the Depositary may not retire or resign from such appointment unless and until a successor Depositary, approved for the purpose by the Central Bank, shall have been appointed in accordance with the Articles, and the Regulations and such appointment is approved by the Central Bank or the Sub-Fund's approval by the Central Bank has been revoked. If the Depositary shall have given to the Fund notice of its desire to retire or resign from its appointment or the appointment of the Depositary is terminated pursuant to the terms of the Mauritian Custodian Agreement and no successor shall have been appointed in accordance with the Articles within 90 days from the giving of such notice, the Fund shall, forthwith convene an extraordinary general meeting of the Shareholders at which there shall be proposed an ordinary resolution to wind up the Sub-Fund in accordance with the provisions of the Articles. Notwithstanding anything set out above, the Depositary's appointment shall only terminate on revocation of the Sub-Fund's approval by the Central Bank. The Depositary will be liable to the Sub-Fund and the Shareholders and the Q Mauritian Vehicle for any loss suffered by them as a result of the Depositary's unjustifiable failure to perform its obligations or its improper performance of them. The Q Mauritian Vehicle shall keep the Depositary indemnified from and against all costs, liabilities, damages and expenses (including, without limitation, legal and professional fees including those incurred in connection with the defence of any claim, action or proceedings) suffered by the Depositary or its directors, officers or employees in connection with the performance by the Depositary of its obligations under the Mauritian Custodian Agreement (including, without limitation, acting on Proper Instructions) otherwise than as a result of the Depositary's unjustifiable failure to perform its obligations or its improper performance of them.

- (C) Mauritian Net Asset Value Calculation Agreement dated 20 February, 2015 between (1) the Manager; (2) the Q Mauritian Vehicle and (3) the Calculation Agent whereby the Manager and the Q Mauritian Vehicle have appointed the Calculation Agent to act as calculation agent of the Q Mauritian Vehicle, subject to the general supervision of the Manager. The Calculation Agent has been appointed to provide certain valuation and related services to the Q Mauritian Vehicle. The Mauritian Net Asset Value Calculation Agreement may be terminated by any party on ninety (90) calendar days' notice in writing to the other parties. Further, the Mauritian Net Asset



Value Calculation Agreement may be terminated: (i) by any party at any time forthwith by notice in writing in the event of the appointment of an examiner, liquidator or receiver to another party; (ii) by the Manager at any time forthwith if the Calculation Agent is no longer permitted to perform its obligations under applicable law; (iii) by the Calculation Agent at any time forthwith if the Sub-Fund is no longer approved by the Central Bank or if the Q Mauritian Vehicle carries out any activities of a collective investment scheme or is deemed to be or classified as a collective investment scheme by the FSC; or (iv) by any party at any time forthwith in the event of a material breach of the Mauritian Net Asset Value Calculation Agreement by another party and the failure of that other party to remedy such breach within 30 calendar days of receipt of written notice requesting it to do so. The Mauritian Net Asset Value Calculation Agreement provides that in the absence of fraud, bad faith, reckless disregard of its duties, wilful misfeasance or negligence, the Calculation Agent will not be liable for any loss incurred by the Manager or the Q Mauritian Vehicle, and will be indemnified out of the assets of the Q Mauritian Vehicle against any loss suffered by the Calculation Agent in the performance of its duties under the Mauritian Net Asset Value Calculation Agreement, save where such loss arises as a result of negligence, wilful misfeasance, reckless disregard of its duties, bad faith or fraud on the part of the Calculation Agent. The Calculation Agent shall not be liable for indirect, special or consequential damages of any nature.

## **RUBRICS ENHANCED YIELD UCITS FUND (the “SUB-FUND”)**

**Supplement 6 dated 11 August, 2023 to the Prospectus dated 24 February, 2022**

**Distribution of this Supplement is not authorised unless accompanied by the most recently available Prospectus issued by the Fund, and this Supplement should be read in conjunction with and forms part of such Prospectus and may not otherwise be relied upon. As the Sub-Fund may at any one time investment more than 30% of its Net Asset Value in debt securities which are below investment grade and also invest more than 20% of its Net Asset Value in emerging market countries, an investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Please refer to the section of the Supplement entitled “Risk Factors: Sub-investment grade debt securities and securities without rating” and “Risk Factors: Emerging Markets Risk”. Although the Sub-Fund may invest substantially in cash deposits, cash equivalents and/or money market instruments in certain circumstances as outlined below, Shares in the Sub-Fund are not deposits and are different in nature to a deposit in that the investment is not guaranteed and the value of the investment is capable of fluctuation. Investment in the Sub-Fund involves certain investment risks, including the possible loss of principal. The Sub-Fund’s Net Asset Value may have an elevated volatility due to its investment policy. Shareholders should note that all/part of fees and expenses (including Investment Management Fees) of the Sub-Fund will be charged to the capital of the Distributing Share Classes. This will have the effect of lowering the capital value of a Shareholder’s investment in the Distributing Share Classes. The attention of investors is drawn to Section 16 of the Supplement headed “Risk Factors”. Copies of the Prospectus may be obtained free of charge upon request from the registered office of the Manager or from the Administrator. Unless otherwise defined in this Supplement, words and phrases in the Prospectus will have the same meaning in this Supplement.**

The other existing Sub-Funds of the Fund, details of which are set out in relevant Supplements to the Prospectus are Rubrics Global Fixed Income UCITS Fund, Rubrics Emerging Markets Fixed Income UCITS Fund, Rubrics Global Credit UCITS Fund, Rubrics India Fixed Income UCITS Fund and Q Rubrics India Fixed Income UCITS Fund.

### **5. Structure**

The Rubrics Enhanced Yield UCITS Fund is a Sub-Fund of the Fund. The Fund is an open-ended variable capital umbrella investment company with segregated liability between its Sub-Funds. A description of the Fund and its management, administration, charges, taxation of the Fund and its Shareholders and risk factors is contained in the Prospectus.

## 6. Shares and Classes

Shares may be subscribed for in the following Classes of Shares:

|            | Reference Currency | Min. Initial Investment Amount | Distribution Status |
|------------|--------------------|--------------------------------|---------------------|
| Class A    | USD                | \$25 million                   | Accumulating        |
| Class AC   | USD                | \$500                          | Accumulating        |
| Class AD   | USD                | \$25 million                   | Distributing        |
| Class ACD  | USD                | \$500                          | Distributing        |
| Class B*   | EUR                | €25 million                    | Accumulating        |
| Class BC*  | EUR                | €500                           | Accumulating        |
| Class BD*  | EUR                | €25 million                    | Distributing        |
| Class BCD* | EUR                | €500                           | Distributing        |
| Class C*   | GBP                | £25 million                    | Accumulating        |
| Class CC*  | GBP                | £500                           | Accumulating        |
| Class CD*  | GBP                | £25 million                    | Distributing        |
| Class CCD* | GBP                | £500                           | Distributing        |
| Class D    | USD                | \$500                          | Accumulating        |
| Class DD   | USD                | \$500                          | Distributing        |
| Class E*   | EUR                | €500                           | Accumulating        |
| Class ED*  | EUR                | €500                           | Distributing        |
| Class F*   | GBP                | £500                           | Accumulating        |
| Class FD*  | GBP                | £500                           | Distributing        |
| Class G*   | CHF                | CHF25 million                  | Accumulating        |
| Class GC*  | CHF                | CHF500                         | Accumulating        |
| Class GD*  | CHF                | CHF25 million                  | Distributing        |
| Class GCD* | CHF                | CHF500                         | Distributing        |
| Class H*   | CHF                | CHF500                         | Accumulating        |
| Class HD*  | CHF                | CHF500                         | Distributing        |
| Class Y*   | ZAR                | ZAR500 million                 | Accumulating        |
| Class YD*  | ZAR                | ZAR500 million                 | Distributing        |
| Class Z*   | ZAR                | ZAR10,000                      | Accumulating        |
| Class ZD*  | ZAR                | ZAR10,000                      | Distributing        |

\*Non- Base Currency classes which bear an asterisk (\*) after their name in the above table shall be Hedged Classes.

The latest Net Asset Value per Share of each launched Class is freely available from the Administrator or as set out in the section entitled “Publication of Net Asset Value” in the main Prospectus.

Monies subscribed for each Sub-Fund or Class of a Sub-Fund should be in the Base Currency of the relevant Sub-Fund or Reference Currency of a Class as the case may be. Performance of a non-Reference Currency Share Class may be strongly influenced by movements in FX rates because currency positions held by the Sub-Fund may not correspond with the underlying securities position held.

The Sub-Fund may, at the discretion of the Investment Manager, attempt to reduce or minimise the effect of fluctuations in the exchange rate on the value of the Non-Reference Currency Shares by hedging. Currency hedging, if applicable, will be carried out in accordance with the procedures disclosed on in the section headed “Currency Hedging” in the main Prospectus and in the section headed “Share Class Currency Hedging” in this Supplement.

Each investor must satisfy the Minimum Initial Investment Amount requirements applicable to each Class as outlined above. The Directors reserve the right to differentiate between Shareholders, waive or reduce the Minimum Initial Investment Amount for certain investors. No Minimum Holding Amount and Minimum Transaction Size shall apply.

Details of the offer of Shares is set out in Section 10 below headed “Applications for Shares”. The fees applicable to each Class are set out in Section 15 below headed “Fees and Expenses”.

## 7. Base Currency

The Base Currency of the Sub-Fund is US Dollars.

## **8. Investment Objective**

The investment objective of the Sub-Fund is to invest in a diversified, global portfolio of fixed income securities with attractive income generating characteristics over the long-term.

## **5. Investment Policy**

The Sub-Fund will seek to achieve its investment objective by primarily investing directly in a combination of fixed rate and floating rate bonds issued by corporates and interest-bearing securities (including debenture bonds and notes and liquid assets as set out under the section headed "Liquid Assets" below). Any investment in investment grade fixed or floating rate bonds will be rated BBB- or higher by either Standard & Poor's or Fitch, or Baa3 or higher as rated by Moody's. The Sub-Fund will invest globally with up to 100% of its Net Asset Value exposed to either developed or emerging markets or a combination of both markets.

The Sub-Fund may invest directly or indirectly in bonds and other fixed income securities of governments and corporates of various types and maturities, including, for example, fixed rate, floating rate and variable rate notes, bonds, index linked debt securities, convertible bonds, preferred stock, warrants, coupon-bearing and deferred interest instruments (such as zero coupon bonds). Convertible bonds are a type of bond which are convertible into a specified number of shares (or their cash value) at either (i) the discretion of the bond holder; or (ii) the discretion of the bond issuer (called a reverse convertible bond); or (iii) upon a particular event (called a mandatory convertible bond). Convertible bonds may embed an option derivative component. As outlined below in the section entitled "Leverage", while leverage is not generally part of the Sub-Fund's investment strategy, any additional leverage generated by investment in convertible bonds that embed a derivative will not cause the Sub-Fund to exceed the leverage limit of 100% of the Sub-Fund's Net Asset Value. The Sub-Fund may invest in debt securities issued or guaranteed by international agencies or supranational entities. Further, the Sub-Fund may also invest 100% of the Sub-Fund's Net Asset Value in the debt securities issued or guaranteed by supranational organizations or by the governments or entities set out in paragraph 2.12 of Appendix I of the Prospectus, including, without limitation, the World Bank and the European Investment Bank but excluding Export-Import Bank.

The Sub-Fund may also invest in distressed debt securities which is any bond or other fixed income security (as described above) that is rated CCC- or lower by Standard & Poor's, or Caa3 or lower by Moody's. Investment in distressed debt securities will not exceed 10% of the Sub-Fund's Net Asset Value. The Sub-Fund may invest in fixed rate, floating rate and zero coupon bonds.

In addition, in order to participate in credit markets which are less accessible via direct investment or as a means to provide more diversified exposure to an asset class, the Sub-Fund may undertake investments in credit securities indirectly using collective investment schemes or via the limited use of derivatives designed for this purpose as fully described below.

Where the Investment Manager identifies an appropriate investment opportunity (such as the capture of a meaningful interest rate differential), the Sub-Fund may take active FX exposure as part of its overall investment policy as further described under the section below entitled "Currency Exposure"

and within the provisions of Appendix I and III of the Prospectus. An example of capturing an interest rate differential involves managing currency exposure in a non-hedging context. In this regard, the Investment Manager may look to capture the interest rate differential by buying securities denominated in currencies which are higher yielding relative to the Sub-Fund's base currency. Such currencies may be higher yielding because their respective national interest rates are higher and, as a result, the coupon on locally denominated fixed income securities will also be higher. While the Sub-Fund's portfolio may be subject to FX risk, this has the effect of increasing the Sub-Fund's overall portfolio yield.

The Sub-Fund pursues a total return strategy and will typically maintain a duration profile of between two and ten years. The portfolio is built around the need to provide strong cash flow and capital gains.

The Sub-Fund is actively managed without reference to any benchmark meaning that the Investment Manager has full discretion over the composition of the Sub-Fund's portfolio, subject to the stated investment objectives and policies.

### Investment Strategy

The Investment Manager aims to achieve the Sub-Fund's investment objective through engaging in fundamental analysis.

Fundamental research on individual securities is performed to help identify good risk adjusted opportunities on a global basis. The fundamental research may involve the assessment of the security's or where relevant, issuer's, debt maturity profile, the issuer's country/industry outlook, level of foreign indebtedness etc. Liquidity of the instrument is a key consideration in this part of the process.

The Investment Manager uses a range of sources to generate fundamental research including:

**Issuer Provided Information:** Information sourced directly from issuers that could include annual reports, company presentations (including sustainability related information), and earnings call transcripts.

**Sell Side Market Commentary/Research and Rating Reports:** Global fixed income market commentary/research as well as up-to-the minute data on investment flows and market sentiment. Freely available credit agency commentary (typically accessed via Bloomberg) in addition to subscription-based, third-party sustainability research.

**Independent Research:** The Investment Manager uses a range of independent research providers with specific expertise across a number of categories. In relation to credit research the Investment Manager uses providers where they receive up to date credit research and maintain regular dialogue.

**Published Trading Data:** Historic trading data as published on trade reporting engines and Approved Publication Arrangements ("APAs") via Multilateral Trading Facilities ("MTFs").

**Proprietary Research:** The Investment Manager conducts its own research which is generated by the portfolio management team covering a range of asset classes and market information provided by third party data providers.

The primary drivers of performance of the Sub-Fund are credit risk and duration risk. The presence of credit risk increases the expected return of the Sub-Fund through the credit premium. The credit premium is compensation for bearing the risk of default losses for a given security. The presence of duration risk increases the Sub-Fund's sensitivity to changes in interest rates. By increasing and decreasing the maturity profile of the Sub-Fund's portfolio of securities, the Investment Manager is able to capitalise on strategic and tactical views regarding the term structure of interest rates.

Under normal market conditions, the Sub-Fund will primarily be invested in sub-investment grade securities (which includes securities which are not rated) in order to achieve the investment objective. However, subject to changes in market conditions, the Sub-Fund may invest up to 100% of its Net Asset Value in either investment grade or sub-investment grade securities. For example, following a period of significant decline in value of sub-investment grade securities, such securities may offer more attractive entry yields and, correspondingly, the Investment Manager may consider investing up to 100% of the Sub-Fund's Net Asset Value in sub-investment grade securities. Alternatively, following a period of significant increase in the value of sub-investment grade securities, the Investment Manager may expect significant potential losses across sub-investment grade securities generally, as a result, the Investment Manager may consider investing up to 100% of the Sub-Fund's Net Asset Value in investment grade securities, including those issued or guaranteed by international agencies or supranational entities or governments as outlined above. Notwithstanding the foregoing and as outlined above, investment in distressed debt securities will not exceed 10% of the Sub-Fund's Net Asset Value.

The Investment Manager's portfolio management team performs in-depth fundamental research on corporate bond issuers which includes analysis of the strengths of the balance sheet and the strengths of future cash flows in order to identify companies where credit risk could become a greater issue.

The portfolio will be composed of three components:

1. *Roll down portfolio:* Contains securities with a short duration of less than two years that are intended to be held until maturity. The focus for these issuers is generally on crossover, investment grade, low default-risk corporates that capitalise on market opportunities.
2. *Core portfolio:* Contains securities that generally are from two to five years to maturity. They are typically BBB to A rated issuers, with significant enterprise value, low business risk and/or significant government support.
3. *Tactical portfolio:* Contains financial corporate bonds issued by well capitalised, low regulatory risk institutions across the capital structure and corporates with excellent risk-adjusted yield characteristics.

### *Currency Exposure*

Up to 100% of the Net Asset Value of the Sub-Fund may be denominated in currencies other than the Base Currency. The Investment Manager may decide to hedge that currency exposure through the use of foreign exchange forwards (as described in the section headed “**Financial Derivative Instruments**” below). Where undertaken, there can be no guarantee that such hedging will be successful in eliminating part or all of the currency risk.

### *Collective Investment Schemes*

The Sub-Fund may invest in collective investment schemes in accordance with the Central Bank Regulations. The investment in collective investment schemes will be limited to 10% of the Net Asset Value of the Sub-Fund. In addition, such collective investment schemes must have a risk profile which is not significantly higher than the risk profile of the Sub-Fund.

### *Liquid Assets*

Notwithstanding the preceding paragraphs, the Sub-Fund will at all times consider market valuations and the prevailing investment climate. Should the Investment Manager perceive the investment climate to be negative or that the fixed income market offers investors little value, the Sub-Fund can retain up to 100% of the Sub-Fund’s Net Asset Value in cash or ancillary liquid assets pending investment or reinvestment including cash deposits (denominated in such currency or currencies as the Investment Manager may determine) and/or cash equivalent assets such as fixed income and money market instruments (such as short term commercial paper, certificates of deposit, treasury bills, floating rate notes and fixed or variable rate commercial paper, listed or traded on one or more Recognised Exchanges) subject to the conditions and within the limits laid down by the Central Bank. In addition, the Sub-Fund may hold cash due to recent subscriptions pending investment or in anticipation of future redemptions. The amount of liquid assets that the Sub-Fund will hold will vary depending on prevailing circumstances.

### *Emerging Markets Exposure*

Up to 100% of the Net Asset Value of the Sub-Fund may be invested in emerging markets including Nigeria, Egypt, Russia, Turkey, Hong-Kong, Indonesia, Malaysia, South Korea, Philippines, Taiwan, Thailand, Brazil, India, China, South Africa, Chile, Argentina, Peru, UAE, Qatar, Kuwait, Bahrain, Kazakhstan or any other country determined by the Investment Manager to be a country which is undergoing a phase of economic development but has not yet reached the stage of a developed country such as the countries of western Europe, North America or Japan. Investment in securities listed or traded on a Recognised Exchange in Russia will not exceed 20% of the Net Asset Value of the Sub-Fund.

### *Securities Financing Transactions and Total Return Swaps*

As described in greater detail below, the Sub-Fund may enter into repurchase agreements, reverse repurchase agreements and/or securities lending agreements (“Securities Financing Transactions”) and total return swaps for efficient portfolio management purposes only where the objective of using

such instruments is to hedge against risk and/or to reduce costs borne by the Sub-Fund or to generate additional capital or income which is consistent with the risk profile of Sub-Fund and the risk diversification rules set down in the UCITS Regulations.

All types of assets which may be held by the Sub-Fund in accordance with its investment objectives and policies may be subject to a Securities Financing Transaction or total return swap.

The maximum proportion of the Sub-Fund's assets which can be subject to Securities Financing Transactions is 50% of the Net Asset Value of the Sub-Fund. The maximum proportion of the Sub-Fund's assets which can be subject to total return swaps is 10% of the Net Asset Value of the Sub-Fund.

However, the expected proportion of the Sub-Fund's assets which will be subject to Securities Financing Transactions is between 0% and 30% of the Net Asset Value of the Sub-Fund's assets. The expected proportion of the Sub-Fund's assets which will be subject to total return swaps is between 0% and 10% of the Net Asset Value of the Sub-Fund's assets. The proportion of the Sub-Fund's assets which are subject to Securities Financing Transactions and/or total return swaps at any given time will depend on prevailing market conditions and the value of the relevant investments. The amount of assets engaged in each type of Securities Financing Transactions and total return swaps, expressed as an absolute amount and as a proportion of the Sub-Fund's assets, as well as other relevant information relating to the use of Securities Financing Transactions and/or total return swaps shall be disclosed in the annual report and semi-annual report of the Company.

Further information relating to Securities Financing Transactions and total return swaps is set out below under the heading "Financial Derivative Instruments" and in the Prospectus at the sections entitled "Securities Financing Transactions", "Total Return Swaps" and in Appendix III.

#### *Financial Derivative Instruments*

The Sub-Fund may use FDI for efficient portfolio management purposes, to hedge currency exposure, and, to a limited extent, in order to participate in fixed income markets which are less accessible via direct investment or as a means to provide more diversified exposure to an asset class, subject always to the conditions and within the limits laid down by the Central Bank. The expected effect of the use of FDI is set out below at the section entitled "Leverage".

These FDI are forwards and swaps together with structured products as described below. The structured products that the Sub-Fund may solely invest in are credit linked notes and these notes may embed a derivative.

- (i) Forwards (Currency Forwards, Forward Foreign Exchange ("FX") Contracts and Forward Rate Agreements ("FRA"))

The Sub-Fund will mainly use currency forwards to hedge the currency risk of a non-Base Currency asset. For example, if the Sub-Fund purchased a EUR denominated 5 year issue, it is preferable for the Sub-Fund to earn the yield on this asset without taking on the risk of adverse movements between



EUR and USD. To facilitate this outcome the Sub-Fund would sell the EUR forward versus the USD at forward date thus locking in the current exchange rate.

In order to hedge currency exposure the Sub-Fund will undertake FX forwards, selling local currency (i.e. the currency of denomination of the underlying fixed income security) (either in deliverable currencies or by using a non-deliverable forward (NDF) in non-deliverable currencies) versus Base Currency. It is not the intention of the Investment Manager to take 'net short' FX positions with the exception of minor short FX positions associated with the movement of the hedged underlying assets i.e. if the asset price declines the Sub-Fund may appear over-hedged. Such short exposure will not exceed 100% of the Sub-Fund's Net Asset Value. The Sub-Fund is not permitted to sell FX forwards where it does not hold assets in that particular currency or to sell short a currency where the Sub-Fund owns the bond. The Sub-Fund may take long positions of up to 100% of its Net Asset Value in currencies in lieu of other assets, such as fixed income assets, on the basis of expected appreciation in the currency or on the basis of earning a worthwhile interest rate differential. Forward FX positions offer a liquid and efficient means of gaining access to particular currencies.

The Sub-Fund may also enter into a FRA which is based on the idea of a forward contract, where the determinant of gain or loss is an interest rate.

(ii) Swaps (Total Return Swaps, Interest Rate Swaps and Credit Default Swaps ("CDS"))

Total return swaps can be utilised to gain exposure to bonds or other fixed income securities as described above which may not be directly accessible by via by physical securities. The Sub-Fund may also use total return swaps to seek exposure to fixed income indices.

Interest rate swaps allow the Investment Manager to reduce or increase portfolio duration exposure. For example, agreeing to pay a fixed rate of interest and receive a floating rate would protect the portfolio against rising interest rates which would reduce the value of the underlying bonds or other fixed income securities in the Sub-Fund's portfolio. This investment strategy would allow the Sub-Fund to reduce duration without selling the portfolio where it maintains a positive credit outlook

Where considered appropriate, the Investment Manager may use total return swaps or CDS (either in single name or using an appropriate index) in order to somewhat hedge credit exposure. For instance, in order to protect against a credit spread widening event the Investment Manager may choose to 'buy protection'. All CDS positions will be in reference to an asset held within the portfolio or a suitable credit index. Using a CDS hedging strategy potentially offers a more liquid strategy to protect the Sub-Fund's portfolio from a credit adverse environment i.e. this manner allows the Investment Manager to reduce risk without having to pay bid-offer spreads associated with selling the physical position. Such an approach can also be used to hedge against short-term credit events, such as company results, re-structurings etc. Where undertaken, there can be no guarantees that the hedging will entirely eliminate the associated risk.

The Sub-Fund may gain exposure through investment in total return swaps and CDS to the following financial indices:

*Markit iBoxx Indices*

The Markit iBoxx indices offer broad benchmarking and liquid tradable index solutions that track bond markets globally. Markit iBoxx Indices include corporate, municipal and sovereign bonds, as well as loans and securitised products. The Markit iBoxx indices that the Sub-Fund may gain exposure to are as follows:

Markit iBoxx EUR Liquid High Yield Index TRI (rebalanced monthly); Markit iBoxx Euro Corporates Overall Total Return Index (rebalanced monthly); Markit iBoxx USD Liquid Investment Grade Index (rebalanced monthly); Markit iBoxx USD Liquid High Yield Index (rebalanced monthly); and Markit iBoxx USD Emerging Markets Sovereigns & Sub-Sovereigns (rebalanced monthly).

#### *Markit iTraxx Indices*

Markit iTraxx are the standard European and Asian tradable credit default swap family of indices. The rules-based Markit iTraxx indices are comprised of the most liquid names in the European, Asian Central & Eastern European, Middle Eastern and African countries markets. The selection methodology ensures that the indices are replicable and represent the most liquid, traded part of the market. Markit CDX family of indices is the standard North American and Emerging Markets tradeable credit default swap family of indices worldwide. The Markit CDX indices are a family of indices covering multiple sectors. The Markit CDS rebalance semi-annually in March and September. The Markit iTraxx indices that the Sub-Fund may gain exposure to are as follows:

Markit iTraxx Europe Index (rebalanced twice yearly); Markit iTraxx Europe Crossover Index (rebalanced twice yearly); Markit iTraxx Europe Senior Financial Index (rebalanced twice yearly); Markit iTraxx Europe Subordinated Financial Index (rebalanced twice yearly); the Markit iTraxx Asia ex-Japan Investment Grade Index (rebalanced twice yearly); Markit iTraxx Japan Index (rebalanced twice yearly); Markit iTraxx Australia Index (rebalanced twice yearly); Markit CDX North American Investment Grade (125 names) (rebalanced twice yearly); Markit CDX North American High Yield (100 names) (rebalanced twice yearly); and Markit CDX Emerging Markets (15 names) (rebalanced twice yearly).

Further information on the indices can be accessed through the following links: Markit iTraxx Indices: [http://www.markit.com/Product/iTraxx\\_and](http://www.markit.com/Product/iTraxx_and) [http://www.markit.com/Product/CDX\\_](http://www.markit.com/Product/CDX_) Markit iBoxx Indices: <https://ihsmarkit.com/products/iboxx.html>.

The indices that the Sub-Fund will gain exposure to shall satisfy the criteria set down in the Central Bank Regulations relating to same. The costs associated with gaining exposure to a financial index will be impacted by the frequency with which the relevant index is rebalanced. Where the weighting of a particular constituent in the financial index exceeds the investment restrictions outlined in Appendix I, the Investment Manager will as a priority objective look to remedy the situation taking into account the interests of Shareholders and the Sub-Fund.

#### *(iii) Structured Products*

The Sub-Fund may invest in structured products which are created to meet specific needs that cannot be met from the standardised financial instruments available in the markets and can contain embedded

FDI. Structured products can be used as an alternative to a direct investment, as part of the asset allocation process to reduce risk exposure of a portfolio.

#### *Credit linked notes*

The structured products that the Sub-Fund may invest in are credit linked notes. The Sub-Fund may invest up to 10% of its Net Asset Value in credit linked notes. These may be used by the Sub-Fund in order to gain exposure to a specified reference asset where the return on the note is credit linked to the performance of the underlying reference asset. Credit linked notes may also be used by a Sub-Fund to hedge against credit risk. These credit linked notes may embed a derivative.

Additional information on the FDI that the Sub-Fund may utilise (as disclosed in this Supplement) are set out in Appendix III of the Prospectus together with a description of the relevant risks attached to each. The Investment Manager expects that the use of FDI may result in a limited to medium impact on the performance of the Sub-Fund in relation to its investment objectives and the investment techniques described in this Supplement. The Sub-Fund will be leveraged as a result of the use of FDI and associated collateral or margin commitments as is further described in Section 8 “Leverage” (see below). Such use will not result in exposure above 100% of invested capital, therefore it will not produce a leverage type effect.

With the exception of permitted investments in unlisted transferable securities, investment by the Sub-Fund is restricted to the Recognised Exchanges as listed under Appendix II to the Prospectus. FDIs may be traded on Recognised Exchanges worldwide or may be traded over the counter. The Investment Manager will only enter into over the counter derivative transactions on behalf of the Sub-Fund with counterparties which are subject to prudential supervision, belong to categories approved by the Central Bank and which are not related to the Manager but may be related to the Depositary.

Investors should be aware that when the Sub-Fund enters into FDI contracts for efficient portfolio management purposes, operational costs and/or fees shall be deducted from the revenue delivered to the Sub-Fund. In the case of total return swaps such fees and costs may include financing fees and in the case of FDI which are listed on Recognised Exchanges, such fees and costs may include brokerage fees. One of the considerations taken into account by the Investment Manager when selecting brokers and counterparties to FDI transactions on behalf of the Sub-Fund is that any such costs and/or fees which are deducted from the revenue delivered to the Sub-Fund shall be at normal commercial rates and shall not include any hidden revenue. Such direct or indirect costs and fees will be paid to the relevant broker or counterparty to the FDI transaction. The Manager shall ensure that all revenues generated through the use of FDI for efficient portfolio management purposes, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund. The relevant broker or counterparty to the FDI transaction may include the Depositary or entities related to the Depositary.

Where necessary, the Sub-Fund will accept collateral from its counterparties in order to reduce counterparty risk exposure generated through the use of over the counter derivative instruments. Any collateral received by the Sub-Fund shall comprise of cash collateral and/or government backed securities of varying maturity which satisfy the requirements of the Central Bank relating to non-cash collateral which may be received by a UCITS. Cash collateral received by the Sub-Fund may be reinvested in accordance with the requirements of the Central Bank at the discretion of the Investment

Manager. In this regard, any cash collateral received by the Sub-Fund may be placed on deposit with relevant credit institutions as permitted by the UCITS Regulations. In such circumstances, the Sub-Fund shall be exposed to the creditworthiness of the relevant credit institution with which cash collateral is placed. The level of collateral required to be posted may vary by counterparty with which the Sub-Fund trades. The haircut policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by the Sub-Fund, taking into account the credit standing and price volatility of the relevant counterparty.

#### *Integration of sustainability risk*

The management of sustainability risk forms part of the investment process implemented by the Investment Manager.

When assessing the sustainability risk associated with underlying investments, the Investment Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an ESG event or condition ("ESG Event"). In order to assist with the identification and assessment of sustainability risks, the Company engages the services of a third-party data provider of ESG metrics and information and ESG ratings. Sustainability risk is identified, monitored and managed by the Investment Manager in the following manner:

- (i) The overall quality of the Sub-Fund's portfolio, from a sustainability risk perspective, is subject to an ESG rating which outlines the minimum average rating as determined by the Investment Manager and initially calculated by the data provider. The Investment Manager seeks to maintain an ESG Rating of at least BB in respect of the Sub-Fund's portfolio.
- (ii) Prior to acquiring investments on behalf of the Sub-Fund, the Investment Manager, where available, uses ESG metrics and ESG ratings of the data provider in order to assess the relevant investment against sustainability risk and to identify whether it is vulnerable to such risk. This process incorporates applying both an exclusion policy (whereby potential investments are removed from the investment universe on the basis that they pose too great a sustainability risk to the Sub-Fund and could impact the Sub-Fund to an extent that the Sub-Fund's overall ESG rating drops below the minimum threshold outlined above) and positive screening (whereby investments which have strong investment characteristics, and do not cause the Sub-Fund to breach its ESG rating, are included in the investment universe). The Investment Manager also conducts fundamental analysis on each potential investment in order to assess the adequacy of ESG programmes and practices of an issuer to manage the sustainability risk it faces. The information gathered from the fundamental analysis conducted will be taken into account by the Investment Manager in deciding whether to acquire a holding in an issuer and may, in certain circumstances, result in the Investment Manager investing in an issuer which may not adhere to all of the utilised ESG metrics provided by the data provider in its assessment. The Investment Manager may invest in such issuer where it believes that the data provider's ESG assessment does not fully capture the positive sustainability-related changes which have been implemented by the relevant issuer. Where no third-party ESG metrics proposed to be utilised by the Investment Manager can be sourced from the data provider or the relevant issuer, the issuer will be deemed as not posing a sustainability risk unless the Investment Manager has been provided with information that

would otherwise indicate to the contrary, as determined by the Investment Manager based on the fundamental analysis carried out.

- (iii) During the life of the investment, sustainability risk is monitored through review of ESG data published by the issuer and the data provider (where relevant and available) to determine whether the level of sustainability risk has changed since the initial assessment has been conducted. This review is conducted on a monthly basis. Where the sustainability risk associated with a particular investment has increased beyond the desired threshold for the assets of the Sub-Fund, the Investment Manager will sell or reduce the Sub-Fund's exposure to the relevant investment, taking into account the best interests of the Shareholders of the Sub-Fund.

The Investment Manager acknowledges that certain of the investments that may be made by the Investment Manager on behalf of the Sub-Fund may be negatively impacted by sustainability risks (being the risk that the value of the Sub-Fund could be materially negatively impacted by an ESG Event) and that sustainability risks may impair the value of the investments made by the Sub-Fund.

Further information on the manner in which sustainability risks are integrated into the investment-decision making process by the Investment Manager is available at [www.rubricsam.com](http://www.rubricsam.com).

Pursuant to article 7(2) of Regulation (EU) 2019/2088 as may be amended, updated or supplemented from time to time (the "SFDR"), neither the Manager nor the Investment Manager currently consider the adverse impacts of investment decisions on sustainability factors in respect of the Sub-Fund. This is on the basis that the Manager and the Investment Manager are awaiting further clarity in respect of the detailed requirements in relation to the content, methodologies and presentation of information on sustainability indicators in relation to environment-related adverse impacts that are expected to be provided in final regulatory technical standards by the European Commission pursuant to Article 4(6) of SFDR. Following the adoption and coming into force of such regulatory technical standards, the Manager, in conjunction with the Investment Manager, will reconsider its position in relation to the consideration of adverse impacts of investment decisions on sustainability factors for the Sub-Fund. All investment decisions in respect of the Sub-Fund are made by the Investment Manager.

While sustainability risk forms part of the investment process implemented by the Investment Manager, the Sub-Fund does not fall within the scope of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **6. Changes to the Investment Objective and/or Policy**

The investment objective of the Sub-Fund may not be altered and material changes in the investment policy of the Sub-Fund may not be made without prior written approval by all Shareholders of the Sub-Fund or on the basis of a simple majority of votes cast at a meeting of the Shareholders of the Sub-Fund duly convened and held. In the event of a change of the investment objective and/or a material change to the investment policy of the Sub-Fund, the Manager shall provide Shareholders in the Sub-Fund with reasonable notice of such change.

## **7. Investment and Borrowing Restrictions**

In accordance with the provisions of Appendix I of the Prospectus, the Sub-Fund may borrow up to 10% of the Net Asset Value of the Sub-Fund on a temporary basis. Such borrowings may only be used for short term liquidity purposes to cover the redemption of Shares. Investment restrictions applying to the Sub-Fund are set out in Appendix I to the Prospectus.

## **8. Leverage**

In general terms, the Sub-Fund will not take leveraged positions. While leverage is not generally part of the Sub-Fund's investment strategy, under certain circumstances, such as the mismatched settlement of trades, the Sub-Fund may use leverage. The expected level of leverage for the Sub-Fund arising from the use of FDI will not exceed 100% of the Net Asset Value, calculated as the aggregate notional value of the Sub-Fund's long FDI positions and the absolute value of the Sub-Fund's short FDI positions. It is anticipated that this 100% figure will primarily be made up of the notional value of FDI used by the Sub-Fund for currency hedging purposes.

The use of derivatives may result in the Sub-Fund having commitments under the terms of the FDI contract. To manage its commitments the Sub-Fund will hold assets as cover for these commitments in accordance with the Central Bank Regulations. The Sub-Fund will use the Absolute VaR model, thereby ensuring that the VaR of the Sub-Fund's portfolio may not exceed 20% of the Net Asset Value of the Sub-Fund, the one tailed confidence interval shall not be less than 99% and the holding period shall not be less than 20 days. The historical period will typically be 1 year or greater but a shorter observation period may be used in instances of recent significant price volatility.

The level of leverage for the Sub-Fund arising from the use of FDIs calculated on this basis will not exceed 100% of Net Asset Value of the Sub-Fund.

It should be noted that these are the current VaR limits required by the Central Bank. In the event that the Central Bank changes these limits, the Sub-Fund will have the ability to avail of such new limits and will be included in an updated Supplement.

## **9. Profile of a Typical Investor**

The typical investor profile is made up of institutional investors and high net worth individuals who are seeking long term capital appreciation with a longer term risk appetite.

## **10. Applications for Shares**

### *Offer*

The Initial Offer Period for Class A, Class AC, Class AD, Class ACD, Class B, Class BC, Class BD, Class BCD, Class C, Class CC, Class CD, Class CCS, Class D, Class DD, Class E, Class ED, Class F, Class FD, Class G, Class GC, Class GD, Class GCD, Class H, Class HD, Class Y, Class YD, Class Z, Class ZD shall commence at 9 a.m. (Irish time) on 14 August, 2023 and shall close at 5 p.m. (Irish time) on 8 February, 2024.

During the Initial Offer Period for all the Class B, Class BC, Class BD, Class BCD, Class E and Class ED will be offered at EUR10 per Share, Class C, Class CC, Class CD, Class CCD, Class F and Class FD Shares will be offered at GBP10 per Share, Class A, Class AC, Class AD, Class ACD, Class D and Class DD Shares will be offered at USD10 per Share, Class G, Class GC, Class GD, Class GCD, Class H and Class HD Shares will be offered at CHF10 per Share, Class Y, Class YD, Class Z, Class ZD will be offered at ZAR200 per Share or such other price as the Directors in their discretion may determine (the “**Initial Offer Price**”).

The Initial Offer Period may be shortened or extended by the Directors. The Central Bank will be notified in advance of any extension of the Initial Offer Period if subscriptions for Shares have been received and otherwise on an annual basis. Following the close of the Initial Offer Period, Shares will be offered at the Net Asset Value per Share.

Class AC, ACD, BC, BCD, CC, CCD, GC and GCD Shares may be offered to institutional investors or distributors and platforms who may have separate fee arrangements with their clients. With regard to MiFID distributors, Class AC, ACD, BC, BCD, CC, CCD, GC, and GCD Shares will also be available to MiFID distributors including those providing portfolio management or independent investment advice as defined by MiFID and those providing non independent advice who have a separate fee arrangement with their clients under which they have agreed not to receive and retain inducements.

The Directors, in accordance with the terms of the Articles of the Fund, may in their absolute discretion refuse to accept any application for Shares in whole or in part at any time.

#### *Valuation Day*

Every Business Day and/or such other day or days as the Directors may from time to time determine and notify to Shareholders provided there shall be at least Valuation Day in respect of each Subscription Day and Redemption Day.

#### *Valuation Point*

The Valuation Point cut-off is 11.59p.m. in Ireland on the relevant Valuation Day and/or such other time as the Directors may from time to time determine and notify to Shareholders provided that the Valuation Point shall be after the relevant dealing deadline.

#### *Subscription Day*

The Subscription Day of the Sub-Fund will be every Business Day of each calendar month and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders, provided there will always be two Redemption Days per month occurring at regular intervals.

### *Subscription Procedure*

All applicants for Shares must submit an original signed Application Form or, if a U.S. Person, an Application Form for U.S. Persons together with all supporting documentation in relation to money laundering prevention checks to the Administrator. Applications for Shares may be submitted by facsimile or electronically in accordance with the requirements of the Central Bank, without a requirement to submit original documentation provided an original signed Application Form and supporting documentation in relation to money laundering prevention has been previously received by the Administrator. In the case of initial applications submitted by facsimile or electronically, the original Application Form and supporting documentation in relation to money laundering prevention must follow promptly. Applications for Shares are not accepted by email.

Applications for Shares must be received by the Administrator no later than 11.00 a.m. (Irish time) on the relevant Valuation Day or such later time and/or day prior to the relevant Valuation Point as the Directors may in their discretion determine in accordance with the requirements of the Central Bank. If the relevant Application Form is not received by the prescribed deadline, the application may be held over to the following Subscription Day and Shares will then be issued at the relevant Subscription Price on that Subscription Day. Late applications will only be accepted in exceptional circumstances and the decision for accepting such late applications will be fully documented.

Cleared funds must be received for the account of the Sub-Fund on or before 5 p.m. (Irish Time) on the fourth Business Day following the relevant Subscription Day (i.e. T+4). Shares will be allotted to the relevant applicant with respect to the Subscription Day once the Subscription Price has been determined and issued for such Subscription Day and following receipt of the applicants' funds.

Subject to the forgoing, the Fund may charge interest or cancel the allotment where cleared funds are not received within the prescribed deadlines. As the register of Shares of the Fund is updated each Business Day following a Subscription Day (i.e. T+1) a failure to receive cleared funds within the above-mentioned timeframe may require the cancellation of the allotment of the relevant Shares on that Subscription Day and this may result in a loss to the Fund.

Any change to the subscription procedure and cut-off times set out above will be notified to investors in advance and, where necessary, reflected by amendment to this Supplement.

### *Amendments to Shareholders Details*

The Administrator will only accept changes to Shareholder's registration details and payment instructions on receipt of original documentation.

## **11. Restrictions on Sale and Transfer**

The Shares may not be offered, sold or transferred to investors who are Ineligible Applicants as described under "Subscriptions" in the Prospectus.

Class AC, Class ACD, Class BC, Class BCD, Class CC, Class CCD, Class GC and Class GCD Shares may only be offered, sold or transferred to investors at the discretion of the Directors.



## **12. Redemptions**

### *Redemption Day*

The Redemption Day of the Sub-Fund will be every Business Day of each calendar month and/or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders provided there will always be two Redemption Days per month occurring at regular intervals.

### *Redemption Price*

The Redemption Price will be equal to the Net Asset Value per Share as at the relevant Valuation Point on the relevant Redemption Day.

### *Redemption Procedure*

Shares will be redeemable at the option of the Shareholder. Shareholders should send a completed signed redemption request in the form available from the Administrator by post or by facsimile. Redemption requests may also be accepted electronically but not by email. Redemption payments following processing of instructions received electronically will only be made to the account of record of a Shareholder.

Redemption requests must be received by the Administrator no later than 11.00 a.m. (Irish time) on the Valuation Day or such other time as the Directors may in any particular case determine, provided in all cases that requests must be received prior to the relevant Valuation Point, failing which the redemption request will be held over until the next following Redemption Day and Shares will be redeemed at the relevant Redemption Price applicable on that Redemption Day.

Payment of redemption proceeds will be made as soon as possible but normally no later than five (5) Business Days after the relevant Redemption Day and in any event no later than seven (7) calendar days after the relevant Redemption Day. Shares will be redeemed at the relevant Redemption Price. Proceeds of a redemption will be paid in the Reference Currency of that Share Class.

No redemption payment may be made from a holding until the original Application Form (including payment details to an account in the Shareholder's name) has been received from the Shareholder, all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the Shareholder and the anti-money laundering procedures have been completed. In the event that the account details contained in the redemption request differ from those which are contained in the Application Form, then an original redemption request form will be required prior to any redemption payment being made.

It is not the current intention to charge a redemption fee. Any change to this policy will be notified in advance to investors, who will be given the opportunity to redeem their Shares before any change in the redemption fee policy comes into force.

### 13. Switching

Shareholders may be entitled to exchange all or any of their Shares in one Sub-Fund or Class for Shares in another Sub-Fund or Class on any Redemption Day, subject to (i) compliance with the procedure in the paragraph below; and (ii) subject to the Minimum Initial Investment Amount in respect of each Sub-Fund or Class. Shareholders must also have regard to the details set out under the heading "Switching" in the Prospectus. A Share exchange will be effected by way of a redemption of Shares of one Sub-Fund or Class at the relevant Redemption Price and a simultaneous subscription (at the most recent Subscription Price) for Shares of the other Sub-Fund or Class.

Shareholders should send a completed switching request in the form available from the Administrator to be received by the Administrator no later than 10.00 am (Irish time) on the Business Day falling at least five (5) Business Days before the relevant Redemption Day or such later time prior to the relevant Valuation Day as the Directors may in their discretion determine. Failing which the switching request will be held over until the next following Redemption Day and Shares will be exchanged at the relevant Redemption Price and Subscription Price applicable on that Redemption Day.

### 14. Distribution Policy

#### *Accumulating Share Classes*

In the case of accumulating Classes, no income or capital gains attributable to the relevant Class will be distributed by the Sub-Fund by way of dividend. All such income or capital gains will be reinvested in accordance with the investment objectives and investment policies of the Sub-Fund.

#### *Distributing Share Classes*

Where dividends in respect of Class AD, Class ACD, Class BD, Class BCD, Class CD, Class CCD, Class DD, Class ED, Class FD, Class GD, Class GCD, Class HD, Class YD and Class ZD of the Sub-Fund (the "**Distributing Share Classes**") are determined by the Directors to be paid they will be declared on 1 March, 1 June, 1 September and 1 December and will be distributed on 31 March, 30 June, 30 September and 31 December respectively.

It is the intention of the Directors that dividends will be paid from the Sub-Fund's net income. As the Sub-Fund currently charges fees and expenses to the capital of the Distributing Share Classes, the income available for distribution will in practice be a gross rather than net income figure. Gross income shall generally consist of interest, dividends and other investment income less withholding and other taxes or adjustments as applicable. In any distribution period if the calculation of distributable income results in a net deficit, there will be no distribution for that period. The distribution for a given quarter will be calculated on the gross distributable income from the previous quarter. The distributable income may be up to 100% of gross income of the previous quarter, at the sole discretion of the Directors. The amount to be distributed in each distribution period is treated independently of previous and future distribution periods.

Shares in the Distributing Share Classes are subject to equalisation in the manner described under the section headed "Distribution Policy of the Fund" in the Prospectus.

The Directors may at any time change the policy of the Sub-Fund with respect to dividends distribution, in which case full details of any such change will be disclosed in an updated Supplement and Shareholders will be notified in advance.

## 15. Fees and Expenses

Please refer to the Prospectus under the heading "Fees and Expenses of the Fund" for a general Overview of fees and expenses applicable to the Fund, a proportion of which will be borne by the Sub-Fund. In addition, the following fees are payable by the Sub-Fund.

### *Establishment Expenses*

The Sub-Fund shall bear the fees and expenses attributable to its establishment, which are estimated to be €20,000 (excluding VAT). Such establishment expenses may be amortised over the first three Accounting Periods of the Sub-Fund.

The combined maximum aggregate Management Fee and Investment Management Fee payable out of the assets of the Sub-Fund is outlined in the below table (the "Max Aggregate Fee"). The Management Fee and the Investment Management Fee shall not exceed such Max Aggregate Fee as outlined in the table without the prior approval of the Shareholders in accordance with applicable requirements. Where the maximum Management Fee as outlined below under the section entitled "The Manager" is charged to the Sub-Fund, then the Investment Manager shall reduce its proportion of the Max Aggregate Fee such that the Management and Investment Management Fees payable out of the assets of the Sub-Fund do not exceed the Max Aggregate Fee.

### *The Manager*

The Fund will pay to the Manager an annual management fee of up to 0.0175% of the Net Asset Value of the Sub-Fund subject to a minimum annual fee across all six Sub-Funds of €75,000 or the USD equivalent amount (the "**Management Fee**"). The Management Fee will be apportioned between the Sub-Funds on a pro rata basis based on the Net Asset Value of the Sub-Funds during the relevant period. In the event of the creation of additional Sub-Funds, the minimum annual Management Fee may increase. The Management Fee accrues as at each Valuation Point and is payable monthly in arrears. The Manager shall be entitled to be reimbursed by the Sub-Fund for out-of-pocket expenses reasonably incurred and any VAT payable thereon.

### *The Investment Manager*

The Investment Manager shall receive out of the assets of the Sub-Fund (the "Investment Management Fee") a fee equal to the difference between the Max Aggregate Fee, as detailed in the table below, and the Management Fee as described above in the section entitled "The Manager".

| Class    | Max Aggregate Fee |
|----------|-------------------|
| Class A  | 0.70% per annum   |
| Class AC | 0.70% per annum   |

|           |                 |
|-----------|-----------------|
| Class AD  | 0.70% per annum |
| Class ACD | 0.70% per annum |
| Class B   | 0.70% per annum |
| Class BC  | 0.70% per annum |
| Class BD  | 0.70% per annum |
| Class BCD | 0.70% per annum |
| Class C   | 0.70% per annum |
| Class CC  | 0.70% per annum |
| Class CD  | 0.70% per annum |
| Class CCD | 0.70% per annum |
| Class D   | 1.25% per annum |
| Class DD  | 1.25% per annum |
| Class E   | 1.25% per annum |
| Class ED  | 1.25% per annum |
| Class F   | 1.25% per annum |
| Class FD  | 1.25% per annum |
| Class G   | 0.70% per annum |
| Class GC  | 0.70% per annum |
| Class GD  | 0.70% per annum |
| Class GCD | 0.70% per annum |
| Class H   | 1.25% per annum |
| Class HD  | 1.25% per annum |
| Class Y   | 0.70% per annum |
| Class YD  | 0.70% per annum |
| Class Z   | 1.25% per annum |
| Class ZD  | 1.25% per annum |

The Investment Management Fee accrues as of each Valuation Point and is payable monthly in arrears (plus VAT, if any). The Investment Manager shall be entitled to be reimbursed by the Sub-Fund for reasonable out of pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

#### *The Depositary*

The Depositary shall receive out of the assets of the Sub-Fund an annual trustee fee which shall accrue and be payable monthly in arrears not exceeding 0.01725% of the Net Asset Value of the Sub-Fund (plus VAT, if any) subject to a minimum monthly fee in respect of the Sub-Fund of US\$1,000.

The Depositary shall also receive out of the assets of the Sub-Fund a custody fee which will vary from 0.01% per annum of the value of the assets under custody and US\$8 per transaction in the United States up to 0.40% per annum of the value of the assets under custody and US\$245 per transaction in the Ukraine. If the Sub-Fund invests in assets located in countries which attach a higher fee level, it will therefore pay a higher fee to the Depositary. Certain minimum fees may also apply.

The Depositary shall also be entitled to be repaid out of the assets of each Sub-Fund all reasonable out-of-pocket expenses incurred by it on behalf of the relevant Sub-Fund including sub-custodians fees which will be at normal commercial rates.

#### *The Administrator*

The Administrator shall receive out of the assets of the Sub-Fund an annual fund accounting fee not exceeding 0.09% of the Net Asset Value of the Sub-Fund (plus VAT, if any) subject to a minimum monthly fee of US\$5,166 in respect of the Sub-Fund. This monthly fee excludes a transfer agency fee and a financial reporting fee (to include annual and half-yearly financial statements) which are charged separately to each Sub-Fund. The transfer agency fee will be payable depending on the number of offered Share Classes, Shareholder transactions and Shareholder accounts with transactional dealing fees ranging in value from US\$12.50 to US\$25. The Administrator's fees shall accrue daily and be payable monthly in arrears.

The Administrator shall also be entitled to be repaid out of the assets of each Sub-Fund all reasonable out-of-pocket expenses incurred by it on behalf of the relevant Sub-Fund.

#### *Subscription Fee*

The Fund may charge a subscription fee not exceeding 5% of the Net Asset Value per Class. Any such charge will be payable to the Sub-Fund or as the Fund shall direct. The Directors in their absolute discretion may waive, rebate or differentiate between investors as to the amount of, any such subscription charge.

#### *Redemption Fee*

No redemption fees are charged on the redemption of Shares in the Sub-Fund.

#### *Switching Fee*

No switching fees are charged on the exchange of Shares in the Sub-Fund.

#### *Other Fees and Expenses*

The Fund will also pay out of the assets of the Sub-Fund of the costs and expenses (i) of all transactions carried out on its behalf and (ii) of the administration of the Sub-Fund, including (a) registering the Sub-Fund and the Shares with any governmental or regulatory authority including the fees and expenses of any paying agents at normal commercial rates, (b) management, administration, trustee and related services, (c) the preparation, printing and posting of prospectuses, reports to Shareholders, the Central Bank and governmental agencies, (d) taxes, (e) commissions (including banking commissions), brokerage and transaction fees, (f) auditing, tax and legal fees including litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, (g) the cost of insurance for the benefit of the Directors, (h) interest on borrowings and (i) all other organisational and operating expenses.

## 16. Risk Factors

**Some specific risk factors applicable to this Sub-Fund are set out below. These should be read in conjunction and not independent of the general risk warnings in the main Prospectus. Investors' attention is drawn to the Section headed 'Risk Factors of the Fund' in the Prospectus.**

**The investment risks set out in the Prospectus and this Supplement do not purport to be exhaustive. Prospective investors should read this entire information Prospectus and consult with their legal, tax and financial advisors before making any decision to invest in the Fund.**

### *No Investment Guarantee*

Investment in the Sub-Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Any investment in the Sub-Fund is subject to fluctuations in value.

### *Interest Rate Risk*

Interest rate risk is that which exists in an interest-bearing asset, such as a bond, due to the possibility of a change in the asset's value resulting from the variability of interest rates. Interest rate risk management has become very important, and assorted instruments have been developed to deal with interest rate risk.

Interest rate swaps and other derivatives allow the Investment Manager to add or subtract duration, adjust interest rate exposure, and offset the risks posed by interest rate volatility. By increasing or decreasing interest rate exposure in various parts of the yield curve using derivatives, the Investment Manager can either extend or neutralize their exposure to changes in the shape of the curve, and can also express views on credit spreads.

Crucially, interest rate derivatives allow the Investment Manager to quickly and cost-effectively alter the profile of the Sub-Fund's portfolio. For instance, the Investment Manager may wish to lower overall duration of the portfolio (or change the yield curve exposure) to reduce the overall risk without having to sell the underlying positions. This means that the Investment Manager is able to reduce the duration without altering the credit profile of the Sub-Fund. Such an exercise would avoid paying bid/offer spreads to sell positions (which the Investment Manager may favour from a credit perspective) and permit an efficient approach to managing duration. This is particularly useful in expressing a short-term view i.e. the swap may be utilised to reduce risk prior to a specific market event e.g. economic data points, interest rates decisions, elections etc. This approach forsakes the need to sell positions and therefore offers an efficient approach to expressing a short-term interest rate view.

Derivatives can act as substitutes for other, less liquid fixed income instruments. In addition, swaps could be used to add duration in the event of client subscriptions. The efficiency of using swaps would allow the Investment Manager to gain immediate exposure to duration, thereby maintaining preferred exposure, which could be unwound as the Investment Manager adds specific bonds to the portfolio over time.

Conversely, if the portfolio is dealing with redemptions the portfolio exposure can be reduced precisely to coincide with the NAV point, until assets to pay the redemption are raised (at which point the derivative position could be unwound).

#### *Investing in Fixed Income Securities*

Investment in fixed income securities is subject to security, credit, interest rate and FX risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time.

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

#### *Sub-investment grade debt securities and securities without rating*

As the Sub-Fund may invest in both investment grade and sub-investment grade debt securities, as well as securities without rating, in the expectation that positive returns can be made, however this may not be achieved. Sub-investment grade debt securities or securities without rating may offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Such securities generally tend to reflect market developments to a greater extent than higher-rated securities. The Sub-Fund may invest in distressed debt securities which are subject to a significant risk of the issuer's inability to meet principal and interest payments on the obligations and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity risk due to the fact that there may be fewer investors in lower rated securities or unrated securities and it may be harder to buy and sell such securities at an optimum time.

#### *Emerging Markets Risk*

The Sub-Fund may invest in investments in emerging markets or may have investments, the price of which are referenced to investments of issuers located in such countries.

Investment in emerging markets involves risk factors and special considerations which may not be typically associated with investing in more developed markets. These risks include:

##### *Political Risk*

Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of emerging countries. Adverse government policies, taxation, restrictions

on foreign investment and on currency convertibility and repatriation, failure to recognise private property rights and other developments in the laws and regulations of emerging countries in which investment may be made, including expropriation, nationalisation or other confiscation could result in loss to the Sub-Fund.

#### *Currency Risk*

The assets of the Sub-Fund investing in emerging markets, as well as the income derived from the Fund, may be affected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the Net Asset Value per Share of the Sub-Fund may be subject to significant volatility

#### *Liquidity Risk*

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

#### *Settlement, Accounting and Custody Risk*

The clearing, settlement and registration systems available to effect trades in emerging markets are significantly less developed than those in more mature world markets. This could impede the ability to effect transactions and may result in investments being settled through a more limited range of counterparties with an accompanying enhanced credit risk. It may also result in significant delays and other material difficulties in settling trades and in registering transfer of investments. Problems of settlement may affect the value and the liquidity of the Sub-Fund. Furthermore the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of investor information or protection as would generally apply in more developed markets. There may be little financial or accounting information available with respect to local issuers and it may be difficult as a result for the portfolio manager to assess the value or prospects of an investment. Investments in certain emerging markets may require consents or be subject to restrictions which may limit the availability of attractive investment opportunities to the Sub-Fund. Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the investment may not exist locally and so transactions may need to be made on a neighbouring exchange. Investment in certain markets may involve the risk that the custodial systems are not as well-developed as those in developed markets which may cause delays in settlement and possible failed settlements.

#### *Increased Investment Costs and Taxation Risk*

Emerging markets investments may incur brokerage or stock transfer taxes levied by foreign governments which would have the effect of increasing the cost of investment and which may reduce the realised gain or increase the loss on such investments at the time of same. In addition custodial expenses for emerging market investments are generally higher than for developed market



investments. Dividend and interest payments from, and capital gains in respect of, emerging markets investments may be subject to foreign taxes that may or may not be reclaimable.

#### *Legal and Regulatory Risk*

Laws governing foreign investment and financial transactions in emerging markets may be less sophisticated than in developed countries. Accordingly, the Sub-Fund may be subject to additional risks, including inadequate investor protection, unclear or contradictory legislation or regulations and lack of enforcement thereof, ignorance or breach of legislation or regulations on the part of other market participants, lack of legal redress and breaches of confidentiality. It may be difficult to obtain and enforce a judgement in certain emerging markets in which assets of the Sub-Fund are invested. The issuers of emerging markets investments, such as banks and other financial institutions, may also be subject to less stringent regulation than would be the case for issuers in developed countries, and therefore potentially carry greater risk.

#### *Repatriation of Funds Risk*

Some emerging markets may impose or introduce restrictions on repatriation of foreign funds or may require governmental consents to do so. Such restrictions may include prohibition on the repatriation of foreign funds for a fixed time horizon and limitation of the percentage of invested funds to be repatriated at each time. As a result, the Sub-Fund could be adversely affected by the delay in, or refusal to grant, any such approval for repatriation of funds or by any official intervention affecting the process of settlement of transactions.

#### *Investment in Russia*

Whilst fundamental reforms relating to securities investments and regulations have been initiated in recent years there may still be certain ambiguities in interpretation and inconsistencies in their application. Monitoring and enforcement of applicable regulations remains uncertain.

Some securities in Russia are dematerialised and the only evidence of ownership is entry of the Shareholder's name on the share register of the issues. The concept of fiduciary duty is not well established and shareholders may, therefore, suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy. Rules regulating corporate governance are undeveloped and therefore may offer little protection to minority shareholders. Specifically, with regard to investment in Russia the Sub-Fund may only invest in Russian securities which are traded on the Moscow Exchange.

#### *Registration Risk*

The Sub-Fund may invest in certain markets where the trading, settlement and custodial systems are not fully developed and accordingly the assets of the Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to the risk that the Sub-Fund will not be recognised as the owner of securities held on its behalf by any such sub-custodian and/or increase the risk of delay in settlement and possible failed settlements.

In some countries, evidence of title is maintained in book-entry form by an independent registrar who may not be subject to effective government supervision which increases the risk of the registration of the Sub-Fund's holding of shares in such markets being lost through fraud or negligence on the part of such independent registrars.

#### *Charging of Fees and Expenses to Capital - Capital Erosion Risk*

The fees and expenses in respect of the Distributing Share Classes may be charged to the capital of these Classes. Investors in the Distributing Share Classes should note that the charging of fees and expenses including investment management fees, to capital may lead to a greater risk of capital erosion given the lack of potential for capital growth. Should such capital erosion occur, the value of future returns would also be diminished. In this regard, distributions made during the life of the Distributing Share Class should be understood as a type of capital reimbursement.

### **17. Taxation**

Investors' attention is drawn to the summary of the Irish taxation rules applicable to the Fund and Sub-Funds as set out in "Appendix IV – Taxation".

**Shareholders should consult their own advisers as to their own particular tax consequences of an investment in the Sub-Fund.**

### **18. Share Class Currency Hedging**

Foreign exchange transactions may be used for Class currency hedging purposes. Where a Class of Shares is designated as a hedged Class, that Class will be hedged against exchange rate fluctuation risks between the denominated currency of the Share Class and the Base Currency of the Sub-Fund. Such hedging strategy shall be subject to the conditions and within the limits laid down by the Central Bank and may not be implemented in the following circumstances:

- (i) In circumstances where the exposure to assets of the Sub-Fund which are denominated in a non-Base Currency is non-material (generally more or less than +/-3.5% of the Net Asset Value of the relevant hedged Class or where the exposure is expected to be eliminated in a short period of time (generally, in less than one month) .

Further information is set out in the Prospectus at the section entitled "Currency Hedging". It should be noted that the successful execution of a hedging strategy which mitigates this currency risk exactly cannot be assured.

Where a Class is unhedged, a currency conversion will take place on subscriptions, redemptions, conversions and distributions using, if available, as spot rates (the "**WM/Reuters Intra-Day Spot Rates**"), provided by The World Markets Company PLC in conjunction with Reuters. In such circumstances, the value of the Share expressed in the Class currency will be subject to exchange rate risk in relation to the Base Currency and/or in relation to the designated currencies of the underlying assets.

