

The Directors of the Company whose names appear in the "*Management and Administration*" section 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 importance of such information. The Directors accept responsibility accordingly.

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# **NEUBERGER BERMAN INVESTMENT FUNDS PLC**

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

## **PROSPECTUS**

### **29 DECEMBER 2017**

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**IMPORTANT INFORMATION**

This Prospectus describes Neuberger Berman Investment Funds plc (the “Company”), an investment company with variable capital incorporated in Ireland as a public limited company. The Company is constituted as an umbrella fund with segregated liability between sub-funds. The share capital of the Company will be divided into different series of Shares with each series of Shares representing a separate investment portfolio of assets (“Portfolio”). Shares of any Portfolio may be divided into different classes to accommodate different subscription and/or redemption provisions and/or dividend and/or charges and/or fee arrangements and/or currencies including different total expense ratios. The Directors may from time to time, with the prior approval of the Central Bank, issue different series of Shares representing separate Portfolios.

The Portfolios have different investment objectives and invest in different types of investment instruments. Each Portfolio will be invested in accordance with the investment objectives and policies applicable to such Portfolio as specified in the relevant Supplement. Each Portfolio bears its own liabilities and none of the Company, any of the service providers appointed to the Company, the Directors, any receiver, examiner or liquidator, nor any other person, will have access to the assets of a Portfolio in satisfaction of a liability of any other Portfolio. Investors should refer to the paragraph headed “*Umbrella Structure of the Company*” in the “*Investment Risks*” section for further details.

**THE COMPANY**

Company Structure	An investment company with variable capital and segregated liability between sub-funds incorporated in Ireland.
Incorporation Date	11 December 2000
Registration Number	336425
Company Objective	Collective investment in transferable securities and other liquid financial assets of capital raised from the public, operating on the principle of risk spreading in accordance with the UCITS Regulations.  All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Memorandum and Articles of Association of the Company, copies of which are available as described in the “ <i>Documents for Inspection</i> ” section.
Promoter / Distributor/ Investment Manager	Neuberger Berman Europe Limited (refer to “ <i>The Investment Manager</i> ” and “ <i>The Distributor</i> ” in the “ <i>Management and Administration</i> ” section for further details).

**PORTFOLIOS**

Under the Articles, the Directors are required to establish a separate Portfolio, with separate records, for each series of Shares in the following manner:

- (a) the Company will keep separate books of records for each Portfolio. The proceeds from the issue of each series of Shares will be applied to the Portfolio established for that series of Shares, and the assets and liabilities and income and expenditure attributable thereto will be applied to such Portfolio;
- (b) any asset derived from another asset in a Portfolio will be applied to the same Portfolio as the asset from which it was derived and any increase or diminution in value of such an asset will be applied to the relevant Portfolio;
- (c) in the case of any asset which the Directors do not consider as readily attributable to a particular Portfolio or Portfolios, the Directors have the discretion to determine, acting in a fair and equitable manner and with the consent of the Depositary, the basis upon which any such asset will be allocated between Portfolios and the Directors may at any time and from time to time vary such basis;
- (d) any liability will be allocated to the Portfolio or Portfolios to which in the opinion of the Directors it relates or if such liability is not readily attributable to any particular Portfolio the Directors will have discretion to determine, acting in a fair and equitable manner and with the consent of the Depositary, the basis upon which any liability will be allocated between Portfolios and the Directors may at any time and from time to time vary such basis;
- (e) the Directors may, with the consent of the Depositary, transfer any assets to and from a Portfolio or Portfolios if, as a result of a creditor proceeding against certain of the assets of the Company or otherwise, a liability would be borne in a different manner from that in which it would have been borne under paragraph (d) above or in any similar circumstances; and
- (f) where the assets of the Company (if any) attributable to the Subscriber Shares give rise to any net profit, the Directors may allocate assets representing such net profits to such Portfolio or Portfolios as they may deem appropriate, acting in a fair and equitable manner.

Shares of any particular series may, in accordance with the requirements of the Central Bank, be divided into different Classes to accommodate different dividend policies and/or charges and/or currencies and/or investments in FDI in accordance with the requirements of the Central Bank. Investors or potential investors in a Portfolio should refer to the relevant Supplement for further information on the division (if any) of the relevant series into different Classes for such purposes. The Company retains the right to offer only one Class for purchase by investors in any particular jurisdiction in order to conform with local law, custom or business practice or to offer additional classes or Portfolios in future without Shareholder approval. The Company may adopt standards applicable to Classes of investors or transactions that permit or require the purchase of a particular Class. Any such standards shall be specified in the relevant Supplement. The creation of further Classes shall be effected in accordance with the requirements of the Central Bank.

The following Portfolios have been approved by the Central Bank and are available for subscription:

**High Yield Bond Portfolios**

Neuberger Berman High Yield Bond Fund  
 Neuberger Berman Short Duration High Yield Bond Fund  
 Neuberger Berman European High Yield Bond Fund  
 Neuberger Berman Global High Yield Bond Fund

**Emerging Market Debt Portfolios**

Neuberger Berman Emerging Market Debt – Local Currency Fund  
 Neuberger Berman Emerging Market Debt – Hard Currency Fund  
 Neuberger Berman Emerging Market Corporate Debt Fund  
 Neuberger Berman Short Duration Emerging Market Debt Fund  
 Neuberger Berman Emerging Market Debt Blend Fund  
 Neuberger Berman Emerging Market Debt Blend Investment Grade Fund  
 Neuberger Berman Asian Debt – Hard Currency Fund

**Fixed Income Portfolios**

Neuberger Berman Global Bond Fund  
 Neuberger Berman Strategic Income Fund  
 Neuberger Berman Global Bond Absolute Return Fund  
 Neuberger Berman Corporate Hybrid Bond Fund  
 Neuberger Berman Global Opportunistic Bond Fund

**Quantitative and Multi Asset Class Portfolios**

Neuberger Berman Global Dynamic Asset Allocator Fund  
 Neuberger Berman Multi-Asset Risk Premia Fund  
 Neuberger Berman Multi-Asset Class Income Fund  
 Neuberger Berman Multi-Asset Class Growth Fund

**Liquid Alternatives Portfolios**

Neuberger Berman Diversified Currency Fund

Neuberger Berman US Long Short Equity Fund  
 Neuberger Berman Global Credit Long Short Fund  
 Neuberger Berman Global Equity Index Putwrite Fund  
 Neuberger Berman US Equity Index Putwrite Fund

**US Equity Portfolios**

Neuberger Berman US Small Cap Fund  
 Neuberger Berman US Multi Cap Opportunities Fund  
 Neuberger Berman US Small Cap Intrinsic Value Fund  
 Neuberger Berman US Equity Fund

**Global Equity Portfolios**

Neuberger Berman Emerging Markets Equity Fund  
 Neuberger Berman Global Equity Fund  
 Neuberger Berman Systematic Global Equity Fund  
 Neuberger Berman Asian Opportunities Fund  
 Neuberger Berman Emerging Markets Sustainable Equity Fund

**Real Estate Portfolios**

Neuberger Berman US Real Estate Securities Fund  
 Neuberger Berman Global Real Estate Securities Fund

**China Portfolios**

Neuberger Berman China Equity Fund  
 Neuberger Berman China Equity Opportunities Fund

**China Onshore Portfolios**

Neuberger Berman China Onshore Bond Fund

**Multi Strategy Portfolios**

Neuberger Berman Absolute Return Multi Strategy Fund  
 Neuberger Berman Uncorrelated Strategies Fund

The Closed Portfolios are no longer available for subscription and the Company intends to request the removal of the Central Bank's approval of the Closed Portfolios as sub-funds of the Company.

**THE SHARE CAPITAL**

The authorised share capital of the Company is 500,000,040,000 Shares of no par value divided into 40,000 Subscriber Shares of no par value and 500,000,000,000 Shares of no par value. The Directors are empowered to issue up to 500,000,000,000 Shares of no par value in the Company on such terms as they think fit.

The Subscriber Shares entitle the holders to attend and vote at general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding-up. The Shares entitle the holders to attend and vote at general meetings of the Company and to participate equally (subject to any differences between fees, charges and expenses applicable to different classes of Shares) in the profits and assets of the Company. The Subscriber Shareholders shall have one vote for each Subscriber Share held.

The Company may from time to time by ordinary resolution increase its capital, consolidate the Shares or any of them into a smaller number of Shares, sub-divide the Shares or any of them into a larger number of Shares or cancel any Shares not taken or agreed to be taken by any person. The Company may by special resolution from time to time reduce its share capital in any way permitted by law.

For the avoidance of doubt, a separate pool of assets will not be maintained for each class of Shares.

### SHARE CLASS HEDGING

The Investment Manager and the Sub-Investment Manager may employ techniques and instruments to protect against fluctuations, caused by movements in currency rates, between the class currency of the Hedged Class and the Base Currency of the Portfolio, with the goal of providing a similar return for the Hedged Class to that which would have been obtained for a Share class denominated in the Base Currency of the Portfolio. While the Investment Manager and the Sub-Investment Manager (or their agents) may attempt to hedge this currency risk, there can be no guarantee that they will be successful in doing so. In this context, foreign exchange hedging will not be used for speculative purposes. In devising and implementing its hedging strategy the Investment Manager or Sub-Investment Manager may hedge the foreign currency exposure of the Shares to the major currencies in which the assets of the relevant Portfolio are, or are expected to be, denominated but will limit hedging to the extent of this currency exposure and the Hedged Classes will not be leveraged as a result of the hedging.

Changes in the exchange rate between the Base Currency and the class currencies of the Hedged Classes may lead to a difference in the value of the Shares in the Hedged Classes as expressed in such class currencies. The Investment Manager and the Sub-Investment Manager will try to mitigate this risk by using techniques and instruments, including forward currency exchange contracts. Investors in the Hedged Classes should be aware that this strategy may substantially limit them from benefiting if the class currencies of the Hedged Classes fall against the Base Currency. In such circumstances, investors in the Hedged Classes may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains or losses on, and the costs of, the relevant financial instruments.

As the foreign exchange hedging will be utilised solely for the benefit of the Hedged Classes, its cost and related liabilities and/or benefits will be for the account of the holders of the Hedged Classes only. Accordingly, such costs and related liabilities and/or benefits will be reflected in the Net Asset Value per Share of the Hedged Classes. Hedging transactions will be clearly attributable to a specific Hedged Class and the currency exposures of Hedged Classes denominated in different currencies may not be combined or offset. The currency exposures of the assets of a Portfolio may not be allocated to separate Hedged Classes. Where there is more than one Hedged Class in a Portfolio denominated in the same currency and it is intended to hedge the foreign currency exposure of such Hedged Classes into the Base Currency, the Investment Manager or Sub-Investment Manager may aggregate the foreign exchange transactions entered into on behalf of such classes and apportion the gains/losses on and the costs of the relevant financial instruments pro rata to each such Hedged Class in the Portfolio. The Investment Manager and the Sub-Investment Manager will limit hedging to the extent of the Hedged Classes' currency exposure and the Hedged Classes will not generally be leveraged as a result of the hedging. Although a Hedged Class may not generally be leveraged as a result of the use of such techniques and instruments, the value of such instruments may be up to but may not exceed 105% of the Net Asset Value attributable to the relevant Hedged Class. The Investment Manager and the Sub-Investment Manager will monitor hedging on at least a monthly basis and will reduce the level of hedging to ensure that any position that is materially in excess of 100% of the Net Asset Value shall not be carried forward from month to month.

In respect of Unhedged Classes, a currency conversion will take place at prevailing market rates on the subscription for and redemption and exchange of Shares and in respect of any distributions made in respect of such classes.

Investors should refer to the paragraph under the heading "*Share Currency Designation Risk*" in the "*Investment Risks*" section, for a description of the risks associated with hedging the foreign currency exposure of the Hedged Classes. Investors should also note that in addition to the share class hedging described above, the Portfolios may also be hedged at portfolio level as described under "*Currency Transactions*" in the "*Portfolio Investment Techniques*" section.

### VOTING RIGHTS

Subject to any special rights or restrictions for the time being attached to any class of Shares, each Shareholder shall be entitled to such number of votes as equals the aggregate net asset value of that Shareholder's shareholding (expressed or converted into US\$ and calculated as of the relevant record date). The "relevant record date" for these purposes shall be a date being not more than thirty (30) days prior to the date of the relevant general meeting or written resolution as determined by the Directors. In relation to a resolution which in the opinion of the Directors gives or may give rise to a conflict of interest between the Shareholders of any series or class, such resolution shall be deemed to have been duly passed only if, in lieu of being passed through a single meeting of the Shareholders of such series or class, such resolution shall have been passed at a separate meeting of the Shareholders of each such series or classes. All votes shall be cast by a poll of Shareholders present in person or by proxy at the relevant Shareholder meeting or by unanimous written resolution of the Shareholders.

### VARIATION OF SHAREHOLDERS' RIGHTS

Under the Articles, the rights attached to each series or class of Share may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that series or class or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of that series or class.

The rights attaching to any series or class of Shares shall not be deemed to be varied by the creation or issue of further Shares ranking *pari passu* with Shares already in issue, unless otherwise expressly provided by the terms of issue of those Shares. The provisions of the Articles relating to general meetings shall apply to every such separate general meeting except that the necessary quorum at such a meeting shall be two persons present in person or by proxy holding Shares of the series or class in question or, at an adjourned meeting, one person holding Shares, of the series or class in question or his proxy.

#### INVESTOR RESPONSIBILITY

Prospective investors should review this Prospectus and the relevant Supplement carefully and in their entirety and consult with their legal, tax and financial advisers for independent advice in relation to: (a) the legal requirements within their own countries for the purchase, holding, exchanging, redeeming or disposing of Shares; (b) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, exchanging, redeeming or disposing of Shares; (c) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Shares; and (d) the provisions of this Prospectus and the relevant Supplement.

Investors should note that the information contained in the “*Typical Investor Profile*” sections in the relevant Supplement is provided for reference only. Before making any investment decisions investors should consider their own specific circumstances, including, without limitation their own risk tolerance level, financial circumstances and investment objectives.

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

#### CENTRAL BANK AUTHORISATION – UCITS

The Company is authorised by the Central Bank as an Undertaking for Collective Investment in Transferable Securities under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 1989. The European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 1989, have been updated and amended by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. 352 of 2011) as amended. All of the current Portfolios of the Company are now subject to the UCITS Regulations. **The authorisation of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company. Authorisation of the Company by the Central Bank is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus.**

#### DISTRIBUTION AND SELLING RESTRICTIONS

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

Further information on the Company’s distribution and selling restrictions with respect to prospective investors in various jurisdictions is contained in Annex III and Annex IV to this Prospectus (including without limitation the United States).

#### STOCK EXCHANGE LISTING

Application may be made to the Irish Stock Exchange plc (the “Irish Stock Exchange”) for Shares of any series or class issued and to be issued to be admitted to its Official List and to trading on the Main Securities Market. This Prospectus constitutes Listing Particulars for the purposes of any such application for listing. Neither the admission of Shares to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange nor the approval of this Prospectus pursuant to the listing requirements of the Irish Stock Exchange constitutes a warranty or representation by the Irish Stock Exchange as to the competence of the service providers or any other party connected with the Company, the adequacy of information contained in this Prospectus or the suitability of the Company for investment purposes. Listing information in respect of each of the Portfolios is contained in the relevant Supplement.

The Directors do not anticipate that an active secondary market will develop in any of the Shares.

The launch and listing of various classes within a Portfolio may occur at different times and therefore at the time of the launch of given class(es) the pool of assets to which a given class relates may have commenced to trade. Financial



information in respect of the Company will be published from time to time, and the most recently published audited and unaudited financial information will be available to investors and potential investors upon request.

### RELIANCE ON THIS PROSPECTUS

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

This Prospectus may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus. To the extent that there is any inconsistency between the English language Prospectus and the Prospectus in another language, this English language Prospectus will prevail, except, to the extent (but only to the extent) required by 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 on which such action is based shall prevail. Notwithstanding the above, for as long as the Company is authorised by the Hong Kong Securities and Futures Commission, both the English and Chinese language versions of the Prospectus shall have equal standing with respect to Hong Kong investors. All disputes as to the contents of this Prospectus shall be governed in accordance with the laws of Ireland.

### RISKS

**Investors should be aware that investment in the Company carries with it the potential for above average risk and is only suitable for people who are in a position to take such risks. The value of Shares may go down as well as up, and investors may not get back any of the amount invested. The difference at any one time between the issue and repurchase price of Shares means that an investment in the Company should be viewed as medium- to long-term. Investment in the Company should not constitute a substantial proportion of an investor's portfolio and may not be appropriate for all investors. Risk factors for an investor to consider are set out in the "Investment Risks" section below.**

**Investors should be aware that the Directors may declare dividends out of capital in respect of the (Weekly) Distributing Classes, the (Monthly) Distributing Classes and the (CG) Distributing Classes and that in the event that they do, the capital of such Shares will be eroded, such distributions will be achieved by forgoing the potential for future capital growth and that this cycle may be continued until all capital in respect of the Shares is depleted. Such dividends may result in an immediate decrease of the Net Asset Value per Share. Investors in the (Weekly) Distributing Classes, the (Monthly) Distributing Classes and the (CG) Distributing Classes should also be aware that the payment of distributions out of capital by the Company may have different tax implications for them to distributions of income and you are therefore recommended to seek tax advice in this regard.**

### SUPPLEMENTS AND ANNEXES – OTHER IMPORTANT INFORMATION FOR INVESTORS

Prospective investors are advised to review the relevant Supplement, Annex II, Annex III and Annex IV to this Prospectus for important additional information concerning the Company, the Portfolios and the Shares, including the information contained in Annex III and IV pertaining to investment restrictions for potential investors in various jurisdictions, including without limitation, information relating to certain United States regulatory and tax matters.

## DIRECTORY

### NEUBERGER BERMAN INVESTMENT FUNDS PLC

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

**Directors:**

Gráinne Alexander  
Tom Finlay  
Michelle Green  
Andy Olding  
Paul Sullivan

**Investment Manager:**

Neuberger Berman Europe Limited  
Lansdowne House  
57 Berkeley Square  
London W1J 6ER  
England

**Administrator:**

Brown Brothers Harriman Fund Administration Services  
(Ireland) Limited  
30 Herbert Street  
Dublin 2  
Ireland

**Auditors:**

Ernst & Young  
Registered Auditors  
Block One, Harcourt Centre  
Harcourt Street  
Dublin 2  
Ireland

**Legal Advisers as to Irish law:**

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Promoter:**

Neuberger Berman Europe Limited  
Lansdowne House  
57 Berkeley Square  
London W1J 6ER  
England

**Depositary:**

Brown Brothers Harriman Trustee Services (Ireland)  
Limited  
30 Herbert Street  
Dublin 2  
Ireland

**Sponsoring Irish Stock Exchange Broker:**

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Company Secretary:**

Matsack Trust Limited  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Distributors:**

Neuberger Berman Europe Limited  
Lansdowne House  
57 Berkeley Square  
London W1J 6ER  
England

Neuberger Berman Asia Limited  
20<sup>th</sup> Floor  
Jardine House  
1 Connaught Place, Central  
Hong Kong

Neuberger Berman Singapore Pte. Limited  
Level 15  
Ocean Financial Centre  
10 Collyer Quay  
Singapore 049315

**Master Agent and Distributor in Taiwan:**

Neuberger Berman Taiwan (SITE) Limited  
20F., No.68, Sec. 5, Zhongxiao E. Rd.  
XinYi District  
Taipei City 110, Taiwan  
Republic of China



## INVESTMENT OBJECTIVES AND POLICIES

The Company has been established for the purpose of investing in transferable securities and other liquid financial assets in accordance with the UCITS Regulations. The investment objectives and policies for each Portfolio, and any particular investment restrictions in relation thereto, will be set out in the relevant Supplement.

The Company and each Portfolio may, subject to a limit of 10% of net assets, invest its excess cash in money market funds.

Each Portfolio may, subject to an aggregate limit of 10% of net assets (unless otherwise specified in the relevant Supplement), invest in other collective investment schemes and each Portfolio (in this context, each an "Investing Portfolio") may invest in any other Portfolio (in this context, each a "Receiving Portfolio"), provided that no Investing Portfolio may invest in any Receiving Portfolio which itself holds any Shares in any other Portfolio. No sales, exchange or redemption charges will be charged on investments by Investing Portfolios in Receiving Portfolios. In addition, investments by an Investing Portfolio in a Receiving Portfolio will not be charged Management Fees, investment management fees or performance fees by the Receiving Portfolio but will be charged the appropriate Management Fees, investment management fees and performance fees (if any) by the Investing Portfolio.

**Notwithstanding the general UCITS investment restrictions set out at section 3.1 of the "Investment Restrictions" section below, unless otherwise specified in the relevant Supplement, no Portfolio of the Company will invest more than 10% of net assets in any one CIS.**

Details of the holdings of each Portfolio and information in relation to them may be made available to Shareholders in those Portfolios on certain conditions. Shareholders are advised to contact the Investment Manager for the relevant Portfolio to ascertain whether this information is available in respect of that Portfolio and what conditions (if any) may be applied to its supply to Shareholders.

The primary investment objective and policies of each Portfolio will be adhered to and will not be altered for at least three (3) years following the admission of the Shares of that Portfolio to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange, save in exceptional circumstances and then only with the approval of an ordinary resolution of the Shareholders. Any change to the investment objectives and/or material investment policies of a Portfolio may be amended with the approval by ordinary resolution of Shareholders in that Portfolio at a general meeting and in the event of a change of investment objectives and/or policies a reasonable notification period will be provided by the Company to enable Shareholders to redeem their Shares prior to implementation of these changes.

### CLASS ACTIONS POLICY

The Company may, on behalf of a Portfolio, submit the Portfolio's name or participate on behalf of the Portfolio in any class action or institute legal actions, in order to recover any damage sustained by the Portfolio, if such would be, in the sole opinion of the Investment Manager, beneficial for the Portfolio. However, if the Company believes that it is more favourable to enter into a private settlement on behalf of a Portfolio, it may opt out of joining a class action. The Company will not act as lead plaintiff in any class action, but nonetheless fees may be incurred in any kind of legal action.

### CORPORATE GOVERNANCE

The Investment Manager or its delegates may exercise its voting rights on stocks or other assets acquired by a Portfolio throughout the world. The Investment Manager or its delegates will do so if it believes that good corporate governance in the longer term is in the interests of Shareholders.

## INVESTMENT RESTRICTIONS

<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 non-UCITS as set out in the Central Bank's Guidance Note 2/03.
<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>	A UCITS may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by the UCITS in certain US securities known as Rule 144A securities provided that: <ul style="list-style-type: none"> <li>- the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and</li> <li>- the securities are not illiquid securities i.e. they may be realised by the UCITS within seven days at the price, or approximately at the price, at which they are valued by the UCITS.</li> </ul>
<b>2.3</b>	A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
<b>2.4</b>	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>2.5</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>2.6</b>	A UCITS may not invest more than 20% of net assets in deposits made with the same credit institution. Deposits with any one credit institution, other than: <ul style="list-style-type: none"> <li>• a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein);</li> <li>• a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or</li> <li>• a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand,</li> </ul> held as ancillary liquidity, must not exceed 10% of net assets. This limit may be raised to 20% in the case of deposits made with the trustee/custodian.
<b>2.7</b>	The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets. This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
<b>2.8</b>	Notwithstanding paragraphs 2.3, 2.6 and 2.7 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets: <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>

<p><b>2.9</b></p> <p><b>2.10</b></p> <p><b>2.11</b></p>	<p>The limits referred to in 2.3, 2.4, 2.5, 2.7 and 2.8 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.</p> <p>Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7 and 2.8. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.</p> <p>A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.</p> <p>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.</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>
<p><b>3</b></p>	<p><b>Investment in Collective Investment Schemes ("CIS")</b></p>
<p><b>3.1</b></p> <p><b>3.2</b></p> <p><b>3.3</b></p> <p><b>3.4</b></p> <p><b>3.5</b></p>	<p>A UCITS may not invest more than 20% of net assets in any one CIS.</p> <p>Investment in non-UCITS may not, in aggregate, exceed 30% of net assets.</p> <p>The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.</p> <p>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.</p> <p>Where a commission (including a rebated commission) is received by the UCITS manager/investment manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the UCITS.</p>
<p><b>4</b></p>	<p><b>Index Tracking UCITS</b></p>
<p><b>4.1</b></p> <p><b>4.2</b></p>	<p>A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the UCITS Regulations and is recognised by the Central Bank.</p> <p>The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.</p>
<p><b>5</b></p>	<p><b>General Provisions</b></p>
<p><b>5.1</b></p> <p><b>5.2</b></p>	<p>An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.</p> <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</p>

	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.
<b>5.3</b>	<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 2.10, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed;</li> <li>(v) Shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</li> </ul>
<b>5.4</b>	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.
<b>5.5</b>	The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.11, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
<b>5.6</b>	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.
<b>5.7</b>	<p>Neither an investment company, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:</p> <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- money market instruments;</li> <li>- units of CIS; or</li> </ul> <p>financial derivative instruments.</p>
<b>5.8</b>	A UCITS may hold ancillary liquid assets.
<b>5.9</b>	<ul style="list-style-type: none"> <li>- A UCITS may not acquire either precious metals or certificates representing them. A UCITS may invest in transferable securities or money market instruments issued by a corporation whose main business is concerned with precious metals.</li> </ul>
<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 the Central Bank UCITS Regulations.)
<b>6.3</b>	UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
<b>6.4</b>	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

## VAG REQUIREMENTS

The German Insurance Supervisory Act (Versicherungsaufsichtsgesetz - "VAG") in conjunction with the Ordinance on the Investment of Restricted Assets of Pension Pools, Funeral Expenses Funds and Small Insurance Companies (Verordnung über die Anlage des Sicherungsvermögens von Pensionskassen, Sterbekassen und kleinen

Versicherungsunternehmen - Anlageverordnung) as further interpreted by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – “BaFin”) provide that, in order to be eligible for investment by certain German insurance companies and other regulated investors, a Portfolio must meet certain minimum requirements with respect to the credit ratings of its investments. As a result, where the relevant Supplement notes that a Portfolio complies with the “VAG Requirements”, the relevant Portfolio’s investment policy shall comply with the following minimum requirements. For the avoidance of doubt, it is not intended that complying with the VAG Requirements will amend the investment objectives or policies or otherwise impact the management of such Portfolios, as the VAG requirements are either less restrictive than or equivalent to those already contained in the Portfolio’s investment policy.

Under the VAG Requirements, a Portfolio may only purchase

- (a) debt securities which have:
  - (i) a rating from a Recognised Rating Agency or another rating agency that has been examined and registered in accordance with Regulation (EC) No. 1060/2009 (an “**External Rating**”) of at least speculative grade (currently B- by Standard & Poor’s and Fitch or B3 by Moody’s or an equivalent rating by such other rating agency); or
  - (ii) been subject to the Investment Manager’s or the Sub-Investment Manager’s own credit risk assessment (an “**Internal Rating**”) with an equivalent result.
- (b) asset backed securities (ABS), credit linked notes and similar assets (i.e. investments whose yield or repayment is linked to credit risks or that are used to transfer the credit risk of a third party) which have:
  - (i) an External Rating of at least investment grade (currently long-term BBB- ratings by Standard & Poor’s and Fitch or Baa3 by Moody’s or short-term A-3 ratings by Standard & Poor’s, F 3 by Fitch or Prime 3 by Moody’s or an equivalent rating by such other rating agency); or
  - (ii) an equivalent Internal Rating.

In each case, the Investment Manager or the Sub-Investment Manager shall make its own credit risk assessment and shall not rely on credit ratings solely or mechanically for assessing the creditworthiness of an entity or financial instrument.

Without prejudice to the Central Bank’s requirements in respect of remedying advertent and inadvertent breaches of investment policies, which shall continue to apply to all Portfolios at all times, in the event that the External Rating or Internal Rating of a security held by a Portfolio is downgraded to a rating that is lower than the above-mentioned minimum ratings, or if such a downgrade is pending:

- where the affected security represents more than 3% of the Portfolio’s Net Asset Value, the Investment Manager or the Sub-Investment Manager will, at a minimum, use its best efforts to sell the affected security within six months of the rating-downgrade;
- where the affected security represents less than 3% of the Portfolio’s Net Asset Value and is not upgraded to above the relevant minimum rating within a period of six months from the downgrade, the Investment Manager or the Sub-Investment Manager will, at a minimum, use its best efforts to sell the affected security within a further six months.

If two or more External Ratings are available for one specific debt security, the second highest External Rating shall be used for this assessment.

Where an appropriate quantitative analysis has been performed by the Investment Manager or the Sub-Investment Manager as part of an internal credit risk assessment which results in an Internal Rating for a security which is higher than an External Rating for that security, the Internal Rating may be used in preference to the External Rating as follows:

- where only one External Rating is available in respect of a security, the Internal Rating may be used in preference to that External Rating;
- where two External Ratings are available in respect of a security, the Internal Rating may be used in preference to the lower of the two External Ratings; and
- where three or more External Ratings are available in respect of a security, the Internal Rating may be used in preference to the second best of the two External Ratings.

External Ratings and/or Internal Ratings will be verified at least (i) annually for investment-grade or equivalent securities, (ii) quarterly for speculative-grade or equivalent securities and (iii) in either case more frequently if other negative circumstances indicate that this is necessary.

Where a Portfolio is allowed to invest into other investment funds, such investment funds must have investment policies and restrictions which comply with the rating requirements in this section.

#### **CONTROVERSIAL WEAPONS POLICY**

None of the Portfolios shall invest in securities that have been identified by the Investment Manager through the utilisation of third party data, as having corporate involvement in the end manufacture or manufacture of intended use components of biological and chemical weapons, anti-personnel land mines, or cluster munitions as defined in the Biological and Toxin Weapons Convention of 1972, the Chemical Weapons Convention of 1993, the Anti-personnel Landmines Convention of 1997, and/or the Convention on Cluster Munitions of 2010.

## PORTFOLIO INVESTMENT TECHNIQUES

The Company may employ investment techniques and instruments for efficient portfolio management of the assets of any Portfolio including hedging against market movements, currency exchange or interest rate risks under the conditions and within the limits stipulated by the Central Bank under the UCITS Regulations and described below.

For the avoidance of doubt, unless otherwise disclosed in the relevant Supplement in respect of a Portfolio, the Portfolios will not enter into securities lending agreements, repurchase agreements and reverse repurchase agreements.

### USE OF FINANCIAL DERIVATIVE INSTRUMENTS

Each of the Portfolios may utilise FDI for investment purposes, efficient portfolio management purposes (i.e. the reduction of risks or costs to the Portfolio or the generation of additional capital or income for the Company), or for hedging against market movements, currency exchange or interest rate risks, subject to the general restrictions outlined under “*Investment Restrictions*” in the “*Investment Objectives and Policies*” section. The Company may use various types of FDI for these purposes, including, without limitation, futures, forward foreign currency contracts, options, swaptions, credit default swaps, contracts for differences, warrants, and swaps.

To the extent that a Portfolio uses FDI for investment purposes or efficient portfolio management purposes, there may be a risk that the volatility of the relevant Portfolio’s Net Asset Value may increase. However, no Portfolio is expected to have an above average risk profile relative to its respective asset classes as a result of its use of FDI.

The Company employs a risk management process which is designed to enable it to accurately measure, monitor and manage the various risks associated with the use of FDI for each Portfolio and will not use any FDI which have not been described in its risk management process. Each Portfolio using FDI for investment purposes has been assessed to determine whether, based on the FDI that it uses, the Commitment Approach or the value at risk approach is more appropriate to use in managing the risks associated with that Portfolio’s use of FDI. For the majority of Portfolios, it has been determined that the Commitment Approach is the more appropriate approach to use, although, where stated in the “*Risk*” section of the description of a Portfolio in the relevant Supplement, the value at risk approach will be used. Although all Portfolios will be leveraged as a result of their use of FDI, the Global Exposure of a Portfolio which uses the Commitment Approach will not exceed the Portfolio’s Net Asset Value at any time. An indication of anticipated leverage levels for Portfolios which apply the value at risk approach will be included in the “*Risk*” section of the description of such Portfolios in the relevant Supplement.

A statement of the Company’s risk management process has been submitted to and cleared by the Central Bank. The Company will, on request, provide supplementary information to Shareholders relating to any risk management methods to be employed by the Company in respect of any Portfolio, including the quantitative limits that are applied, and any recent developments in the risk and yield characteristics of the main categories of investments. Investors should also refer to the “*Investment Risks*” section for information in relation to the risks associated with the use of FDI and the description of a Portfolio’s investment objectives and policies contained in the relevant Supplement. Not less than one month’s prior written notice will be given to Shareholders of any material change to a Portfolio’s use of FDI, as outlined in the relevant Supplement.

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

Each Portfolio will ensure that its Global Exposure to OTC FDI will comply with both the “*Investment Restrictions*” section of this Prospectus and the UCITS Regulations. The relevant Portfolio’s exposure to counterparties in respect of an OTC FDI will be collateralised in accordance with the requirements of the Central Bank, so that the Portfolio’s exposure to a counterparty will be less than 10% of its Net Asset Value at all times, where the relevant counterparty is a Relevant Institution and less than 5% of its Net Asset Value, where the relevant counterparty is not a Relevant Institution. Each Portfolio will monitor the collateral to ensure that the securities provided as collateral will, at all times, fall within the categories permitted by the Central Bank and be fully diversified in accordance with the requirements set out in this Prospectus.

Forward foreign currency contracts are agreements to exchange one currency for another – for example, to exchange a certain amount of Sterling for a certain amount of Euro – at a future date. The date (which may be any agreed-upon fixed number of days in the future), the amount of currency to be exchanged and the price at which the exchange will take place are negotiated and fixed for the term of the contract at the time that the contract is entered into. Options offer the buyer the right, but not the obligation, to buy (in the case of a “call” option) or sell (in the case of a “put” option) specified assets at a pre-agreed price during a certain period of time or on a specific date. All options purchased by the Company will be traded on a Recognised Market. Warrants are similar to call options but are issued by the company which issued the underlying securities which are the subject of the option.



A swap is an agreement between two parties whereby one party makes payments to the other based on an agreed rate, while the other party makes payments to the first party based on the return of an underlying asset or assets, such as one or more securities, a currency, an index or an interest rate. Excess return swaps are OTC FDI under which one party will agree to pay the other the return of an underlying asset and the other party agrees to pay the first party a fee, either periodically or upfront on entry into the swap. An excess return swap differs from a total return swap because the payment that the other party receives will be based solely on the performance of the underlying asset, while the payment to the other party under a total return swap will also include an element to reflect the return which cash to the value of the notional amount of the swap would have earned on deposit.

Volatility swaps are OTC FDI under which one party will agree to pay the other a return based on the volatility of an underlying asset and the other party agrees to pay the first party a fee, either periodically or upfront on entry into the swap. As such the underlying of the swap is the volatility of a given asset and they allow an investor to speculate solely upon the movement of the asset's volatility without the influence of its price. Volatility of an underlying asset (e.g. an equity index) against the implied volatility of that underlying asset. Under the terms of a typical variance swap, parties agree to exchange, at maturity, a pre-agreed notional amount multiplied by the difference between the realised variance of an equity index over the lifetime of the variance swap and a pre-determined reference level. Realised variance is the mathematical square of realised volatility, i.e. if the realised volatility of the index is 5%, its realised variance will be 25%. The reference level of a variance swap is determined at the inception of the swap by reference to the implied volatility of the relevant equity index. The seller of the variance swap (who is said to have a short variance position) will benefit when realised volatility is lower than the reference level over the period of the swap, in which case the buyer of the variance swap would suffer a loss. Conversely, the buyer of the variance swap (who is said to have a long variance position) will benefit when realised volatility is higher than the reference level, in which case the seller of the variance swap would suffer a loss. Realised volatility is a backward-looking measure of the amount by which the returns of an asset actually varied over a time period and is calculated by reference to the previous day's returns of that asset. Implied volatility is a forward-looking measure, which represents the market's expectation of the future volatility of a particular asset over a particular period.

Swaptions are options to enter into a swap, typically in respect of an interest rate, whereby, in exchange for a fee, the buyer of the swaption acquires an option to enter into a specified swap agreement on a future date.

A credit default swap ("CDS") is a swap used to transfer the risk of default on an underlying security from the holder of the security to the seller of the swap. For example, if a Portfolio buys a CDS (which could be to take a short position in respect of the credit of security's issuer or to hedge an investment in the relevant security), it will be entitled to receive the value of the security from the seller of the CDS, should the security's issuer default on its payment obligations under the security. Where a Portfolio sells a CDS (which is taking a long position in respect of the credit of the security's issuer) it will receive a fee from the purchaser and hope to profit from that fee in the event that the issuer of the relevant security does not default on its payment obligations. The Investment Manager has a dedicated derivatives servicing team that will monitor a Portfolio's compliance with the Central Bank's investment restrictions in respect of its CDS positions, its collateral management and any other terms agreed upon in the agreement underlying the CDS and will employ proprietary quantitative tools to help analyse many aspects of risk to which a Portfolio is exposed due to its positions in CDS. In the event of a default event in respect of a CDS, a Portfolio will have to fulfil its obligations (if any) under that specific CDS and its exposure will depend on various factors including the size of the position, whether it has bought or sold the CDS and the recovery value of the defaulted security.

A contract for difference is an agreement between a buyer and a seller stipulating that the seller will pay the buyer the difference between the current value of the security and its value when the contract is made. If the difference turns out to be negative, the buyer pays the seller.

Where disclosed in the Relevant Supplement, Portfolios may also invest in convertible bonds, convertible preferred stock, credit linked notes, index linked notes, structured notes and rights, each of which may embed an FDI and, consequently, leverage.

As a Portfolio may generally purchase FDI using only a fraction of the assets that would be needed to purchase the relevant securities directly, the remainder of the Portfolio's assets may be invested in other types of securities. The Investment Manager or Sub-Investment Manager may therefore seek to achieve greater returns by purchasing FDI and investing a Portfolio's remaining assets in other types of securities to add excess return.

FDI used for efficient portfolio management may be used by the Portfolios for hedging purposes. Hedging is a technique used to seek to minimise an exposure created from an underlying position by counteracting such exposure by means of acquiring an offsetting position. The positions taken for hedging purposes will not be allowed to exceed materially the value of the assets that they seek to offset.

In the event of any Portfolio proposing to use any types of FDI additional to those described above, the risk management process shall be amended to reflect this intention and such additional types of FDI shall also be disclosed and described in the relevant Supplement in respect of such Portfolio.

## **Management of collateral**

Subject to the UCITS Regulations, a Portfolio may enter into OTC FDI transactions in accordance with normal market practice and provided that collateral obtained under the OTC FDI transactions with the criteria set out below.

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

By way of derogation from this sub-paragraph, a Portfolio may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a European Union Member State, one or more of its local authorities, a third country, or a public international body to which one or more European Union Member States belong. Such a Portfolio will receive securities from at least six different issues and securities from any single issue will not account for more than 30% of the Portfolio's Net Asset Value. Portfolios that intend to be fully collateralised in securities issued or guaranteed by a European Union Member State will disclose this fact in the relevant Supplement and also identify the European Union Member States, local authorities, third country, or public international bodies issuing or guaranteeing securities which they are able to accept as collateral for more than 20% of their Net Asset Value.

- (vi) *Immediately available* - collateral received should be capable of being fully enforced by the Portfolio at any time without reference to or approval from the counterparty.

All assets received in respect of a Portfolio in the context of OTC FDI transactions will be considered as collateral for the purposes of the UCITS Regulations and will comply with the criteria above. The Company seeks to identify and mitigate risks linked to the management of collateral, including operational and legal risks, by risk management procedures employed by the Company.

Where there is a title transfer, the collateral received will be held by the Depositary, or its agent. For other types of collateral arrangement the collateral may be held by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral.

#### **Permitted types of collateral**

In accordance with the above criteria, a Portfolio may accept the following types of collateral:

- (i) cash;
- (ii) government or other public securities;
- (iii) certificates of deposit issued by Relevant Institutions;
- (iv) letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by Relevant Institutions;
- (v) equity securities traded on a stock exchange in the EEA, Switzerland, Canada, Japan, the United States, Jersey, Guernsey, the Isle of Man, Australia or New Zealand;

#### **Reinvestment of Collateral**

Cash received as collateral may only be re-invested in the following instruments:

- (i) deposits or certificates of deposit issued by Relevant Institutions;
- (ii) high-quality government bonds; or
- (iii) a Short Term Money Market Fund, as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref: CESR/10-049).

Invested cash collateral may not be placed on deposit with, or invested in securities issued by, the counterparty or a related entity.

Re-invested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral and will be exposed to the risks associated with investment in the instruments described above, including, without limitation, market risks, credit risks and risks associated with fixed income securities. Please see the “*Investment Risks*” section for more information.

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

### **Stress testing policy**

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

### **Haircut policy**

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

## **WHEN-ISSUED AND FORWARD COMMITMENT SECURITIES**

Subject to the investment restrictions contained in the “*Investment Restrictions*” section above, a Portfolio may purchase securities on a “when-issued” basis and may purchase or sell securities on a “forward commitment” basis. The price, which is generally expressed in yield terms, is fixed at the time the commitment is made, but delivery and payment for the securities take place at a later date. When-issued securities and forward commitments may be sold prior to the settlement date, but a Portfolio will usually enter into when-issued and forward commitments only with the intention of actually receiving or delivering the securities or to avoid currency risk, as the case may be. No income accrues on securities which have been purchased pursuant to a forward commitment or on a when-issued basis prior to delivery of the securities. If the Portfolio disposes of the right to acquire a when-issued security prior to its acquisition or disposes of its right to deliver or receive against a forward commitment, the Portfolio may incur a gain or loss.

## **CURRENCY TRANSACTIONS**

Each Portfolio is permitted to invest in securities denominated in a currency other than the Base Currency of the Portfolio and may purchase currencies to meet settlement requirements. In addition, subject to the restrictions imposed on the use of financial derivative instruments described above and by the UCITS Regulations, each Portfolio may enter into various currency transactions (i.e. forward foreign currency contracts, currency swaps or foreign currency) to protect against uncertainty in future exchange rates. Forward foreign currency contracts are agreements to exchange one currency for another – for example, to exchange a certain amount of Sterling for a certain amount of Euro – at a future date. The date (which may be any agreed-upon fixed number of days in the future), the amount of currency to be exchanged and the price at which the exchange will take place are negotiated and fixed for the term of the contract at the time that the contract is entered into.

Currency transactions which alter currency exposure characteristics of transferable securities held by a Portfolio may only be undertaken for the purposes of a reduction in risk, a reduction in costs and/or an increase in capital or income returns to the Portfolio. Any such currency transactions will be used in accordance with the investment objective of the Portfolio.

A Portfolio may “cross-hedge” one foreign currency exposure by selling a related foreign currency into the Base Currency of that Portfolio. Also, in emerging or developing markets, local currencies are often expressed as a basket of major market currencies such as the US Dollar, Euro or Japanese Yen. A Portfolio may hedge out the exposure to currencies other than its Base Currency in the basket by selling a weighted average of those currencies forward into the Base Currency.

## INVESTMENT RISKS

Investment in the Portfolios carries certain risks, which are described below. These risks are not purported to be exhaustive and potential investors should review this Prospectus in its entirety and consult with their professional advisers, before making an application for Shares.

There can be no assurance that the Portfolios will achieve their respective objectives. While there are some risks described below that may be common to a number or all of the Portfolios, there may also be specific risk considerations which apply only to particular Portfolios.

Reference in this section to “Investment Manager” shall be taken to include a sub-investment manager of a Portfolio where relevant.

### 1. RISKS RELATED TO FUND STRUCTURE

#### UMBRELLA STRUCTURE OF THE COMPANY

Pursuant to Irish law the Company will not be liable as a whole to third parties and there will be no potential for cross contamination of liabilities between different Portfolios. However, there can be no categorical assurance that, should an action be brought against the Company in the courts of another jurisdiction, the segregated nature of the Portfolios will necessarily be upheld. Accordingly, it is not free from doubt that the assets of any Portfolio of the Company may not be exposed to the liabilities of other Portfolios of the Company. As at the date of this Prospectus, the Directors are not aware of any existing or contingent liability of any Portfolio of the Company.

#### SHARE CLASS RISK

There is no legal segregation of liability between Classes in a given Portfolio. As such, there are certain limited circumstances including, for example, in situations when one or more Hedged Classes suffers material losses, in which the liabilities of a particular Class will affect the Net Asset Value of other Classes.

#### SHARE CLASS CURRENCY DESIGNATION RISK

Hedged Classes may be available in a Portfolio and are designated in a currency other than the Base Currency of the relevant Portfolio. In such circumstances adverse exchange rate fluctuations between the Base Currency of a Portfolio and the class currency of the Hedged Classes may result in a decrease in return and/or a loss of capital for Shareholders. The Investment Manager or Sub-Investment Manager will try to mitigate this risk by using efficient portfolio management techniques and instruments or FDI, within the conditions and limits imposed by the Central Bank, to hedge the foreign currency exposure of the Hedged Classes into the Base Currency of the relevant Portfolio and, in the case of some Portfolios as noted in the relevant Supplements, into the currency or currencies in which the assets of the relevant Portfolio are denominated. Unless otherwise disclosed in the relevant Supplement, all Hedged Classes shall hedge 100% of their relevant class currency exposure. In this circumstance, the underlying relevant Portfolio's non-Base Currency exposure may remain exposed to currency fluctuations. Although a Hedged Class may not generally be leveraged as a result of the use of such techniques and instruments, the value of such instruments may be up to but may not exceed 105% of the Net Asset Value attributable to the relevant Hedged Class and will not be less than 95% of the portion of the Net Asset Value of the relevant Hedged Class which is to be hedged against this currency risk. The Investment Manager and the Sub-Investment Manager will monitor hedging on at least a monthly basis and will reduce the level of hedging to ensure that any position that is materially in excess of 100% of the Net Asset Value shall not be carried forward from month to month. It may not be practical or efficient to hedge the foreign currency exposure of the Shares exactly to the currency or currencies in which all the assets of the relevant Portfolio are denominated. Accordingly in devising and implementing its hedging strategy the Investment Manager may hedge the foreign currency exposure of the Shares to the major currencies in which the assets of the relevant Portfolio are, or are expected to be, denominated. In determining the major currencies against which the foreign currency exposure of the relevant Hedged Class should be hedged, the Investment Manager may have regard to any index which is expected to closely correspond to the assets of the relevant Portfolio.

Where there is more than one category of Hedged Class in a Portfolio denominated in the same currency and it is intended to hedge the foreign currency exposure of such classes, relative to the Base Currency of the relevant Portfolio or into the currency or currencies in which the assets of the relevant Portfolio are denominated, the Investment Manager may aggregate the foreign exchange transactions entered into on behalf of such Hedged Classes and apportion the gains/loss on and the costs of the relevant financial instruments pro rata to each such Hedged Class in the relevant Portfolio.

Investors should be aware that this strategy may substantially limit Shareholders of the relevant Hedged Class from benefiting if the class currency falls against the Base Currency of the relevant Portfolio and/or the currency/currencies

in which the assets of the relevant Portfolio are denominated. In such circumstances, Shareholders of the Hedged Class may be exposed to fluctuations in the Net Asset Value per Shares reflecting the gains/loss on and the costs of the relevant financial instruments.

In the case of a Hedged Class, other than a BRL Class or a CLP Class, a currency conversion will take place on subscriptions, redemptions, exchanges and distributions at the rate of exchange available to the Company and the cost of conversion will be deducted from the relevant Hedged Class. Subscriptions and exchanges into and redemptions, exchanges and distributions from BRL Classes and CLP Classes are in US Dollars.

Although hedging strategies may not necessarily be used in relation to each class within a Portfolio, the financial instruments used to implement such strategies shall be assets/liabilities of the Portfolio as a whole. However, the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Hedged Class. Any currency exposure of a Hedged Class may not be combined with or offset with that of any other class of the Portfolio.

Unhedged Classes in a Portfolio may provide returns to investors which are significantly different to the returns provided by Hedged Classes or Share classes designated in the Base Currency of the relevant Portfolio. In such circumstances adverse exchange rate fluctuations between the Base Currency of a Portfolio and the class currency of the relevant Unhedged Classes may result in a decrease in return and/or a loss of capital for Shareholders in such Unhedged Classes.

Investors should be aware that the class currency of a particular Hedged Class may have a high correlation (negative or positive) with the investments of the underlying Portfolio. In such cases, fluctuations in the Net Asset Value of the Portfolio may be compounded (negatively or positively) by movements in the class currency of the Hedged Class. Investors should be aware that the level of volatility and return outcome of the Hedged Class, in these circumstances, may be materially different to the volatility and return outcome of share classes denominated in the Base Currency of the Portfolio.

#### **CHINESE YUAN RENMINBI SHARE CLASS CURRENCY RISK**

The Portfolios offer Classes designated in Chinese Yuan Renminbi the lawful currency of the People's Republic of China and investors should be aware that there may be additional risks involved in investing through CNY over and above those of investing in through other currencies. CNY Currency exchange rates may fluctuate significantly over short periods of time causing, along with other factors, the Net Asset Value per Share of Classes designated in CNY to fluctuate as well. Currency exchange rates generally are determined by the forces of supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or anticipated changes in interest rates and other complex factors, as seen from an international perspective. However, currency exchange rates in the PRC can also be affected unpredictably by intervention or failure to intervene by relevant governments or central banks or by currency controls or political developments.

The Company will seek to hedge foreign currency risks but as the foreign exchange of CNY is regulated, such hedging may only result in an imperfect hedge. In addition, investors in Portfolios for which the US Dollar is the Base Currency should note that CNY and US Dollar exchange rates have historically been closely correlated and hedging may be expensive in comparison with the actual risk hedged. There can be no assurance that any hedging, particularly such potentially imperfect hedging, will be successful and it may even be counter-productive. Equally, failure to hedge foreign currency risks may result in the Company bearing the burden of exchange rate fluctuations. The Company does not currently intend to hedge the currency exposure of its investments into the Base Currency.

In addition, currency markets in CNY may have lower trading volumes than the currencies of more developed countries and accordingly markets in CNY may be materially less liquid, subject to greater dealing spreads and experience materially greater volatility than those of other currencies. Government supervision and regulation of the exchange of CNY is also less developed than in many more developed countries and there is a greater measure of legal uncertainty concerning the rights and duties of market participants with respect to trades in CNY. As a result, the attention of investors in CNY designated Classes is drawn to the restrictions and limitations referred to under the heading "Information Specific to Redemptions" in the "Subscriptions and Redemptions" section of this Prospectus, including the potential imposition by the Directors of a redemption gate of 10% of all Shares in issue on any Dealing Day.

#### **DEPOSITARY RISK**

The assets of the Company and its Portfolios shall be held in custody by the Depositary and its sub-custodian(s) and/or any other custodians, prime broker and/or broker-dealers appointed by the Company. Investors are hereby informed that cash and fiduciary deposits may not be treated as segregated assets and might therefore not be segregated from the relevant depositary, sub-custodian(s), other custodian/third party bank, prime broker and/or broker dealer's own assets in the event of the insolvency or the opening of bankruptcy, moratorium, liquidation or reorganisation proceedings of the depositary, sub-custodian(s), other custodian/third party bank, prime broker or the broker dealer as the case may be. Subject to specific depositor's preferential rights in bankruptcy proceedings set forth by regulation in

the jurisdiction of the relevant depository, sub-custodian(s), other custodian/third party bank, prime broker or the broker dealer, a Portfolio's claim might not be privileged and may only rank pari passu with all other unsecured creditors' claims. Portfolios might not be able to recover all of their assets in full.

### **CUSTODIAL RISK**

As the Company may invest in markets where custodial and/or settlement systems are not fully developed, including in Emerging Market Countries, the assets of the Company which are traded in such markets which have been entrusted to sub-custodians in circumstances where the use of such sub-custodian is necessary, may be exposed to risk in certain limited circumstances (such as, in the case of a loss of assets where such loss is the result of an external event beyond its reasonable control) where the Depository will have no liability. Currently, with the exception of securities depositories such as Clearstream, Euroclear or DTC where the Depository serves as a direct participant, all assets of the Portfolios are custodied within the Depository's global network of sub-custodians whereby the appointment of an agent or sub-custodian in such a market shall not relieve the Depository from its liability as principal for the acts or omissions of the agent.

A clearing broker with which margin assets are deposited in respect of futures and options or other hedging contracts shall not be a sub-custodian or agent of the Depository for such purpose and the Depository shall not be liable for the acts or omissions or any loss directly or indirectly caused by any margin assets transferred to or placed with such clearing brokers, provided the Depository has acted in accordance with proper instructions as provided for in the Depository Agreement in relation to such transfers. For this purpose, the phrase "margin assets" shall include cash or other assets of a Portfolio transferred to such clearing brokers by means of title transfer, for payment of margin due at the time of transfer or for amounts which may be placed with such clearing brokers and utilised for the Portfolio's trading in such futures and options. As these assets are passed to the broker by means of title transfer, once passed by the Company, they are no longer considered to be assets of the Portfolio and the Portfolio's assets in this respect will instead be the futures and options contracts that the margin assets support and the contractual right to the return of the margin assets by the broker on the termination of the relationship between the broker and the Company.

### **RELIANCE ON THE INVESTMENT MANAGER**

The Company will rely on the Investment Manager in implementing its investment strategies. The bankruptcy or liquidation of the Investment Manager may have an adverse impact on the Net Asset Value. Investors must rely on the judgement of the Investment Manager in making investment decisions. The Investment Manager and its principals and affiliates will however devote a substantial degree of their business time to the Company's business.

In addition,

- (a) The Portfolios may be prevented from dealing for legal, regulatory or policy reasons;
- (b) The Investment Manager or its affiliates may have managed or co-managed a public offering of securities in respect of any Portfolio's holding of securities within the last three years from the date of this prospectus or may from time to time perform business for any company whose securities are contained in a Portfolio; and
- (c) The Investment Manager, its affiliates, shareholders, directors, members, officers and/or employees may have long or short positions in any securities contained in the Portfolios' holdings or options, futures and other FDI based on these holdings.

### **SETTLEMENT RISKS**

The equity markets in different countries will have different clearance and settlement procedures and in certain markets there have been times when settlements have been unable to keep pace with the volume of transactions, thereby making it difficult to conduct such transactions. Delays in settlement could result in temporary periods when assets of a Portfolio are uninvested and no return is earned thereon. The inability of a Portfolio to make intended purchases due to settlement problems could cause it to miss attractive investment opportunities. Inability to dispose of portfolio securities due to settlement problems could result either in losses to a Portfolio due to subsequent declines in value of the portfolio security or, if it has entered into a contract to sell the security it could result in a possible liability of it to the purchaser.

### **INDEMNIFICATION OBLIGATIONS**

The Company has agreed to indemnify the Directors, the Investment Manager, the Administrator and the Depository as provided for in the relevant agreements.

### **PORTFOLIO TRANSACTION CHARGES**



Sales, redemption or transaction charges may be payable in respect of any Portfolio if specified in the “Fees and Expenses” section. **In the short-term, these charges will have the effect of reducing the value of an investment. Accordingly, an investor should view its investment in that Portfolio as medium- to long-term.**

#### **NO INVESTMENT GUARANTEE EQUIVALENT TO DEPOSIT PROTECTION**

An investment in the Company 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. The value of Shares may go down as well as up and investors may not get back any of the amount invested.

#### **PROVISIONAL ALLOTMENTS**

As the Company may provisionally allot Shares to proposed investors prior to receipt of the requisite subscription monies for those Shares the Company may suffer losses as a result of the non-payment of such subscription monies, including, for example, the administrative costs involved in updating the records of the Company to reflect Shares allotted provisionally which are not subsequently issued.

The Company will attempt to mitigate this risk by obtaining an indemnity from investors, however, there is no guarantee that the Company will be able to recover any relevant losses pursuant to such indemnity.

#### **COMMON REPORTING STANDARD**

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

#### **UMBRELLA CASH COLLECTION ACCOUNTS**

Subscription monies received in respect of a Portfolio in advance of the issue of Shares will be held in an umbrella level cash collection account (an “Umbrella Cash Collection Account”) in the name of the Company. Investors will be unsecured creditors of such Portfolio with respect to the amount subscribed until such Shares are issued and will not benefit from any appreciation in the Net Asset Value of a Portfolio or any other shareholder rights (including dividend entitlement) until such time as Shares are issued. In the event of an insolvency of a Portfolio or the Company, there is no guarantee that the Portfolio or Company will have sufficient funds to pay unsecured creditors in full.

Payment by a Portfolio of redemption proceeds and dividends is subject to receipt by the Administrator of original subscription documents and compliance with all anti-money laundering procedures. Notwithstanding this, redeeming Shareholders will cease to be Shareholders, with regard to the redeemed Shares, from the relevant Dealing Day. Redeeming Shareholders and Shareholders entitled to distributions will, from the redemption or distribution date, as appropriate, be unsecured creditors of the relevant Portfolio, and will not benefit from any appreciation in the Net Asset Value of the Portfolio or any other Shareholder rights (including further dividend entitlement), with respect to the redemption or distribution amount. In the event of an insolvency of the Portfolio or the Company during this period, there is no guarantee that the Portfolio or Company will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to distributions should therefore ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Shareholder’s own risk.

In the event of the insolvency of Portfolio, recovery of any amounts to which any other Portfolio is entitled but which may have transferred to such insolvent Portfolio as a result of the operation of the Umbrella Cash Collection Account, will be subject to the principles of Irish trust law and the terms of the operational procedures for the Umbrella Cash Collection Account. There may be delays in effecting and / or disputes as to the recovery of such amounts and the insolvent Portfolio may have insufficient funds to repay amounts due to the relevant Portfolio. Accordingly, there is no guarantee that such Portfolio or the Company will recover such amounts. Furthermore, there is no guarantee that in such circumstances such Portfolio or the Company would have sufficient funds to repay any unsecured creditors.

## **2. OPERATIONAL RISKS**

### **BUSINESS AND REGULATORY RISKS**



Legal, tax, and regulatory changes are likely to occur during the term of the Company and some of these changes may adversely affect the Company, perhaps materially. The financial services industry generally, and the activities of collective investment schemes and their managers, in particular, have been subject to intense and increasing regulatory scrutiny. Such scrutiny may increase the Company's exposure to potential liabilities and to legal, compliance, and other related costs. Increased regulatory oversight may also impose additional administrative burdens on the Investment Manager, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may direct the Investment Manager's time, attention, and resources from portfolio management activities. In addition, certain regulatory changes, including restrictions imposed, may be imposed by reference to the overall assets managed by the Investment Manager rather than solely in respect of the assets of the Company. In such circumstances, compliance by the Investment Manager with such restrictions may give rise to a conflict of interest.

In addition, securities and futures markets are subject to comprehensive statutes, regulations, and margin requirements. The Central Bank, the FCA, other regulators, self-regulatory organisations, and exchanges are authorised to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions.

More generally, it is impossible to predict what, if any, changes in regulation applicable to the Company, the Investment Manager, the markets in which they trade and invest, or the counterparties with which they do business may be instituted in the future. The effect of any future regulatory change on the Company could be substantial and adverse.

Investors should understand that the Company's business is dynamic and is expected to change over time. Therefore, the Company may be subject to new or additional regulatory constraints in the future. This Prospectus cannot address or anticipate every possible current or future regulation that may affect the Investment Manager, the Company, or their businesses. Such regulations may have a significant impact on the Shareholders or the operations of the Company, including, without limitation, restricting the types of investments the Company may make, preventing the Company from exercising its voting rights with regard to certain financial instruments, requiring the Company to disclose the identity of its investors, or otherwise. The Directors may cause a Portfolio to be subject to such regulations if they believe that an investment or business activity is in such Portfolio's interests, even if such regulations may have a detrimental effect on one or more Shareholders. Prospective Shareholders are encouraged to consult their own advisers regarding an investment in the Company.

## **OPERATIONAL RISKS**

The Investment Manager's operational risk management framework is based on the Basel II definition of operational risk which is 'the risk of loss resulting from inadequate or failed internal, processes, people and systems or from external events'. The Investment Manager's management of operational risk is therefore aimed at identifying risks in existing processes and improving existing controls to reduce their likelihood of failure and the impact of losses.

The Company relies on the Investment Manager and its affiliates to ensure there are appropriate systems and procedures to identify, assess and manage operational risk. These systems and procedures may not account for every actual or potential disruption of the Company's operations but only for those where an appetite of risk has been set. Given the nature of investment management activities, operational risks are intrinsic to the Company's operations, especially given the volume, diversity and complexity of transactions that the Company is expected to enter into daily.

The Company's control environment is highly dependent on the ability of the Investment Manager and its affiliates to process, on a daily basis, transactions across numerous and diverse markets. Consequently, the Company relies heavily on the Investment Manager's control environment which includes financial, accounting and other data processing systems. The ability of such systems to be scalable and adjust to the complexity of transactions could also constrain the ability of the Company to properly manage its portfolio.

Systemic failures in the systems employed by the Investment Manager, the Depositary, the Administrator and/or counterparties, exchanges and similar clearance and settlement facilities and other parties could result in errors made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. These and other similar disruptions in operations may cause a Portfolio to suffer, among other impacts, financial loss, the disruption of its businesses, liability to third parties, regulatory intervention or reputational damage. In such cases the investment managers operational risk framework allows for the appropriate investigation and compensation if required by the party at the root cause of the control failure.

## **COUNTERPARTY RISK**

The Company will be exposed to counterparty risk, which is the risk that a counterparty will fail to comply with the terms of an agreement, potentially resulting in losses to the Company. Counterparty risk may arise from a dispute over the terms of the contract (whether or not bona fide) or because of a liquidity or solvency problem. If there is a default by

the counterparty to a transaction, the Company will under most normal circumstances have contractual or regulatory remedies and in some cases collateral pursuant to the agreements related to the transaction. However, exercising such rights may involve delays or costs which could result in the Net Asset Value of the relevant Portfolio being less than if the Portfolio had not entered into the transaction. Insolvency or bankruptcy of a counterparty could reduce or eliminate the amount recoverable by exercising legal rights. The insolvency, bankruptcy or default of a counterparty could result in substantial losses to the Company. Counterparty risk may be increased where the Company has concentrated certain types of transactions with a single or small group of counterparties.

FDI traded by the Company involve counterparty risk. Certain protections are afforded the Company for derivatives traded on an organised exchange and/or through a clearing organisation, such as a performance guarantee of an exchange clearing house. However, trading of such derivatives may expose the Company to the possibility that the futures commission merchant or clearing organisation will default in the performance of its obligations. OTC derivatives are contracts that are traded (and privately negotiated) directly between two parties which allow for tailored terms and generally are thought to pose greater counterparty risk. When the Company uses derivatives generally, it may be required to provide margin or collateral to satisfy contractual undertakings and regulatory requirements. These practices may not prevent the Company from incurring losses on derivatives transactions.

The participants in "over-the-counter" or "interdealer" markets are typically not subject to the regulatory oversight to which members of "exchange-based" markets are subject. The lack of oversight of such markets may expose the Company to greater risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Company to suffer a loss. Such counterparty risk is accentuated for contracts with longer maturities or forward settlements where events may intervene to prevent settlement.

If one or more of the Company's prime brokers, custodians or banks were to become insolvent or the subject of liquidation proceedings, there exists the risk that the recovery of the Company's securities and other assets from such counterparty will be delayed or be of a value less than the value of the securities or assets originally entrusted to such counterparty.

In addition, the Company may use counterparties which are subject to the laws and regulations of various local jurisdictions, the practical effect of which may subject the Company's assets to substantial limitations and uncertainties. Because of the large number of counterparties and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is not possible to generalise about the effect of an insolvency on the Company and its assets.

Regardless of any measures implemented to reduce counterparty risk there can be no assurance that a counterparty will not default or that the Company will not sustain losses as a result.

#### **INFORMATION TECHNOLOGY SECURITY**

The Investment Manager and Administrator maintain global information technology systems, consisting of infrastructure, applications and communications networks to support the Company's, as well as their own, business activities. These systems could be subject to security breaches such as 'cyber-crime' resulting in theft, a disruption in the ability to close out positions and the disclosure or corruption of sensitive and confidential information. Security breaches may also result in misappropriation of assets and could create significant financial and/or legal exposure for the Company. The Investment Manager and the Administrator seek to mitigate attacks on their own systems but will not be able to control directly the risks to third-party systems to which it may connect. Any breach in security of the Investment Manager's or Administrator's systems could have a material adverse effect on the Investment Manager or the Administrator and may cause the Company to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. The Investment Manager has a business continuity process in place in case of an event which impacts system availability.

#### **LIMITED OPERATING HISTORY**

Newly formed Portfolios have little or no operating history upon which investors can evaluate the anticipated performance. Past investment performance should not be construed as an indication of the future results of an investment in a Portfolio. The investment programme of a Portfolio should be evaluated on the basis that there can be no assurance that the Investment Manager's assessments of the short-term or long-term prospects of investments, will prove accurate or that the Portfolio will achieve its investment objective.

#### **RELIANCE ON THIRD PARTY SERVICE PROVIDERS**

The Company has no employees and the Directors have been appointed on a non-executive basis. The Company is therefore reliant upon the performance of third party service providers for their executive functions. In particular the Investment Manager and the Administrator will be performing services which are integral to the operation of the

Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, including in circumstances where the service provider has breached the terms of its contract, could have a materially detrimental impact upon the operations of the Company.

The success of the Company is largely dependent upon the Investment Manager's skill as an investment manager and there can be no assurance that the Investment Manager or the individuals employed by the Investment Manager will remain willing or able to provide advice to, and trade on behalf of, the Company or that its trading will be profitable in the future.

### **DELAYS TO SETTLEMENT CAUSED BY ADVERSE WEATHER**

Investors should note that adverse weather events such as tropical cyclone warning signals (number 8 or higher), black rainstorm warning signals in Hong Kong or other similar events may result in closures of markets and banks and consequent delays to the settlement of cash payments in respect of subscriptions into or redemptions from a Portfolio. In such circumstances, (i) subscription funds may not be available for investment by the Investment Manager / Sub-Investment Manager, which may have an adverse effect on the performance of the relevant Portfolio; and (ii) settlements in respect of redemption payments may not be received by redeeming investors within the four (4) Business Day target. In addition, delays to settlement in such circumstances may lead to additional transactional costs and interest charges which may be borne by either the Portfolio or the relevant investor.

## **3. MARKET RISKS**

### **MARKET RISK**

The investments of a Portfolio are subject to normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation will occur. Stock markets can be volatile and stock prices can change substantially. Debt securities are interest rate sensitive and may be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. The magnitude of these price fluctuations will be greater when the maturity of the outstanding securities is longer. Since investment in securities may involve currencies other than the Base Currency of a Portfolio, the value of a Portfolio's assets may also be affected by changes in currency rates and exchange control regulations, including currency blockage. The performance of a Portfolio will therefore depend in part on the ability of the Investment Manager to anticipate and respond to such fluctuations in stock prices, market interest rates and currency rates and to utilise appropriate strategies to maximise returns, while attempting to reduce the associated risks to investment capital.

### **TEMPORARY DEPARTURE FROM INVESTMENT OBJECTIVE**

Where the ability to do so in respect of a Portfolio is disclosed in the relevant Supplement, when the Investment Manager or the Sub-Investment Manager anticipates adverse market, economic, political or other conditions, it may temporarily depart from a Portfolio's investment objective and invest substantially in high-quality, short-term investments. This could help the Portfolio avoid losses but may also mean lost opportunities.

### **CURRENCY RISK**

The Net Asset Value per Share of a Portfolio will be computed in the Base Currency of the relevant Portfolio, whereas the investments held for the account of that Portfolio may be acquired in other currencies. The Base Currency value of the investments of a Portfolio designated in another currency may rise and fall due to exchange rate fluctuations in respect of the relevant currencies. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital. The Portfolio may attempt to fully or partially hedge into its Base Currency to mitigate the risk. In addition, currency hedging transactions, while potentially reducing the currency risks to which a Portfolio would otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty.

Where a Portfolio engages in foreign exchange transactions which alter the currency exposure characteristics of its investments the performance of such Portfolio may be strongly influenced by movements in exchange rates as currency positions held by the Portfolio may not correspond with the securities positions held.

Where a Portfolio enters into "cross hedging" transactions (eg, utilising currency different than the currency in which the security being hedged is denominated), the Portfolio will be exposed to the risk that changes in the value of the currency used to hedge may not correlate with changes in the value of the currency in which the securities are denominated, which could result in loss on both the hedging transaction and the Portfolio securities.

### **POLITICAL AND/OR REGULATORY RISKS**

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

### **EURO, EUROZONE AND EUROPEAN UNION STABILITY RISK**

In light of ongoing concerns on the sovereign debt risk of certain Member States within the Eurozone, the Company's investments in the Euro region may be subject to higher volatility, liquidity, currency and default risks. Any adverse events, such as credit downgrade of a sovereign or exit of EU Member States from the Eurozone, may have a negative impact on the value of the Portfolios within the Company.

On 23 June 2016, the United Kingdom held a referendum and voted to leave the European Union. It is currently not known whether, when or on what terms the United Kingdom will terminate its membership of the European Union. During this period of uncertainty, there may be a significant increase in volatility and disruption in the global financial markets, including the currency markets. Such events may, in turn, contribute to worsening economic conditions and reduced liquidity in some segments of the market, not only in the UK and Europe but also in the rest of the world. Leaving the European Union may also result in significant changes to law and regulation in the UK. It is not currently possible to assess the effect of these changes on the Company or the position of the Shareholders (although such changes may result in the management arrangements for the Company having to be re-structured). Investors should be aware that these and other similar consequences following from the referendum result may adversely affect the value of the Shares and the Company's performance.

Other unforeseen investment or operational risks may exist related to the possibility of one or more members exiting the Eurozone or EU, or the Eurozone or EU otherwise not remaining intact.

### **INVESTMENT SELECTION AND DUE DILIGENCE PROCESS**

Before making investments, the Investment Manager will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. The Investment Manager may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. The Investment Manager may select investments on the basis of information and data filed by the issuers of such securities with various regulatory bodies or made directly available to the Investment Manager by the issuers of the securities and other instruments or through sources other than the issuers. Outside consultants, legal advisers, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Although the Investment Manager evaluates all such information and data and seeks independent corroboration when it considers it appropriate and when it is reasonably available, the Investment Manager is not in a position to confirm the completeness, genuineness or accuracy of such information and data. The due diligence investigation that the Investment Manager will carry out with respect to any investment opportunity may not reveal or highlight certain facts that could adversely affect the value of the investment.

### **EQUITY SECURITIES**

Equity securities represent ownership interests in a company or corporation, and include common stock, preferred stock and warrants and other rights to acquire such instruments. Investment in equity securities in general are subject to market risks that may cause their prices to fluctuate over time. The value of convertible equity securities is also affected by prevailing interest rates, the credit quality of the issuer and any call provisions. Fluctuations in the value of equity securities in which the Portfolio invests would cause the Net Asset Value of the Portfolio to fluctuate.

### **WARRANTS**

When a Portfolio invests in warrants, the Net Asset Value per Share of the Portfolio may fluctuate more than if the Portfolio was invested in the underlying securities because of the greater volatility of the warrant price.

### **DEPOSITARY RECEIPTS**

Portfolios may purchase sponsored or unsponsored American Depositary Receipts, European Depositary Receipts and Global Depositary Receipts (collectively "Depositary Receipts") typically issued by a bank or trust company which evidence ownership of underlying securities issued by a corporation. Generally, Depositary Receipts in registered form are designed for use in the US securities market and Depositary Receipts in bearer form are designed for use in securities markets outside the US. Depositary Receipts may not necessarily be denominated in the same currency as the underlying securities into which they may be converted. Depositary Receipts may be issued pursuant to sponsored or unsponsored programs. In sponsored programs, an issuer has made arrangements to have its securities trade in the form of Depositary Receipts. In unsponsored programs, the issuer may not be directly involved in the creation of the program. Although regulatory requirements with respect to sponsored and unsponsored programs are generally similar, in some cases it may be easier to obtain financial information from an issuer that has participated in the

creation of a sponsored program. Accordingly, there may be less information available regarding issuers of securities underlying unsponsored programs and there may not be a correlation between such information and the market value of the Depositary Receipts.

### **REITS**

In respect of a Portfolio which may invest in Real Estate Investment Trust Securities (“REITs”), which are pooled investment vehicles that invest primarily in either real estate or real estate related loans, there are particular risks associated with the direct ownership of real estate by REITs. For example, real estate values may fluctuate as a result of general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in zoning laws, casualty or condemnation losses, regulatory limitations on rents, changes in neighbourhood values, changes in how appealing properties are to tenants and increases in interest rates. As well as changes in the value of their underlying properties, the value of REITs may also be affected by defaults by borrowers or tenants.

Furthermore, REITs are dependent on specialised management skills. Some REITs may have limited diversification and may be subject to risks inherent in financing a limited number of properties. REITs depend generally on their ability to generate cash flows to make distributions to shareholders or unitholders, and may be subject to defaults by borrowers and to self-liquidations. In addition, the performance of a REIT may be adversely affected if it fails to qualify for tax-free pass-through of income under US tax law or if it fails to maintain exemption from registration under the 1940 Act.

The ability to trade REITS in the secondary market can be more limited than other stocks. The liquidity of REITS on the major US stock exchanges is on average less than the typical stock included in, for example, the S&P 500 Index.

### **SMALL CAP RISK**

In respect of Portfolios which may invest in small capitalisation companies, such investments involve greater risk than is customarily associated with larger, more established companies due to the greater business risks of small size, limited markets and financial resources, narrow product lines and a frequent lack of depth of management. The securities of small or medium-sized companies are often traded over-the-counter, and may not be traded in volumes typical of securities traded on a national securities exchange. Consequently, the securities of smaller companies may have limited market stability and may be subject to more abrupt or erratic market movements than securities of larger, more established companies or the market averages in general. In a declining market these stocks can also be hard to sell at a price that is beneficial to the Portfolio.

### **EXCHANGE TRADED FUNDS (“ETFs”)**

ETFs are investment companies whose shares are bought and sold on a securities exchange. ETFs invest in a portfolio of securities designed to track a particular market segment or index. ETFs, like mutual funds, have expenses associated with their operation, including advisory fees. When a Portfolio invests in an ETF, in addition to directly bearing expenses associated with its own operations, it will bear a pro rata portion of the ETF’s expenses. Such ETF’s expenses may make owning shares of the ETF more costly than owning the underlying securities directly. The risks of owning shares of an ETF generally reflect the risks of owning the underlying securities the ETF is designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio of securities.

An exchange traded fund (ETF), which is an investment company, may trade in the secondary market at a price below the value of its underlying portfolio and may not be liquid. An actively managed ETF’s performance will reflect its adviser’s ability to make investment decisions that are suited to achieving the ETF’s investment objectives. A passively managed ETF may not replicate the performance of the index it intends to track.

### **INVESTMENT TECHNIQUES**

There are certain investment risks which apply in relation to techniques and instruments which the Investment Manager may employ for efficient portfolio management purposes including, but not limited to, the techniques listed below. To the extent that the Investment Manager’s expectations in employing such techniques and instruments are incorrect, a Portfolio may suffer a substantial loss having an adverse effect on the Net Asset Value of the Shares.

### **QUANTITATIVE RISKS**

The investment strategy of certain Portfolios may involve using a quantitative investment approach which is rules based and model-driven. Such an investment methodology may expose a Portfolio to potential losses due to the use of an imperfect model or data. For example, such a methodology may not necessarily result in a security being sold in any given event, such as because that security’s issuer was in financial trouble or defaulted, or had its credit rating



downgraded, unless a specific model driven indicator is tracked by the investment strategy of that particular Portfolio. There is also no guarantee that the investment strategy of such a Portfolio will meet the purpose for which it was designed.

### **CONCENTRATION RISK**

Subject to the provisions of the UCITS Regulations, a Portfolio may at certain times hold large positions in a relatively limited number of issuers, investments, industries, markets or countries including, without limitation, as a result of price shifts of its investments, changes in the composition of a Portfolio's overall portfolio and other factors. A Portfolio could be subject to significant losses if it holds a relatively large position in a single issuer or a particular type of investment that declines in value and the losses could increase even further if the investments cannot be liquidated without adverse market reaction or are otherwise adversely affected by changes in market conditions or circumstances. Additionally, where a Portfolio's investments are concentrated in a particular country, the Portfolio will have greater exposure to market, political, legal, economic and social risks of that country than a fund which diversifies country risk across a number of countries. As a result, the value of such Portfolios may be more volatile than a fund which diversifies across a larger number of countries or investments.

### **TARGET VOLATILITY**

While the Company may seek to manage a Portfolio to a certain target annual volatility, there can be no assurance that this target will be achieved or that the actual annual volatility of such Portfolios will not be in excess or less than the target.

### **VALUATION RISK**

Valuation of the Portfolios' investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the Net Asset Value calculation of a Portfolio

### **PRIVATE COMPANIES AND PRE-IPO INVESTMENTS**

Investments in private companies, including companies that have not yet issued securities publicly in an IPO ("Pre-IPO shares") involve greater risks than investments in securities of companies that have traded publicly on an exchange for extended periods of time. Investments in these companies are generally less liquid than investments in securities issued by public companies and may be difficult for a Portfolio to value. Compared to public companies, private companies may have a more limited management group and limited operating histories with narrower, less established product lines and smaller market shares, which may cause them to be more vulnerable to competitors' actions, market conditions and consumer sentiment with respect to their products or services, as well as general economic downturns. In addition, private companies may have limited financial resources and may be unable to meet their obligations under their existing credit facilities (to the extent that such facilities exist), resulting in a greater likelihood of the dilution or subordination of a Portfolio's investment in such private company.

Additionally, there may be less information, and less reliable information, available in relation to private companies' business, management and earnings potential and other data criteria used to evaluate their investment prospects. Financial reporting obligations for private companies are not as rigorous as public companies, accordingly the information available may be less reliable and it may be difficult to fully assess the rights and values of certain securities issued by private companies.

Although there is a potential for pre-IPO shares to increase in value if the company does issue shares in an IPO, IPOs are risky and volatile and may result in losses to a Portfolio. Moreover, because securities issued by private companies are generally not freely or publicly tradable, a Portfolio may not have the opportunity to purchase or the ability to sell these shares in the amounts or at the prices the Portfolio desires. The private companies that a Portfolio may invest in may not ever issue shares in an IPO and a liquid market for their pre-IPO shares may never develop, which may negatively affect the price at which a Portfolio can sell these shares and make it more difficult to sell these shares, which could also adversely affect a Portfolio's liquidity.

### **OFF-EXCHANGE TRANSACTIONS**

A Portfolio may enter into off-exchange transactions. Off-exchange contracts are not currently regulated and such contracts are not guaranteed by an exchange or clearing house. Consequently, trading in these contracts is subject to more risks than future or options trading on regulated exchanges, including, but not limited to, the risk that a counterparty will default on an obligation. Off-exchange transactions are also subject to legal risks, such as the legal incapacity of a counterparty to enter into a particular contract or the declaration of a class of contracts as being illegal or unenforceable.

### **SUSTAINABLE INVESTMENT STYLE RISK**

Because certain Portfolios may focus on investments in companies that relate to certain sustainable development themes and demonstrate adherence to environmental, social and corporate governance practices, the universe of investments of such Portfolios may be smaller than that of other funds and therefore the relevant Portfolios may underperform the market as a whole if such investments underperform the market. The Portfolio may forgo opportunities to gain exposure to certain companies, industries, sectors or countries and it may choose to sell a security when it might otherwise be disadvantageous to do so.

### **3.a MARKET RISKS: RISKS RELATING TO DEBT SECURITIES**

#### **FIXED INCOME SECURITIES**

Fixed income securities are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation (credit risk), 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 (market risk). In addition, a Portfolio may invest in fixed-income securities which are interest rate sensitive. An increase in interest rates will generally reduce the value of fixed-income securities, while a decline in interest rates will generally increase the value of fixed-income securities. The performance of such Portfolios will therefore depend in part on the ability to anticipate and respond to such fluctuations on market interest rates, and to utilise appropriate strategies to maximise returns, while attempting to minimise the associated risks to investment capital. Fixed income securities are also exposed to the risk that their or their issuers' credit ratings may be downgraded, which can cause a significant drop in the value of such securities. In the event of such downgrading, the value of a Portfolio may be adversely affected. The Investment Manager or Sub-Investment Manager may or may not be able to dispose of the debt instruments that are being downgraded.

#### **INTEREST RATE RISK**

Portfolios that invest in debt securities or money market instruments are subject to interest rate risk. The value of a debt or debt related security will generally increase when interest rates fall and decrease in value when interest rates rise. Interest rate risk is the chance that such movements in interest rates will negatively affect the value of a security or, in a Portfolio's case, its Net Asset Value. Securities with greater interest rate sensitivity and longer maturities tend to produce higher yields, but are subject to greater fluctuations in value. As a result, securities with a longer maturity tend to offer higher yields for this added risk. While changes in interest rates may affect a Portfolio's interest income, such changes may positively or negatively affect the Net Asset Value of a Portfolio on a daily basis.

#### **CREDIT RISK**

A Portfolio will have a credit risk in respect of the issuers of debt securities in which it invests, which will vary, along with the value of the securities themselves depending on the issuer's ability to make principal and interest payments in respect of its obligation or markets' perception of this ability. In addition, not all of the securities in which a Portfolio may invest that are issued by sovereign governments or political subdivisions, agencies or instrumentalities thereof, will have the explicit full faith and credit support of the relevant government. Any failure by any such government to meet the obligations of any such political subdivisions, agencies or instrumentalities may have adverse consequences for a Portfolio and adversely affect the Net Asset Value per Share in such a Portfolio.

Credit ratings provided by Recognised Rating Agencies are relative and subjective and are not absolute standards of quality. Although these ratings are initial criteria for selection of investments, the Investment Manager and/or Sub-Investment Manager also make their own evaluation of these securities and issuers. Among the factors that are considered are the long-term ability of the issuers to pay principal and interest and general economic trends.

#### **BOND DOWNGRADE RISK**

A Portfolio may invest in investment grade bonds, however, where a bond is subsequently downgraded it may continue to be held in order to avoid a distressed sale. To the extent that a Portfolio does hold such bonds, there will be an increased risk of default on repayment, which in turn translates into a risk that the capital value of a Portfolio will be affected. Investors should be aware that the yield or the capital value of a Portfolio (or both) could fluctuate.

#### **LOWER RATED SECURITIES**

In respect of Portfolios which may invest in lower rated or unrated (ie, non-investment grade or high yield) securities, such securities are more likely to react to developments affecting market and credit risk than are more highly rated securities, which primarily react to movements in the general level of interest rates. Investors should carefully consider the relative risks of investing in high yield securities and understand that such securities generally are not meant for short-term investing.

The risk of loss due to default by these issuers is significantly greater because lower rated and unrated securities of comparable quality generally are unsecured and frequently are subordinated to the prior payment of senior



indebtedness. In addition, Portfolios which invest in such securities may find it more difficult to sell high yield securities or may be able to sell the securities only at prices lower than if such securities were widely traded. Furthermore, such Portfolios may experience difficulty in valuing certain securities at certain times. Prices realised upon the sale of such lower rated or unrated securities, under these circumstances, may be less than the prices used in calculating the Net Asset Value per Share of such Portfolios. Lower rated or unrated fixed income obligations also present risks based on payment expectations. If an issuer calls the obligations for redemption, a Portfolio holding such security may have to replace the security with a lower yielding security, resulting in a decreased return for investors. If such Portfolio experiences unexpected net redemptions, it may be forced to sell its higher rated securities, resulting in a decline in the overall credit quality of its assets and increasing its exposure to the risks of high yield securities.

#### **PRE-PAYMENT RISK**

Certain debt or debt-related securities, such as mortgage-backed and asset-backed securities, give an issuer the right to call its securities before their maturity date. The possibility of such prepayment risk may force a Portfolio to reinvest the proceeds of such investments in securities offering lower yields.

#### **RULE 144A SECURITIES**

Some of the Portfolios may invest in so-called Rule 144A securities, which are securities that are not required to be registered for resale in the United States under an exemption pursuant to Section 144A of the 1933 Act ("Rule 144A Securities"), but can be sold in the United States to certain institutional buyers. A Portfolio may invest in Rule 144A Securities, provided that its investment objective and policies enable such investment and that such securities are issued with registration rights pursuant to which such securities will be registered under the 1933 Act and traded on the US OTC Fixed Income Securities market within a year of issue and are not considered illiquid. Such securities shall be considered as newly issued transferable securities within the meaning of point 1 of the table "*Investment Restrictions*" section.

In the event that any such securities are not registered under the 1933 Act within one year of issue, such securities shall be considered as falling under section 2.1 of the "*Investment Restrictions*" section, and subject to the 10% limit of the net assets of the Portfolio applicable to the category of securities referred to therein.

#### **SECURITIES LENDING RISK**

Where a Portfolio may engage in securities lending, there is a risk that borrowers of securities from the Portfolio may become insolvent or otherwise become unable to meet, or refuse to honour, their obligations to return equivalent securities to the loaned securities. In this event, the Portfolio could experience delays in recovering the securities and may incur a capital loss. There is also the risk that, as a result of portfolio securities being lent, they may not be available to the Portfolio on a timely basis and the Portfolio may, therefore, lose an opportunity to sell the securities at a desirable price.

If a counterparty to the securities lending transactions defaults and fails to return equivalent securities to those loaned the Portfolio may suffer a loss equal to the shortfall between the value of the realised collateral and the market value of the replacement securities. To the extent that any securities lending is not fully collateralised (for example, due to timing lags associated with the posting of collateral), the Portfolio will have a credit risk exposure to the counterparty of a securities lending contract. The Portfolio could also lose money if the value of collateral falls. These events could trigger adverse tax consequences for the Portfolio.

The use of securities lending may also adversely affect the liquidity of the Portfolio and will be considered by the Investment Manager and Sub-Investment Manager in managing the Portfolio's liquidity risk.

The Company employs an appropriate liquidity risk management process, which takes the securities lending activity that the Portfolio may engage in into account, in order to ensure that the Portfolio is able to comply with its stated redemption obligations. However, it is possible that in the type of circumstances described above, the Portfolio may not be able to realise sufficient assets to meet all redemption requests that it receives or the Company may determine that the circumstances are such that meeting some or all of such requests is not in the best interests of the Shareholders as a whole. In such circumstances, the Company may take the decision to apply the redemption gate provisions described under "*Information Specific to Redemptions*" in the "*Subscriptions & Redemptions*" section of the Prospectus or suspend dealings in the relevant Portfolio as described in the "*Temporary Suspension of Dealings*" section of the Prospectus.

#### **REPURCHASE/REVERSE REPURCHASE RISK**

The value of the collateral of Repurchase/Reverse Repurchase Agreements will be maintained to at least equal to the value of the assets transferred by the relevant Portfolio, in the event of a sudden market movement there is a risk that the value of such collateral may fall below the value of the securities transferred.

In relation to repurchase transactions, investors must notably be aware that (a) in the event of the failure of the counterparty with which cash of a Portfolio has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (b) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of a Portfolio to meet redemption requests, security purchases or, more generally, reinvestment; and that (c) Repurchase Transactions will, as the case may be, further expose a Portfolio to risks similar to those associated with option or forward FDI, which risks are further described in other sections of this prospectus.

## **ASSET-BACKED AND MORTGAGE-BACKED SECURITIES**

In respect of Portfolios which may invest in such securities, asset-backed securities are created by the grouping of certain governmental, government-related and private loans, receivables and other lender assets into pools and mortgage-backed securities represent pools of mortgage loans assembled for sale to investors by various US governmental agencies such as the Government National Mortgage Association (“GNMA”) and US government-related organisations such as Fannie Mae and the Federal Home Loan Mortgage Corporation (“FHLMC”), as well as by non-governmental issuers such as commercial banks, savings and loan institutions, mortgage bankers, and private mortgage insurance companies. Mortgage-backed securities are instruments that entitle the holder to a share of all interest and principal payments from mortgages underlying the security. The mortgages backing these securities include conventional fifteen- and thirty-year fixed-rate mortgages, graduated payment mortgages, adjustable rate mortgages and balloon mortgages. Asset-backed securities are issued as pass-through certificates, which represent undivided fractional ownership interests in the underlying pool of assets, or as debt instruments that are generally issued as the debt of a special purpose entity, such as a trust, organised solely for the purpose of owning such assets and issuing such debt. As the name implies, a pass-through certificate passes on the monthly principal and interest payments from a pool of mortgage loans to holders of the security. Since the loans held in the asset pool often may be prepaid without penalty or premium, asset-backed securities are generally subject to higher prepayment risks than most other types of debt instruments. The pass-through certificate is also the most common structure for mortgage-backed securities. A pass-through certificate issuer acquires mortgages either by originating them or by purchasing them in the whole-loan market. Many mortgages with similar characteristics are collected into a pool, and undivided ownership interests in the pool are sold as pass-through certificates. The undivided interest entitles the owner of the security to a pro rata share of all interest payments and all scheduled or prepaid principal payments.

Prepayment risks on mortgage-backed securities tend to increase during periods of declining mortgage interest rates. Depending upon market conditions, the yield that a Portfolio receives from the reinvestment of such prepayments, or any scheduled principal payments, may be lower than the yield on the original mortgage-backed security. As a consequence, mortgage-backed securities may be a less effective means of “locking in” interest rates than other types of debt securities having the same stated maturity and may also have more potential for capital depreciation.

For certain types of asset pools, such as collateralised mortgage obligations or collateralised debt obligations (both of which consist of bonds issued by single-purpose, stand-alone finance subsidiaries or trusts of financial institutions, government agencies, investment banks, or companies related to the construction industry), prepayments may be allocated to one tranche of securities ahead of other tranches, in order to reduce the risk of prepayment for the other tranches. Prepayments may result in a capital loss to a Portfolio to the extent that the prepaid mortgage-backed securities were purchased at a market premium over their stated amount.

The asset-backed and mortgage-backed securities in which Portfolios may invest will be transferable securities and in accordance with the UCITS Regulations no more than 10% of any Portfolio’s net assets will be invested in asset-backed and mortgage-backed securities and any other transferable securities which are not listed or traded on a Recognised Market.

## **RISKS OF INVESTING IN CONVERTIBLE BONDS**

Convertible bonds are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, convertibles are exposed to equity movement and greater volatility than traditional bond investments while still being subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable traditional bond investments.

## **RISKS OF INVESTING IN CONTINGENT CONVERTIBLE BONDS**

Generally, convertible securities are subject to the risks associated with both fixed income securities and equities, namely credit, price and interest rate risk.

### **Trigger risk**

Contingent convertible bonds are a type of debt security that may be converted into equity or could be forced to suffer a write down of principal upon the occurrence of a pre-determined event ("the trigger event"). The trigger event is ordinarily linked to the financial position of the issuer and therefore the conversion is likely to occur as a result of a deterioration of the relative capital strength of the underlying. As a result, it is likely that the conversion to equity would occur at a share price, which is lower than when the bond was issued or purchased. In stressed market conditions, the liquidity profile of the issuer can deteriorate significantly and it may be difficult to find a ready buyer which means that a significant discount may be required in order to sell it. Contingent convertible bonds can also be issued as perpetual bonds (ie, bonds without a maturity date), while these will have call dates, there is no guarantee that the issue will be called on this date and there is a possibility that the bond may never be called resulting in a total loss of the original capital investment.

#### **Write-down risks**

In some cases, the issuer may cause a convertible security to be written down in value based on the specific terms of the individual security if a pre-specified trigger event occurs. There is no guarantee that a Portfolio will receive return of principal on contingent convertible securities.

#### **Coupon cancellation**

Furthermore, coupon payments may be discretionary and can be cancelled at any time, for any reason. As a result, investment in contingent convertible bonds can carry higher risk than investment in traditional debt instruments/convertibles and, in certain cases, equities; the volatility and risk of loss can be significant.

#### **Capital structure inversion risk**

Contingent convertible securities are typically structurally subordinated to traditional convertible bonds in the issuer's capital structure. In certain scenarios, investors in contingent convertible securities may suffer a loss of capital ahead of equity holders or when equity holders do not.

#### **Call extension risk**

Contingent convertible securities are subject to extension risk. Contingent convertible securities are perpetual instruments and may only be callable at predetermined dates upon approval of the applicable regulatory authority. There is no guarantee that a Portfolio will receive return of principal on contingent convertible securities.

#### **Yield/valuation risk**

The valuation of contingent convertible securities is influenced by many unpredictable factors such as:

- (i) the creditworthiness of the issuer and the fluctuations in the issuer's capital ratios;
- (ii) the supply and demand for contingent convertible securities;
- (iii) the general market conditions and available liquidity; and
- (iv) the economic, financial and political events that affect the issuer, the market it is operating in or the financial markets in general.

#### **Liquidity Risk**

Contingent convertible securities may experience periods of lower liquidity caused by market events, lower new issues during a period or large sales and such events may raise the risk that these securities will not be able to be sold during those periods or may have to be sold at reduced prices. Those events may challenge a Portfolio to meet significant volumes of redemption requests and may also influence the value of a Portfolio, as the lower liquidity in these assets may be reflected in a corresponding reduction in the Net Asset Value of the Portfolio.

#### **Unknown risk**

Contingent convertible bonds are a relatively new instrument and the trigger events are generally untested, therefore it is uncertain how the asset class will perform in stressed market conditions and risk to capital, and volatility could be significant.

### **RISKS ASSOCIATED WITH COLLATERALISED / SECURITISED PRODUCTS**

The Portfolios may invest in collateralised and/or securitised products, such as bonds resulting from the restructuring of syndicated loans or bank loans, structured notes, asset-backed securities and participation interests in loans which are securitised and freely transferable. Such securities may be less liquid than other debt securities and may be prone to substantial price volatility. These instruments may be subject to greater credit, liquidity and interest rate risk compared to other debt securities in general. They are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the return of the securities. Any collateral received by a Portfolio in respect of OTC FDI will meet the requirements set out in this Prospectus and be valued in accordance with the provisions of the “Determination of Net Asset Value” section hereof.

### **ISSUER RISK**

The performance of a Portfolio depends on the performance of individual securities to which the Portfolio has exposure. Any issuer of these securities may perform poorly, causing the value of its securities to decline. Poor performance may be caused by poor management decisions, competitive pressures, changes in technology, expiration of patent protection, disruptions in supply, labour problems or shortages, corporate restructurings, fraudulent disclosures or other factors. Issuers may, in times of distress or at their own discretion, decide to reduce or eliminate dividends, which may also cause their stock prices to decline.

### **3.b MARKET RISKS: RISKS RELATING TO EMERGING MARKETS**

#### **EMERGING MARKET ECONOMIES**

All securities investing and trading activities risk the loss of capital. While the Investment Manager attempts to moderate these risks, there can be no assurance that the Company’s investment and trading activities will be successful or that investors will not suffer significant losses. Investing in emerging markets may involve heightened risks (some of which could be significant) and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include, but are not limited to: (a) greater social, economic and political uncertainty including war; (b) higher dependence on exports and the corresponding importance of international trade; (c) greater risk of inflation; (d) increased likelihood of governmental involvement in and control over the economies; (e) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; and (f) certain considerations regarding the maintenance of Company’s securities and cash with non-US brokers and securities depositories. Separately, bid and offer spreads of the price of securities may be significant and accordingly, the Company may incur significant trading costs. The following discussion sets forth additional risks associated with investing in the securities of emerging markets:

#### **General Economic and Market Conditions**

The success of a Portfolio’s activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances. These factors may affect the level and volatility of securities’ prices and the liquidity of the Portfolio’s investments. Volatility or illiquidity could impair the Portfolio’s profitability or result in losses.

The economies of individual emerging markets may differ favourably or unfavourably from developed economies in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, the economies of emerging markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade. The economies of certain of these countries may be based, predominantly, on only a few industries and may have higher levels of debt or inflation.

With respect to certain countries, there is the possibility of nationalisation, expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of a Portfolio, political changes, government regulation, social instability or diplomatic developments (including war), any of which could affect adversely the economies of such countries or the value of the Portfolio’s investments in those countries.

Where a Portfolio’s assets are invested in narrowly-defined markets or sectors of a given economy, risk is increased by the inability to broadly diversify investments and thereby subjecting the Portfolio to greater exposure to potentially adverse developments within those markets or sectors.

#### **Volatility**

Emerging markets are more likely than developed markets to experience periods of extreme volatility. For example, many emerging equity markets fell by 80% or more in 1998, after having risen by more than 100% in the previous year. Such volatility could result in substantial losses for a Portfolio.

### **Securities Markets**

Securities markets in emerging market countries may have substantially less volume of trading and are generally more volatile than securities markets of developed countries. In certain periods, there may be little liquidity in such markets. There is often less government regulation of stock exchanges, brokers and listed companies in emerging market countries than in developed market countries. Commissions for trading on emerging markets stock exchanges are generally higher than commissions for trading on developed market exchanges. In addition, settlement of trades in some non-US markets is much slower and more subject to failure than in US markets. Furthermore, some of a Portfolio's investments may not be listed on any stock market.

### **Exchange Rate Fluctuations; Currency Considerations**

The assets of Portfolios which invest in emerging markets will generally be invested in non-US Dollar denominated securities and any income or capital received by such Portfolio from these Investments will be denominated in the local currency of Investment, whereas Shares in the Portfolio will typically be denominated in a range of more developed country currencies. Accordingly, changes in currency exchange rates (to the extent only partially or fully unhedged) between the currency of the relevant emerging market and the currency in which a Class is denominated may affect the value of the Shares. As the currency exchange rates of emerging market countries tend to be more volatile than those of more developed economies, the effect of changes in exchange rates on the value of Shares in a Portfolio which invests in emerging markets may be more pronounced than it would be for Portfolio which invest in more developed markets.

Furthermore, a Portfolio will accept subscriptions and pay distributions and redemption proceeds, in such typically more developed country currencies, as applicable, while it invests in local currency and will therefore incur costs in connection with conversions between various currencies. Currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to the Company at one rate, while offering a lesser rate of exchange should the Company desire immediately to resell that currency to the dealer. Due to the relatively small size of the markets for currencies of emerging market countries, the spread between a dealer's sell and offer prices for such currencies may be greater than that for the currencies of more developed economies which may result in relatively higher currency exchange costs for Portfolios which invest in emerging market economies. The Company will conduct its currency exchange transactions either on a spot (ie, cash) basis at the spot rate prevailing in the currency exchange market, or through entering into forward or options contracts to purchase or sell non US currencies. It is anticipated that most of the Portfolios' currency exchange transactions will occur at the time securities are purchased and will be executed through the local broker or custodian acting for the Portfolio.

### **Risk of Errors and Omissions in Information**

Companies in emerging markets are generally subject to less stringent and less uniform accounting, auditing and financial reporting standards, practices and disclosure requirements than those applicable to companies in developed countries. Consequently, there is usually less publicly available information about an emerging markets' company than about a company in a developed country. Furthermore, the quality and reliability of official data published by the government or securities exchanges in emerging markets may not be of the same standard as in more developed economies.

### **Investment and Repatriation Restrictions**

Some emerging markets have laws and regulations that currently preclude direct foreign investment in the securities of their companies. However, indirect foreign investment in the securities of companies listed and traded on the stock exchanges in these countries is permitted by certain emerging markets through investment funds that have been specifically authorised. The Company may invest in these investment funds. If a Portfolio invests in such investment funds, the investors will bear not only the expenses of the Portfolio, but also will indirectly bear similar expenses of the underlying investment funds.

In addition to the foregoing investment restrictions, prior governmental approval for foreign investments may be required under certain circumstances in some emerging markets, and the extent of foreign investment in domestic companies may be subject to limitation in other emerging markets. Foreign ownership limitations also may be imposed by the charters of individual companies in emerging markets. For this and other reasons, some attractive securities may not be available to the Company.

Repatriation of investment income, assets and the proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging markets. The Company could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by emerging market countries on interest or dividends paid on securities held by the Company or gains from the disposition of such securities.

### **Legal Risk**

Many of the laws that govern private and foreign investment, securities transactions and other contractual relationships in emerging markets are new and largely untested. As a result, the Company may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain of the emerging markets in which assets of the Company are invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Company and its operations. In addition, the income and gains of the Company may be subject to withholding taxes imposed by foreign governments for which shareholders may not receive a full foreign tax credit.

Regulatory controls and corporate governance of companies in emerging markets usually confer little protection on minority shareholders. Anti-fraud and anti-insider trading legislation is often rudimentary. The concept of fiduciary duty to shareholders by officers and directors is also limited when compared to such concepts in developed markets. In certain instances management may take significant actions without the consent of shareholders and anti-dilution protection also may be limited.

### **Custodial Risk**

A Portfolio that invests in emerging market economies will have certain custodial risks that are described under “*Custodial Risk*”.

## **EMERGING MARKET DEBT SECURITIES**

All or a significant portion of a Portfolio’s assets may be invested in debt securities of Emerging Market Countries, including short-term and long-term securities denominated in various currencies, which may be unrated or rated in the lower rating categories by the various credit rating agencies. In addition to the risks related to investments in Emerging Market Countries generally, debt securities of Emerging Market Countries may be subject to greater risk of loss of principal and interest than debt securities issued by obligors in developed countries and may be considered to be predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal. They may also be generally subject to greater risk than securities issued by obligors in developed countries in the case of deterioration of general economic conditions.

Additionally, evaluating credit risk for debt securities of Emerging Market Countries may involve greater uncertainty as companies in emerging markets are generally subject to less stringent and less uniform accounting, auditing and financial reporting standards, practices and disclosure requirements than those applicable to companies in developed countries. Consequently, there is usually less publicly available information about an emerging markets’ company than about a company in a developed country. Furthermore, the quality and reliability of official data published by the government or securities exchanges in emerging markets may not be of the same standard as in more developed economies. Because investors generally perceive that there are greater risks associated with debt securities of Emerging Market Countries, the yields or prices of such securities may tend to fluctuate more than those for debt securities issued by obligors in developed countries.

The market for debt securities of Emerging Market Countries may be thinner and less active than that for debt securities issued by obligors in developed countries, which can adversely affect the prices at which debt securities of Emerging Market Countries are sold. In addition, adverse publicity and investor perceptions about emerging market debt securities and the economies of Emerging Market Countries generally, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such securities. In regards to the fact that a Portfolio may invest in sukuk structures, investors in these Portfolios should be aware that investments in sukuk structures may be less liquid and more volatile in price than other fixed income securities, may be subject to higher dealing costs and may be unrated by Recognised Rating Agencies.

## **CHINA PRC/RQFII RISKS**

A Portfolio may make investments that are tied economically to issuers from the People’s Republic of China (“PRC”). This exposure to the China bond market may be obtained via the Renminbi Qualified Foreign Institutional Investor



("RQFII") scheme, within certain investment quotas as approved under and subject to applicable Chinese regulatory requirements.

### **RQFII Regulatory Risks**

PRC investments by overseas institutions can be made by or through holders of an RQFII license, which must act within certain investment quotas, as approved under and subject to applicable Chinese regulations and regulatory requirements (the "RQFII Regulations"), which are governed by PRC authorities, including the China Securities Regulatory Commission ("CSRC"), the State Administration of Foreign Exchange ("SAFE") and the People's Bank of China ("PBOC").

The Sub-Investment Manager (Neuberger Berman Singapore Pte. Limited) has been granted an RQFII license ("RQFII License") by CSRC and a quota of RMB800 million by SAFE. Under SAFE's RQFII quota administration policy, the Sub-Investment Manager may allocate its RQFII quota across different products, including a Portfolio and other portfolios of the Company, or subject to SAFE's approvals, as the case may be, to other products which are open-ended funds and/or to products and/or accounts that are not open-ended funds. Therefore, a Portfolio may not have exclusive use of the Sub-Investment Manager's RQFII quota. However, the relevant requirements and restrictions under the RQFII Regulations apply to the Sub-Investment Manager (as RQFII license holder) and its RQFII quota as a whole, and not simply to investments made by a Portfolio. Shareholders should be aware that violations of any RQFII Regulations arising from activities related to portions of the relevant RQFII quota other than those which are utilized by a Portfolio could result in the revocation of, or other regulatory action in respect of, the Sub-Investment Manager's RQFII quota as a whole, including the portion utilized by a Portfolio. As a result, the ability of a Portfolio to make investments and/or repatriate monies under the relevant RQFII quota may be affected adversely by the investments or performance by other investors utilizing the Sub-Investment Manager's RQFII quota.

As the RQFII Regulations have a relatively short history and their application and interpretation remain relatively untested, there is uncertainty as to how they will be applied and interpreted by the PRC authorities or how regulators may exercise the wide discretionary powers given to them thereunder in future. Any changes to the relevant rules may have a material adverse impact on investors' investment in a Portfolio.

### **RQFII Quota Risks**

Once its RQFII quota has been fully utilized, the Sub-Investment Manager may apply to increase its quota, although no assurance can be given that additional RQFII quota will be granted to the Sub-Investment Manager. The Directors may, in their absolute discretion, refuse to accept any subscription for Shares, in whole or in part, without giving advance notice and may choose to exercise this discretion in circumstances where the RQFII quota allocated to a Portfolio is fully utilised.

Where additional RQFII quota is granted to the Sub-Investment Manager there can be no assurance that sufficient RQFII quota will be obtained to fully meet the Sub-Investment Manager's preferred investment allocations for a Portfolio or to enable the Sub-Investment Manager to allocate sufficient RQFII quota to a Portfolio to meet all applications for subscription of Shares in a Portfolio.

Furthermore, investors should note that there is no guarantee that the Sub-Investment Manager's RQFII License will not be suspended or revoked, in which case a Portfolio may be required to dispose of its underlying investments, potentially resulting in a material adverse effect on a Portfolio's performance. There is no guarantee that the relevant Chinese authorities will not reduce the size of, or cancel, the RQFII quota granted to the Sub-Investment Manager in the event that the Sub-Investment Manager is unable to use its quota effectively within one year of the RQFII quota being granted. Regulatory sanctions may also be imposed if the RQFII Regulations are breached, which may result in the revocation of the RQFII quota or reduce the amount of the RQFII quota available for investment by the Sub-Investment Manager. This could result in a Portfolio being prevented from investing directly in the PRC or having to dispose of its investments in the PRC domestic securities market, which could have an adverse effect on its performance or result in a significant loss.

Investors should be aware that the standing discretion of the Directors to reject subscription applications without any prior notice may be exercised with greater frequency in respect of a Portfolio than might be the case for other funds, as a consequence of the limitations imposed on the management of a Portfolio by the RQFII quota system. For example, where the Sub-Investment Manager's RQFII quota has been utilised, it may not be possible for the Sub-Investment Manager to apply any further subscription monies in accordance with a Portfolio's investment policies unless and until additional quota is received. Accordingly, subject to the requirements of the relevant RQFII regulations, the Directors reserve the right, at their sole discretion, to accept or reject subscription applications in respect of a Portfolio, having regard to the Sub-Investment Manager's available RQFII quota and without prior notice. In order to seek to manage the potential for conflicts of interest in re-opening a Portfolio after a period of closure, the Directors will endeavour to notify Shareholders of the pending change in advance of subscription applications being accepted again. For the avoidance of doubt, Shareholders may continue to redeem their investment in a Portfolio during any period where subscriptions are not being accepted, provided that dealings in a Portfolio have not been suspended temporarily in accordance with the "Temporary Suspension of Dealings" section of the Prospectus.



## **RQFII Repatriation Risks**

Repatriation of funds out of the PRC by the Sub-Investment Manager in respect of a Portfolio, currently monitored by SAFE, may be impacted by restrictions under the RQFII Regulations and may have a material adverse impact on a Portfolio's performance and/or liquidity and impact on a Portfolio's ability to meet redemption requests from the Shareholders. Such repatriations are currently conducted daily and are not subject to repatriation restrictions or prior approval. However, it should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Sub-Investment Manager and the Investment Manager's control. Shareholders should also note that the RQFII Regulations may be amended and repatriation restrictions may be imposed in the future. These repatriation restrictions could result in the Company being obliged to suspend dealings in a Portfolio temporarily, in accordance with the "Temporary Suspension of Dealings" section of the Prospectus so that a redeeming Shareholder may not be able to redeem on its chosen Dealing Day or may experience a delay in receiving the redemption proceeds.

In extreme circumstances, a Portfolio may incur significant losses due to limited investment capabilities, or may not be able fully to implement or pursue its investment objectives or strategies, due to RQFII investment restrictions, illiquidity of the PRC's securities market and delay or disruption in execution of trades or in settlement of trades.

## **RQFII Custody Risks**

Pursuant to PRC requirements, fixed income securities traded on the interbank bond market and the exchange markets in the PRC through an RQFII quota will be safe-kept by a local custodian (an "RQFII Custodian") through securities accounts with the China Securities Depository and Clearing Corporation Limited, the China Central Depository & Clearing Co. Ltd and/or the Shanghai Clearing House Co. Ltd.. Cash shall be maintained in a cash account with the RQFII Custodian.

The Depository shall ensure that the RQFII Custodian has appropriate procedures to properly safe-keep the assets of a Portfolio including the maintenance of records that a Portfolio's assets are recorded in the name of a Portfolio and segregated from the other assets of the RQFII Custodian. Under RQFII Regulations, any Portfolio securities held by the Sub-Investment Manager pursuant to its RQFII License will be registered in the joint names of the Sub-Investment Manager and the relevant Portfolio for the sole benefit and use of that Portfolio. However, it is possible that the judicial and regulatory authorities in China may interpret that the Sub-Investment Manager could be the party entitled to the securities in such securities trading account. Such securities may be vulnerable to a claim by a liquidator of the Sub-Investment Manager and may not be as well protected as if they were registered solely in the name of a Portfolio. In particular, the Sub-Investment Manager's creditors may seek to gain control of a Portfolio's assets to meet any liabilities owed by the Sub-Investment Manager to such creditors.

Investors should also note that cash deposited in the cash account of a Portfolio with the RQFII Custodian will not be segregated but will be a debt owing from the RQFII Custodian to the relevant Portfolio as a depositor. Any such cash may be co-mingled with cash belonging to other clients of the RQFII Custodian. In the event of bankruptcy or liquidation of the RQFII Custodian, the relevant Portfolio will become an unsecured creditor ranking *pari passu* with all other unsecured creditors and without any proprietary rights to the deposited cash. A Portfolio may not be able to recover it in full or at all, in which case the relevant Portfolio may suffer losses. Also, a Portfolio may incur losses due to the acts or omissions of the RQFII Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities.

## **Risk of not obtaining PBOC approval**

The Sub-Investment Manager is required to obtain approval from PBOC before it can invest in PRC bonds via the China Interbank Bond Market for a Portfolio. There is no guarantee that any such approval will be obtained or, if obtained, such approval will not be revoked. The investment options available to a Portfolio will be adversely affected and restricted if the required PBOC approval is not obtained or revoked. This may have adverse impact on the performance of a Portfolio.

## **RMB Currency Risk**

RMB is currently not a freely convertible currency and is subject to exchange controls and restrictions. A Portfolio which invests primarily in securities denominated in RMB but its net assets will be quoted in foreign currencies. Accordingly, a Portfolio's investment may be adversely affected by movements of exchange rates between RMB and other currencies. There can be no assurance that the RMB exchange rate will not fluctuate widely against the US Dollar or any other currency in the future. Any depreciation of the RMB will decrease the value of RMB denominated assets, which may have a detrimental impact on the performance of a Portfolio.

The RMB is traded in both the onshore and offshore markets. While both onshore RMB ("CNY") and offshore RMB ("CNH") represent the same currency, they are traded in different and separate markets which operate independently. Therefore CNY and CNH do not necessarily have the same exchange rate and their movement may not be in the same direction. When calculating the Net Asset Value of Shares of a non-RMB denominated Class, the Administrator will

apply the exchange rate for offshore RMB market in Hong Kong, i.e. the CNH exchange rate, which may be at a premium or discount to the exchange rate for onshore RMB market in the PRC, i.e. the CNY exchange rate.

### **Disclosure of Interests**

Whereas the PRC disclosure of interest requirements generally apply to the equities investment in PRC listed companies, the convertible bonds (if any) held by an investor which can be converted to shares of the listed company may also be subject to such requirements. In addition, a Portfolio investing in relevant securities via the Sub-Investment Manager's RQFII quota may be deemed to be acting in concert with other funds or portfolios managed by the Sub-Investment Manager and therefore may be subject to the risk that the relevant Portfolio's investments may have to be reported in aggregate with the holdings of such other funds or portfolios above should the aggregate holding trigger the reporting threshold under the PRC law, currently being 5% of the total issued shares of the relevant PRC listed company. This may expose certain of a Portfolio's investments to the public and may adversely impact the performance of the relevant Portfolio.

### **INVESTING IN THE PRC AND THE GREATER CHINA REGION**

A Portfolio may make investments that are tied economically to issuers from the People's Republic of China ("PRC"), or other issuers associated with the greater China region, such as Hong Kong, Macau or Taiwan. Such Portfolios may also invest in issuers which may be listed or traded on recognised or over-the-counter markets located both inside and outside of the greater China region, such as the United Kingdom, Singapore, Japan or the United States.

Investments in PRC-related securities involve certain risks and special considerations not typically associated with Anglo-sphere markets (ie, Australia, Canada, New Zealand, the United Kingdom and the US), such as greater government control over the economy, political and legal uncertainty, controls imposed by the PRC authorities on foreign exchange and movements in exchanges rates (which may impact on the operations and financial results of PRC companies), confiscatory taxation, the risk that the PRC government may decide not to continue to support economic reform programs, the risk of nationalisation or expropriation of assets, lack of uniform auditing and accounting standards, less publicly available financial and other information, potential difficulties in enforcing contractual obligations and limitations on the ability to distribute dividends due to currency exchange issues, which may result in risk of loss of favourable tax treatment. Accordingly, a Portfolio's investment in PRC-related securities may be subject to greater price volatility than Anglo-sphere markets, as a result of greater interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. Furthermore, these risk factors, particularly regarding the PRC government's decision making processes and ability to nationalise or expropriate assets, reduce the Investment Manager and Sub-Investment Manager's ability to anticipate interest rate movements, which may affect the value of the relevant Portfolio.

The SSE and the SZSE may have lower trading volumes when compared to exchanges in developed markets and the market capitalizations of many listed companies are small compared to those on exchanges in developed markets. The listed equity securities of many companies in the PRC, such as China A Shares and China B Shares, are accordingly less liquid and may experience greater volatility than in more developed, OECD countries. China A Shares are shares of companies incorporated in the PRC and listed on the SSE and SZSE that may be subscribed for and traded in Chinese Yuan Renminbi by PRC investors and non-PRC investors with Qualified Foreign Institutional Investors status ("QFII"), or Renminbi Qualified Foreign Institutional Investor ("RQFII") status or via the Stock Connects described below (also known as "Chinese Yuan common stock"). China B Shares are shares of companies incorporated in the PRC and listed on the SSE and the SZSE that may be subscribed for and traded in foreign currencies by non-PRC investors (also known as "Chinese Yuan special shares").

Government supervision and regulation of the PRC securities market and of quoted companies is also less developed than in many OECD countries. The PRC stock market has in the past experienced substantial price volatility and no assurance can be given that such volatility will not occur in the future. The above factors could negatively affect the capital growth and performance of such investments and the Net Asset Value of the relevant Portfolio, the ability to redeem Shares in the relevant Portfolio and the price at which such Shares may be redeemed. The evidence of title of exchange-traded securities in the PRC consists only of electronic book entries in the depository and/or registry associated with the exchange. These arrangements of the depositories and registries are new and not fully tested in regard to their efficiency, accuracy and security.

These risks may be more pronounced for the China A Share market than for PRC securities markets generally because the China A Share market is subject to greater governmental restrictions and control. Moreover, information available about PRC companies may not be as complete, accurate or timely as information about listed Anglo-sphere companies. Under the current PRC regulations, foreign investors can only invest directly in the China A Share market through institutions that have obtained QFII or RQFII status or the Stock Connects. While the Investment Manager currently holds QFII status (but for the avoidance of doubt does not hold RQFII status), it is anticipated that a Portfolio would gain any exposure that they take to the China A Share market through investments in equity linked products issued by financial institutions which are QFIIs or RQFIIs or through the Stock Connects and would not invest in this market through either a QFII or a RQFII license.

Portfolios may elect to gain exposure to certain issuers in the greater China region by utilising existing or future “access” products or programs. For example, a Portfolio may participate in the Stock Connects, programs approved by the China Securities Regulatory Commission (“CSRC”) and the Securities and Futures Commission of Hong Kong, which is intended to provide mutual stock market access between the PRC and Hong Kong. The Stock Connects are securities trading and clearing linked programs developed by the SEHK, the SSE, the SZSE and ChinaClear.

To the extent that a Portfolio participates in the Stock Connects or any similar access program that is novel, new or under development, the Portfolio may be subject to new, uncertain or untested rules and regulations promulgated by the relevant regulatory authorities. Moreover, current regulations governing a Portfolio’s investment in PRC companies may be subject to change. There can be no assurance that the Stock Connects or any other investment program will not be abolished and a Portfolio may be adversely affected as a result of such changes.

## **PRC DEBT SECURITIES MARKET RISKS**

### **Settlement Risk**

Investment in debt securities will expose relevant Portfolios to counterparty default risks. Exchange traded debt securities may be subject to counterparty risk, although such risk may be reduced by a centralised clearing system. Investors may be subject to a higher counterparty risk in the interbank bond market. Interbank bond market is a quote-driven over-the-counter (OTC) market where deals are negotiated between two counterparties through a trading system. The counterparty which has entered into a transaction with a Portfolio may default in its obligation to settle the transaction. There are various transaction settlement methods in the interbank bond market, such as the delivery of security by the counterparty after receipt of payment by a Portfolio; payment by a Portfolio after delivery of security by the counterparty; or simultaneous delivery of security and payment by each party. Although the Sub-Investment Manager may endeavour to negotiate terms which are favourable to a Portfolio, there is no assurance that settlement risks can be eliminated. Where its counterparty does not perform its obligations under a transaction, the Portfolio will sustain losses.

### **Liquidity Risk**

The CNY denominated debt securities market is at a developing stage and the market capitalisation and trading volume may be lower than those of the more developed markets. Market volatility and potential lack of liquidity due to low trading volume in the CNY denominated debt securities market may result in prices of debt securities traded on such markets fluctuating significantly and may affect the volatility of a Portfolio’s Net Asset Value.

The debt securities in which a Portfolio may invest may not be listed on a stock exchange or a securities market where trading is conducted on a regular basis. Even if the debt securities are listed, the market for such securities may be inactive and the trading volume may be low. In the absence of an active secondary market, a Portfolio may need to hold the debt securities until their maturity date. If sizeable redemption requests are received, a Portfolio may need to liquidate its investments at a substantial discount in order to satisfy such requests and the Portfolio may suffer losses in trading such securities.

The price at which the debt securities are traded may be higher or lower than the initial subscription price due to many factors including the prevailing interest rates. Further, the bid and offer spreads of the price of debt securities in which a Portfolio invests may be high and the Portfolio may therefore incur significant trading costs and may even suffer losses when selling such investments.

### **Risks relating to Credit Ratings**

A Portfolio may invest in securities the credit ratings of which are assigned by the Chinese local credit rating agencies. However, the rating criteria and methodology used by such agencies may be different from those adopted by most of the established international credit rating agencies. Therefore, such rating system may not provide an equivalent standard for comparison with securities rated by international credit rating agencies.

If assessments based on Chinese local credit ratings do not reflect the credit quality of and the risks inherent in a security, investors may suffer losses, possibly greater than originally envisaged.

### **Credit Rating Downgrading Risk**

An issuer of RMB denominated debt instruments may experience an adverse change in its financial condition which may in turn result in a decrease in its credit rating. The adverse change in financial condition or decrease in credit rating of an issuer may result in increased volatility in, and adverse impact on, the price of the relevant RMB denominated debt instruments and negatively affect liquidity, making any such debt instruments more difficult to sell.

### **PRC Debt Instruments Market Risk**

Investment in the Chinese debt instruments market may have higher volatility and price fluctuation than investment in debt instrument products in more developed markets.

### **Credit Risk of Counterparties to RMB Denominated Debt Instruments**

Investors should note that as China's financial market is nascent, most of the RMB denominated debt instruments are and will be unrated. RMB denominated debt instruments can be issued by a variety of issuers inside or outside China including commercial banks, state policy banks, corporations etc. These issuers may have different risk profiles and their credit quality may vary. Furthermore, RMB denominated debt instruments are generally unsecured debt obligations not supported by any collateral. A Portfolio may be fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor.

### **Interest Rate Risk**

Changes in macro-economic policies of China (i.e. monetary policy and fiscal policy) will have an influence over capital markets affecting the pricing of the debt instruments and thus, the return of a Portfolio. The value of RMB denominated debt instruments held by a Portfolio generally will vary inversely with changes in interest rates and such variation may affect value of the Portfolio's assets accordingly. Typically, when interest rates increase, the value of fixed income assets tend to depreciate. On the contrary, when interest rates decrease, the value of fixed income assets tend to appreciate.

### **Valuation Risk**

RMB denominated debt instruments are subject to the risk of mispricing or improper valuation, i.e. operational risk that the debt instruments are not priced properly. Valuations are primarily based on the valuations from independent third party sources where the prices are available, accordingly valuations may sometimes involve uncertainty and judgemental determination and independent pricing information may not be available at all times.

### **Unrated or High Yield Debt Instruments**

Subject to the RQFII Regulations and the investment objective of the relevant Portfolio, the assets of a Portfolio may be invested in unrated or low grade debt instruments which are subject to greater risk of loss of principal and interest than higher-rated debt instruments. The lower ratings of certain debt instruments or unrated debt instruments held for the account of a Portfolio reflect a greater possibility that adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise in interest rates, may impair the ability of the issuer to make payments of interest and principal. Such debt instruments generally carry a higher degree of default risk which may affect the capital value of an investment. Unrated debt instruments may be less liquid than comparable rated debt instruments and involve the risk that a Portfolio may not accurately evaluate the debt instrument's comparative credit rating.

## **RISKS ASSOCIATED WITH THE SHANGHAI-HONG KONG AND SHENZHEN-HONG KONG STOCK CONNECTS**

A Portfolio may invest through Shanghai Stock Connect in certain eligible stocks listed on the SSE ("SSE Securities") and through the Shenzhen Stock Connect in certain eligible stocks listed on the SZSE ("SZSE Securities", collectively with the SSE Securities, "Eligible Securities"), which subjects the Portfolio to other risks including, but not limited to the following:

### **Quota limitations**

The Stock Connects are subject to quota limitations. Trading under the Stock Connects will be subject to a daily quota ("Daily Quota"). Northbound trading and Southbound trading are respectively subject to a separate set of Daily Quota. The Northbound Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connects on each trading day. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during continuous trading or the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance) for the remainder of the day. The relevant PRC government authority has the power to change the Daily Quota or impose other quota from time to time. Therefore, quota limitations may restrict a Portfolio's ability to invest in China A Shares through the Stock Connects on a timely basis and the Portfolio may not be able to effectively pursue its investment strategies.

### **Suspension Risks**

It is contemplated that the SEHK, the SSE and the SZSE would reserve the right to suspend Northbound and/or Southbound trading of the respective Stock Connects if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. The relevant PRC government authority may also impose "circuit breakers" and other measures to halt or suspend

Northbound trading. Where a suspension in the Northbound trading through the Stock Connects is effected, the Portfolios' ability to access the PRC market will be adversely affected.

### **Differences in Trading Day**

The Stock Connects will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. Therefore it is possible that there will be occasions when it is a normal trading day for the PRC market but Hong Kong and other overseas investors (such as a Portfolio) cannot carry out any China A Shares trading. Portfolios may be subject to a risk of price fluctuations in China A Shares during the time when the Stock Connects are not trading as a result.

### **Operational Risk**

The Stock Connects provide a channel for investors from Hong Kong and overseas to access the PRC stock markets directly.

The Stock Connects are premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchanges and/or clearing house. It should be appreciated that the securities regimes and legal systems of the Hong Kong and PRC markets differ significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connects requires routing of orders across the border. This required the development of new information technology systems on the part of the SEHK and exchange participants (ie, a new order routing system to be set up by the SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the Stock Connects could be disrupted. Portfolios' ability to access the China A Share market (and hence to pursue its investment strategy) will be adversely affected where systems fail to function properly as outlined above.

### **Restrictions on selling imposed by front-end monitoring**

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the relevant PRC exchanges will reject the sell order concerned. The SEHK will carry out pre-trade checking on China A Shares sell orders of its participants (ie, the stock brokers) to ensure there is no over-selling.

If a Portfolio desires to sell certain China A Shares it holds, the SEHK requires that the broker involved in the sale of the China A Shares confirms the Portfolio holds sufficient amount of those China A Shares before the market opens on the day of selling ("trading day"). If the broker cannot confirm this prior to the market opens, it will not be able to execute the sale of those China A Shares on behalf of the Portfolio on that trading day. Because of this requirement, the Portfolios need to facilitate this broker confirmation in order to dispose of holdings of China A Shares in a timely manner.

Some local custodians are offering solutions to assist investors in meeting this requirement without the need to pre-deliver the shares to the broker prior to the trading date. For example, certain local custodians are offering an "integrated brokerage/custodian model" where the local custodian will be appointed to act as the sub-custodian to the relevant Portfolio. Subsequently, the brokerage arm of the local custodian will be provided with sufficient evidence that sufficient shares are held by the Portfolio to allow the broker to execute the sale of the relevant China A Shares. This model allows the Portfolio to ensure that all shares remain in custody at all times. Separately, the SEHK has implemented an enhanced pre-trade checking model which investors will no longer need to pre-deliver shares to brokers. Custodians will need to open a "special segregated account" with CCASS (the Central Clearing and Settlement System operated by the HKSCC for the clearing securities listed or traded on SEHK) for investors which will generate a unique investor ID. CCASS will snapshot the securities holdings in that account to facilitate pre-trade checking requirements. Brokers when executing sell orders for investors who opt to use the enhanced model will need to provide the investor ID as an identifier. The aim of the enhanced model is to allow greater flexibility to investors to use multiple brokers. The SEHK will also be implementing a further enhancement by introducing an additional Renminbi interbank bulk settlement run at night time. This further enhancement will allow Renminbi cash settlement to be fully confirmed on the same day, achieving a true delivery-versus-payment arrangement.

The Company has currently adopted the integrated custody/brokerage model in respect of a Portfolio but is investigating the above enhancements. The Company intends to adopt the enhanced pre-trade checking model and utilise the enhanced Renminbi interbank bulk settlement in respect of a Portfolio once all the related operational and implementation issues, have been resolved. However, please note that there is no guarantee that any such proposal

will be, or will continue to be, implemented and will not be revoked, how effective and it will be in helping to address the requirement or what the costs associated with using it will be.

### **Short swing profit rule**

According to the PRC securities law, a shareholder of 5% or more of the total issued shares of a PRC listed company (“major shareholder”) has to return to such listed company any profits obtained from the purchase and sale of shares of such PRC listed company if both transactions occur within a six-month period. In the event that the Company or a Portfolio becomes a major shareholder of a PRC listed company by investing in China A Shares via the Stock Connects or market access products, the profits that Portfolios may derive from such investments may be limited, and thus the performance of the Portfolios may be adversely affected.

### **Restriction on Turnaround (day) Trading**

Turnaround (day) trading is not permitted on the China A Share market. Investors cannot purchase and sell the same securities via the Stock Connects on the same trading day. This may restrict the Portfolio’s ability to invest in China A Shares through the Stock Connects and to enter into or exit trades on a timely basis.

### **Recalling of eligible stocks**

When a stock is recalled from the scope of eligible stocks for trading via the Stock Connects, the stock can only be sold and is restricted from being bought. This may affect the investment portfolio or strategies of a Portfolio, for example, when the Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

### **Clearing and settlement risk**

The HKSCC, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited, and ChinaClear have established the clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will, on the one hand clear, and settle with its own clearing participants and, on the other hand, undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC’s liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear’s liquidation. In that event, Portfolios may suffer delay in the recovery process or may not be able to fully recover their losses from ChinaClear.

### **Participation in corporate actions and shareholders’ meetings**

HKSCC will keep CCASS participants informed of corporate actions of Eligible Securities. Hong Kong and overseas investors (including Portfolios) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (ie, CCASS participants). The time for them to take actions for some types of corporate actions of Eligible Securities may be as short as one business day only. Therefore, Portfolios may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including Portfolios) hold Eligible Securities traded via the Stock Connects through their brokers or custodians. Multiple proxies are currently not available in the PRC market. Therefore Portfolios will not be able to attend meetings as proxy in person in respect of the Eligible Securities.

### **No Protection by Investor Compensation Fund**

Investment through the Stock Connects is conducted through broker(s), and is subject to the risks of default by such brokers’ in their obligations

Portfolio investments through Northbound trading under the Stock Connects are not covered by Hong Kong’s Investor Compensation Fund or China’s Securities Investor Protection Fund. Therefore Portfolios are exposed to the risks of default of the broker(s) it engages in its trading in China A Shares through the Stock Connects.

### **Government Intervention**

Chinese stock markets may be more volatile and unstable due to governmental intervention. The Chinese government has been known to intervene in China’s securities markets in a manner that may significantly affect market price and liquidity. Government interventions, such as imposing limits on the sale of shares and trading of index futures,



devaluation of the RMB and channelling capital into equities, may increase stock market fluctuations and create uncertainties in the stock markets, which may materially affect a Portfolio's investments.

### **Currency Risk**

Further devaluation of the RMB can materially affect a Portfolio's investments. There is no assurance that the RMB will not be subject to devaluation. Shareholders should also note the downside risk associated with RMB. Any devaluation of the RMB could adversely affect a Portfolio's investment, especially if that Portfolio seeks to focus on equities of Greater China companies and companies with significant exposure to China.

### **Regulatory risk**

The Stock Connects are novel in nature and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connects.

It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connects will not be abolished. Portfolios which invest in the PRC markets through the Stock Connects may be adversely affected as a result of such changes.

### **Taxation risk**

PRC tax authorities announced temporary tax exemptions on capital gains realised by non-PRC investors on trading of Eligible Securities under the Stock Connects. However, there is no guarantee that such temporary tax exemptions will be granted or will continue to apply, will not be repealed or re-imposed retrospectively, or that no new tax regulations and practice relating to the Stock Connects will be promulgated in future. A Portfolio may be subject to uncertainties in its PRC tax liabilities where it invests through the Stock Connects.

### **Risks associated with the Small and Medium Enterprise board and/or the ChiNext market**

A Portfolio may invest in the Small and Medium Enterprise ("SME") board and/or the ChiNext market of the SZSE via the Shenzhen Stock Connect. Investments in the SME board and/or the ChiNext market may result in significant losses for the Portfolio and its investors. The following additional risks apply:

Higher fluctuation on stock prices: Companies listed on the SME board and/or the ChiNext market are usually of an emerging nature, with a smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the SZSE.

Over-valuation risk: Stocks listed on the SME board and/or the ChiNext market may be overvalued and such exceptionally high valuation may not be sustainable. Stock prices may be more susceptible to manipulation, due to the relatively smaller number of shares in such companies in circulation.

Differences in regulations: The rules and regulations regarding companies listed on the ChiNext market are less stringent in terms of profitability and share capital than those regarding the main board and the SME board.

Delisting risk: It may be more common and faster for companies listed on the SME board and/or the ChiNext to delist. If companies that a Portfolio has invested in delist, it may have an adverse impact on the Portfolio.

## **TAXATION IN THE PRC – INVESTMENT IN PRC EQUITIES**

**Please note that this disclosure is only relevant for Portfolios which are stated in the Relevant Supplement to invest in PRC equity securities via Stock Connect or indirectly through another QFII/RQFII quota.**

A Portfolio's direct investment in China A Shares (through the Stock Connects) and China B shares is subject to PRC tax regulations. A Portfolio's investment in equity linked products may also be indirectly affected by any taxation levied against the relevant QFIIs or RQFIIs, issuers or sponsors. The PRC taxation regime that will apply to the Stock Connects, QFIIs and RQFIIs and investments linked to QFII and RQFII quotas has some uncertainties. It should be noted that the position with regard to PRC taxation of a Portfolio and its gains and profits in respect of such investments remains unclear in some aspects.

Tax regulations in the PRC are subject to change, possibly with retroactive effect. Changes in PRC tax regulations could have a significant adverse effect on a Portfolio and its Investments, including reducing returns, reducing the value of a Portfolio's Investments and possibly impairing capital invested by a Portfolio.

## **Corporate Income Tax (“CIT”) Law in the PRC**

If the Company or a Portfolio is considered a tax resident enterprise of the PRC, it will be subject to PRC corporate income tax (“CIT”) at 25% on its worldwide taxable income. If the Company or a Portfolio is considered a non-tax resident enterprise with a permanent establishment or place of establishment of business (“PE”) in the PRC, the profits attributable to that PE would be subject to CIT at 25%.

Under the PRC CIT Law effective from 1 January 2008, a non-PRC tax resident enterprise without a PE in the PRC will generally be subject to withholding income tax (“WIT”) of 10% on its PRC sourced income, including but not limited to passive income (e.g. dividends, interest, gains arising from transfer of assets, etc.).

The relevant portfolio manager intends to manage and operate the Company or the relevant Portfolio in such a manner that the Company or the Portfolio should not be treated as a tax resident enterprise of the PRC or a non-PRC tax resident enterprise with a PE in the PRC for CIT purposes, although due to uncertainty in tax laws and practices in the PRC, this result cannot be guaranteed.

Although the CIT regulations aim to clarify the application of certain rules under the CIT Law, significant uncertainties remain. Such uncertainties may prevent a Portfolio from achieving certain tax results sought when structuring its investments in the PRC.

### **(i) Dividend**

Under the current PRC CIT Law, non-PRC tax resident enterprises are subject to PRC WIT on cash dividends and bonus distributions from PRC tax resident enterprises. The general WIT rate applicable is 10%, subject to reduction under an applicable double tax treaty and agreement by the PRC tax authorities.

### **(ii) Capital gain**

Based on the CIT Law and its Implementation Rules, “income from the transfer of property” sourced from the PRC by non-PRC tax resident enterprises should be subject to 10% PRC WIT unless exempt or reduced under an applicable tax treaty and agreement by the PRC tax authorities.

## **Trading of PRC equity investments including China A shares through QFIs, RQFII and the Stock Connects**

Under Circular Caishui [2014] no. 79 jointly issued by the PRC Ministry of Finance (“MOF”), the State Administration of Tax (“SAT”) and the CSRC on 14 November 2014 (“Circular No. 79”), effective from 17 November 2014, QFIs and RQFIs shall be temporarily exempted from the withholding income tax (“WIT”) on capital gains derived from trading China A Shares and other PRC equity interest investments; however, QFIs and RQFIs shall be subject to WIT on capital gains obtained before 17 November 2014 pursuant to the laws.

According to Circular Caishui [2014] No. 81 (“Circular 81”) and Circular Caishui [2016] No. 127 (“Circular 127”), both jointly issued by MOF, SAT and CSRC, capital gains derived by overseas investors from the trading of China A Shares via Shanghai Stock Connect and Shenzhen Stock Connect are temporarily exempt from PRC WIT.

It is uncertain how long these temporary exemptions will last, whether any of them will be repealed and whether any tax will be re-imposed retrospectively.

## **Trading of China B-shares**

Under the current PRC tax regulations, there are no specific rules or regulations governing the taxation of the disposal of B Shares. Hence, the tax treatment for investment in such securities is governed by the general taxing provisions of the CIT Law. Under such general taxing provisions, a Portfolio could be technically subject to a 10% PRC WIT on the PRC sourced capital gains, unless exempt or reduced under laws and regulations or the relevant double tax treaties.

Having said that, Circular Guoshuihan [2009] No. 698 (“Circular 698”) excludes gains derived from the buying and selling of shares of PRC tax resident enterprise through public stock exchanges by a non-PRC tax resident enterprise from the reporting requirements. In practice, the PRC tax authorities have not actively enforced WIT on gains realized by non-resident enterprises from the disposal of China B Shares of PRC enterprises whereby both the purchase and sale of such shares are conducted on public stock exchanges.

As a result of the promulgation of Circular No. 79, (i) the Portfolio has ceased withholding 10% of realised and unrealised gains on its investments linked to China A Shares and other PRC equity interest investment as a tax provision from 17 November 2014, on the basis that any gains realised from 17 November 2014 onwards will be temporarily exempted from WIT; (ii) the amount of tax provision for unrealised gains on a Portfolio’s investments linked to China A Shares and other PRC equity interest investments withheld by a Portfolio as a tax provision up to 17

November 2014 has been released to the relevant Portfolio; and (iii) the amount withheld up to 17 November 2014 as a tax provision with respect to realised gains on its investments linked to China A Shares and other PRC equity interest investments has been applied to pay for the relevant PRC tax liabilities and any remaining balance has been released back to the relevant Portfolio as other income. The relevant Portfolios will continue to make a provision for withholding tax of 10% on all dividend income received from PRC investee companies.

With respect to the Stock Connects, as a result of Circular 81 and Circular 127, the relevant Portfolios will not make any PRC income tax provision for realised and unrealised gains derived from trading China A Shares under the Stock Connects until and unless a tax provision is required by any further guidance issued by the PRC tax authorities, which may have a substantial negative impact on the Net Asset Value of the relevant Portfolio. In the event that any relevant exemption is not granted or is revoked or repealed, the Investment Manager may, in its discretion, make additional tax provision on the relevant gains or income and withhold tax for the account of the relevant Portfolio.

#### **Value-added Tax (“VAT”) and other surcharges (applicable on and after 1 May 2016) in the PRC**

According to Circular Caishui [2016] No.36 (“Circular 36”), the pilot program of the collection of value-added tax (“VAT”) in lieu of business tax has been launched nationwide in the PRC in a comprehensive manner as of 1 May, 2016 and all taxpayers of business tax are included in the scope of the pilot program with regard to payment of VAT instead of business tax.

Gains derived from trading of marketable securities are generally subject to PRC VAT at 6% on net gains (i.e. gains offset against losses). However, Circular 36, Circular Caishui [2016] No.70 and Circular 127 specifically provide that gains derived by (a) QFII and RQFII which appoint domestic companies to conduct marketable securities trading in the PRC, or (b) overseas investors (including entities and individuals) from trading of China A Shares through the Stock Connects are exempt from VAT.

In addition, deposit interest income is exempt from VAT. Dividend income or profit distributions on equity investment derived from Mainland China are also not included in the taxable scope of VAT.

However, the PRC tax authorities have not actively collected VAT from non-PRC tax resident enterprises on gains realized from B-Shares in practice.

Urban maintenance and construction tax (currently at the rate ranging from 1% to 7%), educational surcharge (currently at the rate of 3%) and local educational surcharge (currently at the rate of 2%) are imposed based on the VAT liabilities.

#### **Change in Tax Policy or Regulation**

There is no guarantee that the temporary tax exemption with respect to QFII, RQFII and Stock Connects described above and the withholding tax exemption ruling on China B shares and PRC companies listed outside of PRC will continue to apply, will not be repealed and re-imposed retrospective, or that no new tax regulations and practice in PRC specifically relating to the QFII, RQFII and Stock Connects will not be promulgated in the future. Such uncertainties may operate to the advantage or disadvantage of Shareholders and may result in an increase or decrease in Net Asset Value of a Portfolio.

In the event that any relevant exemption is not granted or is revoked or repealed, the relevant portfolio manager may, in its discretion, make additional tax provision on the relevant gains or income and withhold tax for the account of the relevant Portfolio.

Investors should inform themselves of, and where appropriate consult their professional advisors on, the possible tax consequences of subscribing for, buying, holding, converting, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, or domicile or incorporation.

#### **TAXATION IN THE PRC – INVESTMENT IN PRC ONSHORE BONDS**

**Please note that this disclosure is only relevant for Portfolios which are stated in the Relevant Supplement to invest in PRC bonds via an RQFII quota.**

Tax regulations in the PRC are subject to change, possibly with retroactive effect. Changes in PRC tax regulations could have a significant adverse effect on a Portfolio and its Investments, including reducing returns, reducing the value of a Portfolio’s Investments and possibly impairing capital invested by a Portfolio.

#### ***Taxation on RQFII***

The PRC has not issued guidance with respect to the tax ownership of securities held through an intermediary for PRC tax purposes. In addition, there is a general lack of guidance in the PRC tax law with respect to the application of PRC taxes in situations where legal title to assets are held by an intermediary on behalf of the beneficial owners of such assets. Based on current PRC administrative practice, an intermediary that holds Chinese assets is generally treated as the taxpayer with respect to those assets for PRC tax purposes notwithstanding the fact that such assets may be beneficially owned by another entity. It is therefore expected that, although a Portfolio may be the beneficial legal owner of securities held through the relevant Sub-Investment Manager (as RQFII license holder), the Sub-Investment Manager, will be treated as responsible for the tax payable relating to the trading of securities for PRC tax purposes. In the event the PRC tax authorities issue guidance with respect to the application of PRC taxes in situations where legal title to assets are held by an intermediary on behalf of the beneficial owners of such assets, the expected treatment described above could change, possibly with retroactive effect.

### **Withholding Income Tax (“WIT”) and Capital Gains Tax provision**

Unless a specific exemption or reduction is available under the current PRC tax laws and regulations or relevant tax treaties, non-tax resident enterprises without place of business (“PE”) in the PRC are subject to WIT, generally at a rate of 10%, to the extent that it directly derives PRC sourced passive income. PRC sourced passive income (such as dividend income or interest income) may arise from investments in the PRC securities. Accordingly, a Portfolio may be subject to WIT and/or other PRC taxes on any cash dividends, distributions and interest it receives from its investment in PRC securities. The entity distributing such interests is required to withhold such tax. On the other hand, interests derived from government bonds issued by the relevant Finance Bureau of the State Council and/or local government bonds approved by the State Council are exempt from PRC income tax under the prevailing PRC tax regulations. The Manager will make a WIT provision of 10% for the account of the relevant Portfolio on dividend and interest if the WIT is not withheld at source.

Specific rules governing taxes on RQFII’s capital gains derived from the trading of PRC debt securities have yet to be announced. In the absence of such specific rules, the PRC income tax treatment should be governed by the general tax provisions of the PRC CIT Law. It is possible that a foreign enterprise that is not a PRC tax resident enterprise and has no PE in the PRC could be potentially subject to a 10% PRC WIT on its China-sourced capital gains derived from the trading of debt securities issued by PRC issuers, unless exempt or reduced under the current laws and regulations or relevant tax treaties. Circular Caishui [2014] No. 79 (“Circular 79”) issued in 2014, which clarified the taxation of capital gains on the transfer of PRC equity investment assets derived by QFIIs and RQFIIs, is silent as to the PRC CIT treatment of capital gains realized by QFIIs and RQFIIs from the trading of PRC securities other than equity investment assets. Based on the verbal comments from the PRC tax authorities, gains realized by foreign investors (including QFIIs and RQFIIs) from investment in PRC debt securities are non-PRC sourced income and thus should not be subject to PRC WIT. However, there are no written tax regulations issued by the PRC tax authorities to confirm such interpretation.

Therefore, it remains uncertain as to the PRC tax authorities’ position on whether gains derived from the disposal of debt securities by foreign investors will be treated as a PRC sourced income and hence subject to PRC WIT. However, as a matter of practice, the PRC tax authorities have not levied PRC WIT on capital gains realised by QFIIs and RQFIIs from the trading of debt securities, including those traded via the China Interbank Bond Market.

In light of the uncertainty on the income tax treatment on capital gains and in order to meet this potential tax liability for capital gains, the Investment Manager reserves the right to provide for WIT on such gains or income and withhold the tax for the account of the relevant Portfolio. Currently a Portfolio will make provisions for any PRC taxes payable by the relevant Portfolio on the gross realised and unrealised capital gains derived from the disposal of onshore debt instruments issued by PRC tax resident enterprises at a rate of 10% (or as otherwise advised by the relevant tax adviser). Investors should note that such provisions may be excessive or inadequate to meet the actual PRC tax liabilities on investments made by the relevant Portfolio. Given the possibility of the PRC tax authorities not implementing the current tax rules, the tax rules being changed and the taxes being applied retrospectively, any provision for taxation made by the Investment Manager, as arranged with the Depository/Trustee, may be excessive or inadequate to meet the actual PRC tax liabilities in connection with investments made by the Investment Manager for the account of the relevant Portfolio in the PRC. Accordingly, the value and the profitability of the relevant Portfolio may be affected. Upon the availability of a definitive tax assessment or the issue of announcements or regulations by the competent authorities promulgating definitive tax assessment rules, any sums withheld in excess of the tax liability incurred or is expected to be incurred by the relevant Portfolio shall be released and transferred to that Portfolio’s accounts forming part of that Portfolio’s assets.

Any tax provision, if made, will be reflected in the Net Asset Value of the relevant Portfolio at the time of debit or release of such provision and thus will only impact on Shares which remain in the Portfolio at the time of debit or release of such provision. Shares which are redeemed prior to the time of debit of such provision will not be affected by reason of any insufficiency of the tax provision. In the event that it is satisfied (based on tax advice) that part of the tax provisions are not required, the Investment Manager will arrange with the Depository/Trustee to release such provisions back into the relevant Portfolio.

Investors may be advantaged or disadvantaged depending upon the final outcome of how such gains will be taxed and when they subscribed and/or redeemed the Shares of the Portfolio. Investors should note that no Shareholders who have redeemed their Shares in the relevant Portfolio before the release of any excess tax provision shall be entitled to claim in whatsoever form any part of the tax provision or withholding amounts released to the relevant Portfolio, which amount will be reflected in the value of Units in the Portfolio. Shareholders should seek their own tax advice on their tax position with regard to their investment in the relevant Portfolio.

#### Value-added Tax (“VAT”) and other surcharges (*applicable on and after 1 May 2016*) in the PRC

According to Circular Caishui [2016] No.36 (“Circular 36”), the pilot program of the collection of value-added tax (“VAT”) in lieu of business tax has been launched nationwide in the PRC in a comprehensive manner as of 1 May, 2016 and all taxpayers of business tax are included in the scope of the pilot program with regard to payment of VAT instead of business tax.

The gains derived by QFIIs and RQFIIs from trading of marketable securities (including A-shares and other PRC listed securities) are exempted from VAT in the PRC under Circular 36 and Circular Caishui [2016] No.70. In addition, deposit interest income and interest received from government bonds and local government bonds are also exempt from VAT.

The prevailing VAT regulations do not specifically exempt VAT on interest received by QFIIs and RQFIIs. Hence, interest income on non-government bonds (including corporate bonds) technically should be subject to 6% VAT.

Dividend income or profit distributions on equity investment derived from Mainland China are not included in the taxable scope of VAT.

In addition, urban maintenance and construction tax (currently at the rate ranging from 1% to 7%), educational surcharge (currently at the rate of 3%) and local educational surcharge (currently at the rate of 2%) are imposed based on the VAT liabilities.

Again, it is uncertain how long these exemptions will last, whether any of them will be repealed and whether any tax will be re-imposed retrospectively which may have a negative impact on the relevant Portfolio.

In the event that any relevant exemption is not granted or is revoked or repealed, the Investment Manager or the relevant Sub-Investment Manager may, in its discretion, make additional tax provision on the relevant gains or income and withhold tax for the account of the relevant Portfolio.

Investors should inform themselves of, and where appropriate consult their professional advisors on, the possible tax consequences of subscribing for, buying, holding, converting, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, or domicile or incorporation.

#### ***Potential Changes in PRC Tax Policy or Regulation***

There is no guarantee that there will not be any new tax regulations and practice in China specifically relating to RQFIIs promulgated in the future. Such uncertainties may operate to the advantage or disadvantage of Shareholders of the relevant Portfolio and may result in an increase or decrease in the total value of the Portfolio. For example, to the extent that the PRC tax authority retrospectively imposes taxes on the capital gains realized by the relevant Portfolio through RQFIIs, the total value of the Portfolio would be adversely affected but the amount previously paid to a redeeming Shareholder would not be adjusted. As a result, any detriment from such change would be suffered by the remaining Shareholders.

### **RUSSIAN INVESTMENT RISK**

Investors should note that there are significant risks inherent where a Portfolio invests in Russia. These risks include: delays in settling transactions and the risk of loss arising out of Russia’s system of securities registration and custody; the lack of corporate governance provisions, under-developed or non-existent rules regarding management’s duties to shareholders, and the lack of general rules or regulations relating to investor protection or investments; pervasiveness of corruption, insider trading and crime in the Russian economic system; difficulties associated in obtaining accurate market valuations of many Russian securities, based partly on the limited amount of publicly available information; the risk of imposition of arbitrary or onerous taxes due to tax regulations that are ambiguous and unclear; the general financial condition of Russian companies, which may involve particularly large amounts of inter-company debt; banks and other financial systems are not well developed or regulated and as a result tend to be untested and have low credit ratings; the lack of local laws and regulations that prohibit or restrict a company’s management from materially changing the company’s structure without shareholder consent; difficulties involved with seeking redress in a court of law of breach of local laws, regulations or contracts, arbitrary and inconsistent application of laws and regulations by courts; the risk of further economic and political sanctions being imposed against Russia, Russian issuers of securities

or individuals in Russia may compromise the ability of a Portfolio to pursue its investment objectives or may adversely affect the value of Russian investments which the relevant Portfolio holds; and 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.

Securities in Russia are issued only in book entry form and ownership records are maintained by registrars who are under contract with the issuers. The registrars are neither agents of, nor responsible to, the Depositary or its local agents in Russia. Transferees of securities have no proprietary rights in respect of securities until their name appears in the register of holders of the securities of the issuer. The law and practice relating to registration of holders of securities are not well developed in Russia and registration delays and failures to register securities can occur. Although Russian sub-custodians will maintain copies of the registrar's records ("Extracts") on its premises, such Extracts may not, however, be legally sufficient to establish ownership of securities. Furthermore, a quantity of forged or otherwise fraudulent securities, Extracts or other documents are in circulation in the Russian markets and there is therefore a risk that a Portfolio's purchases may be settled with such forged or fraudulent securities. In common with other emerging markets, Russia has no central source for the issuance or publication of corporate actions information. The Depositary therefore cannot guarantee the completeness or timeliness of the distribution of corporate actions notifications.

Investments in securities listed or traded in Russia will only be made in securities that are listed or traded on the Moscow Exchange.

#### **4. LIQUIDITY RISKS**

##### **LIQUIDITY RISK**

Under certain market conditions, such as decreased trading volume, increased price volatility, concentrated trading positions, limitations on the ability to transfer or liquidate positions and changes in industry or changes in government regulations, or when trading in a financial market is otherwise impaired, the liquidity of a Portfolio's investments (and thereby the liquidity of the Portfolio itself) may be reduced. In addition, certain Portfolios may invest in fixed income securities, the markets for which may experience periods of lower liquidity in circumstances outlined under this heading and under "*Fixed Income Securities*" above, which may further limit the liquidity of a Portfolio.

Under the aforementioned market conditions, Portfolios may be unable to dispose of certain of its investments, including longer-term or lower credit quality investments, which may adversely affect its ability to meet redemption requests or further negatively impact the overall liquidity of the portfolio, if more liquid assets are sold to meet redemptions. In addition, such circumstances may force Portfolios to dispose of their investments at reduced prices, thereby adversely affecting the Portfolios' performance.

This situation could be worsened where other market participants are seeking to dispose of similar investments at the same time and Portfolios may ultimately be unable to sell such investments readily at a favourable time or price or at prices approximating those at which the Portfolio values them at that time, potentially incurring substantial losses.

Furthermore, certain segments of global fixed income markets may experience periods of lower liquidity caused by market events or large sales and raise the risk that securities or other fixed-income instruments cannot be sold during those periods or can only be sold at reduced prices. Those events may challenge affected Portfolios to meet significant volumes of redemption requests and may also influence the value of the relevant Portfolios, as the lower liquidity may be reflected in a reduction in the value of the Portfolios' assets.

Investments suffering from a lack of market liquidity may be subject to wide fluctuations in market value and it may be difficult for a Portfolio to value such investments accurately. Illiquid investments may also entail transaction costs that are higher than those for more liquid investments.

The Company is an investment company with variable capital due to its ability to issue and redeem Shares on demand. The share capital of the Company is divided into different series of Shares with each series of Shares representing a separate investment portfolio of assets. The Portfolios manage capital in accordance with the UCITS Regulations and the investment objectives and policies applicable to such Portfolio as specified in this Prospectus and the relevant Supplement. The Portfolios are not subject to externally imposed capital requirements. While the Portfolios invest in transferable securities and other liquid financial assets, the Investment Manager also employs an appropriate liquidity risk oversight process, which takes into account efficient portfolio management transactions employed by the Portfolios, in order that each Portfolio is able to comply with its stated redemption terms and conditions.

In order to mitigate potential liquidity risks, the firm tailors its controls to different investment strategies, liquidity terms and historic client behaviour. As part of its risk oversight, the firm may employ various liquidity tests, the results of which may lead to a variety of possible solutions, including adjusting asset composition, drawing on applicable overdraft or credit facilities or taking other appropriate actions that would maintain an acceptable level of liquidity. Any



Portfolio specific arrangements will be reviewed by the Investment Manager's risk function, portfolio managers of the relevant Portfolio, Chief Investment Officer of the Company as well as the Directors. The Risk team stress-tests each Portfolio on a regular basis in the context of portfolio composition and current / potential market conditions. Stress scenarios are run at different hypothetical redemption levels and the ability of the Portfolios to meet redemption requests in an orderly fashion at these levels are evaluated. Should analysis reveal that any of the Portfolios have low liquidity coverage ratios, conversation and steps are taken by the Risk and the portfolio team to evaluate these risks and the best way to mitigate them. In addition, daily liquidity buffer reports are monitored to gauge the liquidity risk of each Portfolio. Furthermore, market liquidity factors are monitored in order to capture potential anomalies in market liquidity.

The Investment Manager, the Sub-Investment Managers and the Company seek to ensure that adequate liquidity exists in the Portfolios to provide for Shareholder redemptions in normal market conditions and normal levels of redemptions. However, it is possible that in the type of circumstances described above, a Portfolio may not be able to realise sufficient assets to meet all redemption requests that it receives or the Company may determine that the circumstances are such that meeting some or all of such requests is not in the best interests of the Shareholders in a Portfolio as a whole. In such circumstances, the Company may take the decision to apply the redemption gate provisions described under "Information Specific to Redemptions" in the "Subscription and Redemptions" section of this Prospectus or suspend dealings in the relevant Portfolio as described in the "Temporary Suspension of Dealings" section of this Prospectus.

### **SUBSTANTIAL SUBSCRIPTIONS AND REDEMPTIONS**

In the event that a Portfolio receives a substantial subscription in respect of a Dealing Day, the Investment Manager may not be able to make arrangements to invest all of the net subscription proceeds on or before the relevant Dealing Day. To the extent that a Portfolio's assets are not invested on the relevant Dealing Day, this could have a negative impact on the performance of that Portfolio, as the Portfolio's exposure to its relevant targeted investments will be reduced in respect of the portion of its assets held in cash or other liquid assets.

Similarly, in the event that a Portfolio receives substantial redemption requests in respect of a Dealing Day, the Investment Manager may not be able to make arrangements to realise sufficient assets of the Portfolio to meet such redemption requests on or before the relevant Dealing Day or may not be able to do so in such a manner as to protect the best interests of all of the Shareholders of the relevant Portfolio. In seeking to meet such requests, the Investment Manager will have to balance the competing interests of the redeeming investor to receive their redemption proceeds in accordance with the Company's redemption policy (as described in the "Subscriptions and Redemptions" section) and those of the remaining investors in the Portfolio to minimise the impact and potential for current and future losses to the Portfolio through selling a large proportion of the Portfolio's assets in a short space of time. In this respect, investors should note that the Directors have certain abilities to calculate the Net Asset Value of Shares in a Portfolio using "swing pricing" and/or apply Duties and Charges to the Net Asset Value which redeeming investors receive in order to prevent the dilution of the Portfolio's assets. In certain circumstances, in accordance with the Articles and as disclosed in the "Subscriptions and Redemptions" and "Temporary Suspension of Dealings" sections, the Directors may also apply a redemption gate or suspend dealings in a Portfolio.

### **SWING PRICING**

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

### **CREDIT FACILITIES**

In order to assist in facilitating the prompt payment of redemption proceeds, the Company has entered into an agreement (and may enter into additional agreements) whereby a syndicate of lenders agrees to provide a credit facility to the Company. Any such credit facility will provide for a standing fee which will be payable by the Company in return for the lenders making the facility available to the Company and will also provide for the payment of interest and other charges in the event that the Company or a Portfolio accesses the facility. The costs of accessing the facility will be borne by the relevant Portfolio or Portfolios but the standing fee will be borne pro rata by the Company as a whole, notwithstanding that individual Portfolios may never access the facility.

Any credit facility provided to the Company may be secured by all or any portion of the Company's assets and a secured creditor to the Company may take commercial steps in its own interest, such as requiring repayment of all or part of a loan at a time that may not be desirable for the Company. Any such actions may also have a material adverse effect on the Company or a Portfolio. In addition, actions taken by the Company which result in adverse performance or diminution in value of the Company's or a Portfolio's assets could cause the Company or relevant Portfolio to be in default, or to take certain actions to avoid being in default, in connection with a credit facility. This could have a material adverse effect on the Company and the Portfolios. In the event of the winding up of the Company, secured amounts owed to third party credit facility providers will be paid out in priority over the payment of proceeds to Shareholders.

## **GENERAL SUSPENSION RISK**

Securities of issuers traded on exchanges may be suspended, either by the issuers themselves, by an exchange or by government authorities. The likelihood of such suspensions may be higher for securities of issuers in emerging or less-developed market countries than in countries with more developed markets. Trading suspensions may be applied from time to time to the securities of individual issuers for reasons specific to that issuer, or may be applied broadly by exchanges or governmental authorities in response to market events. Suspensions may last for significant periods of time, during which trading in the securities and instruments that reference the securities, such as participatory notes (or "P-notes") or other FDI, may be halted. In the event that a Portfolio holds material positions in such suspended securities or instruments, the Portfolio's ability to liquidate its positions or provide liquidity to investors may be compromised and the Portfolio could incur significant losses.

## **5. FINANCE-RELATED RISKS**

### **FEES AND EXPENSES**

Whether or not a Portfolio is profitable, it is required to pay fees and expenses including organisation and offering expenses, brokerage commissions, management, administrative and operating expenses and custodian fees. A portion of these expenses may be offset by interest income.

### **SEED INVESTMENT**

As part of its launch, a Portfolio may receive a subscription from an Affiliate as a seed investment, which may be substantial. Investors wishing any further information in respect of any such subscription should contact the Investment Manager. Investors should be aware that the Affiliate may i) hedge any of its investments in whole or part (ie, reducing the Affiliate's exposure to the performance of the Portfolio) and ii) redeem its investment in the Portfolio at any time, without notice to Shareholders and that the Affiliate is not under any obligation to take the interests of other Shareholders into account when making its investment decisions. As any large redemption from the Portfolio will have the indirect effect of increasing the proportion of the Portfolio's costs that the remaining Shareholders will have to bear, Shareholders should note that any redemption of its seed money by the Affiliate may have a negative effect on the value of their investment.

### **INCENTIVE ARRANGEMENTS**

The incentive arrangement involves the payment of performance fees and could create an incentive for the Investment Manager to select riskier or more speculative trades than would be the case in the absence of such an arrangement. The payment of the performance fee will be based on performance which may include investment income and net realised and net unrealised gains and losses as at the end of each Calculation Period. As a result, payments of performance fees may be made in respect of unrealised gains which may subsequently never be realised.

### **PERFORMANCE FEE METHODOLOGY**

The methodology used by the Company in calculating the performance fees in respect of certain Portfolios may result in inequalities as between Shareholders in relation to the payment of performance fees (with some investors paying disproportionately higher performance fees in certain circumstances) and may also result in certain Shareholders having more of their capital at risk at any time than others.

### **FOREIGN TAXES**

The Company may be liable to taxes (including withholding taxes) in countries other than Ireland on income earned and capital gains arising on its investments. The Company may not be able to benefit from a reduction in the rate of such foreign tax by virtue of the double taxation treaties between Ireland and other countries. The Company may not, therefore, be able to reclaim any foreign withholding tax suffered by it in particular countries. If this position changes and the Company obtains a repayment of foreign tax, the Net Asset Value of the Company will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment.

## FATCA

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

## FUTURE DEVELOPMENTS POTENTIALLY IMPACTING TAXATION OF SHAREHOLDERS

There are a number of national and international tax initiatives currently in progress which could, if enacted, impact the Company, a Portfolio and / or Shareholders in the future. At this time it cannot be predicted whether these tax initiatives will be enacted, and, if enacted, what their form will be and how they will impact the Company, a Portfolio or Shareholders. As a result, Shareholders should consult their own tax advisors regarding the possible implications of any such future developments on their investments in a Portfolio.

## 6. RISKS RELATED TO FINANCIAL DERIVATIVE INSTRUMENTS ("FDI")

### GENERAL

There are certain investment risks that apply in relation to the use of FDI. A Portfolio may use FDI as a cheaper or more liquid alternative to other investments, to attempt to hedge or reduce the overall risk of its investments, or as part of the investment policies and strategies used in the pursuit of its investment objectives. A Portfolio's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. Investments in FDI are subject to normal market fluctuations and other risks inherent in investment in securities. In addition, the use of FDI involves special risks, and risks different from, and, in certain cases, greater than, the risks presented by more traditional investments, including:

- dependence on the Investment Manager's and Sub-Investment Manager's ability to accurately predict movements in the price of the underlying security and the fact that the skills needed to use these strategies are different from those needed to select portfolio securities;
- imperfect correlation between the movements in securities or currency on which an FDI contract is based and movements in the securities or currencies in a Portfolio;
- the absence of a liquid market for any particular instrument at any particular time which may inhibit the ability of a Portfolio to liquidate an FDI at an advantageous price; and
- possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short term obligations because a percentage of a Portfolio's assets may be segregated to cover its obligations.

Should the Investment Manager's and Sub-Investment Manager's expectations in employing such techniques and instruments be incorrect or ineffective, a Portfolio may suffer a substantial loss, having an adverse effect on the Net Asset Value. Such strategies might also be unsuccessful and incur losses for a Portfolio, due to market conditions.

The use of FDI also means that the Net Asset Value of a Portfolio may at times be volatile. The Investment Manager employs a risk management process which enables it to accurately measure, monitor and manage the various risks associated with FDI.

### PARTICULAR RISKS OF FDI

#### General

The Investment Manager may make use of FDI in a Portfolio's investment program. Certain swaps, options and other FDI may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, swaps and other derivatives can involve significant economic leverage and may, in some cases, involve high risk of significant loss. The Global Exposure of a Portfolio which uses the Commitment Approach to manage the risks associated with their use of FDI will not exceed the Portfolio's Net Asset Value at any time. Portfolios which use the value at risk approach to manage the risks associated with their use of FDI may have a net leveraged exposure of over 100% of their Net Asset Value as a result of their use of FDI, which may result in a significant or a total loss to the Portfolio.

## **Liquidity; Requirement to Perform**

From time to time, the counterparties with which a Portfolio effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, a Portfolio might be unable to enter into a desired transaction or to enter into any offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments, forward or spot contracts do not provide a trader with the right to offset its obligations through an equal and opposite transaction. For this reason, entering into forward or spot contracts, the Company may be required to and must be able to, perform its obligations under the contract.

## **Necessity for Counterparty Trading Relationships**

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

## **Correlation Risk**

Although the Investment Manager believes that taking exposure to underlying assets through the use of FDI will benefit Shareholders in certain circumstances, due to reduced operational costs and other efficiencies which investment through FDI can bring, there is a risk that the performance of the Portfolio will be imperfectly correlated with the performance which would be generated by investing directly in the underlying assets.

## **Futures**

Positions in futures contracts may be closed out only on an exchange which provides a secondary market for such futures. However, there can be no assurance that a liquid secondary market will exist for any particular futures contract at any specific time. Thus, it may not be possible to close a futures position. In the event of adverse price movements, a Portfolio would continue to be required to make daily cash payments to maintain its required margin. In such situations, if a Portfolio has insufficient cash, it may have to sell portfolio securities to meet daily margin requirements at a time when it may be disadvantageous to do so. In addition, a Portfolio may be required to make delivery of the instruments underlying futures contracts it holds.

The inability to close options and futures positions also could have an adverse impact on the ability to effectively hedge a Portfolio.

The risk of loss in trading futures contracts in some strategies can be substantial, due both to the low margin deposits required, and the extremely high degree of leverage involved in futures pricing. As a result, a relatively small price movement in a futures contract may result in immediate and substantial loss (as well as gain) to the investor. For example, if at the time of purchase, 10% of the value of the futures contract is deposited as margin, a subsequent 10% decrease in the value of the futures contract would result in a total loss of the margin deposit, before any deduction for the transaction costs, if the account were then closed out. A 15% decrease would result in a loss equal to 150% of the original margin deposit if the contract were closed out. Thus, a purchase or sale of a futures contract may result in losses in excess of the amount of investment in the contract. The relevant Portfolio also assumes the risk that the Investment Manager will incorrectly predict future stock market trends.

It is also possible that a Portfolio could both lose money on futures contracts and also experience a decline in value of its portfolio securities. There is also a risk of loss by a Portfolio of margin deposits in the event of bankruptcy of a broker with whom a Portfolio has an open position in a futures contract or related option.

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day, no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. It is also possible that an exchange or the CFTC may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. This constraint could prevent the Investment Manager from promptly liquidating unfavourable positions and subject a Portfolio to substantial losses. This could also impair a Portfolio's ability to withdraw its investments in order to make distributions to a redeeming Shareholder in a timely manner. Therefore, although the Company is open to all classes of investors and it

is not expected that its investments will impact on its ability to meet redemption requests, it may be more suitable for sophisticated investors that will not be materially impacted by postponements of a Portfolio's normal redemption dates.

## **PARTICULAR RISKS OF OTC FDI**

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

In general, there is less government regulation and supervision of transactions in the over-the-counter markets than of transactions entered into on organised exchanges. In addition, many of the protections afforded to some participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with transactions in OTC FDI. Therefore, although any counterparty with whom a Portfolio enters into an OTC FDI transaction will be rated at or in excess of the requirements of the Central Bank by a Recognised Rating Agency and the Portfolio may further reduce its exposure to the counterparty through the use of collateral, the Portfolio will be subject to the risk that the counterparty will not perform its obligations under the transactions. In the event that the counterparty is unable or unwilling to meet its contractual liabilities, there may be a limited but detrimental impact on the Portfolio.

### **Tax**

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

### **Legal**

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

There also may be a legal or documentation risk that the parties to the OTC FDI may disagree as to the proper interpretation of its terms. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for the Company to enforce its contractual rights may lead the Company to decide not to pursue its claims under the OTC FDI. The Company thus assumes the risk that it may be unable to obtain payments owed to it under OTC arrangements, that those payments may be delayed or made only after the Company has incurred the costs of litigation.

### **Forward Contracts**

The Investment Manager may enter into forward contracts and options thereon on behalf of a Portfolio which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forward contracts. The swap dealers with whom a Portfolio may maintain accounts may require the relevant Portfolio to deposit margin with respect to such trading. The Portfolios' counterparties are not required to continue to make markets in such contracts and these contracts can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of a Portfolio. Market illiquidity or disruption could result in major losses to a Portfolio. In addition, a Portfolio may be exposed to credit risks with regard to counterparties with whom they trade as well as risks relating to settlement default. Such risks could result in substantial losses to a Portfolio.

### **Valuation Risk**

FDI and forward exchange contracts which are not dealt on a Recognised Market shall either be valued by the counterparty at least daily, provided that the valuation is verified at least weekly either by the Investment Manager or other independent party such person to be independent of the counterparty and approved for that purpose by the Depositary, or by using an alternative valuation. If using an alternative valuation, the Company will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as IOSCO and AIMA. In the event that the Company opts to use an alternative valuation, the Company will use a competent person appointed by the Directors, approved for this purpose by the Directors and the Depositary, or will use such other

method approved by the Depository and such alternative valuation will be reconciled with the counterparty's valuation on a monthly basis. Any significant differences to the counterparty valuation will be promptly investigated and explained.

Investors should note that there is often no single market value for instruments such as OTC FDI. The discrepancies between bid offer spread on OTC FDI may be partly explained by various estimates on their pricing parameters. The Company has put procedures in place to reconcile any differences in valuation between the counterparties as well as pricing anomalies.

### **RISKS ASSOCIATED WITH EXCHANGE-TRADED FUTURES CONTRACTS**

A particular risk associated with this type of contract is the means by which the futures contract is required to be terminated. A futures contract can only be terminated by entering into an offsetting transaction. This needs a liquid secondary market on the exchange on which the original position was established. However, there can be no assurance that such a market will exist for any particular contract at any point in time. In that event, it might not be possible to establish or liquidate a position. In addition, because the instrument underlying a futures contract traded by a Portfolio will often be different from the instrument or market being hedged or to which exposure is sought, the correlation risk could be significant and could result in losses to a Portfolio. The use of futures involves basis risk – the risk that changes in the value of the underlying instrument will not be fully reflected in the value of the futures contract. The liquidity of a secondary market in futures contracts is also subject to the risk of trading halts, suspensions, exchange or clearing house equipment failures, government intervention, insolvency of a brokerage firm, clearing house or exchange or other disruptions of normal trading activity. Each securities exchange typically has the right to suspend or limit trading in all securities which it lists. Such a suspension would render it impossible for a Portfolio to liquidate positions and, accordingly, could expose a Portfolio to losses and potentially have an adverse impact on its ability to redeem Shares. There is also a degree of leverage inherent in futures trading (ie, the loan margin deposits normally required in futures trading means that such trading may be highly leveraged). Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to a Portfolio.

### **OPTIONS**

A Portfolio may enter into option contracts. These contracts give the right, but not the obligation, to buy or sell an underlying asset or instrument at a specified strike price on or before a specified date.

A put option gives the holder the right to sell the underlying assets to the option writer at an agreed price, whereas a call option gives the holder the right to purchase the underlying assets from the option writer at an agreed price. A Portfolio may sell put options in respect of securities and may, in order to generate additional income, sell call options by setting target 'strike' prices at which those securities may be sold or bought in the future. This will create exposure for the Portfolio, as it may have to deliver the underlying securities and, should the market move unfavourably, this may result in a loss. The maximum loss for the writer of a put option is equal to the strike price less the premium received. The maximum loss for the writer of a call option is potentially unlimited if the writer does not hold the physical asset that must be delivered. In the case of a written option or a future, the underlying security is not delivered upon exercise, as the contract is cash settled. A Portfolio's financial liability is therefore linked to the marked-to-market value of the notional underlying investments.

An option writing strategy used by a Portfolio carries the risks detailed above. Such an option writing strategy may also limit the potential for capital growth and increase the risk that the Net Asset Value of a Portfolio will underperform global equities markets.

### **CONTRACTS FOR DIFFERENCES**

A contract for differences ("CFD") is an OTC derivative transaction providing synthetic exposure to an underlying asset such as a listed equity, an index or a basket of securities. Such contracts are subject to risks related to OTC investments. They are subject to daily margin adjustment payments and in case of significant market movement, holders of CFDs may sustain more loss than the margin accounts and expose the Portfolio to losses. In addition, if there is no liquidity in the relevant reference security, the Portfolio may be unable to trade the respective CFD which could have impact on the Portfolio's performance and liquidity. In addition, CFDs are exposed to counterparty risk as described in the Operational Risk section.

### **TOTAL AND EXCESS RETURN SWAPS**

Certain Portfolios may use Total Return (TR) or Excess Return (ER) Swaps. A TR Swap is a swap agreement in which the total return of a security is exchanged for some other cash flow, usually tied to LIBOR or some other loan or credit-sensitive security/market. TR and ER Swaps are subject to interest rate risk with an additional risk that underlying security/market movements may vary from expectations at the point the position is entered into. Adverse movements in either case would result in losses to the relevant Portfolios. TR Swaps are also subject to counterparty credit risk,



which is the possibility that the other party to the swap contract may default on its obligations. Collateralisation arrangements will be in place to minimise this counterparty credit risk. Any collateral received by the Portfolios in respect of OTC FDI will meet the requirements set out in this Prospectus and be valued in accordance with the provisions of the “Determination of Net Asset Value” section hereof.

### **FORWARD CURRENCY CONTRACTS**

Forward contracts are not traded on exchanges, are not standardised and each transaction tends to be negotiated on an individual basis. Forward trading is substantially unregulated.

There is no requirement that the principals who deal in the forward markets are required to continue to make markets in the currencies they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Disruptions can occur in any market traded by a Portfolio due to unusually high trading volume, political intervention or other factors. In respect of such trading, a Portfolio is subject to the risk of counterparty failure or the inability or refusal by a counterparty to perform with respect to such contracts. Market illiquidity or disruption could result in major losses to a Portfolio.

### **COMMODITY POOL OPERATOR – “DE MINIMIS EXEMPTION”**

While certain Portfolios may trade commodity interests (which for CFTC purposes include, but are not limited to, commodity futures contracts, commodity options contracts and/or swaps), including security futures products, the Investment Manager is exempt from registration with the CFTC as a CPO with respect to those Portfolios pursuant to CFTC Rule 4.13(a)(3). Therefore, unlike a registered CPO, the Investment Manager is not required to deliver a CFTC disclosure document to prospective investors, nor is it required to provide investors with certified annual reports that satisfy the requirements of CFTC rules applicable to registered CPOs.

Reliance upon CFTC Rule 4.13(a)(3), the so-called “de minimis exemption”, requires limiting each such Portfolio’s exposure to the commodity markets. CFTC Rule 4.13(a)(3) requires that a pool for which such exemption is filed must meet one or the other of the following tests with respect to its commodity interest positions, including positions in security futures products, whether entered into for bona fide hedging purposes or otherwise: (a) the aggregate initial margin, premiums, and required minimum security deposit for retail forex transactions, will not exceed 5 per cent. of the liquidation value of the pool’s portfolio, after taking into account unrealised profits and unrealised losses on any such positions it has entered into; or (b) the aggregate net notional value of such positions does not exceed 100 per cent. of the liquidation value of the pool’s portfolio, after taking into account unrealised profits and unrealised losses on any such positions it has entered into. Additional conditions for reliance upon this exemption are detailed in Annex IV.

### **INVESTMENT IN LEVERAGED CIS**

The Company and the Investment Manager will not generally have control over the activities of any company or collective investment scheme invested in by a Portfolio. Managers of collective investment schemes and companies in which a Portfolio may invest may take undesirable tax positions, employ excessive leverage, or otherwise manage the collective investment schemes or be managed in a manner not anticipated by the Investment Manager. Any leverage employed by managers of collective investment schemes and companies in which a Portfolio may invest, may involve the same leverage risks as those arising where a Portfolio employs leverage, as described in the “Investment Risks” section of this Prospectus and the “Risk” section of the description of such Portfolio in the relevant Supplement.

### **LEVERAGE RISK**

The Portfolios may achieve some leverage through the use of FDI for the purpose of making investments. The use of leverage creates special risks and may significantly increase the Portfolios’ investment risk. Leverage creates an opportunity for greater yield and total return but, at the same time, may result in a significant or a total loss of the Portfolio.

### **RISKS OF CLEARING HOUSES, COUNTERPARTIES OR EXCHANGE INSOLVENCY**

The liquidity of a secondary market in derivatives is subject to the risk of trading halts, suspensions, exchange or clearing house equipment failures, government intervention, insolvency of a brokerage firm, clearing house or exchange or other disruptions of normal trading activity.

### **SHORT POSITIONS**

Holding a short position is when a security that the Portfolios do not physically own is sold. This is done if the price of that security is expected to fall so that it can be purchased at a later date for a lower price to make a profit. Uncovered selling of securities is prohibited under the UCITS Regulations but the creation of synthetic short positions through the use of FDI is permitted, as long as any exposure created is covered by the assets of the relevant Portfolio. A short

position in a security could create greater risks than would occur with a long position. These include the possibility of an unlimited loss due to potentially unlimited price increases in the securities concerned.

## **CASH COLLATERAL**

Cash collateral re-use or reinvestment could lead to a reduction of the value of the eligible collateral capital. This, in turn may cause losses to the Company and the relevant Portfolio because it is obliged to return collateral to the counterparty.

## **INDEX RISK**

The structure and composition of the relevant index, including the transaction costs which are inherent in the index and are designed to replicate the trading costs which would be borne by an investor seeking to gain access to the exposures provided by the index, will affect the performance, volatility and risk of the index (in absolute terms and by comparison with other indices) and consequently, the performance, volatility and risk of the Portfolio. An index tracking Portfolio may not be successful in selecting a portfolio of investments that will provide a return that correlates closely with that of the relevant index. Application of such screens or techniques may result in investment performance below that of the relevant index and may not produce results expected by the Portfolio. Investors should review the index rules for the relevant Portfolio and the risk disclosures and limitations on liability contained therein prior to investing in such a Portfolio.

### **Index License Risk**

If in respect of an index, at any time, the licence granted (if required) in respect of any relevant Portfolio or the Investment Manager (or its affiliates) to replicate or otherwise use the index for the purposes of an index tracking Portfolio terminates, or such a licence is otherwise disputed, impaired or ceases (for any reason), the Directors may be forced to replace the index with another index which they determine to track substantially the same market as the index in question and which they consider to be an appropriate index for the Portfolio to track and such a substitution or any delay in such a substitution may have an adverse impact on the Portfolio. In the event that the Directors are unable to identify a suitable replacement for the relevant index, they may be forced to terminate the Portfolio.

### **Index Tracking Risk**

Where a Portfolio tracks an index, there is no guarantee that the investment objective of that Portfolio will be achieved. In particular, no financial instrument enables the returns of any index to be reproduced or tracked exactly and any use of portfolio optimisation techniques by a Portfolio instead of full replication may increase the risk of tracking error. Changes in the investments of a Portfolio and re-weightings of the index may give rise to various transaction costs (including in relation to the settlement of foreign currency transactions), operating expenses or inefficiencies which may adversely impact the performance of the relevant index and the Portfolio's tracking of the index. Furthermore, the total return on investment in the Shares will be reduced by certain costs and expenses which are not taken into account in the calculation of the index, such as the trading costs and fees and expenses borne by a Portfolio. Moreover, in the event of the temporary suspension or interruption of trading in the investments comprising the relevant index, or of market disruptions, rebalancing a Portfolio's investment portfolio may not be possible and may result in deviations from the return of the relevant index.

The ability of an index tracking Portfolio to achieve significant correlation between the performance of the Portfolio and the index it tracks may be affected by changes in securities markets, changes in the composition of the relevant index, cash flows into and out of the Portfolio and the fees and expenses of the Portfolio. Such a Portfolio will seek to track index returns regardless of the current or projected performance of the relevant index or of the actual securities comprising the index. Further, the relevant Portfolio generally will not sell a security included in the index as long as such security is part of the index regardless of any sudden or material decline in value or foreseeable material decline in value of such security, even though the Investment Manager / Sub-Investment Manager may make a different investment decision for other accounts or portfolios that hold such security. As a result, an index-tracking Portfolio's performance may be less favourable than that of a portfolio managed using an active investment strategy.

## BORROWING POLICY

Under the Articles the Directors are empowered to exercise all of the borrowing powers of the Company subject to any limitations under the UCITS Regulations and to charge the assets of the Company as security for such borrowings.

The Company may not borrow money, grant loans or act as guarantor on behalf of third parties, except:

- (i) foreign currency may be acquired by means of a back-to-back loan (i.e. borrowing one currency against the deposit of an equivalent amount of another currency) provided that where foreign currency borrowings exceed the value of the "back-to-back" deposit, any excess shall be regarded as borrowing and therefore aggregated with other borrowing for the purposes of the 10% limit referred to below; and
- (ii) the Company may incur temporary borrowings (including to finance temporary cash flow mismatches in respect of covering FDI positions which a Portfolio may enter into) in an amount not exceeding 10% of its net asset value and may charge its assets as security for such borrowings.

## DISTRIBUTION POLICY

### ACCUMULATING CLASSES

The Directors have determined to accumulate all net investment income and net realised capital gains attributable to the Accumulating Classes and therefore do not intend to declare dividends in respect of Shares in such classes.

### DISTRIBUTING CLASSES

#### Source of Distributions

Pursuant to the Articles, the Directors may declare dividends, in respect of any Shares out of net income (including dividend and interest income) and/or the excess of realised and unrealised capital gains over realised and unrealised losses in respect of investments of the Company (collectively "Net Income") and also out of capital. Dividends paid out of capital amount to a return or withdrawal of part of a Shareholder's original investment or from any capital gains attributable to that original investment. Such dividends may result in an immediate decrease in the net asset value of the relevant Shares.

It is the current intention of the Directors, subject to any de minimis threshold, to declare and pay as a dividend at least 85% of the Net Income attributable to each of the Distributing Classes, other than (i) the (Weekly) Distributing Classes; (ii) the (Monthly) Distributing Classes; (iii) the (CG) Distributing Classes and (iv) such other Distributing Classes in a Portfolio which are specified in the relevant Supplement to pay dividends out of capital and Net Income. However, Shareholders should note that the Directors may, in their discretion, decide not to make such declaration and payment in respect of a Distributing Class.

In respect of the (Weekly) Distributing Classes, the (Monthly) Distributing Classes and the (CG) Distributing Classes, the Directors intend to declare and pay a weekly, monthly or semi-annual dividend respectively, attributable to the Shares of each such Class out of a combination of Net Income and capital, so that where Net Income during the relevant period is less than the amount declared, the balance will be paid of the capital represented by the relevant Shares, which will enable the Classes to distribute regular, set dividends. In the event that the Net Income attributable to the (Weekly) Distributing Classes, the (Monthly) Distributing Classes or the (CG) Distributing Classes exceeds the amount declared during the relevant period, the excess of Net Income over this amount will be retained in a distribution account in respect of the relevant Shares and will form part of the dividend payable in respect of the succeeding distribution period. While the foregoing represents the Directors' current intention in respect of the declaration and payment of dividends in respect of the (Weekly) Distributing Classes, the (Monthly) Distributing Classes and the (CG) Distributing Classes, the Directors may in their discretion decide not to make such declaration and payment and there is no guarantee that any such dividends will be paid. Investors should note that dividends declared in respect of a Portfolio may not reflect the dividend characteristics of the underlying investments of that Portfolio.

#### Frequency of Distributions

Under normal circumstances, the Directors intend that dividends in respect of:

- (a) each of the (Weekly) Distributing Classes (where offered by a Portfolio) shall be declared and paid on or prior to the last Business Day of each week;
- (b) each of the (Monthly) Distributing Classes in all Portfolios shall be declared on or prior to the last Business Day of each month and paid within three Business Days thereafter;
- (c) each of the (CG) Distributing Classes in all Portfolios shall be declared on a semi-annual basis and, unless specified in the relevant Supplement, paid within thirty Business Days thereafter;
- (d) any Distributing Classes which have been designated as quarterly distributing classes shall be declared on a quarterly basis and, unless otherwise provided in the relevant Supplement, paid within thirty Business Days thereafter;
- (e) all other Distributing Classes in all Portfolios shall be declared and paid on the frequency stated in the relevant Supplement in respect of each Portfolio.

Subject to income being available for distribution, the Directors may also decide to declare and pay interim dividends in relation to any of the Distributing Classes. All Shares in issue in a Distributing Class on any date on which the Directors determine to declare a dividend in respect of such Distributing Class will be eligible for such dividend.

#### Method of Payment and Other Conditions

Dividends will be paid by wire transfer in accordance with the bank account details nominated by the Shareholder on the subscription application form unless the Shareholder shall have elected that dividends otherwise payable in cash be automatically re-invested in further Shares in the relevant Distributing Class. Dividends paid in cash will be paid in the class currency of the relevant Distributing Class, except in the case of BRL Classes and CLP Classes, in respect of which distributions will be paid in US Dollars.

The Directors reserve the right to change the dividend policy of any class of Shares at its discretion on not less than one month's prior notice to Shareholders of the relevant class and this Prospectus will be updated to reflect any such change. Any dividend unclaimed after a period of six years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Portfolio.

#### **Information on Past Distributions**

The compositions (i.e. the relative amounts paid from income and capital) of dividends paid for the previous 12 months (if any) in respect of Portfolios which have been authorised in Hong Kong for retail distribution can be obtained from [www.nb.com](http://www.nb.com).

## SUBSCRIPTIONS & REDEMPTIONS

The Directors may issue Shares of any series or class, and create new series or classes of Shares, on such terms as they may from time to time determine in relation to any Portfolio. For the avoidance of doubt, there will only ever be one (1) series in respect of each Portfolio. Shares of any particular series may be divided into different classes to accommodate different subscription and/or redemption and/or dividend provisions and/or charges and/or fee arrangements. Investors should note that not all Portfolios described in this Prospectus are currently available for subscription and should refer to the information in the relevant Supplement for further details in respect of the Portfolios in which they intend to invest. Details of the classes of Shares available in each Portfolio are contained in Annex II to this Prospectus.

Application forms, together with supporting documentation in relation to money laundering prevention checks should be sent by facsimile, or by any other electronic means as agreed with the Administrator, (with the original to follow by post) to the Distributor or relevant sub-distributor, if any, for onward transmission to the Administrator in accordance with the details set out in the application form or to the Company at the address set out in the application form.

Subscriptions for Shares in New Classes at the Initial Offer Price will be considered during the Initial Offer Period for the relevant Portfolio, upon receipt by the Administrator of completed share applications and subscription monies as specified below. Such Shares will be issued on the last day of the Initial Offer Period. Details of the Initial Offer Price and Initial Offer Period in respect of each Portfolio are contained in the relevant Supplement.

Shareholders may request the Company to redeem their Shares on any Dealing Day at their Net Asset Value per Share on such Dealing Day in accordance with the redemption procedures.

In order to receive or redeem Shares at their Net Asset Value per Share as of any particular Dealing Day, a properly completed subscription or redemption form must be received by the Administrator before the relevant Dealing Deadline.

Subscription or redemption application forms received after the relevant deadlines shall be held over until the following Dealing Day, unless the Directors otherwise determine.

Subscriptions or redemptions for Shares may be submitted to the Administrator by fax, or by any other electronic means as agreed with the Administrator, using the relevant subscription or redemption form as appropriate, provided that all ongoing anti-money laundering checks are complete. If applicable, redemption requests must be accompanied by a share certificate in respect of the Shares (duly endorsed by the Shareholder) or such other evidence of ownership as the Administrator may request.

Investors should review the Prospectus in conjunction with any relevant Key Investor Information Documents.

### **Information Specific to Subscriptions**

Unless stated otherwise in the relevant Supplement, subscriptions in each Portfolio will be accepted either as a subscription for Shares of a cash value or subscriptions for a specific number of Shares.

Subscription monies should be sent by wire transfer to the relevant account specified in the subscription application form, or by transfer of assets in accordance with the provisions described below, no later than three (3) Business Days after the relevant Dealing Day.

If cleared funds representing the subscription monies are not received by the Company by close of business on the relevant due date, the Directors reserve the right to cancel the provisional allotment of Shares. In such an event the investor shall indemnify the Company and the Administrator for any loss suffered by the Company as a result of the investor's failure to transmit the subscription monies in a timely fashion. In the event that the Directors decide not to cancel a provisional allotment of Shares notwithstanding that cleared funds have not been received by the Company by the relevant cut-off time, the Directors reserve the right to charge interest (at a rate equal to LIBOR + 3.5% or such other rate as the Directors may from time to time determine) on such subscription monies commencing on the third Business Day following the relevant Dealing Day. Subscription monies received from applicants prior to the receipt of a completed subscription application form will be maintained (without interest) in an account opened by the Depository in the name of the Company, the monies will not be available for investment and will remain the property of the applicant until the relevant share application is accepted by the Company.

Subscription monies are to be paid in the specified currency to the bank account indicated in the relevant subscription application form, except in the case of BRL Classes and CLP Classes, in respect of which subscriptions must be paid in US Dollars.

The Directors, or the Administrator as their delegate, may also issue Shares in exchange for assets which the Company is permitted to hold under the investment restrictions of the relevant Portfolio. No Shares may be issued in exchange for



such assets unless the Directors are satisfied that:

- (a) the number of Shares issued will not be more than the number which would have been issued for settlement in cash, having valued the assets to be exchanged in accordance with the valuation provisions set out in the Articles and summarised in the “*Determination of Net Asset Value*” section;
- (b) all fiscal Duties and Charges arising in connection with the vesting of such assets in the Depositary for the account of the relevant Portfolio are paid by the person to whom the Shares are to be issued or, at the discretion of the Directors, out of the assets of such Portfolio; and
- (c) the assets would qualify as assets of the relevant Portfolio in accordance with the investment objective, policies and restrictions of such Portfolio;

and the Depositary is satisfied that:

- (i) the terms of such exchange shall not materially prejudice the Shareholders; and
- (ii) that the assets have been vested in the Depositary.

The Minimum Initial Subscriptions and Minimum Holdings that apply to each Portfolio are contained in Annex II to this Prospectus. The Directors may, in their absolute discretion, waive the Minimum Initial Subscription and Minimum Holding for each class of Shares.

Measures aimed towards the prevention of money laundering may require a detailed verification of the applicant’s identity. Depending on the circumstances of each application, a detailed verification might not be required where (a) the applicant makes the payment from an account held in the applicant’s name at a recognised financial institution; or (b) the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognised by Ireland as having equivalent anti-money laundering regulations.

The Company, and the Administrator acting on behalf of the Company, reserve the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Company, and the Administrator acting on behalf of the Company, may refuse to accept the application and all subscription monies. Shareholders will not be permitted to request the redemption of their Shares unless the original completed subscription application form has been received by the Administrator, and all anti-money laundering checks required by the Central Bank have been completed in respect of the relevant subscription.

All Shares issued will be in registered form and written confirmation of ownership will be sent to Shareholders within ten (10) business days of registration. Share certificates will not be issued unless the Directors otherwise determine. The number of Shares issued will be rounded to the nearest one thousandth of a share and any surplus money will be credited to the Company. The Directors may, in their absolute discretion refuse to accept any subscription for Shares, in whole or in part.

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

The Company will not knowingly issue any Shares to any US Person except in a transaction which does not contravene US securities laws. Each applicant for Shares will be required to provide such representations, warranties or documentation as may be required by the Company to ensure that these requirements are met prior to the issue of Shares. Refer to Annex IV for further information.

#### **Information Specific to Redemptions**

Shareholders will not be entitled to withdraw redemption requests unless otherwise agreed by the Administrator in consultation with the Directors. The Directors or the Administrator shall be entitled to refuse to redeem any Shares until the share certificates (if any) in respect of those Shares have been returned to the Company. The original of all requests for redemptions must be received by the Administrator in order for payment to be made, provided, however, that payment may be made where a redemption request has been submitted by fax and where payment is made to the account specified by the Shareholder in its original subscription application form, or such other account as may be specified by original notice in writing to the Administrator.

The Shares shall be redeemed at the Net Asset Value per Share on the Dealing Day on which redemption is effected as calculated in accordance with the Articles of Association. Investors in some Portfolios may also be subject to Duties and Charges on a redemption. Investors’ attention is drawn to the “*Fees and Expenses*” section.

Redemption Proceeds may, with the consent of the Shareholder concerned, be paid by in specie transfer to the Shareholder in question of assets of the Company. The assets to be transferred shall be selected at the discretion of the Directors, subject to the approval of the Depositary and the Investment Manager and taken at their value used in determining the redemption price of the Shares being so repurchased. If requested by the Shareholder, the Company must sell the assets on behalf of the Shareholder at the Shareholder's expense and give the Shareholder cash. Such distributions will not materially prejudice the interests of remaining Shareholders.

That notwithstanding, if on any Dealing Day a Shareholder requests the redemption of Shares equal to 5% or more of the number of Shares in issue in a particular series on such Dealing Day and on such Dealing Day redemption requests from all holders of Shares of that series total an aggregate of more than 25% of all the Shares in issue in that series on such Dealing Day, the Company may, with the prior consent of such Shareholder, taking prevailing market conditions and the best interests of the Shareholders of that series as a whole into account, distribute underlying investments rather than cash in respect of such Shareholder's redemption request. In such circumstances, subject always to the principle that any such distribution shall not materially prejudice the interest of other Shareholders and the approval of the Depositary and the Investment Manager for the allocation of assets as part of such distribution, such distributions will be structured so as to provide such redeeming Shareholder with a pro-rated proportion of each asset held by the relevant Portfolio.

In the event that the Company exercises the power to distribute underlying investments rather than cash in respect of a redemption request, the relevant Shareholder will have the right to instruct the Company to procure the sale of such underlying investments on their behalf, in which case the Shareholder will receive the proceeds net of all Duties and Charges incurred in connection with the sale of such underlying investments.

If on any Dealing Day outstanding redemption requests from all holders of Shares of a particular series total more than such amount as may be determined by the Directors from time to time in respect of a series and disclosed in the relevant Supplement, subject always to a minimum of 10% of the Shares of such series in issue on such Dealing Day, (the "Redemption Ceiling") the Company shall be entitled, in its discretion, to refuse to redeem such number of Shares in that series in excess of the Redemption Ceiling on that Dealing Day, as the Directors shall determine. Where no Redemption Ceiling is specified in the relevant Supplement, the Redemption Ceiling shall be 10% of the Shares of such series in issue on such Dealing Day.

If the Company refuses to redeem Shares for this reason, all requests for redemption on such Dealing Day shall be reduced rateably and the Shares to which each request relates which are not redeemed on that Dealing Day shall be redeemed on each subsequent Dealing Day in accordance with the provisions of the Articles until all the Shares of the series to which the original requests related have been redeemed, provided always that in no case will the Company be obliged to redeem Shares of a particular series in excess of the Redemption Ceiling on any Dealing Day.

Redemption proceeds will be paid in the currency received by the Administrator in respect of the subscription for the Shares being redeemed. Any currency conversion necessary will be undertaken by the Administrator at the investor's expense at the prevailing rate on the date of redemption. Redemption proceeds will be paid within ten (10) Business Days of the relevant Dealing Day unless payment has been suspended in the circumstances described under "*Temporary Suspension of Dealings*" below, although the Company will seek to make such payments within a shorter period of time where possible (up to and including within three (3) Business Days of the relevant Dealing Day). Unless otherwise agreed with the Company, redemption proceeds will be paid by electronic transfer at the expense of the relevant Shareholder to the Shareholder's account as specified in the Shareholder's subscription application form or as otherwise specified by original notice in writing by the Shareholder to the Company.

Where satisfaction of a redemption request would result in a Shareholder holding a number of Shares in a class of with a value less than the Minimum Holding for that class, the Directors shall be entitled, at their discretion, to treat the application for redemption as an application for the redemption of all of that Shareholder's Shares of the relevant class or to offer the Shareholder an opportunity to amend or withdraw the redemption request.

### **Operation of the Subscription and Redemption Collection Accounts**

The Company has established a collection account at umbrella level in the name of the Company (the "Umbrella Cash Collection Account") and has not established such accounts in respect of each Portfolio. All subscriptions (including subscriptions received in advance of the issue of Shares) attributable to, and all redemptions, dividends or cash distributions payable from, a Portfolio will be channelled and managed through the Umbrella Cash Collection Account.

Monies in the Umbrella Cash Collection Account, including subscription monies received in respect of a Portfolio in advance of the issue of Shares, will not be subject to the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers. Pending the issue of Shares or pending payment of redemption proceeds or distributions, the relevant investor will be an unsecured creditor of the Portfolio in respect of amounts paid by or due to it.

Subscriptions amounts paid into the Umbrella Cash Collection Account will be paid into an account in the name of the Depositary on behalf of the relevant Portfolio on the contractual settlement date. Where subscription monies are

received in the Umbrella Cash Collection Account without sufficient documentation to identify the investor or the relevant Portfolio, such monies shall, subject to compliance with relevant anti-money laundering requirements, be returned to the relevant investor within the timescales and as specified in the operating procedure in respect of the Umbrella Cash Collection Account.

Redemptions and distributions, including blocked redemptions or distributions, will be held in the Umbrella Cash Collection Account until payment due date (or such later date as blocked payments are permitted to be paid) and will then be paid to the relevant or redeeming Shareholder.

Failure to provide the necessary complete and accurate documentation in respect of subscriptions, redemptions or dividends is at the investor's risk.

The Umbrella Cash Collection Account has been opened in the name of the Company. The Depositary will be responsible for safe-keeping and oversight of the monies in the Umbrella Cash Collection Account and for ensuring that relevant amounts in the Umbrella Cash Collection Account are attributable to the appropriate Portfolios.

The Company and the Depositary have agreed an operating procedure in respect of the Umbrella Cash Collection Account, which identifies the participating Portfolios, the procedures and protocols to be followed in order to transfer monies from the Umbrella Cash Collection Accounts, the daily reconciliation processes and the procedures to be followed where there are shortfalls in respect of a Portfolio due to late payment of subscriptions, and / or transfers to a Portfolio of monies attributable to another Portfolio due to timing differences.

## MANDATORY REDEMPTION OF SHARES

Shareholders are required to notify the Company immediately in the event that they become Irish Residents, US Persons, Benefit Plans or cease to be Exempt Investors, or the Declaration made by or on their behalf is no longer valid. Shareholders are also required to notify the Company immediately in the event that they hold Shares for the account or benefit of Irish Residents, US Persons, Benefit Plans, or otherwise hold Shares in breach of any law or regulation or otherwise in circumstances having or which may have, adverse regulatory, tax or fiscal consequences or be a material administrative disadvantage for the Company or the Shareholders as a whole. In addition, Shareholders are required to notify the Company if any information provided or representations made by them on any subscription application form is no longer correct. It is the responsibility of each Shareholder to ensure that correct and accurate information is provided to the Company and kept up to date.

Where the Company becomes aware that a Shareholder is (a) a US Person or is holding Shares for the account or benefit of a US Person and such person is not an “accredited investor” (as defined in Rule 501(a) of Regulation D under the 1933 Act) and a “qualified purchaser” (as defined in Section 2(a)(51) of the 1940 Act); (b) a Benefit Plan or is holding Shares for the account or benefit of a Benefit Plan; (c) holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, legal, pecuniary or tax consequences or material administrative disadvantage for the Company or the Shareholders as a whole; or (d) not holding Shares equal to or greater than the Minimum Holding, the Company may, at its absolute discretion, acting in accordance with applicable laws and regulations and in good faith and on reasonable grounds: (i) direct the Shareholder to dispose of those Shares to a person who is entitled to own the Shares within such time period as the Company stipulates; or (ii) redeem the Shares at their Net Asset Value per Share as at the next Business Day after the date of notification to the Shareholder or following the end of the period specified for disposal pursuant to (i) above.

Under the Articles, any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer, or deliver for redemption, his Shares pursuant to the above provisions or who fails to make the appropriate notification to the Company shall indemnify and hold harmless each of the Directors, the Company, the Investment Manager, the Administrator, the Depositary and the Shareholders (each an “Indemnified Party”) from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions. The potential costs to the Indemnified Parties, in respect of which the aforementioned indemnity is provided, may be substantial and may exceed the value of their investment in the Company.

The Company shall be entitled to redeem Shares in respect of any Portfolio or class in the circumstances described in the “*Termination of Portfolios or Share Classes*” section.

## EXCHANGE PRIVILEGE

Except where dealings in Shares have been temporarily suspended in the circumstances described in this Prospectus and subject to the restrictions in respect of specific classes below, Shareholders may request the exchange of Shares of any Class in a Portfolio (the "Original Class") on any Business Day for Shares of any Class in any Portfolio (including the same Portfolio as the Original Class). A properly completed exchange request form must be received by the Administrator before the relevant Dealing Deadline.

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

Exchange request forms should be sent by post or facsimile (with the original followed by post) to the Distributor or relevant sub-distributor for onward transmission to the Administrator at the address specified above in the "Subscriptions" section or to the Administrator. Exchange requests forms received after the above deadlines will be held over and dealt with on the following Business Day. The price at which Shares will be exchanged will be determined by reference to the Net Asset Value per Share of the relevant Shares on the relevant Business Day.

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

### Share Class-specific Restrictions

#### B Shares

B Shares can only be exchanged for B Shares of another Portfolio which continues to issue B Shares of the same currency and which are subject to the same CDSC. The aging of the Shares exchanged will be carried over to the New Class and no CDSC will be payable at the time of such exchange. No other Class may be exchanged for B Shares. The attention of Shareholders is drawn to this restriction, which may limit their ability to acquire Shares in another Portfolio through exchanging because B Shares are not available in all Portfolios and the further issue of B Shares in any Portfolio may be suspended at any time by the Directors and there can be no guarantee that B Shares of any currency in any Portfolio will continue to be offered by the Company.

#### C1 Shares

C1 Shares can only be exchanged for C1 Shares of another Portfolio which continues to issue C1 Shares of the same currency and which are subject to the same CDSC. The aging of the Shares exchanged will be carried over to the New Class and no CDSC will be payable at the time of such exchange. No other Class may be exchanged for C1 Shares. The attention of Shareholders is drawn to this restriction, which may limit their ability to acquire Shares in another Portfolio through exchanging because C1 Shares are not available in all Portfolios and the further issue of C1 Shares in any Portfolio may be suspended at any time by the Directors and there can be no guarantee that C1 Shares of any currency in any Portfolio will continue to be offered by the Company.

#### C2 Shares

C2 Shares can only be exchanged for C2 Shares of another Portfolio which continues to issue C2 Shares of the same currency and which are subject to the same CDSC. The aging of the Shares exchanged will be carried over to the New Class and no CDSC will be payable at the time of such exchange. No other Class may be exchanged for C2 Shares. The attention of Shareholders is drawn to this restriction, which may limit their ability to acquire Shares in another Portfolio through exchanging because C2 Shares are not available in all Portfolios and the further issue of C2 Shares in any Portfolio may be suspended at any time by the Directors and there can be no guarantee that C2 Shares of any currency in any Portfolio will continue to be offered by the Company.

#### C Shares

C Shares can only be exchanged for C Shares of another Portfolio which continues to issue C Shares of the same currency and which are subject to the same CDSC. The aging of the Shares exchanged will be carried over to the New Class and no CDSC will be payable at the time of such exchange. The attention of Shareholders is drawn to this

restriction, which may limit their ability to acquire Shares in another Portfolio through switching because C Shares are not available in all Portfolios and the further issue of C Shares in any Portfolio may be suspended at any time by the Directors and there can be no guarantee that C Shares in any currency in any Portfolio will continue to be offered by the Company.

#### E Shares

E Shares can only be exchanged for E Shares of another Portfolio which issues E Shares denominated in the same currency and which are subject to the same CDSC. The aging of the Shares exchanged will be carried over to the New Class and no CDSC will be payable at the time of such exchange. No other Class may be exchanged for E Shares. The attention of Shareholders is drawn to this restriction, which may limit their ability to acquire Shares in another Portfolio through exchanging because E Shares are not available in all Portfolios and the further issue of E Shares in any Portfolio may be suspended at any time by the Directors and there can be no guarantee that E Shares of any currency in any Portfolio will continue to be offered by the Company.



## TRANSFER OF SHARES

Transfers of Shares must be effected by transfer in writing in any usual or common form or in any other form approved by the Directors from time to time. Every form of transfer must state the full name and address of each of the transferor and the transferee and must be signed by or on behalf of the transferor. The Directors or their delegate may decline to register any transfer of Shares unless the transfer form is deposited at the registered office of the Company, or such other place as the Directors may reasonably require, accompanied by such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and to determine the identity of the transferee. The transferor shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the register of Shareholders. A transfer of Shares will not be registered unless the transferee, if not an existing Shareholder, has completed a subscription application form with respect to the relevant Shares to the satisfaction of the Directors. The Directors may also, at their absolute discretion, decline to register a transfer which would result in either the transferee holding Shares with a Net Asset Value less than the Minimum Initial Subscription, or the transferor holding Shares with a Net Asset Value less than the Minimum Holding for the relevant class.

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

## TEMPORARY SUSPENSION OF DEALINGS

The Directors may at any time, with prior notification to the Depositary, temporarily suspend the issue, valuation, sale, purchase, redemption or conversion of Shares and/or the payment of redemption proceeds at any time during:

- (a) any period when any Recognised Market on which a substantial portion of the investments for the time being comprised in the relevant Portfolio are quoted, listed or dealt in is closed otherwise than for ordinary holidays, or during which dealings on any such Recognised Market are restricted or suspended;
- (b) any period when, as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the Directors, the disposal or valuation of investments for the time being comprised in the relevant Portfolio cannot, in the opinion of the Directors, be effected or completed normally or without prejudicing the interests of Shareholders;
- (c) any breakdown in the means of communication normally employed in determining the value of any investments for the time being comprised in the relevant Portfolio or during any period when for any other reason the value of investments for the time being comprised in the relevant Portfolio cannot, in the opinion of the Directors, be promptly or accurately ascertained;
- (d) any period when the Company is unable to repatriate funds for the purposes of making redemption payments or during which the realisation of investments for the time being comprised in the relevant Portfolio, or the transfer or payment of funds involved in connection therewith cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange;
- (e) any period when, as a result of adverse market conditions, the payment of redemption proceeds may, in the opinion of the Directors, have an adverse impact on the relevant Portfolio or the remaining Shareholders in such Portfolio;
- (f) any period after a notice convening a meeting of Shareholders for the purpose of dissolving the Company or terminating a Portfolio has been issued, up to and including the date of such meeting of Shareholders;
- (g) any period during which dealings in a collective investment scheme in which the Portfolio has invested a significant portion of its assets are suspended;
- (h) any period in which the repurchase of the Shares would, in the opinion of the Directors, result in a violation of applicable laws; or
- (i) any period when the Directors determine that it is in the best interests of the Shareholders to do so.

Notice of any such suspension shall be published by the Company at its registered office and in such newspapers and through such other media as the Directors may from time to time determine, if in the opinion of the Directors, it is likely to exceed thirty (30) days, and shall be transmitted immediately to the Central Bank, the Irish Stock Exchange and the Shareholders. Shareholders who have requested the issue or redemption of Shares of any series or class will have their subscription or redemption request dealt with on the first Dealing Day after the suspension has been lifted unless applications or redemption requests have been withdrawn prior to the lifting of the suspension. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

## DETERMINATION OF NET ASSET VALUE

The Net Asset Value of each Portfolio, and the Net Asset Value per Share in each Portfolio, shall be calculated by the Administrator to the nearest two (2) decimal places in the Base Currency as at the Valuation Point for each Dealing Day in accordance with the valuation provisions set out in the Articles and summarised below.

The Net Asset Value of a Portfolio shall be calculated by ascertaining the value of the assets of the relevant Portfolio and deducting from such amount the liabilities of the Portfolio, which shall include all fees and expenses payable and/or accrued and/or estimated to be payable out of the assets of the Portfolio.

In the event that a Portfolio is divided into different Classes to accommodate different dividend policies and/or charges and/or fee arrangements and/or currencies and/or investments in FDI in accordance with the requirements of the Central Bank, the amount of the Net Asset Value of the Portfolio attributable to a class shall be determined by establishing the number of Shares issued in the Class at the relevant Valuation Point and by allocating the relevant fees and expenses and any costs, liabilities and/or benefits of any foreign exchange hedging or any investments in FDI entered into in respect of a Class, to the Class, making appropriate adjustments to take account of distribution, subscriptions, redemptions, gains and expenses of that Class and apportioning the Net Asset Value of the Portfolio accordingly. The Net Asset Value per Share in respect of a Class will be calculated by dividing the Net Asset Value of the relevant class by the number of Shares of the relevant Class in issue. The Net Asset Value of a Portfolio attributable to a Class and the Net Asset Value per Share in respect of a class will be expressed in the relevant Class Currency, if it is different to the Base Currency.

The Net Asset Value of each Portfolio and the Net Asset Value per Share in each Portfolio in respect of any Dealing Day will be calculated using the value of each the relevant assets or liabilities as at their respective Valuation Point. They will be determined at the Net Asset Value Calculation Time on the relevant Dealing Day.

The currency exposures of the assets of the Portfolios will not be allocated to separate classes. The Investment Manager or Sub-Investment Manager shall seek to limit hedging to the extent of the particular Hedged Class' currency exposure. Foreign exchange hedging shall not be used for speculative purposes. The periodic reports of the Company will indicate how hedging transactions have been utilised.

Each asset which is quoted, listed or traded on or under the rules of any Recognised Market shall be valued at the latest available dealing price or, if unavailable or if bid and offer quotations are made, the latest available middle market quotation (i.e. the mean of the bid and offer price quoted) on the relevant Recognised Market at close of business on such Recognised Market on each Dealing Day. Prices will be obtained for this purpose by the Administrator from independent sources, such as recognised pricing services or brokers specialising in the relevant markets, which in the opinion of the Administrator represent objective and accurate sources of information. If the investment is normally quoted, listed or traded on or under the rules of more than one Recognised Market, the relevant Recognised Market shall be that which the Directors determine provides the fairest criterion of value for the investment. If prices for an investment quoted, listed or traded on the relevant Recognised Market are not available at the relevant time, or are unrepresentative in the opinion of the Directors or their delegates, such investment shall be valued at such value as shall be estimated with care and in good faith as the probable realisation value of the investment by a competent person appointed for such purpose by the Directors or their delegates and approved for the purpose by the Depositary. If the investment is quoted, listed or traded on a Recognised Market but acquired or traded at a premium or discount outside of or off the Recognised Market, the investment shall be valued taking into account the level of premium or discount as of the date of valuation of the instrument with the approval of the Depositary. Neither the Directors or their delegates nor the Depositary shall be under any liability if a price reasonably believed by them to be the latest available dealing price or, as the case may be, middle market quotation for the time being, may be found not to be such.

The value of any investment which is not normally quoted, listed or traded on or under the rules of a Recognised Market, will be valued at its probable realisation value estimated with care and in good faith by the Directors (who shall be approved for the purpose by the Depositary) in consultation with the Administrator or by a competent person appointed by the Directors and approved for such purpose by the Depositary.

Fixed income securities may be valued by reference to the valuation of the securities which are considered comparable in rating, yield, due date and other characteristics where reliable market quotations are not available, using a methodology which will be compiled by the Directors or their delegate.

Cash deposits and similar investments shall be valued at their face value together with accrued interest unless in the opinion of the Directors (in consultation with the Administrator and the Depositary) any adjustment should be made to reflect the fair value thereof.

Units or shares in collective investment schemes (including Shares held by a Portfolio in another Portfolio) shall be valued on the basis of the latest available net asset value per unit as published by the collective investment scheme. If such prices are unavailable, the units will be valued at their probable realisation value estimated with care and in good faith by the Directors (who shall be approved for the purpose by the Depositary) in consultation with the Administrator or

by a competent person appointed for such purpose by the Administrator and approved for such purpose by the Directors and the Depositary.

In determining a Portfolio's Net Asset Value per Share, all assets and liabilities initially expressed in foreign currencies will be converted into the Base Currency of the relevant Portfolio using the market rates prevailing at the Valuation Point. If such quotations are not available, the rate of exchange will be determined in accordance with policies established in good faith by the Directors.

Derivative instruments including swaps, interest rate futures contracts and other financial futures and options contracts which are traded on a Recognised Market shall be valued at the settlement price as determined by the relevant Recognised Market at the close of business on such Recognised Market, provided that where it is not the practice of the relevant Recognised Market to quote a settlement price, or if a settlement price is not available for any reason, such instruments shall be valued at their probable realisation value estimated with care and in good faith by the Directors (who shall be approved for the purpose by the Depositary) in consultation with the Administrator.

In accordance with the requirements of the Central Bank, OTC derivatives will be valued at least daily at such value as shall be estimated with care and in good faith as the probable realisation value of the investment by the Company, by a competent person (appointed for such purpose by the Company and approved for such purpose by the Depositary) or by any other means (provided the value is approved by the Depositary). This verification procedure is described in greater detail in the RMP Statement.

In order to help prevent market timing and protect investors in the relevant Portfolios, the Directors, with the approval of the Depositary, have appointed International Data Corporation ("IDC") as a competent person for the purposes of valuing the assets held by each Portfolio in certain circumstances. IDC will follow international best practice and adhere to the principles on valuation of such instruments.

Forward foreign exchange and interest rate swap contracts may be valued in accordance with the preceding provisions or alternatively by reference to freely available market quotations.

#### **Adjustment of Valuations and Swing Pricing**

Notwithstanding the above provisions the Directors may, with the approval of the Depositary (a) adjust the valuation of any listed investment; or (b) in relation to a specific asset permit some other method of valuation approved by the Depositary to be used if, having regard to currency, applicable rate of interest, maturity, marketability and/or such other considerations as they deem relevant, they consider that such adjustment or alternative method of valuation is required to reflect more fairly the value thereof.

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

In order to seek to mitigate the potentially dilutive effect of dealing on the Net Asset Value of a Portfolio on any Dealing Day on which there are net subscriptions or redemptions in a Portfolio above a certain predefined threshold of the relevant Portfolio, the Directors may determine, at their discretion, to "swing" the Net Asset Value to counter the possible negative effects of dilution. Where they so determine, the Administrator will calculate the Net Asset Value for the relevant Portfolio, as described above, and then adjust ("swing") the Net Asset Value by a pre-determined amount. The direction of the swing will depend on whether there are net subscriptions or redemptions in the relevant Portfolio on the relevant Dealing Day, while the magnitude of the swing will be based on pre-determined estimates of the average trading costs in the relevant asset class(es) in which the Portfolio is invested. For example, if the relevant Portfolio is experiencing net inflows, its Net Asset Value will be swung upwards, so that the incoming shareholders are effectively bearing the costs of the dealing that their subscriptions generate by paying a higher Net Asset Value per Share than they would otherwise be charged. Conversely, where there are net redemptions in the Portfolio, the Net Asset Value will be swung downwards, so that the outgoing investors are effectively bearing the costs of the dealing that their redemptions generate by receiving a lower Net Asset Value per Share than they would otherwise receive. These swings are intended to protect non-dealing Shareholders from the impact of trading costs triggered by dealing investors.

The determination to swing the Net Asset Value in respect of a Portfolio will be made following a consideration of the dealing activity (i.e. level of subscriptions and redemptions) in the relevant Portfolio on a Dealing Day, in accordance with criteria approved by the Directors from time to time. These criteria will include whether the costs of investing or divesting the net inflows into or outflows from a Portfolio on a Dealing Day will create, in the Directors' opinion, a significant dilutive impact. Swing pricing will only be exercised for the purpose of reducing dilution in the interests of the Shareholders in a Portfolio as a whole and will be applied consistently in respect of a Portfolio and in respect of all assets of that Portfolio.

The maximum swing in normal market circumstances where swing pricing is adopted is not expected to exceed 1% of the Net Asset Value on the relevant Dealing Day. Investors should note that in extreme market conditions the factor may exceed that level. The application of Swing Pricing may increase the variability of a Portfolio's returns. The Directors reserve the right to increase or vary the 'swing' of the Net Asset Value without notice to Shareholders.

#### **Indicative Net Asset Value**

The Company may cause an indicative net asset value ("**INAV**"), which is an estimate of the Net Asset Value per Share calculated using market data, to be calculated in respect of any Class, on any Business Day that is not a Dealing Day, in respect of any Portfolio. Any such INAV will be based on recent prices available for the securities and other investments held by a Portfolio, calculated using the methodologies outlined above. Premiums and discounts between the INAV and the market prices of the relevant Portfolio's assets may occur and the INAV should not be viewed as a "real-time" update of the Net Asset Value per Share, which is calculated only on each Dealing Day. The INAV is not an official Company record. None of the Company, the Investment Manager, any of their affiliates, or any third party calculation agents involved in, or responsible for, the calculation or publication of such INAVs makes any warranty as to their accuracy and / or agree to update any INAV if it determines that the INAV was materially inaccurate. Details as to whether or not an INAV is available in respect of any Portfolio, as well as details of any INAV calculated, where available, shall be available to Shareholders from the Investment Manager upon request.

#### **Publication**

Save where the determination of the Net Asset Value per Share in respect of the Company has been temporarily suspended in the circumstances described under "*Temporary Suspension of Dealings*" above, the Net Asset Value per Share of each Portfolio shall be made public at the registered office of the Investment Manager and may also be published by the Administrator in the Financial Times and various other publications as required (see Annex III) and will be notified immediately and without delay upon calculation to the Irish Stock Exchange on each Dealing Day and published by the Irish Stock Exchange on its website ([www.ise.ie](http://www.ise.ie)).

## TERMINATION OF PORTFOLIOS OR SHARE CLASSES

The Company is established for an unlimited period and may have unlimited assets in its Portfolios. However, the Company is obliged to (in the case of (a) and (b) below) and may, but is not obliged to (in the case of (c), (d) and (e) below), redeem all of the Shares of any series or class in issue if:

- (a) the Shareholders in that Portfolio or class pass a special resolution providing for such redemption at a general meeting of the holders of the Shares of that Portfolio or class;
- (b) the redemption of the Shares in that Portfolio or class is approved by a resolution in writing signed by all of the holders of the Shares in that Portfolio or class;
- (c) the Net Asset Value of the relevant Portfolio does not exceed or falls below the Base Currency equivalent of US\$75,000,000 (or such other amount as may be approved by the Directors in respect of any Portfolio); or
- (d) the Directors have determined to redeem all Shares in the Portfolio in accordance with the provisions specified under the heading "*Termination of appointment of the Investment Manager, the Sub-Investment Manager or any other sub-investment manager at the initiative of the Shareholders*" in the "*The Sub-Investment Manager*" section; or
- (e) the Directors deem it appropriate because of adverse political, economic, fiscal or regulatory changes affecting the relevant Portfolio or class of Shares.

If the Depositary has given notice of its intention to retire and no new custodian acceptable to the Central Bank has been appointed within ninety (90) days of such notice, the Company shall apply to the Central Bank for revocation of its authorisation and shall redeem all of the Shares of any series or class in issue.

In each such case, the Shares of the relevant Portfolio or class shall be redeemed after giving not less than one month's but no more than three (3) months' prior notice to all holders of such Shares. The Shares will be redeemed at the Net Asset Value per Share on the relevant Dealing Day less such sums as the Company in its discretion may from time to time determine as an appropriate provision for Duties and Charges in relation to the estimated realisation costs of the assets of the relevant Portfolio and in relation to the redemption and cancellation of the Shares to be redeemed.

Unamortised establishment and organisational expenses shall be borne by the Company or Portfolio as applicable.



## MANAGEMENT AND ADMINISTRATION

### THE DIRECTORS AND SECRETARY

The Directors are responsible for managing the business affairs of the Company. The Directors have delegated certain of their duties and powers, namely (a) the administration of the Company's affairs, including responsibility for the preparation and maintenance of the Company's records and accounts and related fund accounting matters (including the calculation of the Net Asset Value per Share) and Shareholder registration and transfer agency services to the Administrator; (b) the investment, management and disposal of the assets of each Portfolio and the risk management of each Portfolio to the Investment Manager; and (c) the marketing, distribution and sale of Shares to the Investment Manager with the power to sub-delegate these responsibilities to such companies or persons as it may from time to time determine in accordance with the requirements of the Central Bank. The Directors have delegated the safekeeping of the Company's assets to the Depositary.

The Directors are listed below with their principal occupations. None of the Directors has entered into an employment or service contract with the Company nor is any such contract proposed. Consequently, the Directors are all non-executive Directors. The Company has granted indemnities to the Directors in respect of any loss or damages which they may suffer save where this results from the Directors' negligence, default, breach of duty or breach of trust in relation to the Company. The Articles do not stipulate a retirement age for Directors, nor do they provide for retirement of Directors by rotation. However, the Directors may be removed by the Shareholders by ordinary resolution in accordance with the procedures established under the Irish Companies Act 2014. The address of the Directors is the registered office of the Company.

**Gráinne Alexander** (Irish) is an independent non-executive director. She has worked in the investment industry for over twenty years with experience as a senior executive in fund management, investment strategy, investment consultancy and company management. She was a European partner at Mercer Investment Consulting (involved in the establishment of Mercer's funds business) and following that, chief executive at F&C Management's Irish asset management firm, F&C Ireland. She was also a director of the Irish Association of Investment Managers and a director of Cayman listed funds. Gráinne is a Fellow of the Society of Actuaries in Ireland. She is a non-executive director at RBC Investor Services Ireland and is a director of Goldman Sach's European domiciled fund companies. She received a Diploma in Company Direction from the Institute of Directors in 2013.

**Tom Finlay** (Irish) is a barrister by profession who worked for 26 years (February 1975 to May 2001) for Bank of Ireland Asset Management (the Fund Management division of the Bank of Ireland Group). His most recent role was head of their Irish Business. In the early 1990s, Mr. Finlay had a direct involvement in the setting up of the Bank of Ireland Group's fund administration and custodial services to international clients. In 2001, he set up his own consultancy business which has provided strategic advice in the areas of client service and relationship management and also executive coaching services. He has also been appointed as an independent director to a number of companies operating out of Dublin's IFSC (International Financial Services Centre). He is a past Chairman of the Irish Association of Pension Funds and in 2001 was appointed to the Irish Pension Board (the statutory body responsible for regulating Occupational Pension Schemes in Ireland) where he served a full five year term and chaired the Board's Policy Committee.

**Michelle Green** (UK) joined Neuberger Berman in 2015 and is general counsel for EMEA and Latin America. Michelle has almost 20 years of experience in the asset management industry. Ms Green qualified as a lawyer in 1990 and spent the first seven years of her career working as a corporate lawyer advising clients in the financial services sector. In April 1998 Ms Green moved to Hermes Fund Managers to take on the role of general counsel. Ms Green built up considerable asset management experience at Hermes Fund Managers where her particular focus was with respect to the control functions of legal, compliance and operational risk. Ms Green was also appointed as the Chief Legal and Risk Officer in respect of the Hermes group of companies.

**Andy Olding** (UK) joined Neuberger Berman in 2015 as the head of Neuberger Berman's EMEA investment funds platform with oversight of all aspects of administration. Prior to this Andy was Head of Group Fund Services at F&C Asset Management overseeing the fund platform as well as serving as a director of the UCITS and AIFM management companies and as a member of a number of key committees. Andy began his career at Andersen/Deloitte, where he completed his accountancy exams, and more latterly at Ernst & Young where he worked on audit and advisory services for private equity clients. He holds a degree from Corpus Christi College, Oxford.

**Paul Sullivan** (Irish) is a non-executive director of several Irish based UCITS and non-UCITS investment fund groups (details available on request). He has over forty years international and domestic professional experience in banking and finance. Before becoming a non-executive funds director and an independent sovereign debt adviser in 2002, he spent over ten years as an executive director of the Irish sovereign debt management office, the National Treasury Management Agency (NTMA), which he helped to establish in 1991. Prior to joining NTMA he was, for over ten years, a Vice President at Chase Manhattan Bank (now JP Morgan), primarily in London and New York; during this period he held a number of senior positions in the management of the Bank's Treasury, Asset-Liability and Capital Markets businesses in Europe. He is an economist by professional background, with post-graduate degrees in both economics

and in finance.

Save for the information given in this document, no further information is required to be given in respect of the Directors pursuant to the listing requirements of the Irish Stock Exchange.

The Company Secretary is Matsack Trust Limited.

### **THE INVESTMENT MANAGER**

Pursuant to an investment management agreement dated 30 June 2009, as amended, between the Company and Neuberger Berman Europe Limited, Neuberger Berman Europe Limited was appointed by the Company to provide investment management and advisory services to the Company in respect of all sub-funds of the Company. Neuberger Berman Europe Limited is authorised and regulated by the FCA in the UK to conduct designated investment business and is registered as an Investment Adviser with the Securities and Exchange Commission in the United States.

Neuberger Berman Europe Limited was incorporated in the UK on 25 May 2005 as a private limited liability company. Neuberger Berman Europe Limited is a subsidiary of Neuberger Berman Group LLC, a management controlled company.

Neuberger Berman Europe Limited is referred to in this section as the "Investment Manager" and the investment management agreement between the Investment Manager and the Company is referred to in this section as the "Investment Management Agreement".

Under the Investment Management Agreement, neither the Investment Manager nor any of its members, directors, officers, employees or agents is liable for any loss or damage arising directly or indirectly out of or in connection with the performance by the Investment Manager of its obligations and duties unless such loss or damage arises out of or in connection with the negligence, wilful default, fraud or bad faith of the Investment Manager in the performance of its duties, and in no circumstances shall the Investment Manager nor any of its members, directors, officers, employees or agents be liable for special, indirect or consequential damages, or for lost profits or loss of business, arising out of the performance or non-performance of its duties, or the exercise of its powers under the Investment Management Agreement. In addition, the Company has agreed to indemnify and keep indemnified and hold harmless the Investment Manager (and each of its members, directors, officers, employees and agents) from and against any and all actions, proceedings, claims, liabilities, demands, losses, damages, costs and expenses (including legal and professional fees and expenses arising therefrom or incidental thereto) which may be made or brought against or directly or indirectly suffered or incurred by the Investment Manager (or any of its members, directors, officers, employees or agents) arising out of or in connection with the performance of its obligations and duties hereunder in the absence of any negligence, wilful default, fraud or bad faith of or by the Investment Manager in the performance of its duties hereunder or as otherwise may be required by law.

The Investment Management Agreement also contains provisions on conflicts of interest. See "*General – Conflicts of Interest*" below.

The Investment Management Agreement shall continue in force until terminated by either the Company or the Investment Manager at any time upon ninety (90) days' prior notice in writing to the other party or until terminated by either the Company or the Investment Manager forthwith by notice in writing to the other party in the event that a Force Majeure Event as defined in clause 11 of the Investment Management Agreement continues for longer than fourteen (14) days or until otherwise terminated by either the Company or the Investment Manager in accordance with the terms of the Investment Management Agreement.

The Investment Manager may from time to time, with the prior approval of the Company and the Central Bank, appoint sub-investment managers in respect any particular Portfolio. Details of any such appointment may be obtained, on request, from the Investment Manager and will be included in the periodic reports of the Company. The fees payable to such sub-investment manager(s) shall be met by the Investment Manager and shall not be payable by the Company.

The Investment Manager or the Sub-Investment Manager may delegate support functions in connection with monthly reconciliations to Syntel, Inc., loan amendment administration to LendAmend LLC, and loan amendment administration and trade settlement services to Cortland Capital Market Services LLC.

### **Client Classification**

The Investment Manager has classified the Company as a Professional Client under the current FCA Rules.

### **THE SUB-INVESTMENT MANAGERS**

Pursuant to a Sub-Investment Management Agreement dated 1 January 2016 between the Investment Manager and Neuberger Berman Investment Advisers LLC, the Investment Manager has appointed Neuberger Berman Investment Advisers LLC as sub-investment manager in respect of the Portfolios specified in the relevant Supplement.

Pursuant to a Sub-Investment Management Agreement dated 30 June 2009, as amended, between the Investment Manager and Neuberger Berman Asia Limited, the Investment Manager has appointed Neuberger Berman Asia Limited as sub-investment manager in respect of the Portfolios specified in the relevant Supplement.

Pursuant to a Sub-Investment Management Agreement dated 10 October 2013, as amended, between the Investment Manager and Neuberger Berman Singapore Pte. Limited, the Investment Manager has appointed Neuberger Berman Singapore Pte. Limited as sub-investment manager in respect of the Portfolios specified in the relevant Supplement.

Pursuant to a Sub-Investment Management Agreement dated 1 December 2017 (the “**Sub-Investment Management Agreement**”), as amended, between the Investment Manager and Neuberger Berman Breton Hill ULC, the Investment Manager has appointed Neuberger Berman Breton Hill ULC as sub-investment manager in respect of the Portfolios specified in the relevant Supplement.

Neuberger Berman Investment Advisers LLC, Neuberger Berman Asia Limited, Neuberger Berman Singapore Pte. Limited and Neuberger Berman Breton Hill ULC are registered as Investment Advisers with the Securities and Exchange Commission in the United States and are wholly-owned indirect subsidiaries of Neuberger Berman Group LLC. Neuberger Berman Asia Limited is regulated by the Securities and Futures Commission of Hong Kong and Neuberger Berman Singapore Pte. Limited is regulated by the Monetary Authority of Singapore.

Neuberger Berman Investment Advisers LLC, Neuberger Berman Asia Limited, Neuberger Berman Singapore Pte. Limited and Neuberger Berman Breton Hill ULC are referred to in this section as the “Sub-Investment Manager” and the sub-investment management agreements between the Investment Manager and the Sub-Investment Manager are referred to in this section as the “Sub-Investment Management Agreement”.

#### **Sub-Investment Management Agreements with Neuberger Berman Investment Advisers LLC, Neuberger Berman Asia Limited and Neuberger Berman Singapore Pte. Limited**

Under the above Sub-Investment Management Agreements, neither the Sub-Investment Manager nor any of its directors, officers, employees or agents is liable for any loss or damage arising directly or indirectly out of or in connection with the performance by the Sub-Investment Manager of its obligations and duties unless such loss or damage arises out of or in connection with the negligence, wilful default, fraud or bad faith of the Sub-Investment Manager in the performance of its duties, and in no circumstances shall the Sub-Investment Manager be liable for special, indirect or consequential damages, or for lost profits or loss of business, arising out of the performance of its duties. In addition, the Investment Manager has agreed to indemnify and keep indemnified and hold harmless the Sub-Investment Manager (and each of its members, directors, officers, employees and agents) from and against any and all actions, proceedings, claims, demands, losses, damages, costs and expenses (including legal and professional fees and expenses arising therefrom or incidental thereto) which may be made or brought against or directly or indirectly suffered or incurred by the Sub-Investment Manager (or any of their members, directors, officers, employees or agents) arising out of or in connection with the performance of its obligations and duties hereunder in the absence of any negligence, wilful default, fraud or bad faith of or by the Sub-Investment Manager in the performance of its duties hereunder or as otherwise may be required by law.

The Sub-Investment Management Agreement shall continue in force until terminated by either the Investment Manager or the Sub-Investment Manager at any time upon ninety (90) days’ prior notice in writing to the other party or until terminated by either the Investment Manager or the Sub-Investment Manager forthwith by notice in writing to the other party in the event that a Force Majeure Event as defined in clause 10 of the Sub-Investment Management Agreement continues for longer than fourteen (14) days or until otherwise terminated by either the Investment Manager or the Sub-Investment Manager in accordance with the terms of the Sub-Investment Management Agreement.

#### **Sub-Investment Management Agreement with Neuberger Berman Breton Hill ULC**

Under the Sub-Investment Management Agreement, neither the Sub-Investment Manager nor any of its directors, officers, employees or agents shall be liable for any loss or damage arising directly or indirectly out of or in connection with the performance by this Sub-Investment Manager of its obligations and duties unless such loss or damage arises out of or in connection with the negligence, wilful default, fraud or bad faith of or by this Sub-Investment Manager in the performance of its duties, and in no circumstances shall either party be liable for special, indirect or consequential damages, or for lost profits or loss of business, arising out of the performance or non-performance of its duties. In addition, the Investment Manager has agreed to indemnify and keep indemnified and hold harmless this Sub-Investment Manager (and each of its directors, officers, employees and agents) from and against any and all actions, proceedings, claims, demands, losses, damages, costs and expenses (including legal and professional fees and expenses arising therefrom or incidental thereto) which may be made or brought against or directly or indirectly suffered or incurred by this Sub-Investment Manager (or any of its directors, officers, employees or agents) arising out of or in connection with the performance of its obligations and duties hereunder in the absence of any negligence, wilful default, fraud or bad faith of or by this Sub-Investment Manager in the performance of its duties hereunder or as otherwise may be required by law.

Either party may terminate the Sub-Investment Management Agreement at any time upon 90 days’ prior notice in

writing to the other party. Either party may also terminate the Sub-Investment Management Agreement, at any time, by notice in writing if such other party shall commit a material breach of the agreement which, if capable of remedy, has not been remedied within 30 days of service of notice by the other party to remedy same or in such other circumstances as set out in clause 11.3 of the Sub-Investment Management Agreement. In addition, the Investment Manager or Sub-Investment Manager may also terminate the Sub-Investment Management Agreement by notice in writing to the other party in the event that a Force Majeure Event as defined in clause 12 of the Sub-Investment Management Agreement continues for longer than 14 days, or otherwise in accordance with the terms of the Sub-Investment Management Agreement.

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

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

In order to be approved, the proposal to terminate the appointment of the investment adviser must be passed by Shareholders representing more than 50% of the Net Asset Value of that proportion of the Net Asset Value of the relevant Portfolio not held by the incumbent investment adviser or any of its affiliates, save for any Shares held under a nominee arrangement, on the date of the general meeting. If the proposal is approved by the Shareholders of the relevant Portfolio, the Directors shall as soon as practical serve six (6) months’ notice of termination on the investment adviser and direct that the Independent Directors use their reasonable endeavours to ensure that all necessary steps are taken in relation to the selection and/or appointment of the replacement investment adviser, including, without limitation, obtaining all necessary consents and approvals from the Central Bank and the Irish Stock Exchange. The Independent Directors, may, in following such direction from the Directors, in their absolute discretion appoint such advisers as they deem reasonable, with the costs of such appointments to be borne by the relevant Portfolio.

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

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

In the event that Neuberger Berman Europe Limited ceases to be the Investment Manager of the Company and a company which is not a related company is appointed in its place as an Investment Manager of the Company, then prior to or immediately following such termination becoming effective, the Directors will arrange to convene an extraordinary general meeting to propose that the name of the Company be changed to a name which will not reflect any involvement on the part of Neuberger Berman Europe Limited (or any of its affiliates) with the Company. At any such extraordinary general meeting called to change the name, only the Subscriber Shareholders shall have the right to vote on the resolution proposed to change the name of the Company. Such change of name shall take place in accordance with the provisions of the Irish Companies Act 2014 and the requirements of the Central Bank.

#### **THE ADMINISTRATOR AND REGISTRAR**

The Company has appointed Brown Brothers Harriman Fund Administration Services (Ireland) Limited to act as Administrator of the Company responsible for performing the day to day administration of the Company and for providing fund accounting for the Company, including the calculation of the Net Asset Value of the Company and the Shares, and for providing registrar, transfer agency and related support services to the Company.

The Administrator was incorporated with limited liability in Ireland on 29 March 1995 under registration number 231236.

The Administration Agreement between the Company and the Administrator dated 31 January 2010 (as amended) shall

continue in force until terminated by either the Company or the Administrator on ninety (90) days' notice in writing to the other party or until terminated by either the Company or the Administrator in accordance with the terms of the Administration Agreement, which provide that the Administration Agreement may be terminated forthwith by either party giving notice in writing to the other if at any time: (i) the other party shall go into liquidation (except for a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the non-defaulting party) or a receiver or examiner is appointed to such party or upon the happening of a like event whether at the direction of an appropriate regulatory agency or court of competent jurisdiction or otherwise; or (ii) the other party shall commit any breach of the provisions of this Agreement which, if capable of remedy, shall not have been remedied within thirty (30) consecutive calendar days after the service of written notice requiring it to be remedied; or (iii) any party ceases to be permitted to act as in its current capacity under any applicable laws.

The Administrator shall use reasonable care in performing its duties hereunder, but shall not be held accountable or liable for any losses, damages or expenses the Company or any Shareholder or former Shareholder or any other person may suffer or incur arising from acts, omissions, errors or delays of the Administrator in the performance of its obligations and duties including, without limitation, any error of judgment or mistake of law, except a damage, loss or expense resulting from the Administrator's wilful malfeasance, bad faith, recklessness or negligence in the performance of such obligations and duties. In addition, the Company has agreed to indemnify the Administrator against and hold it harmless from any and all losses, claims, damages, liabilities or expenses (including reasonable counsel's fees and expenses) resulting from any act, omission, error or delay or any claim, demand, action or suit, in connection with or arising out of performance of its obligations and duties under this Agreement, not resulting from the wilful malfeasance, bad faith, recklessness or negligence of the Administrator in the performance of such obligations and duties.

### **THE DEPOSITARY**

The Company has appointed Brown Brothers Harriman Trustee Services (Ireland) Limited to act as Depositary for the safekeeping of all the investments, cash and other assets of the Company and to ensure that the issue and repurchase of Shares by the Company and the calculation of the Net Asset Value and Net Asset Value per Share is carried out and that all income received and investments made are in accordance with the Articles and the UCITS Regulations. In addition, the Depositary is obliged to enquire into the conduct of the Company in each financial year and report thereon to Shareholders. The Depositary is a private limited company incorporated under the laws of Ireland to provide custody and trustee services to Irish domiciled collective investment schemes and to international and Irish institutions.

Pursuant to the Depositary Agreement, the Depositary will provide safekeeping for the Company's assets in accordance with the UCITS Regulations and will collect any income arising on such assets on the Company's behalf. In addition, the Depositary has the following main duties, which may not be delegated:

- (i) ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with the UCITS Regulations and the Articles;
- (ii) ensuring that the value of the Shares is calculated in accordance with the UCITS Regulations and the Articles;
- (iii) carrying out the instructions of the Company unless they conflict with the UCITS Regulations and the Articles;
- (iv) ensuring that in transactions involving the Company's assets or the assets of any Portfolio that any payment in respect of same is remitted to the relevant Portfolio within the usual time limits;
- (v) ensuring that the income of the Company or of any Portfolio is applied in accordance with the UCITS Regulations and the Articles;
- (vi) enquire into the conduct of the Company in each accounting period and report thereon to Shareholders; and
- (vii) ensure that the Company's cash flows are properly monitored in accordance with the UCITS Regulations.

The Depositary Agreement provides that the Depositary shall be liable to the Company and the Shareholders (i) in respect of a loss of a financial instrument held in its custody (or in the custody of any third party to whom the Depositary's safekeeping functions have been delegated in accordance with the UCITS Regulations) unless the Depositary can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary; and (ii) in respect of all other losses arising as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Regulations.

The Company has agreed to indemnify the Depositary against any losses (as defined in the Depositary Agreement) suffered by it in acting as the Company's depositary other than losses (as defined above) in respect of which the



Depository is found to be liable to the Company and/or the Shareholders in accordance with the terms of the Depository Agreement or applicable law.

The Depository Agreement shall continue in force until terminated by any party thereto on 90 calendar days' advance written notice to the other party or immediately by written notice to the other party if (i) a receiver or examiner is appointed to such party or upon the happening of a like event whether at the direction of an appropriate regulatory agency or court of competent jurisdiction or otherwise; (ii) the other party shall commit any breach of the provisions of the Depository Agreement which, if capable of remedy, shall not have been remedied within thirty (30) calendar days after the service of written notice requiring it to be remedied; or (iii) the Depository ceases to be permitted to act as a depository of collective investment schemes authorised by the Central Bank under Irish law .

If within 90 days from the date of the Depository serving a termination notice, a replacement depository acceptable to the Company and the Central Bank has not been appointed to act as depository, the Company shall at the request of the Depository serve notice on all Shareholders convening a general meeting of the Shareholders at which a resolution will be tabled to approve the redemption of all participating Shares in accordance with the provisions of the Articles and shall procure that, immediately following the redemption of such Shares, the Company be wound up. In the event of such redemption, the Depository's appointment under this Agreement will not terminate until the authorisation of the Company has been revoked by the Central Bank.

The Depository may delegate its safekeeping duties only in accordance with the UCITS Regulations and provided that: (i) the tasks are not delegated with the intention of avoiding the requirements of the UCITS Regulations; (ii) the Depository can demonstrate that there is an objective reason for the delegation; and (iii) the Depository has exercised all due, skill, care and diligence in the selection and appointment of any third party to whom it has delegated its safekeeping duties either wholly or in part and continues to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any such third party and of the arrangements of such third party in respect of the matters delegated to it. Any third party to whom the Depository delegates its safekeeping functions in accordance with the UCITS Regulations may, in turn, sub-delegate those functions subject to the same requirements as apply to any delegation effected directly by the Depository. The liability of the Depository under the UCITS Regulations will not be affected by any delegation of its safekeeping functions.

The Depository has delegated safekeeping of the Company's assets to Brown Brothers Harriman & Co., its global sub-custodian, through which it has access to BBH&Co.'s global network of sub-custodians. The entities to whom safekeeping of the Company's assets have been sub-delegated by Brown Brothers Harriman & Co. as at the date of this Prospectus are set out at Annex V. The Depository does not anticipate that there would be any specific conflicts of interest arising as a result of any such delegation. The Depository will notify the Directors of any such conflict should it so arise.

In accordance with the UCITS Regulations, the Depository must not carry out activities with regard to the Company that may create conflicts of interest between itself and (i) the Company; and/or (ii) the Shareholders unless it has separated the performance of its depository tasks from its other potentially conflicting tasks in accordance with the UCITS Regulations and the potential conflicts are identified, managed, monitored and disclosed to Shareholders.

Up-to-date information in relation to the Depository, its duties, the safe-keeping functions delegated by the Depository, the list of delegates and sub-delegates to whom safe-keeping functions have been delegated and any relevant conflicts of interest that may arise will be made available to Shareholders upon request.

## THE DISTRIBUTORS

The Company has appointed Neuberger Berman Europe Limited, Neuberger Berman Asia Limited, Neuberger Berman Taiwan Limited and Neuberger Berman Singapore Pte. Limited (the "**Distributors**") to promote and market the sale of Shares and to use all reasonable endeavours to procure subscribers for Shares.

Each of the distribution agreements between the Company and the Distributors (the "**Distribution Agreements**") shall continue in force until terminated by either party on ninety (90) days' prior written notice to the other party or as otherwise provided by the Distribution Agreements.

Under the Distribution Agreements, none of the Distributors nor any of their respective directors, officers, employees or agents is liable for any loss or damage arising directly or indirectly out of or in connection with the performance by the Distributors of their duties unless such loss or damage arises out of or in connection with the negligence, wilful default, fraud or bad faith of or by the Distributors in the performance of their duties or of any sub-distributor or agent appointed by the Distributors. In addition, the Company has agreed to indemnify and keep indemnified and hold harmless the Distributors (and each of their directors, officers, employees and agents) from and against any and all claims, actions, proceedings, damages, losses, liabilities, costs and expenses (including legal and professional fees and expenses arising therefrom or incidental thereto) which may be made or brought against or directly or indirectly suffered or incurred by the Distributors (or any of their directors, officers, employees or agents) arising out of or in connection with the performance of their obligations and duties thereunder in the absence of any negligence, wilful default, fraud or bad faith.

## THE COMPANY - REMUNERATION

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

Details of the Company’s remuneration policy is available at <http://www.nb.com/remuneration> and a paper copy is also available free of charge upon request.



## TAXATION

The following is primarily a summary of certain Irish tax consequences of the purchase, ownership and disposal of Shares by Shareholders who are not resident or ordinarily resident in Ireland for tax purposes. It does not address in detail the position of Shareholders who are resident or ordinarily resident in Ireland (because it is not intended to promote the Shares to such Shareholders). The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant. The summary is based on Irish tax laws and the practice of the Irish Revenue Commissioners in effect on the date of this Prospectus (and is subject to any prospective or retroactive change). Potential investors in Shares should consult their own advisors as to the Irish or other tax consequences of the purchase, ownership and disposal of Shares. The summary relates only to the position of persons who are the absolute beneficial owners of Shares and may not apply to certain other classes of persons.

### TAXATION OF THE COMPANY

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

The Company may be obliged to account for Irish tax to the Irish Revenue Commissioners in certain circumstances, as described below. Explanations of the terms "*resident*" and "*ordinarily resident*" are set out at the end of this summary.

### TAXATION OF NON-IRISH SHAREHOLDERS

No Irish tax will be deducted by the Company from payments made to Shareholders who are not resident (or ordinarily resident) in Ireland for Irish tax purposes, once the information described below is provided to the Company.

When an application is made to subscribe for Shares, the Company must receive details of an address and a bank account into which payments are to be made for the prospective Shareholder. However, if an Irish address or Irish bank account is submitted to the Company by (or on behalf of) a Shareholder, the Company must also receive a declaration confirming that the Shareholder is not resident or ordinarily resident in Ireland for Irish tax purposes (or, where the Shareholder is an intermediary, that the person who is beneficially entitled to the Shares is not resident or ordinarily resident in Ireland for Irish tax purposes). The declaration may be provided by an intermediary who holds Shares on behalf of investors who are not resident (or ordinarily resident) in Ireland, provided that, to the best of the Intermediary's knowledge, the investors are not resident (or ordinarily resident) in Ireland. An explanation of the term 'Intermediary' is set out at the end of this summary.

If a declaration is not submitted when required, the Company will deduct Irish tax (at a rate of 25%, 33% or 41% depending on the circumstances) in respect of distributions, redemptions, transfers and deemed disposal events relating to that Shareholder. The Company will also deduct Irish tax if the Company is in possession of any information that would reasonably suggest that the information contained in a submitted declaration is not (or is no longer) materially correct. A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company and holds the Shares through an Irish branch and in certain other limited circumstances. The Company must be informed if a Shareholder becomes Irish tax resident.

Shareholders are obliged to inform the Company if they become resident or ordinarily resident in Ireland for Irish tax purposes (or, where the Shareholders are intermediaries, if the Shareholders become aware that the person who is beneficially entitled to the Shares may be resident or ordinarily resident in Ireland for Irish tax purposes).

Generally, Shareholders who are not Irish tax resident will have no other Irish tax liability with respect to their Shares. However, if a Shareholder is a company which holds its Shares through an Irish branch or agency, the Shareholder may be liable to Irish corporation tax in respect of profits and gains arising in respect of the Shares (on a self-assessment basis).

### TAXATION OF IRISH SHAREHOLDERS

The Company has put appropriate measures in place to ensure that Shareholders are not resident or ordinarily resident in Ireland. The Company does not actively promote its Shares to Irish investors (or in Ireland) and the Company does not distribute any offering material in Ireland in connection with its Shares.

However, if a person who is resident or ordinarily resident in Ireland for Irish tax purposes acquires Shares in the Company, the person is obliged to notify the Company and the Company may be required to deduct Irish tax (at a rate of 25%, 33% or 41%, depending on the circumstances) in respect of distributions, redemptions, transfers and deemed disposal events relating to those Shares. Persons who are resident or ordinarily resident in Ireland should seek tax advice before acquiring Shares in the Company.

## STAMP DUTY

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

## GIFT AND INHERITANCE TAX

Irish capital acquisitions tax (at a rate of 33%) could apply to gifts or inheritances of the Shares (irrespective of the residence or domicile of the donor or donee) because the Shares could be treated as Irish situate assets because they have been issued by an Irish company. However, any gift or inheritance of Shares will be exempt from Irish capital acquisitions tax once:

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

## MEANING OF TERMS

### Meaning of 'Residence' for Companies

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

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

1. the company (or a related company) carries on a trade in Ireland and either the company is ultimately controlled by persons resident in EU member states or countries with which Ireland has a double tax treaty, or the company (or a related company) are quoted companies on a recognised stock exchange in the EU or in a tax treaty country; or
2. the company is regarded as not resident in Ireland under a double tax treaty between Ireland and another country.

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

### Meaning of 'Residence' for Individuals

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

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

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

### Meaning of 'Ordinary Residence' for Individuals

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

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

### **Meaning of 'Intermediary'**

An 'intermediary' means a person who:

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

### **OECD COMMON REPORTING STANDARD**

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

### **FATCA**

The provisions commonly known as the Foreign Accounts Tax Compliance Act in the enactment of the United States of America known as Hiring Incentives to Restore Employment Act 2010 ("**FATCA**") represent an expansive information reporting regime enacted by the U.S. which is aimed at ensuring that 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 complies with certain obligations including disclosure of certain information about U.S. investors to the US Internal Revenue Service ("IRS" or the "Service") and the imposition of withholding tax in the case of non-compliant investors. The Company is an FFI for the purpose of FATCA.

Ireland has an intergovernmental agreement with the United States of America (the "**IGA**") in relation to FATCA, of a type commonly known as a 'model 1' agreement. Ireland has also enacted regulations to introduce the provisions of the IGA into Irish law. The Company intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA, pursuant to the terms of the IGA. The Company has registered with the IRS as a 'reporting financial institution' for FATCA purposes and will report information to the Irish Revenue Commissioners relating to Shareholders who, for FATCA purposes, are specified US persons, non-participating financial institutions or passive non-financial foreign entities that are controlled by specified US persons. Any information reported by the Company to the Irish Revenue Commissioners will be communicated to the IRS pursuant to the IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

The Company should generally not be subject to the FATCA withholding tax of 30% in respect of its US source income for so long as it complies with its FATCA obligations. FATCA withholding tax should only arise on US source payments to the Company if the Company did not comply with its FATCA registration and reporting obligations and the IRS specifically identified the Company as being a 'non-participating financial institution' for FATCA purposes. Nevertheless, there is no guarantee that the Company will be absolutely free from future FATCA related direct or indirect withholding implications which may be borne by the Company and therefore adversely impact the Net Asset Value per Share of the respective Portfolio and the Company remains subject to other withholding taxes, including withholding taxes applicable to U.S. source income that exist outside of the FATCA regime. Any such US FATCA withholding tax would negatively impact the financial performance of the Company and all Shareholders may be adversely affected in such circumstances. In addition, in order to comply with its obligations under the IGA, the Company will generally be required to obtain proper documentation from each of its investors to establish such investor's tax status for FATCA purposes.

Shareholders should consult their own tax advisors regarding the possible implications of this legislation on their investments in a Portfolio.

## FEES AND EXPENSES

### MANAGEMENT, SHAREHOLDER, ADMINISTRATION AND DISTRIBUTION FEES

In respect of each Class the Investment Manager shall be entitled to a fee comprising a fee in respect of the investment management services and a Shareholder administration fee in respect of the administration services provided to each Portfolio and will pay the Sub-Investment Manager out of its fee. The management fee, with the exception of any performance fees, shall accrue daily and be payable monthly in arrears at the end of each calendar month. Where the provision of investment management and administration services is terminated prior to the end of a month, the Investment Manager shall be entitled to the fees in respect of such services accrued up to the date of termination on a pro-rata basis. The maximum annual management fee which the Company will be charged in respect of a Portfolio is 2.5% of its Net Asset Value, however the current management fees payable in respect of each Portfolio shall be disclosed in the relevant Supplement. Shareholder consent will be required and an extraordinary general meeting will be convened or a written resolution passed by all Shareholders if there is any increase beyond the maximum permitted fees. The Investment Manager shall also be entitled to recover from the Company all out-of-pocket expenses suffered or incurred by it or its delegates or the Distributor in the performance of its duties and shall pay any such expenses recovered to the appropriate service provider.

In respect of the B Shares, C Shares, E Shares, C1 Shares and C2 Shares in each Portfolio the Distributor shall be entitled to a distribution fee at the annual rate of 1% of the Net Asset Value of the relevant Classes in respect of the distribution services provided to such Classes, which shall accrue daily and be payable monthly in arrears at the end of each calendar month. In respect of all other Classes, the Investment Manager may pay the Distributor a fee in respect of its distribution services out of the management fee.

In respect of the M Shares in each Portfolio, the Distributor shall be entitled to a distribution fee at an annual rate expressed as a percentage of the Net Asset Value of the relevant Classes in respect of the distribution services provided to such Classes, which shall accrue daily and be payable monthly in arrears at the end of each calendar month. The rate of such distribution fee varies between Portfolios and is disclosed in the Supplement for each Portfolio.

Without prejudice to the above, the Investment Manager, any sub-investment manager or the Distributor may from time to time and at their sole discretion and out of their own resources decide to waive, share or rebate to associated companies or to some or all Shareholders or to intermediaries, part or all of the management, investment management, performance and/or distribution fees. Rebates to Shareholders or intermediaries may be applied in paying up additional Shares to be issued to the Shareholder. Such Shares shall be issued to the Shareholders at their Net Asset Value.

#### Investment in other CIS

If a Portfolio invests in Shares in other collective investment schemes, the Portfolio will be liable as an investor in such collective investment schemes for its proportion of the fees of such collective investment schemes and investors may be subject to higher fees arising from the layered investment structure. The Portfolio will invest in collective investment schemes, which generally charge management fees of up to 2.5% of their net asset value. In addition to these fees, subscription and redemption fees of up to 3%, may apply to the Portfolio's investments in and redemptions from the collective investment schemes. On an exceptional basis, the Investment Manager and/or the Sub-Investment Manager may decide to invest in collective investment schemes which apply higher fees.

However, where a Portfolio invests in other collective investment schemes (including Portfolios) which are managed directly or indirectly by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control or by a substantial direct or indirect holding of more than 10% of the share capital or of the votes, (an "Affiliate"), the Investment Manager or such Affiliate will not charge any investment management fee or initial charge in respect of such investment and the Portfolio will not be charged any subscription, conversion or redemption fees on account of its investment in such collective investment schemes.

#### Performance Fees

The Investment Manager may, for one or more Portfolios charge a performance fee. If applicable, such performance fee will be set out in the relevant Supplement. Performance fees will be charged at the level of specific performance fee Classes, which will be labelled "PF".

### CUSTODY FEES

The Company will pay the Depositary a fee in respect of the trustee services for each Portfolio which shall not exceed 0.02% per annum of the Net Asset Value of the relevant Portfolio and which will accrue monthly and be payable monthly in arrears. The Depositary will also be entitled to reimbursement by the Company out of the assets of the Portfolio for safekeeping fees, transaction charges and reasonable out-of-pocket expenses incurred for the benefit of the Portfolio including the fees (which will not exceed normal commercial rates) and reasonable out-of-pocket expenses of any sub-custodian appointed by the Depositary. The Company will also bear the cost of any value added

tax applicable to any fees or other amounts payable to the Depositary in relation to the Company. At the date of this Prospectus it is not envisaged that any such value added tax shall be payable.

#### **ADMINISTRATION FEES**

The Company will pay Administration Fees which shall not exceed 0.20% per annum of the Net Asset Value of the relevant Portfolio. The Administration Fee shall comprise of a fee payable to the Administrator in respect of the administration services for each Portfolio and a shareholder servicing fee payable to the Investment Manager and will accrue monthly and be payable monthly in arrears.

In addition to the fee payable out of the Administration Fee, the Administrator shall receive reimbursement for any other fees and expenses at normal commercial rates, including fees in respect of transfer agency, transaction processing fees and tax reclaim services and all out-of-pocket expenses reasonably and properly incurred by the Administrator in the performance of its duties.

#### **EXCHANGE CHARGE**

There is no charge payable to the Company for exchanging Shares in a Portfolio for Shares in any other Portfolio established by the Company, although investors should note that fees and other service charges in respect of exchanges of Shares may be payable to any intermediaries through whom they invest, as described below under the “Sub-Distributor / Intermediary Charges” section.

#### **DUTIES AND CHARGES**

In calculating the Net Asset Value per Share of a Portfolio in connection with any subscription application or redemption request, the Directors may on any Dealing Day when there are net subscriptions or redemptions adjust the Net Asset Value per Share by adding or deducting Duties and Charges to cover dealing costs and to act as an anti-dilution levy to preserve the value of the underlying assets of the relevant Portfolio. Any such Duties and Charges will account for actual expenditure on the purchase or sale of the assets of the Portfolio and will be retained for the benefit of the Portfolio. The Directors reserves the right to waive such charge at any time.

Where Swing Pricing is adopted in respect of a Portfolio on a Dealing Day, as described in the “Determination of Net Asset Value” section, no other Duties and Charges will be applied in respect of subscriptions to or redemptions from the relevant Portfolio.

#### **CONTINGENT DEFERRED SALES CHARGE**

Contingent deferred sales charges will be payable in respect of the following Classes at the rates specified below, depending on the period that has elapsed since the issue of the Shares being redeemed and will be charged on the lower of the Net Asset Value per Share on the relevant Dealing Day in respect of which the relevant Shares were (i) initially subscribed or (ii) redeemed. Any such contingent deferred sales charges will be paid to the relevant Distributor or to the Investment Manager:

Class	Redemption Period in Calendar Days				
	< 365	365 - 729	730 - 1094	1095 – 1459	> 1459
<b>B</b>	4%	3%	2%	1%	0%
<b>E</b>	3%	2%	1%	0%	0%
<b>C2</b>	2%	1%	0%	0%	0%
<b>C, C1</b>	1%	0%	0%	0%	0%

#### **ESTABLISHMENT AND ORGANISATIONAL EXPENSES**

The Company’s organisational expenses have been amortised.

Each Portfolio’s establishment and organisational expenses (including expenses relating to the negotiation and preparation of the contracts to which it is a party, the costs of preparing and printing the Prospectus and related marketing materials, the costs of obtaining a listing on the Irish Stock Exchange and the fees and expenses of its professional advisors), which will payable out of the assets of the Portfolio, are estimated not to have exceeded US\$100,000. These expenses will be amortised over the first three (3) annual accounting periods of each Portfolio or such other period as may be determined by the Directors.

#### **MISCELLANEOUS FEES, COSTS AND EXPENSES**

The Company and the Portfolios will also pay certain other costs, charges, fees and expenses incurred in its operation, including without limitation fees and expenses incurred in relation to banking (including the costs associated with the provision and accessing of any credit facilities) and brokerage in respect of the purchase and sale of Portfolio securities,



taxes, insurance, the costs and expenses of maintaining its books of account and of preparing, printing, publishing and distributing (in such languages as may be necessary) prospectuses, supplements, annual and semi-annual reports and other documents or information to current and prospective Shareholders (including the costs of developing and enhancing computer software and electronic transmission techniques to distribute such documents or information), the expense of publishing price and yield information, in relevant media, the costs and expenses of obtaining authorisations or registrations of the Company or of any Shares with the regulatory authorities in various jurisdictions, including any levy applied by the Central Bank, the cost of listing and maintaining a listing of Shares on any stock exchange, the cost of convening and holding Directors and Shareholders meetings and professional fees and expenses for legal, auditing and other consulting services, any and all expenses arising in respect of the termination or liquidation of the Company and such other costs and expenses (including non-recurring and extraordinary costs and expenses) as may arise from time to time and which have been approved by the Directors as necessary or appropriate for the continued operation of the Company or of any Portfolio. In connection with the registration of the Company or the Shares for sale in certain jurisdictions, the Company may pay the fees and expenses of paying agents, information agents and/or correspondent banks, such payments to be made at normal commercial rates.

The Investment Manager will directly pay for all research which it consumes, regardless of where the research originates. Sub-Investment Managers that are located outside the EU, which do not send any research that they receive into the EU, may charge research expenses to the relevant Portfolio through the provision of an annual research budget for each Portfolio.

The Directors shall be entitled to a fee as remuneration for their services at a rate to be determined from time to time by the Directors, provided that in accordance with the restrictions set out in this respect in the Articles, the amount of remuneration payable to any Director in any one year in respect of the Company shall not exceed €75,000 (or €80,000, in the case of the chairperson of the Company) or such other amount as the Directors may from time to time determine and disclose to the Shareholders in the latest annual or semi-annual report. The Directors, and any alternate Directors, shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in attending Directors or Shareholders meetings or any other meetings in connection with the business of the Company. None of the Directors have entered into a service contract with the Company nor is any such contract proposed and none of the Directors is an executive of the Company. Michelle Green and Andy Olding will each receive a nil fee for their services as directors of the Company.

The expenses of each Portfolio of the Company are deducted from the total income of such Portfolio before dividends are paid. Expenses of the Company which are not directly attributable to the operation of a particular Portfolio are allocated among all Portfolios in a manner determined by the Directors. Expenses of the Company which are not directly attributable to a specific class of Shares and which are directly attributable to a specific Portfolio are allocated among all classes of such Portfolio in a manner determined by the Directors acting fairly and equitably. In such cases, the expenses will normally be allocated among all classes of such Portfolio pro-rata to the value of the net assets of the Portfolio which are attributable to those classes. Expenses of the Company which are directly attributable to a specific class of Shares shall be allocated to that class.

The Company shall also discharge any fees or expenses payable to any agent appointed in connection with the registration of the Company or any of the Portfolios in any jurisdiction, which fees shall be at normal commercial rates.

Where a Portfolio invests in a (proprietary) strategy managed by an affiliate of the Investment Manager or a third party or in a (proprietary) index, the Portfolio may be required to pay fees in respect of such strategies based on the value of assets under management in those strategies or exposure to such an index. An affiliate of the Investment Manager or a third party may therefore benefit from any additional exposure taken to a strategy or index.

The Investment Manager may also act as investment manager or adviser to parties other than the Company, including parties who are counterparties to OTC FDI entered into on behalf of a Portfolio, and may receive remuneration in respect of those services which will not be paid into the assets of the Portfolio. The Investment Manager or, as the case may be, an affiliate may benefit from any exposure taken by a counterparty to OTC FDI seeking to hedge its exposure there under by investing in strategies or funds managed by either the Investment Manager or an affiliate. Such fees will not be paid into the assets of the Portfolio.

The Investment Manager will at all times have regard to its obligations to the Company and, in particular, but without limitation to its obligations to act in the best interests of the Shareholders, when undertaking any investments where conflicts of interest may arise and will endeavour to ensure that such conflicts are resolved fairly and, in particular, the Investment Manager has agreed to act in a manner which it in good faith considers fair and equitable in allocating investment opportunities to the Portfolio.

#### **SUB-DISTRIBUTOR / INTERMEDIARY CHARGES**

Additional fees and other service charges in respect of subscriptions for, redemptions of and exchanges of Shares, may be payable by Shareholders or investors to intermediaries through whom they invest in such amount as they may agree with the relevant intermediaries and this may result in differing yields to different investors in relation to their Shares. Such fees and charges may include:

- (a) an initial sales charge of up to 5% in respect of all A Shares, P Shares and T Shares, up to 3% in respect of all U Shares and up to 2% in respect of all M Shares; and
- (b) an exchange fee of up to 1% in respect of exchanges by Shareholders into all A Shares, M Shares and P Shares (including exchanges into such Classes from within the same Portfolio). For the avoidance of doubt, Shareholders exchanging into such Classes and paying an exchange fee will not be subject to contingent deferred sales charges or initial sales charges in respect of such exchanges.

Any such fees or charges will not be payable to and will not directly benefit the Company and accordingly are not disclosed in this document or elsewhere by the Company. The initial sales charge and exchange fee may be shared between the intermediary and a Distributor.

**The investor is advised to carefully consider these fees charged by the intermediary. The intermediary might be required to make appropriate disclosures to its clients (including, but not limited to, disclosure of any inducements and/or fees received or paid).**



**CONFLICTS OF INTEREST**

The Depositary, the Administrator, the Investment Manager, any sub-investment manager, the Directors, the Distributors and their affiliates (the “Interested Parties”) may from time to time act as manager, registrar, administrator, trustee, custodian, investment manager, adviser, director, FDI counterparty or distributor in relation to, or be otherwise involved in, other funds or collective investment schemes which have similar investment objectives to those of the Company and/or in any of the Portfolios, or be otherwise involved in securities distribution, research and trading. It is, therefore, possible that any of them may, in the due course of their business, have potential conflicts of interests with the Company or any Portfolio, or a material interest or potential conflict of interest in services or transactions with or for the Company or any Portfolio. Each will at all times have regard in such event to its obligations under the Articles and/or any agreements to which it is party or by which it is bound in relation to the Company or any Portfolio and, in particular, but without limitation to its obligations to act in the best interests of the Shareholders so far as practicable, having regard to its obligations to other clients, when undertaking any investments where conflicts of interest may arise and will endeavour to ensure that such conflicts are resolved fairly and, in particular, the Investment Manager has agreed to act in a manner which it in good faith considers fair and equitable in allocating investment opportunities to the Company.

While a conflict of interest may arise when the Investment Manager simultaneously manages Portfolios that charge only management fees and Portfolios that charge both management fees and performance fees, in that a Portfolio with a performance fee will offer the potential for higher profitability when compared to a Portfolio with only a management fee, the Investment Manager has appropriate policies and procedures in place to manage any such potential and actual conflicts of interest, including policies to ensure investment opportunities are allocated on a fair and equitable basis, and without regard to whether any performance fees are charged to a Portfolio.

The Interested Parties 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 the Company. Subject to applicable law, the Interested Parties may purchase or sell securities of, or otherwise invest in or finance, issuers in which the Company has an interest. The Interested Parties also may manage, advise or service other accounts or investment funds that have investment objectives similar or dissimilar to those of the Company and which engage in transactions in the same type of securities, currencies and instruments as the Company. Trading activities of the Interested Parties are carried out without reference to positions held directly or indirectly by the Company and may have an effect on the value of the positions so held or may result in the Interested Parties having an interest adverse to that of the Company. The Interested Parties are under no obligation to offer investment opportunities of which any of them becomes aware to the Company or to account to the Company in respect of (or share with the Company or inform the Company of) any such transaction or any benefit received by any of them from any such transaction, but will allocate any such opportunities on an equitable basis between the Company and other clients. As a result, the Interested Parties may compete with the Company for appropriate investment opportunities.

The Investment Manager may have a conflict of interest when determining whether to invest or maintain Portfolio assets in registered collective investment schemes, managed by the Investment Manager or an Affiliate (each an “Affiliated Underlying Fund”). The Investment Manager seeks to mitigate this conflict by waiving or reimbursing any investment management, performance-based fees or similar fees charged by Affiliated Underlying Funds in respect of such investment or allocations. The Investment Manager and its affiliates may derive indirect benefits such as increased assets under management from using Portfolio assets to invest in an Affiliated Underlying Fund, which benefits would not be present if investments were made in unaffiliated pooled investment vehicles.

In addition, while the above-referenced fees charged by the Affiliated Underlying Fund will be waived or reimbursed, the relevant Portfolio will be charged its pro-rata share of any other fees or expenses associated with such investment in accordance with the expense provisions set forth in each Affiliated Underlying Fund’s governing documents and such fees or expenses may be paid to the Investment Manager, an Affiliate or a third party.

In addition, investments by an Investing Portfolio in a Receiving Portfolio will not be charged Management Fees, investment management fees or performance fees by the Receiving Portfolio but will be charged the appropriate Management Fees, investment management fees and performance fees (if any) by the Investing Portfolio.

The Investment Manager and its delegates will have no obligation to purchase, sell or exchange any investment for the Company which the Investment Manager or its delegates may purchase, sell or exchange for the account of one or more of its other clients if the Investment Manager and its delegates believe in good faith at the time the investment decision is made that such transaction or investment would be unsuitable, impractical or undesirable for the Company. As a general policy, investment opportunities will be allocated among those accounts for which participation in the respective opportunity is considered appropriate pro rata based on the relative capital size of the accounts. In addition, the Investment Manager and its delegates may also take into consideration such other factors as the investment programs of the accounts, tax consequences, legal or regulatory restrictions, the relative historical participation of an account in the investment, the difficulty of liquidating an investment for more than one account, new accounts with a substantial amount

of investable cash and such other factors considered relevant. Such considerations may result in allocations among the Company and one or more other clients on other than a *pari passu* basis (which could result in different performance among them).

The Investment Manager or its delegates or affiliates may manage the assets (“Discretionary Assets”) of one or more pooled investment vehicles or separate accounts that provide the Investment Manager or its delegates or affiliates with discretion to allocate such Discretionary Assets among various investment strategies through separate accounts or other pooled investment vehicles managed by the Investment Manager or its delegates or affiliates (including the Company). In these instances, the Investment Manager or its delegates or affiliates will, from time to time, exercise full discretion to determine the investment strategies to which Discretionary Assets should be allocated and the amount of each such allocation, subject to any applicable investment guidelines. In addition to making an initial allocation among strategies, the Investment Manager or its delegates or affiliates are typically vested with discretion to rebalance, adjust or make different allocations for Discretionary Assets from time to time, solely in their discretion, as market conditions or the needs of owners of Discretionary Assets dictate. Therefore, Discretionary Assets invested in the Company or in funds that invest in the Company, if applicable, will generally be directed by the Investment Manager or its delegates or affiliates and the Investment Manager or its delegates or affiliates could effect a redemption or other adjustment of such investment. The Investment Manager has no duty or responsibility to inform or advise any Shareholder to undertake the same or similar action with respect to its own investments. To the extent that the Investment Manager or its delegates or affiliates determines to cause certain Discretionary Assets to redeem from the Company or another fund that invests in the Company, if applicable, each Shareholder will bear its pro rata share of any transaction costs associated with the sale of the Company’s assets to meet such redemption and may experience increased Company expenses, especially in the event of a large redemption relative to the size of the Company. Each Shareholder is responsible for making its own decision as to the timing of any redemption it wishes to make.

The Investment Manager and its officers and employees will devote as much of their time to the activities of the Company as they deem necessary and appropriate. The Investment Manager and its delegates and affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with the Company and/or may involve substantial time and resources. These activities could be viewed as creating a conflict of interest in that the time and effort of the Investment Manager, its delegates and their officers and employees will not be devoted exclusively to the business of the Company but will be allocated between the business of the Company and such other activities. Future activities by the Investment Manager and its delegates and affiliates, including the establishment of other investment funds, may give rise to additional conflicts of interest.

The relationship between the Investment Manager and the Company is as described in the investment management agreement between the Investment Manager and the Company. Neither that relationship, nor the services the Company or Investment Manager provides nor any other matter, will give rise to any fiduciary or equitable duties on the Company or Investment Manager’s part or on the part of the Company or Investment Manager’s affiliates which would prevent or hinder the Company, the Investment Manager, or any of their affiliates in doing business under those agreements, acting as both market maker and broker, principal and agent or in doing business with or for affiliates, connected customers or other customers or investors and generally acting as provided in the agreements.

In providing services to the Company, neither, the Investment Manager, any sub-investment manager, nor their affiliates shall be obliged to disclose to the Company or take into consideration any information, fact, matter or thing if:

- (i) such information is held solely on the other side of a Chinese Wall from the individual making the decision or taking the step in question; and
- (ii) disclosure or use of such information would breach a duty or confidence to any other person or result in a breach of the law; and
- (iii) such information has not come to the actual notice of the individual making the decision or taking the step in question (whether or not such information comes to the notice of any officer, director, member, employee or agent of the Investment Manager’s or any affiliate).

No further disclosure to, or consent from, the Company is required in relation to or as a result of any matter referred to above.

Where the competent person valuing unlisted securities is an Interested Party the fees payable by the Company which are based on Net Asset Value may increase as the value of the Company’s investments increase.

There is nothing to prevent the Directors or other Interested Parties from dealing as principal in the sale or purchase of assets to or from the Company, or to prevent the Depositary from acting as custodian and/or trustee in any other capacity for other clients, or from buying, holding and dealing in any assets for its own account or for the account of any client notwithstanding that similar or the same assets may be held or dealt in by or for the account of the Company. The Depositary shall not be deemed to be affected by notice of, or to be under any duty to disclose to the Company, information which has come into its or its associates’ possession as a result of any such arrangements. Neither the

Depository nor any of its associates shall be liable to account to the Company for any profits or benefits made or derived by or in connection with any such transaction. However, any such transactions must be carried out as if effected on normal commercial terms negotiated at arm's length and consistent with the best interest of Shareholders. Transactions will be deemed to have been effected on normal commercial terms negotiated at arm's length if: (a) a certified valuation of the transaction by a person approved by the Depository as independent and competent is obtained; (b) execution of the transaction is on best terms on organised investment exchanges in accordance with the rules of the exchange; or (c) where (a) and (b) are not practical, the transaction is executed on terms which the Depository is satisfied (or, in the case of a transaction involving the Depository, on terms which the Directors are satisfied) conform to the principle of execution on normal commercial terms negotiated at arm's length and in the best interest of Shareholders.

A Director may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is interested, provided that he has disclosed to the Directors prior to the conclusion of any such transaction or arrangement the nature and extent of any material interest of his therein. Unless the Directors determine otherwise, a Director may vote in respect of any contract or arrangement or any proposal whatsoever in which he has a material interest, having first disclosed such interest. With that exception, at the date of this Prospectus no Director or any connected person of any Director has any interest, beneficial or non-beneficial, in the share capital of the Company or any material interest in the Company or in any agreement or arrangement with the Company except that one or more of the Directors may hold Subscriber Shares. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

Michelle Green is general counsel for EMEA and Latin America at Neuberger Berman. Andy Olding is the head of Neuberger Berman's EMEA investment funds platform.

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

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

Neuberger Berman Investment Advisers LLC currently engages in soft commission arrangements on behalf of the Portfolios managed by it. Appropriate disclosure will be in the periodic reports.

From time to time, and in order to manage its balance sheet in an efficient manner, the Investment Manager may hedge its investment in a Portfolio through the use of FDI or other instruments. Such hedging activity is designed to protect the Investment Manager's investment in a Portfolio in the event that such Portfolio fails to achieve its investment objectives.

### **Material Non-Public Information**

The Investment Manager and its affiliates (collectively, the "Firm") have implemented policies and procedures, including certain information barriers within the Firm, reasonably designed to prevent the misuse of material information regarding issuers of securities that has not been publicly disseminated ("material non-public information") by the Firm and its personnel, in accordance with the requirements of the US Investment Advisers Act and other US federal securities laws. In general, under such policies and procedures and applicable law, when the Firm is in possession of material non-public information related to a publicly-traded security or the issuer of such security, whether acquired unintentionally or otherwise, neither the Firm nor its personnel are permitted to render investment advice as to, or otherwise trade or recommend a trade in, the securities of such issuer until such time as the information that the Firm has is no longer deemed to be material non-public information.

In the ordinary course of operations, however, certain businesses within the Firm may seek access to material non-public information. For instance, the Investment Manager may utilise material non-public information in purchasing investments and from time to time, the Investment Manager may be offered the opportunity on behalf of applicable clients to participate on a creditors' or other similar committee, which participation may provide access to material non-public information. The Firm maintains procedures that address the process by which material non-public information may be acquired intentionally by the Firm and shared between different businesses within the Firm. When considering whether to acquire or share material non-public information, the Firm will attempt to balance the interests of all clients, taking into consideration relevant factors, including but not limited to, the extent of the prohibition on trading that may occur, the size

of the Firm's existing position in the issuer, if any, and the value of the information as it relates to the investment decision-making process. The intentional acquisition of material non-public information may give rise to a potential conflict of interest since the Firm may be prohibited from rendering investment advice to clients regarding the public securities of such issuer and thereby potentially limiting the universe of public securities that the Investment Manager on behalf of the Company, may purchase or potentially limiting the ability of the Firm, including the Company, to sell such securities. Similarly, where the Firm declines access to (or otherwise does not receive or share within the Firm) material non-public information regarding an issuer, the Investment Manager may base its investment decisions for its clients, including the Company, with respect to the securities of such issuer solely on public information, thereby limiting the amount of information available to the Investment Manager in connection with such investment decisions. In determining whether or not to elect to receive material non-public information, the Firm will endeavour to act fairly to its clients as a whole. The Firm reserves the right to decline access to material non-public information, including declining to join a creditors' or similar committee.

### **MiFID Implementation**

Where an Investment Manager executes an order on the Company's behalf and when placing an order with, or passing an order to, other entities, the Investment Manager will do so in accordance with its order execution policy, as may be amended from time to time.

### **Investment Manager's Conflict of Interest Policy**

In accordance with the current FCA Rules and the requirements of the SEC as applicable, the Investment Manager has in place arrangements to manage conflicts of interest between itself and its clients and between different clients. The Investment Manager will operate in accordance with a conflicts of interest policy. Where the Investment Manager does not consider that the arrangements under its conflicts of interest policy are sufficient to manage a particular conflict, it will inform the Company of the nature of the conflict so that it can decide how to proceed.

## **MEETINGS**

At least one general meeting of the Company shall be held in each year as the Company's annual general meeting. At least twenty one (21) days' notice (inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) shall be given to Shareholders. The notice shall specify the place, day and hour of the meeting and the terms of the resolutions to be proposed. A proxy may attend on behalf of any Shareholder. The voting rights attached to the Shares are set out under the heading "Voting Rights" in this Prospectus.

## **REPORTS AND ACCOUNTS**

The Directors shall cause to be prepared an annual report and audited annual accounts for the Company and each Portfolio for the period ending 31 December in each year. These will be forwarded to Shareholders and the Companies Announcements Office of the Irish Stock Exchange within four months of the end of the relevant accounting period end and at least twenty one (21) days before the annual general meeting. In addition, the Directors shall cause to be prepared a half-yearly report which shall include unaudited half-yearly accounts for the Company and each Portfolio. Half-yearly accounts for each Portfolio will be forwarded to Shareholders in the relevant Portfolio and the Companies Announcements Office of the Irish Stock Exchange within two months of the end of the relevant accounting period. The annual report and the half-yearly report will be sent to Shareholders by electronic mail or other electronic means of communication, although Shareholders may also, on request, receive reports by hard copy mail. The Investment Manager will give the Shareholders at least one month's prior notice in the event of any change in the mode of distributing the annual report and audited annual accounts, and half-yearly report and unaudited half-yearly accounts, of the Company.

## **WINDING UP**

The Articles contain provisions to the following effect:

- (a) If the Company shall be wound up the liquidator shall apply the assets of the Company in such manner and order as he thinks fit in satisfaction of creditors' claims.
- (b) The assets available for distribution among the Shareholders shall then be applied in the following priority:
  - (i) First, in the payment to the holders of the Shares or class of each series of a sum in the currency in which that series or class is designated (or in any other currency selected by the liquidator) as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares of such series or class held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Portfolio to enable such payment in full to be made. In the event that there are insufficient assets as aforesaid, to enable such payment in full to be made, no recourse shall be had to any of the assets comprised within any of the Portfolios.

- (ii) Secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not comprised within any Portfolios remaining after any recourse thereto under sub-paragraph (i) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Portfolios.
  - (iii) Thirdly, in the payment to the holders of each series or class of Shares of any balance then remaining in the relevant Portfolio, such payment being made in proportion to the number of Shares of that series held.
  - (iv) Fourthly, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Portfolios, such payment being made in proportion to the number of Shares held.
- (c) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of a special resolution and any other sanction required by the Irish Companies Act 2014, divide among the Shareholders in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. Shareholders may request that assets which are to be distributed to them in specie will be first liquidated to cash. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no Shareholder shall be compelled to accept any assets in respect of which there is liability.

#### **MATERIAL CONTRACTS**

The following contracts, which are summarised in the “*Management and Administration*” and “*Fees and Expenses*” sections in this Prospectus, have been entered into and are, or may be, material:

- (a) Investment management agreement between the Company and Neuberger Berman Europe Limited dated 30 June 2009 (as amended on 10 October 2013) pursuant to which Neuberger Berman Europe Limited was appointed to provide investment management and advisory services to the Company;
- (b) Administration agreement dated 29 January 2010 (as amended on 20 June 2013) between the Company and the Administrator pursuant to which the Administrator was appointed to provide administration, accounting and Shareholder registration and transfer agency services to the Company.
- (c) Depositary agreement dated 12 October 2016 between the Company and the Depositary pursuant to which the Depositary has been appointed as custodian of the Company’s assets.
- (d) Distribution agreement dated 30 June 2009, as amended, pursuant to which Neuberger Berman Europe Limited has been appointed for the distribution, placing and sale of Shares.
- (e) Distribution agreement dated 1 April 2013, as amended, pursuant to which Neuberger Berman Asia Limited has been appointed for the distribution, placing and sale of Shares.
- (f) Distribution agreement dated 18 September 2013, as amended, pursuant to which Neuberger Berman Taiwan (SITE) Limited has been appointed for the distribution, placing and sale of Shares;
- (g) Distribution agreement dated 6 January 2014, as amended, pursuant to which Neuberger Berman Singapore Pte. Limited has been appointed for the distribution, placing and sale of Shares.

#### **DOCUMENTS FOR INSPECTION**

Copies of the following documents may be inspected at the registered office of the Administrator during normal business hours on any Dealing Day:

- (a) the material contracts referred to above;
- (b) the Memorandum and Articles of Association of the Company;
- (c) the UCITS Regulations and the Central Bank regulations issued pursuant thereto;
- (d) a list of all directorships and partnerships held by each of the Directors at any time in the previous 5 years; and

(e) the most recent audited financial statements for the Company.

In addition, the annual audited financial statements for the Company will be sent to shareholders and prospective investors on request. The Memorandum and Articles of Association of the Company and any yearly or half-yearly reports may also be obtained from the Administrator free of charge or may be inspected at the registered office of the Administrator during normal business hours on any Dealing Day.

## DEFINITIONS

In this Prospectus the following words and phrases shall have the meanings indicated below:

<b>Accumulating Classes</b>	any class in respect of which the Directors have determined to accumulate all net investment income and net realised capital gains attributable to such classes and in respect of which it is not intended to declare dividends;
<b>Administrator</b>	Brown Brothers Harriman Fund Administration Services (Ireland) Limited, or such other company in Ireland as may from time to time be appointed to provide administration, accounting, registration and transfer agency and related support services to the Company;
<b>Articles</b>	the articles of association of the Company for the time being in force and as may be modified from time to time;
<b>A Shares</b>	Shares which have been issued in any Class which the Directors have designated and labelled as an "A" Class;
<b>Associate</b>	<ol style="list-style-type: none"> <li>1. any person who is a director, officer, employee, servant or agent of the Investment Manager or a person connected to any director of the Company within the meaning of Section 22 of the Companies Act 2014;</li> <li>2. any company which is related to the Investment Manager within the meaning of Section 559 of the Companies Act 2014 or which would be so related if it was incorporated in Ireland;</li> <li>3. any person or body of persons or any company, partnership, consortium, joint venture, related or affiliated to or controlled or managed by the Investment Manager or by any person or group of persons connected to any director of the Investment Manager within the meaning of Section 220 of the Companies Act 2014 or by any company which is related to the Investment Manager within the meaning of Section 599 of the Companies Act 2014 or which would be so related if it was incorporated in Ireland;</li> <li>4. any person who is an associate as defined within the rules of the FCA in the UK;</li> </ol>
<b>AUD</b>	the lawful currency of the Australia;
<b>Base Currency</b>	the currency in which the Net Asset Value of each Portfolio is calculated, as specified in the relevant Supplement;
<b>Benefit Plan</b>	an employee benefit plan as described in Section 3(3) of ERISA that is subject to Title I of ERISA, a plan subject to Section 4975 of the Code, or an entity whose assets are treated as the assets of any such employee benefit plan or plan;
<b>B Shares</b>	Shares which have been issued in any Class which the Directors have designated and labelled as a "B" Class;
<b>BRL</b>	the lawful currency of Brazil;
<b>BRL Classes</b>	Classes which have been issued in any Portfolio, which are denominated in BRL but in respect of which subscriptions and redemptions will be in US Dollars;
<b>Business Day</b>	a day on which the relevant financial markets are open for business in the countries specified in respect of a Portfolio in the relevant Supplement;
<b>CAD</b>	the lawful currency of Canada;
<b>CDSC</b>	contingent deferred sales charge;
<b>Central Bank</b>	the Central Bank of Ireland;
<b>CFTC</b>	U.S. Commodity Futures Trading Commission;
<b>(CG) Distributing Class</b>	any class in respect of which the Directors intend to declare dividends out of Net Income



and capital on a semi-annual basis in accordance with the Articles and as specified in the “Distribution Policy” section;

<b>CHF</b>	the lawful currency of Switzerland;
<b>ChinaClear</b>	China Securities Depository and Clearing Corporation Limited;
<b>Class</b>	each class of Shares within a series carrying rights to participate in the assets of the Portfolio attributable to that series and such other rights and obligations as may be determined by the Directors from time to time and specified in this Prospectus;
<b>CLP</b>	the lawful currency of Chile;
<b>CLP Classes</b>	Classes which have been issued in any Portfolio, which are denominated in CLP but in respect of which subscriptions and redemptions will be in US Dollars;
<b>Closed Portfolios</b>	<ul style="list-style-type: none"><li>• Neuberger Berman Global Long Short Equity Fund</li><li>• Neuberger Berman US Large Cap Growth Fund</li><li>• Neuberger Berman Global Equity Income Fund</li><li>• Neuberger Berman World Equity Fund</li><li>• Neuberger Berman Long Short Multi Manager Fund</li><li>• Lehman Brothers Global Value Fund</li><li>• Lehman Brothers USA Value Fund</li><li>• Lehman Brothers European Value Fund</li><li>• Lehman Brothers Global Bond Fund</li><li>• Lehman Brothers US Bond Fund</li><li>• Lehman Brothers Emerging Markets Local Currency Bond Fund</li><li>• Lehman Brothers US Large Cap Value Fund</li><li>• Lehman Brothers Socially Responsible Investment Fund</li><li>• Lehman Brothers Commodity Plus Fund</li><li>• Lehman Brothers Alpha Select 2 Fund</li><li>• Lehman Brothers Alpha Select 4 Fund</li><li>• Lehman Brothers Global Real Estate Securities Fund</li></ul> <p>Investors should note that the Company and the Neuberger Berman Group, which includes the Investment Manager, Sub-Investment Managers and the Distributor, are independent entities from and are not controlled by any Lehman Brothers entity;</p>
<b>CNY</b>	Chinese Yuan Renminbi, the lawful currency of the People’s Republic of China;
<b>CPO</b>	Commodity Pool Operator;
<b>Code</b>	the United States Internal Revenue Code of 1986, as amended;
<b>Commitment Approach</b>	represents a methodology to measure risk or “Global Exposure” based on the calculation of the portfolio leverage which includes the netting and hedging of FDI that a Portfolio may have in place according to the UCITS Regulations. A Portfolio, which is using the Commitment Approach to measure its Global Exposure, is limited to 100% commitment leverage;
<b>Company</b>	Neuberger Berman Investment Funds plc;
<b>C Shares</b>	Shares which have been issued in any Class which the Directors have designated and labelled as a “C” Class;
<b>C1 Shares</b>	Shares which have been issued in any Class which the Directors have designated and labelled as a “C1” Class;
<b>C2 Shares</b>	Shares which have been issued in any Class which the Directors have designated and labelled as a “C2” Class;
<b>Dealing Deadline</b>	such time or times in respect of a Portfolio as shall be specified in the relevant Supplement, or such other time or times as the Directors may determine and notify to the Administrator and to Shareholders in advance, provided always that such times shall be in advance of the relevant Valuation Point;

<b>Dealing Day</b>	each Business Day or such other day or days as the Directors may determine and notify to the Administrator and to Shareholders in advance, provided there shall be at least two (2) Dealing Days per month in each Portfolio;
<b>Declaration</b>	a valid declaration in a form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D TCA (as may be amended from time to time);
<b>Depository</b>	Brown Brothers Harriman Trustee Services (Ireland) Limited, or such other company in Ireland as may from time to time be appointed, with the prior approval of the Central Bank, as custodian of all the assets of the Company;
<b>Directors</b>	the directors of the Company for the time being and any duly constituted committee thereof;
<b>Distributing Class</b>	any class in respect of which the Directors intend to declare dividends in accordance with the Articles, the "Distribution Policy" section and the relevant Supplement;
<b>Distributor</b>	Neuberger Berman Europe Limited, Neuberger Berman Asia Limited, Neuberger Berman Taiwan (SITE) Limited, Neuberger Berman Singapore Pte. Limited or such other firm or company as may from time to time be appointed as distributor;
<b>DKK</b>	the lawful currency of Denmark;
<b>D Shares</b>	Shares which have been issued in any Class which the Directors have designated and labelled as a "D" Class;
<b>Duties and Charges</b>	all stamp duties and other duties, taxes, governmental charges, imposts, levies, exchange costs and commissions, transfer fees and expenses, agents' fees, brokerage fees, commissions, bank charges, registration fees and other duties and charges, whether payable in respect of the constitution, increase or reduction of all of the cash and other assets of the Company or the creation, acquisition, issue, conversion, exchange, purchase, holding, redemption, sale or transfer of Shares or assets held by the Company by or on behalf of the Company or in respect of the issue or cancellation of any share certificates of the Company or otherwise which may have become or will become payable in respect of or prior to or upon the occasion of any transaction, dealing or valuation. Duties and charges may, for the avoidance of doubt, include an amount by which the Directors may adjust the subscription monies or redemption proceeds on any Business Day on which there are net subscriptions or redemptions, by deducting an anti-dilution levy to cover dealing costs and to preserve the value of the underlying assets of the Company;
<b>Emerging Market Country</b>	any country other than one which the World Bank defines as a High Income OECD member country, being, at the date of this Prospectus: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, The Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom and the United States of America;
<b>ERISA</b>	the United States Employee Retirement Income Security Act of 1974, as amended;
<b>E Shares</b>	Shares which have been issued in any Class which the Directors have designated and labelled as an "E" Class;
<b>€, Euro or EUR</b>	the single currency of participating member states of the European Monetary Union introduced on 1 January 1999;
<b>Eurozone</b>	the Member States which have adopted the Euro as their national currency;
<b>Exempt Investor</b>	any of the following Irish Residents: <ul style="list-style-type: none"> <li>(i) a qualifying management company or a specified company as referred to in Section 739B;</li> <li>(ii) a specified collective investment undertaking as referred to in Section 739B;</li> <li>(iii) a company carrying on life business within the meaning of Section 706 TCA;</li> <li>(iv) a pension scheme as referred to in Section 739B;</li> </ul>

- (v) any other investment undertaking as referred to in Section 739B;
- (vi) a special investment scheme as referred to in Section 739B;
- (vii) a unit trust of a type referred to in Section 739D(6)(e) TCA;
- (viii) a person who is entitled to exemption from income tax or corporation tax by virtue of Section 207(1)(b) TCA;
- (ix) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 784A(2) TCA or 848E TCA in circumstances where the Shares held are assets of an approved retirement fund, an approved minimum retirement fund or a special savings incentive account;
- (x) a person entitled to exemption from income tax and capital gains tax by virtue of Section 787I TCA and the shares he owns are assets of a PRSA (within the meaning of Chapter 2A of Part 30 TCA);
- (xi) a credit union as referred to in Section 739B;
- (xii) the Courts Service as referred to in Section 739B;
- (xiii) a qualifying company within the meaning of Section 110 TCA as referred to in Section 739D(6)(m) TCA;
- (xiv) the National Pensions Reserve Fund Commission;
- (xv) the National Asset Management Agency; and
- (xvi) any other person resident in Ireland who is permitted to own Shares under Irish taxation legislation or by practice or concession of the Irish Revenue Commissioners without requiring the Company to deduct appropriate tax in respect of any payment to a Shareholder or the transfer by a Shareholder of any Shares and in respect of whom the Company is in possession of a Declaration;

<b>FCA</b>	the Financial Conduct Authority, the Central Bank of the United Kingdom;
<b>FCA Rules</b>	the rules and regulations issued by the FCA, as amended, restated and/or supplemented from time to time;
<b>FDI</b>	financial derivative instruments, as such term is used in the UCITS Regulations;
<b>F Shares</b>	Shares which have been issued in any Class which the Directors have designated and labelled as an "F" Class;
<b>GBP</b>	the lawful currency of the United Kingdom;
<b>Global Exposure</b>	refers to the measure of a Portfolio risk exposure that factors in the market risk exposure of underlying investments, inclusive of the implied leverage associated with financial derivative instruments held in the portfolio. Under the UCITS Regulations, a Portfolio is required to use either a "Commitment Approach" or a "Value-at-Risk (VaR) Approach" to measure their Global Exposure (see separate definitions for these terms);
<b>Hedged Class</b>	a Class which is denominated in a currency other than the Base Currency of the Portfolio, and in respect of which the Investment Manager employs techniques and instruments with a view to protecting against fluctuations between the class currency of the relevant class and the Base Currency of its Portfolio;
<b>HKD</b>	the lawful currency of Hong Kong;
<b>HKSCC</b>	Hong Kong Securities Clearing Company Limited;
<b>ILS</b>	the lawful currency of Israel;
<b>Independent Director</b>	any Director who is not also an employee of the Investment Manager or its Associates;

<b>Initial Offer Period</b>	in respect of each Portfolio, the period specified in the relevant Supplement, or such earlier or later time as the Directors may determine at their discretion and notify to the Central Bank and to subscribers;
<b>Initial Offer Price</b>	in respect of each class of Shares, the price specified in the relevant Supplement;
<b>Intermediary</b>	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;
<b>Investment Manager</b>	Neuberger Berman Europe Limited or such other firm or company as may from time to time be appointed, with the prior approval of the Central Bank, as investment manager;
<b>Irish Resident</b>	any company resident or other person resident or ordinarily resident, in the Republic of Ireland for the purposes of Irish tax. Please see the “ <i>Taxation</i> ” section for the summary of the concepts of residence and ordinary residence issued by the Irish Revenue Commissioners;
<b>Irish Revenue Commissioners</b>	the Irish authority responsible for taxation;
<b>Irish Stock Exchange</b>	the Irish Stock Exchange plc;
<b>I Shares</b>	Shares which have been issued in any Class which the Directors have designated and labelled as an “I” Class;
<b>I2 Shares</b>	Shares which have been issued in any Class which the Directors have designated and labelled as an “I2” Class;
<b>I25 Shares</b>	Shares which have been issued in any Class which the Directors have designated and labelled as an “I25” Class;
<b>I3 Shares</b>	Shares which have been issued in any Class which the Directors have designated and labelled as an “I3” Class;
<b>I4 Shares</b>	Shares which have been issued in any Class which the Directors have designated and labelled as an “I4” Class;
<b>I5 Shares</b>	Shares which have been issued in any Class which the Directors have designated and labelled as an “I5” Class;
<b>JPY</b>	the lawful currency of Japan;
<b>M Shares</b>	Shares which have been issued in any Class which the Directors have designated and labelled as an “M” Class;
<b>MiFID</b>	the Markets in Financial Instruments Directive, a piece of European legislation, implemented in the UK on 1 November 2007. MiFID forms part of the European Financial Services Action Plan, which aims to harmonise the financial markets across Europe;
<b>Minimum Initial Subscription</b>	in respect of each Portfolio, the minimum initial subscription amount required for investment in a class of Shares, as specified in Annex II to this Prospectus;
<b>Minimum Holding</b>	in respect of each Portfolio, the minimum holding required for investment in a class of Shares, as specified in Annex II to this Prospectus;
<b>(Monthly) Distributing Class</b>	any class in respect of which the Directors intend to declare dividends out of Net Income and capital on a monthly basis in accordance with the Articles and as specified in the “ <i>Distribution Policy</i> ” section;
<b>Net Asset Value</b>	the net asset value of a Portfolio calculated as described in the “ <i>Determination of Net Asset Value</i> ” section of this Prospectus;
<b>Net Asset Value Calculation Time</b>	such time in respect of a Portfolio as shall be specified in the relevant Supplement, or such other time as the Directors may determine in respect of a Portfolio and notify to the Administrator and to Shareholders in advance, provided always that shall be after the

	relevant Valuation Point;
<b>Net Asset Value per Share</b>	in relation to any Portfolio, the Net Asset Value divided by the number of Shares in the relevant Portfolio in issue or deemed to be in issue in respect of that Portfolio on the relevant Dealing Day and, in relation to any class of Shares, subject to such adjustments, if any, as may be required in relation to such class;
<b>NOK</b>	the lawful currency of Norway;
<b>NZD</b>	the lawful currency of New Zealand;
<b>OECD</b>	the Organisation for Economic Co-Operation and Development;
<b>OTC</b>	“over-the-counter”;
<b>PF Classes</b>	any class in respect of which the Directors intend to charge a performance fee in accordance with the Articles and as specified in the “ <i>Fees and Expenses</i> ” section and the relevant Supplement;
<b>Portfolio</b>	a portfolio of assets established by the Directors (with the prior approval of the Depositary and the Central Bank) and constituting a separate fund represented by a separate series of Shares and invested in accordance with the investment objective and policies applicable to such Portfolio as specified in the relevant Supplement;
<b>primarily</b>	each time that the word “primarily” is used in the description of the investment objectives and policies of a Portfolio, it means that at least two thirds of the assets of the relevant Portfolio are directly invested in the currency, the country, the type of security or other material element described in the name of the Portfolio;
<b>Prospectus</b>	this document and any Supplement or addendum designed to be read and construed together with and to form part of this document;
<b>P Shares</b>	Shares which have been issued in any Class which the Directors have designated and labelled as a “P” Class;
<b>Recognised Rating Agency</b>	Standard & Poor’s Ratings Group (“S&P”), Moody’s Investors Services (“Moody’s”), Fitch IBCA or an equivalent rating agency as the Directors may from time to time determine;
<b>Recognised Market</b>	any recognised exchange or market listed or referred to in Annex I to this Prospectus and in such other markets as Directors may from time to time determine in accordance with the UCITS Regulations and specify in Annex I to this Prospectus;
<b>Relevant Institution</b>	(a) a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein); (b) a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or (c) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;
<b>RMP Statement</b>	the Company’s risk management process statement, a copy of which has been submitted to and cleared by the Central Bank;
<b>Section 739B</b>	Section 739B of TCA;
<b>SEHK</b>	The Stock Exchange of Hong Kong Limited;
<b>SEK</b>	the lawful currency of Sweden;
<b>series</b>	means a series of Shares which may be further sub-divided into Classes;
<b>SGD</b>	the lawful currency of Singapore;
<b>Share or Shares</b>	a share or shares of whatsoever series or class in the capital of the Company (other than Subscriber Shares) entitling the holders to participate in the profits of the Company attributable to the relevant Portfolio as described in this Prospectus;
<b>Shareholder</b>	a person registered in the share register of the Company as a holder of Shares;

<b>SSE</b>	the Shanghai Stock Exchange;
<b>Stock Connects</b>	the Shanghai Stock Connect and Shenzhen Stock Connect;
<b>Sub-Investment Manager</b>	any sub-investment manager appointed by the Investment Manager from time to time in respect any particular Portfolio, with the prior approval of the Company and the Central Bank as specified in the relevant Supplement;
<b>Subscriber Shares</b>	the issued share capital of 2 subscriber shares of no par value issued at one EUR each and initially designated as "Subscriber Shares" but which do not entitle the holders to participate in the profits of the Company attributable to any Portfolio;
<b>Subscriber Shareholder</b>	a person/persons registered in the register of members of the Company as a holder or holders of Subscriber Shares;
<b>Sum of Notional</b>	measures the expected level of leverage in a Portfolio by calculating the absolute sum of market risk exposure of the underlying securities in the relevant Portfolio, where the calculation of derivatives instruments exposure is converted, per the UCITS rules, into the market value of an equivalent position in the underlying asset of that derivative. This methodology does not i) make a distinction between financial derivative instruments that are used for investment, efficient portfolio management or hedging purposes; ii) allow the netting of derivative positions. As a result, derivative roll-overs (such as FX forwards) and strategies relying on a combination of long and short positions may disclose a significant level of leverage which might not necessarily reflect the risk profile of the Portfolio; or iii) take into account any other risk characteristics of the derivatives or assets;
<b>Supplement</b>	a supplement in respect of any Portfolio or group of Portfolios and any addendum thereto designed to be read and construed together with and to form part of this document;
<b>SZSE</b>	the Shenzhen Stock Exchange;
<b>TARGET</b>	the Trans-European Automated Real-time Gross settlement Express Transfer system for the Euro, offered by the Eurosystem;
<b>TCA</b>	the Taxes Consolidation Act 1997;
<b>T Shares</b>	Shares which have been issued in any Class which the Directors have designated and labelled as a "T" Class;
<b>UCITS</b>	an undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations;
<b>UCITS Regulations</b>	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. 352 of 2011) (as amended) and all applicable Central Bank regulations or notices made or conditions imposed or derogations granted thereunder by the Central Bank;
<b>Unhedged Classes</b>	a class of Shares which is denominated in a currency other than the Base Currency of the Portfolio and in respect of which the Investment Manager does not employ techniques and instruments to protect against fluctuations between the class currency of the relevant class and the Base Currency of its Portfolio;
<b>U Shares</b>	Shares which have been issued in any Class which the Directors have designated and labelled as a "U" Class;
<b>US Investment Advisers Act</b>	US Investment Advisers Act of 1940, as amended;
<b>US or United States</b>	the United States of America, its territories and possessions including the States and the District of Columbia;
<b>US\$, USD or US Dollars</b>	the lawful currency of the United States of America;
<b>VaR</b>	represents an approach for measuring risk or "Global Exposure" based on Value-at-Risk or VaR, which is a measure of the maximum potential loss of a Portfolio that can arise at a given confidence level over a specific time period under normal market conditions. Depending on which VaR approach is suitable for a Portfolio, VaR may be expressed in

absolute terms as a percentage of the Portfolio assets or in relative terms, where the VaR of the Portfolio is divided by the VaR of its relevant benchmark, generating a ratio known as relative VaR. Under the UCITS Regulations, VaR is measured at 99% level of confidence over 1 month horizon.

**Valuation Point**

means with respect to:

- (i) transferable securities and listed FDI, such time on a Business Day which reflects the close of business on the markets relevant to such assets and liabilities;
- (ii) collective investment schemes, the time of publication of the NAV by the relevant collective investment scheme; and
- (iii) OTC FDI and portfolio management techniques, the close of business of the relevant Business Day;

or such other time as the Directors may determine in respect of a Portfolio from time to time and notify to Shareholders.

For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after the Dealing Deadline;

**(Weekly) Distributing Class**

any class in respect of which the Directors intend to declare dividends out of Net Income and capital on a weekly basis in accordance with the Articles and as specified in the "*Distribution Policy*" section;

**ZAR**

the lawful currency of South Africa;

**Z Shares**

Shares which have been issued in any Class which the Directors have designated and labelled as a "Z" Class;

**1933 Act**

the US Securities Act of 1933, as amended; and

**1940 Act**

the US Investment Company Act of 1940, as amended.



**ANNEX I  
RECOGNISED MARKETS**

The exchanges/markets are set out below in accordance with the requirements of the Central Bank, which does not issue a list of approved markets.

With the exception of permitted investment in unlisted investments, investment in securities and FDI will be limited to securities and FDI which are listed or traded on the following stock exchanges and regulated markets:

(i) Any stock exchange or market in any EU Member State, any member state of the EEA or in any of the following countries: Australia, Canada, Japan, Hong Kong, New Zealand, Switzerland and the United States of America.

(ii) Any of the following exchanges or markets:

Argentina	Buenos Aires Stock Exchange Cordoba Stock Exchange La Plata Stock Exchange Mendoza Stock Exchange Rosario Stock Exchange	Malaysia	Kuala Lumpur Stock Exchange Bumiputra Stock Exchange
Brazil	Bahia-Sergipe-Alagoas Stock Exchange Brasilia Stock Exchange Extremo Sul Porto Alegre Stock Exchange Minas Esperito Santo Stock Exchange Parana Curitiba Stock Exchange Pernambuco e Paraiba Recife Stock Exchange Regional Fortaleza Stock Exchange Rio de Janeiro Stock Exchange Santos Stock Exchange Sao Paulo Stock Exchange	Mexico	Bolsa Mexicana de Valores
Chile	Santiago Stock Exchange Valparaiso Stock Exchange	Namibia	Namibian Stock Exchange
China	Shanghai Securities Exchange Shenzhen Stock Exchange	Nigeria	Nigerian Stock Exchange
Colombia	Colombian Stock Exchange	Pakistan	Karachi Stock Exchange Lahore Stock Exchange
Costa Rica	Bolsa Nacional de Valores S.A.	Peru	Lima Stock Exchange
Egypt	Cairo and Alexandria Stock Exchange	Philippines	Philippines Stock Exchange
Ghana	Ghana Stock Exchange	Qatar	Doha Securities Market
India	Bombay Stock Exchange Madras Stock Exchange Delhi Stock Exchange	Russia	St. Petersburg Stock Exchange Moscow International Stock Exchange Moscow Interbank Currency Exchange (equity securities only)
		Saudi Arabia	Riyadh Stock Exchange
		Serbia	Belgrade Stock Exchange
		Singapore	Singapore Stock Exchange SESDAQ
		South Africa	Johannesburg Stock Exchange
		South Korea	Korea Exchange, Inc. (KRX) KRX Stock Market Division (KRX KOSPI Market) KRX Futures Market Division (KRX Derivatives Market) KRX Korea Securities Dealers Association Automated Quotation (KOSDAQ) Division
		Sri Lanka	Colombo Stock Exchange

	Ahmedabad Stock Exchange	Taiwan	Taiwan Stock Exchange
	Bangalore Stock Exchange	Thailand	Thailand Stock Exchange
	Cochin Stock Exchange	Turkey	Istanbul Stock Exchange
	Gauhati Stock Exchange	United Arab Emirates	Dubai Financial Market
	Magadh Stock Exchange		Dubai International Financial Exchange
	Pune Stock Exchange	Ukraine	Ukrainian Stock Exchange
	Hyderabad Stock Exchange	Uruguay	Rospide Sociedad de Bolsa S.A.
	Ludhiana Stock Exchange	Venezuela	Bolsa de Valores de Caracas
	Uttar Pradesh Stock Exchange	Vietnam	Vietnam Stock Exchange
	Calcutta Stock Exchange	Zambia	Lusaka Stock Exchange
Indonesia	Jakarta Stock Exchange		
	Surabaya Stock Exchange		
Israel	Tel Aviv Stock Exchange (TASE)		
Kazakhstan	Kazakhstan Stock Exchange		

- (iii) The following exchanges or markets:
- the market organised by the members of the International Capital Market Association;
  - (a) NASDAQ in the United States, (b) the market in the US government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York; and (c) the over-the-counter market in the United States regulated by the Financial Industry Regulatory Authority, Inc;
  - the over-the-counter market in Japan regulated by the Japan Securities Dealers Association;
  - the French Market for “Titres des Creance Negotiable” (over-the-counter market in negotiable instruments);
  - the market conducted by the “listed money market institutions” as described in the Bank of England publication “The Regulation of the Wholesale Cash and OTC Derivatives Markets (in Sterling, foreign currency and bullion);
  - the alternative investment market in the United Kingdom regulated and operated by the London stock exchange;
  - EASDAQ (European Association of Securities Dealers Automated Quotation). EASDAQ is a recently formed market and the general level of liquidity may not compare favourably to that found on more established exchanges; and
  - the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.
- (iv) any organised exchange or market in the European Economic Area on which futures or options contracts are regularly traded.
- (v) any stock exchange approved in a member state of the European Economic Area.

#### **FINANCIAL DERIVATIVE INSTRUMENTS**

In the case of an investment in financial derivative instrument, in any derivative market approved in a member state of the European Economic Area or in any of the following member countries of the OECD: Australia, Canada, Japan, New Zealand, Norway, Switzerland and the United States of America and the following exchanges or markets:

Bermuda	International Futures Exchange (Bermuda) Ltd
Brazil	Bolsa de Mercadorias & Futuros
China	Shanghai Futures Exchange
Hong Kong SAR	Hong Kong Futures Exchange
Indonesia	Jakarta Futures Exchange
India	The Bombay Stock Exchange (The Stock Exchange, Mumbai) The National Stock Exchange of India, Limited
Korea	Korea Exchange (Futures Market Division)
Malaysia	Bursa Malaysia Derivatives Berhad Kuala Lumpur Options and Financial Futures Exchange
Mexico	Mexican Derivatives Exchange
Taiwan	Taiwan Stock Exchange Taiwan Futures Exchange
Thailand	Thailand Futures Exchange Pcl
Turkey	Turkdex (Istanbul)
Singapore	Singapore Exchange Derivatives Trading, Limited (formerly SIMEX, the Singapore International Monetary Exchange)
South Africa	JSE Securities Exchange South Africa

## ANNEX II SHARE CLASS INFORMATION

### SHARE CLASSES

Shares are available in each Portfolio in the A, B, C, C1, C2, D, E, F, I, I2, I25, I3, I4, I5, M, P, T, U, X and Z Classes (the “Categories”).

Shares are available in each Portfolio in each Category in Hedged Classes and Unhedged Classes denominated in the following currencies: AUD, BRL, CAD, CHF, CLP, CNY, DKK, EUR, GBP, HKD, ILS, JPY, NOK, NZD, SEK, SGD and ZAR and in USD-denominated Classes.

Shares in each Category and currency are available in each Portfolio as Accumulating Classes, Distributing Classes, (Monthly) Distributing Classes and (CG) Distributing Classes. Where disclosed in the relevant Supplement, a Portfolio may also offer (Weekly) Distributing Classes.

Details of any other Classes available in a particular Portfolio (e.g. PF Classes) will be included in the relevant Supplement.

Subject to any transitional period or other arrangement with Shareholders in the relevant Classes at the date of this Prospectus, Shares in the Category B, C2 and E Classes will automatically convert into Shares in the corresponding T Class upon the expiry of four years (Category B Classes), two years (Category C2 Classes) and three years (Category E Classes) from the date of the initial subscription into the relevant B, C2 or E Class.

Category I Class Shares are intended for use by institutions such as pension funds, corporates and official institutions. Category I Class Shares may also be utilised by distributors that are restricted either due to regulatory constraints or due to the nature of the individual fee arrangements with their clients, or meet such other requirements as may be determined by the Directors. In such circumstances no trail will be paid to any sales partners and the minimum investment amounts may be waived for investments made by a distributor on behalf of their clients.

Category I2, I25, I3, I4, I5 Class Shares are intended for use by institutions such as pension funds, corporates and official institutions. Category I2, I25, I3, I4, I5 Class Shares may also be utilised by distributors that are restricted either due to regulatory constraints or due to the nature of the individual fee arrangements with their clients, or meet such other requirements as may be determined by the Directors. In such circumstances no trail will be paid to any sales partners and the minimum investment amounts may be waived for investments made by a distributor on behalf of their clients. Investment into these Classes of Shares is subject to approval by the Directors and execution of a separate agreement between the investor and the Investment Manager.

Shares in the Category Z Classes may only be acquired by investors which enter into a separate agreement with the Investment Manager or the Company or a Distributor.

Shares in the F Classes may only be available for subscription for a limited period of time from the launch of a Portfolio. On the third anniversary of the launch of the Portfolio, all holdings in the F Classes will be transferred to the respective I share class of the Portfolio. Investors in the F Class will, following the transfer of their holdings to their respective I share Classes, be subject to the Fees and Expenses that apply to the I Class as set out in the section “Fees and Expenses” in the relevant Portfolios supplement.

Shares in the X Classes may only be acquired by investors that meet the minimum investment limits and such other requirements as may be determined by the Directors. Investment into these Classes are subject to the execution of a separate agreement between the investor and the Investment Manager or a Distributor.

### MINIMUM INITIAL SUBSCRIPTION AND MINIMUM HOLDING AMOUNTS

Shares in each Portfolio will be subject to the following minimum initial subscription and minimum holding amounts:

Category	Currency	Minimum Initial Subscription Amount	Minimum Holding Amount
A, B, C, C1, C2, E, M and T	AUD	1,000	1,000
	BRL	2,500	2,500
	CAD	1,000	1,000
	CHF	1,000	1,000
	CLP	500,000	500,000
	CNY	10,000	10,000
	DKK	5,000	5,000

Category	Currency	Minimum Initial Subscription Amount	Minimum Holding Amount
	EUR	1,000	1,000
	GBP	1,000	1,000
	HKD	10,000	10,000
	ILS	5,000	5,000
	JPY	100,000	100,000
	NOK	5,000	5,000
	NZD	1,000	1,000
	SEK	5,000	5,000
	SGD	1,000	1,000
	USD	1,000	1,000
	ZAR	10,000	10,000
D	AUD	2,500,000	10,000
	BRL	6,500,000	25,000
	CAD	2,500,000	10,000
	CHF	2,500,000	10,000
	CLP	1,250,000,000	5,000,000
	CNY	25,000,000	100,000
	DKK	12,500,000	50,000
	EUR	2,500,000	10,000
	GBP	2,500,000	10,000
	HKD	25,000,000	100,000
	ILS	12,500,000	50,000
	JPY	250,000,000	1,000,000
	NOK	12,500,000	50,000
	NZD	2,500,000	10,000
	SEK	12,500,000	50,000
	SGD	2,500,000	10,000
	USD	2,500,000	10,000
	ZAR	25,000,000	100,000
F	AUD	100,000,000	100,000,000
	BRL	250,000,000	250,000,000
	CAD	100,000,000	100,000,000
	CHF	100,000,000	100,000,000
	CLP	50,000,000,000	50,000,000,000
	CNY	1,000,000,000	1,000,000,000
	DKK	500,000,000	500,000,000
	EUR	100,000,000	100,000,000
	GBP	100,000,000	100,000,000
	HKD	1,000,000,000	1,000,000,000
	ILS	500,000,000	500,000,000
	JPY	10,000,000,000	10,000,000,000
	NOK	12,500,000	50,000
	NZD	100,000,000	100,000,000
	SEK	500,000,000	500,000,000
	SGD	100,000,000	100,000,000
	USD	100,000,000	100,000,000
	ZAR	1,000,000,000	1,000,000,000
I	AUD	2,500,000	10,000
	BRL	6,500,000	25,000
	CAD	2,500,000	10,000
	CHF	2,500,000	10,000
	CLP	1,250,000,000	5,000,000
	CNY	25,000,000	100,000
	DKK	12,500,000	50,000
	EUR	2,500,000	10,000
	GBP	2,500,000	10,000
	HKD	25,000,000	100,000
	ILS	12,500,000	50,000
	JPY	250,000,000	1,000,000
	NOK	12,500,000	50,000
	NZD	2,500,000	10,000
	SEK	12,500,000	50,000
	SGD	2,500,000	10,000

Category	Currency	Minimum Initial Subscription Amount	Minimum Holding Amount
	USD	2,500,000	10,000
	ZAR	25,000,000	100,000
I2, I25, I3, I4 and I5	AUD	2,500,000	25,000,000
	BRL	6,500,000	65,000,000
	CAD	2,500,000	25,000,000
	CHF	2,500,000	25,000,000
	CLP	1,250,000,000	12,500,000,000
	CNY	25,000,000	100,000,000
	DKK	12,500,000	125,000,000
	EUR	2,500,000	25,000,000
	GBP	2,500,000	25,000,000
	HKD	25,000,000	25,000,000
	ILS	12,500,000	50,000
	JPY	250,000,000	500,000,000
	NOK	12,500,000	50,000
	NZD	2,500,000	25,000,000
	SEK	12,500,000	50,000
	SGD	2,500,000	100,000,000
USD	2,500,000	25,000,000	
ZAR	25,000,000	100,000,000	
P	AUD	1,000	1,000
	BRL	2,500	2,500
	CAD	1,000	1,000
	CHF	1,000	1,000
	CLP	500,000	500,000
	CNY	10,000	10,000
	DKK	5,000	5,000
	EUR	1,000	1,000
	GBP	50,000	50,000
	HKD	10,000	10,000
	ILS	5,000	5,000
	JPY	100,000	100,000
	NOK	5,000	5,000
	NZD	1,000	1,000
	SEK	5,000	5,000
	SGD	2,000	2,000
USD	1,000	1,000	
ZAR	10,000	10,000	
U	AUD	500,000	5,000
	BRL	125,000	12,500
	CAD	500,000	5,000
	CHF	500,000	5,000
	CLP	250,000,000	2,500,000
	CNY	5,000,000	50,000
	DKK	2,500,000	25,000
	EUR	500,000	5,000
	GBP	500,000	5,000
	HKD	5,000,000	50,000
	ILS	2,500,000	25,000
	JPY	50,000,000	500,000
	NOK	2,500,000	50,000
	NZD	500,000	5,000
	SEK	2,500,000	50,000
	SGD	500,000	5,000
USD	500,000	5,000	
ZAR	5,000,000	50,000	
X	AUD	100,000,000	100,000,000
	BRL	250,000,000	250,000,000
	CAD	100,000,000	100,000,000
	CHF	100,000,000	100,000,000
	CLP	50,000,000,000	50,000,000,000
	CNY	1,000,000,000	1,000,000,000
	DKK	500,000,000	500,000,000

Category	Currency	Minimum Initial Subscription Amount	Minimum Holding Amount
	EUR	100,000,000	100,000,000
	GBP	100,000,000	100,000,000
	HKD	1,000,000,000	1,000,000,000
	ILS	500,000,000	500,000,000
	JPY	10,000,000,000	10,000,000,000
	NOK	12,500,000	50,000
	NZD	100,000,000	100,000,000
	SEK	500,000,000	500,000,000
	SGD	100,000,000	100,000,000
	USD	100,000,000	100,000,000
	ZAR	1,000,000,000	1,000,000,000
Z	AUD	25,000,000	25,000,000
	BRL	65,000,000	65,000,000
	CAD	25,000,000	25,000,000
	CHF	25,000,000	25,000,000
	CLP	12,500,000,000	12,500,000,000
	CNY	75,000,000	100,000,000
	DKK	125,000,000	125,000,000
	EUR	25,000,000	25,000,000
	GBP	25,000,000	25,000,000
	HKD	100,000,000	25,000,000
	ILS	125,000,000	125,000,000
	JPY	2,000,000,000	250,000,000
	NOK	125,000,000	125,000,000
	NZD	25,000,000	25,000,000
	SEK	125,000,000	125,000,000
	SGD	16,000,000	100,000,000
	USD	25,000,000	25,000,000
	ZAR	250,000,000	100,000,000



**ANNEX III  
OTHER IMPORTANT INFORMATION FOR INVESTORS**

**ARGENTINA**

The Shares of the Portfolios offered herein have not been submitted to the Comisión Nacional de Valores (“CNV”) for approval. Accordingly, the Shares may not be offered or sold to the public in Argentina. This prospectus (and any information contained herein) may not be used or supplied to the public in connection with any public offer or sale of Shares in Argentina.

**AUSTRALIA**

This Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Australia or to Australian domiciled persons except where such persons are “wholesale investors” as defined in section 761G of the Corporations Act 2001 (Cth) and where disclosure would not be required under Chapter 6D or Part 7.9 of the Corporations Act 2001 (Cth).

**AUSTRIA**

By virtue of its registration with the Finanzmarktaufsicht (“FMA”), the Company is authorised to sell Shares in all Portfolios to investors in Austria.

This information must be read in conjunction with the Prospectus, the Key Investor Information Documents, the most recent annual report and, if published thereafter, the most recent semi-annual report of the Company. Material amendments to the Prospectus, the Key Investor Information Documents and the Articles will be filed with the FMA.

**Paying Agent in Austria**

The Company has appointed Erste Bank der oesterreichischen Sparkassen AG (the “Paying Agent”) to act as the paying agent and tax representative for the Company in Austria. The Paying Agent has agreed to provide the following from their office at OE 533, Graben 21, A-1010 Wien, Austria to the Company’s investors:

- (i) facilities at which subscriptions and redemption requests for Shares can be submitted to the Paying Agent. Upon request, redemption proceeds, distributions or any other payments to the Shareholder may be paid via the Paying Agent; and
- (ii) this Prospectus (together with any addenda thereto), the Memorandum and Articles of Association of the Company, the most recent semi-annual and annual accounts free of charge and facilities to inspect the material described below under “Supply and Inspection of Documents”.

Further Shareholder information, if any, is available at office of the Paying Agent.

**Publication of prices**

Details of the most recent prices of Shares may be obtained from the Investment Manager and may be published daily if required by local regulation.

**BELGIUM**

By virtue of its registration with the Financial Services and Markets Authority (the “FSMA”), the Company is authorised to sell Shares to investors in Belgium.

This information must be read in conjunction with the Prospectus, the Key Investor Information Documents, the most recent annual report and, if published thereafter, the most recent semi-annual report of the Company. Material amendments to the Prospectus, the Key Investor Information Documents and the Articles will be filed with the FSMA.

**Financial Servicing Agent in Belgium**

The Company has appointed BNP Paribas Securities Services S.C.A., having its registered office at 3 rue d’Antin, 75002 Paris, France and acting from its Brussels branch at Boulevard Louis Schmidt 2, 1040 Brussels, as the Company’s financial servicing agent in Belgium in connection with the processing of issues, redemptions, switches and transfers of Shares and in connection with the payment of dividends on the Shares.

**BRAZIL**

The Shares of the Portfolios may not be offered or sold to the public in Brazil. Accordingly, the Shares of the Portfolios have not been nor will be registered with the Brazilian Securities Commission – CVM nor have they been submitted to the foregoing agency for approval. Documents relating to the Shares of the Portfolios, as well as the information contained therein, may not be supplied to the public in Brazil, as the offering of Shares in the Portfolios is not a public offering of securities in Brazil, nor used in connection with any offer for subscription or sale of securities to the public in Brazil.

#### **CANADA**

Investors in Canada should read the Prospectus together with the required Canadian disclosure contained in the Canadian “wrapper” supplement to the Prospectus – a copy of which can be obtained from the Investment Manager on request.

#### **CAYMAN ISLANDS**

The Company does not intend to establish a place of business or otherwise intend to conduct business in the Cayman Islands. Accordingly, the Company should not be subject to the supervision of any Cayman Islands authority.

#### **CHILE**

Neither the Company nor the Shares of the Portfolios have been registered with the Superintendencia de Valores y Seguros pursuant to Law No. 18.045, the Ley de Mercado de Valores and regulations thereunder. This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, the Shares of the Portfolios in the Republic of Chile, other than to individually identified buyers pursuant to a private offering within the meaning of Article 4 of the Ley de Mercado de Valores (an offer that is not addressed to the public at large or to a certain sector or specific group of the public).

#### **COLOMBIA**

This document does not constitute a public offer in the Republic of Colombia. The offer of the Portfolios is addressed to less than one hundred specifically identified investors. The Portfolios may not be promoted or marketed in Colombia or to Colombian residents, unless such promotion and marketing is made in compliance with Decree 2555 of 2010 and other applicable rules and regulations related to the promotion of foreign funds in Colombia.

The distribution of this Prospectus and the offering of Shares of the Portfolios may be restricted in certain jurisdictions. The information contained in this Prospectus is for general guidance only, and it is the responsibility of any person or persons in possession of this Prospectus and wishing to make application for Shares of the Portfolios to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares of the Portfolios should inform themselves of any applicable legal requirements, exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

#### **COSTA RICA**

This Prospectus has been produced for the purpose of providing information about the Shares of the Portfolios and will be provided to a maximum of 50 investors per fund in Costa Rica who are Institutional or Sophisticated Investors in accordance with the exemptions established pursuant to the Regulations on Public Offers of Values. This Prospectus is made available on the condition that it is for the use only by the recipient and may not be passed onto any other person or be reproduced in any part. The Shares of the Portfolios have not been and will not be offered in the course of a public offering or of equivalent marketing in Costa Rica.

#### **DENMARK**

By virtue of its registration with the Danish Financial Supervisory Authority (the “Danish FSA”), the Company is authorised to sell Shares to investors in Denmark.

This information must be read in conjunction with the Prospectus, the Key Investor Information Documents, the most recent annual report and, if published thereafter, the most recent semi-annual report of the Company. Material amendments to the Prospectus, the Key Investor Information Documents and the Articles will be filed with the Danish FSA.

#### **Representative Agent in Denmark**

The Company has appointed Nordea Bank Danmark A/S, Issuer Services, Securities Services of Hermes Hus, Helgeshøj Allé 33, Postbox 850, DK-0900 Copenhagen C as its Representative Agent in Denmark.

The obligations of the representative are, in particular, to forward queries from Danish investors in regards to subscriptions, redemptions and dividend payments to the Company and to distribute the latest Prospectus, application form, electronic copies of the latest articles of incorporation and electronic copies of the latest annual and semi-annual

reports of the Company upon the request of a Danish investor.

## EL SALVADOR

This Prospectus has been produced for the purpose of providing information about the Shares of the Portfolios. This Prospectus is made available on the condition that it is for use only by the recipient and may not be passed on to any other person or be reproduced in any part. The Shares of the Portfolios have not been and will not be offered in the course of a public offering or of equivalent marketing in El Salvador and therefore, the provisions of the Stock Market Law of 1994 (Ley del Mercado de Valores) as amended, relating to registration requirements and to prospectus requirements do not apply. The Shares of the Portfolios have thus neither been registered for public distribution in El Salvador with the Stock Superintendency nor been the subject matter of a prospectus compliant with the Stock Market Law. Any subscription application by any person other than the initial recipient of the Prospectus will be rejected.

## FINLAND

By virtue of its registration with the Finnish Financial Supervision Authority, the Company is authorised to sell Shares in all Portfolios to investors in Finland.

This information must be read in conjunction with the Prospectus, the Key Investor Information Documents, the most recent annual report and, if published thereafter, the most recent semi-annual report of the Company. Material amendments to the Prospectus, the Key Investor Information Documents and the Articles will be filed with the Finnish Financial Supervision Authority.

## FRANCE

By virtue of its registration with the Autorité des Marchés Financiers (the “AMF”), the Company is authorised to sell Shares to investors in France.

This information must be read in conjunction with the Prospectus, the Key Investor Information Documents, the most recent annual report and, if published thereafter, the most recent semi-annual report of the Company. Material amendments to the Prospectus, the Key Investor Information Documents and the Articles will be filed with the AMF.

### Centralising Correspondent in France

The Company has appointed CACEIS Bank France Investors Services Bank, a French corporation (*société anonyme*), with stated capital of €310,000,000, registered with the Paris Trade and Company Register under Number 692 024 722, (the “Centralising Correspondent”) to act as the centralising correspondent for the Company in France. The Centralising Correspondent has agreed to provide the following from their office at 1/3, Place Valhubert, 75013 Paris, France to the Company’s investors:

- (a) facilities at which subscriptions and redemption requests for Shares can be submitted to the Centralising Correspondent. Upon request, redemption proceeds, distributions or any other payments to the Shareholder may be paid via the Centralisation Agent; and
- (b) this Prospectus (together with any addenda thereto), the Memorandum and Articles of Association of the Company, the most recent semi-annual and annual accounts free of charge and facilities to inspect the material described below under “Supply and Inspection of Documents”.

Further Shareholder information, if any, is available at the office of the Centralising Correspondent.

### Publication of prices

Details of the most recent prices of Shares may be obtained from the Investment Manager and may be published daily if required by local regulation.

## GERMANY

By virtue of its registration with the Bundesanstalt für Finanzdienstleistungsaufsicht (the “BaFin”) the Company is authorised to sell Shares to investors in Germany.

### Paying Agent in Germany

The Company has appointed JP Morgan AG as paying agent for the Company in the Federal Republic of Germany (the “German Paying Agent”).

Exchange and redemption requests for the Shares can be submitted to the German Paying Agent at the following address:

J.P. Morgan AG  
Taunustor 1 (TaunusTurm)  
60310 Frankfurt am Main  
Germany

Upon request, the redemption proceeds, distributions or other payments, if any, to the Shareholder are paid in Euro via the German Paying Agent.

### **Information Agent in Germany**

The Company has also appointed J.P. Morgan AG as information agent for the Company in the Federal Republic of Germany (the "German Information Agent").

The Prospectus, the Key Investor Information Documents, the Articles, the semi-annual and annual accounts of the Company can be received free of charge in paper form or electronic form and the material described above under "Documents for Inspection" can be inspected free of charge at the office of the German Information Agent at the aforementioned address. Furthermore, Shareholder information, if any, is available free of charge in paper form or electronic form at the German Information Agent.

The Net Asset Value per Share of each Portfolio and the purchase and redemption prices together with the interim profit and the aggregate amount of income deemed to be received by the Shareholder for the Shares are available free of charge at the German Information Agent on every banking business day in Frankfurt am Main.

### **Publication of prices and notices to Shareholders**

The most recent issue and redemption prices of Shares may be obtained free of charge from the Investment Manager and from the German Information Agent and will generally be published daily on [www.morningstar.de](http://www.morningstar.de).

Furthermore notices to Shareholders, if any, will also be published in a durable medium (dauerhafter Datentraeger).

In the following cases notifications to the Shareholders in Germany will be published via a durable medium and additionally, in the German Federal Gazette (*Bundesanzeiger*):

- Suspension of repurchase of the Shares in the Company;
- Termination of the management of or dissolution of the Company;
- Changes to the terms and conditions which are not consistent with the existing investment policy, which affect essential Shareholder rights or which affect the reimbursement of expenses that may be taken from the Company, including the reasons for the changes and investors rights in an understandable manner and their means of obtaining information thereon;
- In the event of a merger of the Company or one of its Portfolios, in the form of merger information to be prepared in accordance with Article 43 of Directive 2009/65/EC;
- In the event of conversion of the Company or one of its Portfolios into a feeder fund or in the event of a change to a master fund, in the form of information to be prepared in accordance with Article 64 of Directive 2009/65/EC.

### **Distributors**

Prospective investors should contact their distributor for information on fees paid to the Distributor by the Company.

## **GREECE**

The Company is authorised to sell Shares in certain Portfolios to investors in Greece. Greek investors who are interested in acquiring Shares should check with Neuberger Berman Europe Limited or their financial adviser about whether Shares in which they wish to invest are authorised for sale in Greece. Piraeus Bank S.A. has been appointed to act as distributor and representative and paying agent for the Company in Greece.

## **HONG KONG**

Please note that (i) Shares in any Portfolio which has not been authorised by the Hong Kong Securities and Futures Commission ("HKSF") may not be offered or sold in Hong Kong by means of this Prospectus or any other document other than to "professional investors" as defined in Part I of Schedule 1 to the SFO and any rules made thereunder, and (ii) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to Shares in any such Portfolio which is directed at, or the contents of

which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in Part I of Schedule 1 to the SFO and any rules made thereunder.

For so long as the Company is authorised by the HKSF, commissions payable to sales agents arising out of any dealing in Shares in Hong Kong authorised Portfolios will not be paid out of the Company's or the relevant Portfolio's assets.

#### **HUNGARY**

This Prospectus relates to Shares offered by way of through private placement, and it does not constitute or form part of any offer or invitation to the public in Hungary to subscribe for or purchase Shares and shall not be construed as such.

#### **ICELAND**

This Prospectus has been issued in Iceland for use by Institutional Investors in Iceland only and exclusively for the purposes of the described investment opportunities. Accordingly, this Prospectus and relevant information may not be used for any other purpose or passed on to any other person in Iceland. The investment described in this Prospectus is not a public offering of securities. It is not registered for public distribution in Iceland with the Financial Supervisory Authority pursuant to the Icelandic Act on Undertakings for Collective Investment in Transferable Securities (UCITS) and Investment Funds No. 30/2003 and supplementary regulations. The investment may not be offered or sold by means of this Prospectus or anyway later resold otherwise than in accordance with Article 13 of the Regulation on UCITS and Investment Funds No. 792/2003.

#### **INDIA**

The offering contemplated in this Prospectus is not, and shall not under any circumstances be construed as a public offering in India. The Prospectus is intended for the exclusive use of the person to whom it is delivered and any distribution, reproduction or other use of all or any portion of Prospectus is prohibited.

#### **INDONESIA**

This Prospectus does not constitute an offer to sell nor a solicitation to buy securities in Indonesia.

#### **IRELAND**

Irish residents may purchase Shares at the discretion of the Company.

Investors in Ireland should review the Prospectus, the Key Investor Information Documents, the most recent annual report and, if published thereafter, the most recent semi-annual report of the Company as part of any investment decisions in respect of the Company. Amendments to the Prospectus, the Key Investor Information Documents and the Articles will be filed with the Central Bank.

#### **ISRAEL**

The Shares offered hereby have not been approved or disapproved by the Securities Authority of the State of Israel and may not be offered in Israel to more than 35 offerees as such term is defined by Israeli law.

#### **ITALY**

By virtue of its registration with the Commissione Nazionale per le Società e la Borsa ("CONSOB") the Company is authorised to sell Shares to investors in Italy.

This information must be read in conjunction with the Prospectus, the Key Investor Information Documents, the most recent annual report and, if published thereafter, the most recent semi-annual report of the Company. Material amendments to the Prospectus, the Key Investor Information Documents, and the Articles will be filed with the CONSOB.

#### **Correspondent Bank in Italy**

The Company has appointed BNP Paribas Milan to act as its paying agent in Italy (the "Paying Agent"). The Paying Agent has agreed to provide the following from their offices at Piazza Lina Bo Bardi no. 3, 20124 Milan, Italy:

- facilities at which subscriptions, conversion and redemption requests for Shares can be submitted to the Paying Agent and redemption proceeds, distributions or any other payments to the Shareholder may be paid to investors;

- the Memorandum and Articles of Association of the Company, the most recent semi-annual and annual accounts, the documents described in the Prospectus under “Supply and Inspection of Documents”, the notice of the annual general meeting of the Company and the text of any resolutions passed at the most recent annual general meeting and facilities at which investors may inspect them.

On request, the Paying Agent will send copies of this information to investors free of charge.

### **JAPAN**

The Shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended) and, accordingly, none of the Shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit, of any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, a “Japanese person” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### **JERSEY**

This Prospectus relates to a private placement and does not constitute an offer to the public of Jersey to subscribe for the Shares offered hereby. No regulatory approval has been sought to the offer in Jersey. The offer of the Shares is personal to the person to whom this Prospectus is being delivered by or on behalf of the Company, and a subscription for the Shares will only be accepted from such person. The Prospectus may not be produced or used for any other purpose, nor be furnished to any other person other than those to whom it has been so delivered.

### **LIECHTENSTEIN**

By virtue of its registration with the Finanzmarktaufsicht (the “FMA”), the Company is authorised to sell Shares to investors in Liechtenstein.

This information must be read in conjunction with the Prospectus, the Key Investor Information Documents, the most recent annual report and, if published thereafter, the most recent semi-annual report of the Company. Material amendments to the Prospectus, the Key Investor Information Documents and the Articles will be filed with the FMA.

#### **Representative and Paying Agent in Liechtenstein**

The Company has appointed Volksbank AG, Feldkircher Strasse 2, FL-9494 Schaan, as Representative and Paying Agent in Liechtenstein.

The Prospectus, the Key Investor Information Documents, the Articles and the annual report and semi-annual report of the Company can be obtained free of charge from the Liechtenstein Representative’s office.

### **LUXEMBOURG**

By virtue of its registration with the Commission de Surveillance du Secteur Financier (the “CSSF”), the Company is authorised to sell Shares to investors in Luxembourg.

This information must be read in conjunction with the Prospectus, the Key Investor Information Documents, the most recent annual report and, if published thereafter, the most recent semi-annual report of the Company. Material amendments to the Prospectus, the Key Investor Information Documents and the Articles will be filed with the CSSF.

#### **Paying Agent in Luxembourg**

The Company has appointed J.P. Morgan Bank Luxembourg S.A., European Bank Business Center 6, route de Treves L-2633 Senningerberg, Luxembourg, as Luxembourg Paying Agent.

The Articles, the Key Investor Information Documents, the Prospectus and the annual report and semi-annual report of the Company can be obtained free of charge from the Luxembourg Paying Agent’s office.

### **NETHERLANDS**

By virtue of its registration with the Netherlands Authority for the Financial Markets (the “AFM”), the Company is authorised to sell Shares to investors in the Netherlands.

This information must be read in conjunction with the Prospectus, the Key Investor Information Documents of the



Company, the most recent annual report and, if published thereafter, the most recent semi-annual report. Material amendments to the Prospectus, the Key Investor Information Documents and the Articles will be filed with the AFM.

### **Publication of prices**

Details of the most recent prices of Shares may be obtained from the Investment Manager and will be published daily if required by local regulation.

### **MALAYSIA**

As the approval of the Malaysian Securities Commission pursuant to section 212 of the Malaysian Capital Markets and Services Act 2007 has not been / will not be obtained nor will this Prospectus be lodged or registered with the Malaysian Securities Commission, the Shares hereunder are not being and will not be deemed to be issued, made available, offered for subscription or purchase in Malaysia, and neither this Prospectus nor any document or other material in connection therewith should be distributed, caused to be distributed or circulated in Malaysia, save and except to individuals or other legal entities who fall under paragraphs 8, 9, 11, 12 or 13 of Schedule 6 to the Capital Markets and Services Act 2007.

### **MEXICO**

The Shares of the Portfolios have not been and will not be registered with the National Registry of Securities, maintained by the Mexican National Banking Commission and, as a result, may not be offered or sold publicly in Mexico. The Company and any underwriter or purchaser may offer and sell the Shares of the Portfolios in Mexico, to Institutional and Accredited Investors, on a private placement basis, pursuant to Article 8 of the Mexican Securities Market Law.

### **PANAMA**

The Shares have not been and will not be registered with the National Securities Commission of the Republic of Panama under Decree Law N°1 of July 8, 1999 (the "Panamanian Securities Act") and may not be publicly offered or sold within Panama, except in certain limited transactions exempt from the registration requirements of the Panamanian Securities Act. The Shares do not benefit from the tax incentives provided by the Panamanian Securities Act and are not subject to regulation or supervision by the National Securities Commission of the Republic of Panama.

### **PEOPLE'S REPUBLIC OF CHINA**

Shares may not be offered or sold directly or indirectly in the People's Republic of China (the "PRC") (which, for such purposes, does not include the Hong Kong or Macau Special Administrative Regions or Taiwan). This Prospectus has not been, and will not be, submitted to or approved/verified by or registered with the China Securities Regulatory Commission ("CSRC") or other relevant governmental and regulatory authorities in the PRC pursuant to relevant laws and regulations, and may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of Shares in the PRC. This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. Shares may only be offered or sold to PRC investors that are authorised to engage in the purchase of Shares of the type being offered or sold. PRC investors are responsible for obtaining all relevant government regulatory approvals/licences, verification and/or registrations themselves, including, but not limited to, any which may be required from CSRC, the State Administration of Foreign Exchange, the National Development and Reform Commission and/or the Ministry of Commerce, and complying with all relevant PRC regulations, including, but not limited to, all relevant foreign exchange regulations and/or foreign investment regulations.

### **PERU**

The Shares of the Portfolios have not been registered with the Superintendencia del Mercado de Valores (the "SMV") and are being placed by means of a private offer. The SMV has not reviewed the information provided to the investor. This Prospectus is only for the exclusive use of institutional investors in Peru and is not for public distribution.

### **PHILIPPINES**

The Shares being offered or sold have not been registered with the Securities and Exchange Commission under the Securities Regulation Code of the Philippines (the "Code"). Any future offer or sale thereof is subject to registration requirements under the Code unless such offer or sale qualifies as an exempt transaction thereunder.

### **PORTUGAL**

By virtue of its registration with the Comissão do Mercado dos Valores Mobiliários (the "CMVM"), the Company is authorised to sell Shares to investors in Portugal pursuant to Decree-Law 252/2003 of 17 October, republished by Decree Law No. 71/2010 of 18 June, as amended from time to time (the "Decree-Law") and the Portuguese Securities



Code

This information must be read in conjunction with the Prospectus of the Company, the Key Investor Information Documents, most recent annual report and, if published thereafter, the most recent semi-annual report. Material amendments to the Prospectus, the Key Investor Information Documents and the Articles will be filed with the CMVM.

### **SOUTH KOREA**

Only certain series or classes of Shares have been or will be registered for sale with the Financial Services Committee pursuant to the Financial Investment Services and Capital Markets Act (the "FSCMA"). Therefore, except for the specific series and classes of Shares that have been registered under the FSCMA, the Shares shall not be offered, sold or delivered directly or indirectly, or offered, sold or delivered to any person for re-offering or resale, directly or indirectly, in Korea or to any Korean resident (as such term is defined in the Foreign Exchange Transaction Act), except as otherwise permitted under applicable Korean laws and regulations.

The sale of the Shares that have been registered under the FSCMA shall be made via a licensed Korean distributor and in accordance with the FSCMA and other applicable Korean laws and regulations.

### **SPAIN**

By virtue of its registration with the Comisión Nacional del Mercado de Valores (the "CNMV"), the Company is authorised to sell Shares to investors in Spain.

This information must be read in conjunction with the Prospectus of the Company, the Key Investor Information Documents, the most recent annual report and, if published thereafter, the most recent semi-annual report. Material amendments to the Prospectus, the Key Investor Information Documents and the Articles will be filed with the CNMV.

#### **Publication of prices**

Details of the most recent prices of Shares may be obtained from the Investment Manager and will be published daily if required by local regulation.

### **SINGAPORE**

The offer or invitation to subscribe for Shares, which is the subject of this Prospectus, does not (in respect of Portfolios which are not recognised under Section 287 of the Securities and Futures Act, Chapter 289 of Singapore (the "Restricted Portfolios")) relate to collective investment schemes which are authorised under Section 286 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") or recognised under section 287 of the SFA. The Restricted Portfolios are not authorised or recognised by the Monetary Authority of Singapore (the "MAS") and Shares in the Restricted Portfolios are not allowed to be offered to the retail public. This Prospectus and any other document or material issued in connection with the offer or sale of the Restricted Portfolios is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply. You should consider carefully whether the investment is suitable for you.

This Prospectus has not been registered as a prospectus with the MAS. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Shares are subscribed or purchased under Section 305 by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Shares pursuant to an offer made under Section 305 of the SFA except:
  - (1) to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3)(i)(B) of the SFA;
  - (2) where no consideration is or will be given for the transfer;

- (3) where the transfer is by operation of law;
- (4) as specified in Section 305A(5) of the SFA; or
- (5) as specified in Regulation 36 of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.

## **SWEDEN**

By virtue of a ruling of the Finansinspektionen (the “Swedish Financial Supervisory Authority”) dated 8 August 2006, the Company is authorised to sell its Shares to members of the public in Sweden.

The information below describes the facilities available to investors resident in Sweden and the procedures which apply to dealing in Shares in the Company. This information must be read in conjunction with the Prospectus, the Key Investor Information Documents, the most recent annual report and, if published thereafter, the most recent semi-annual report of the Company. Amendments to the Prospectus, the Key Investor Information Documents, the Articles, or any other information will be made available at the offices of Skandinaviska Enskilda Banken AB (the “Swedish Paying Agent”). Material amendments to the Prospectus, the Key Investor Information Documents and the Articles will be filed with the Swedish Financial Supervisory Authority.

### **Paying Agent in Sweden**

The Company has appointed Skandinaviska Enskilda Banken AB, Sergels Torg 2, SE-106 40, Stockholm, Sweden, as Swedish Paying Agent.

The Articles, the Key Investor Information Documents, the Prospectus and the (semi-) annual report can be obtained free of charge from the Paying Agent’s office.

Investors may also apply to redeem Shares and obtain payment through the Swedish Paying Agent.

### **Publication of prices**

Details of the most recent prices of Shares may be obtained from the Investment Manager and may be published daily if required by local regulation.

## **SWITZERLAND**

### **Representative**

The representative of Neuberger Berman Investment Funds plc (for the purposes of this section only defined hereafter as the “Fund”) in Switzerland is BNP PARIBAS SECURITIES SERVICES, Paris, succursale de Zurich, Selnaustrasse 16, CH-8002 Zurich, Switzerland.

### **Paying agent**

The paying agent of the Fund in Switzerland is BNP PARIBAS SECURITIES SERVICES, Paris, succursale de Zurich, Selnaustrasse 16, CH-8002 Zurich, Switzerland.

### **Place where the relevant documents may be obtained**

The Fund’s Memorandum and Articles of Association, Prospectus, Key Investor Information Documents as well as the annual and semi-annual reports may be obtained free of charge from the Representative in Switzerland.

### **Publication**

- (a) Publications concerning the Fund are made in Switzerland on the website of Swiss Fund Data AG ([www.swissfunddata.ch](http://www.swissfunddata.ch)).
- (b) At each time Shares are issued or redeemed, the issue and the redemption prices or NAV, together with a reference stating “excluding commissions” will be published on the website of Swiss Fund Data AG ([www.swissfunddata.ch](http://www.swissfunddata.ch)). Prices will be published for every Dealing Day.

### **Payment of retrocessions and rebates**

- (a) The Fund and its agents may pay retrocessions as remuneration for distribution activity in respect of the Shares distributed in or from Switzerland. This remuneration may be deemed payment for the following services in particular:

- setting up processes for subscribing, holding and safe custody of the Shares;
- establishing a broad distribution of Shares to bona fide investors;
- subscribing for Shares as a "nominee" for several clients;
- forwarding or providing access to marketing documents, legally required documents and other publications of the Fund;
- responding to questions or forwarding these questions to the representative in Switzerland for answering;
- assisting prospective investors in subscribing for the Shares;
- keeping documentary records under Art. 24 para. 3 of the Federal Act on Collective Investment Schemes ("CISA") appointing and monitoring additional distributors;
- performing due diligence in areas such as money laundering, ascertaining client needs and distribution restrictions;
- working together with the Investment Manager to prevent orders that serve the purposes of market timing;
- operating and maintaining an electronic distribution and/or information platform;
- mandating an authorized auditor to check compliance with certain duties of the Distributor, in particular with the provisions for distributors in the Guidelines on the Distribution of Collective Investment Schemes issued by the Swiss Funds & Asset Management Association SFAMA;
- central relationship management and centralized contract management;
- training client advisors in collective investment schemes/investment funds; and
- drawing up research material.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the investors concerned.

(b) In the case of distribution activity in or from Switzerland, the Fund and its agents, may, upon request, pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investors in question. Rebates are permitted provided that:

- they are paid from fees received by the Investment Manager, Sub-Investment Manager or the Distributor and therefore do not represent an additional charge on the fund assets;
- they are granted on the basis of objective criteria;
- all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Fund and its agents are as follows:

- the volume subscribed by the investors or the total volume they hold in the Fund or, where applicable, in the product range of the promoter;
- the amount of the fees generated by the investor;
- the investment behaviour shown by the investor (e.g. expected investment period);
- the investor's willingness to provide support in the launch phase of a collective investment scheme.

At the request of the investor, the Fund must disclose the amounts of such rebates free of charge.

### **Place of performance and jurisdiction**

In respect of the Shares distributed in and from Switzerland, the place of performance and jurisdiction is the registered office of the representative in Switzerland.

### **TAIWAN**

Certain Portfolios have been approved by the Financial Supervisory Commission R.O.C. ("FSC") for the offering and sale to the public by Neuberger Berman Taiwan Limited (the "Master Agent") and its sales agents in Taiwan. These approved Portfolios are not intended to be sold in Taiwan through channels other than the Master Agent and its sales agents. Investors shall read the Prospectus along with the investor brochure carefully before any investment. The Chinese translation of the Prospectus, if any, is for reference only. Should there be any discrepancy between the Prospectus and its Chinese translation, the Prospectus shall prevail.

In relation to the Portfolios that are not registered in Taiwan ("Unregistered Portfolios"), such Unregistered Portfolios may not be sold, issued or offered in Taiwan. No person or entity in Taiwan has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Unregistered Portfolios in Taiwan.

The Unregistered Portfolios may however be made available in Taiwan on a private placement basis only to banks, bills houses, trust enterprises, financial holding companies and other qualified entities or institutions (collectively, "Qualified Institutions") and other entities and individuals meeting specific criteria ("Other Qualified Investors") pursuant to the private placement provisions of the Taiwan Rules Governing Offshore Funds.

No other offer or sale of the Unregistered Portfolios in Taiwan is permitted. Taiwan purchasers of the Shares of the Unregistered Portfolios may not sell or otherwise dispose of their holdings except by redemption, transfer to a Qualified Institution or Other Qualified Investor, transfer by operation of law or other means approved by the FSC.

#### **THE BAHAMAS**

Shares of the Portfolios shall not be offered or sold into The Bahamas except in circumstances that do not constitute an offer to the public. Shares of the Portfolios may not be offered or sold or otherwise disposed of in any way to persons deemed by the Central Bank of The Bahamas (the "Bank") to be resident for exchange control purposes without the prior written permission of the Bank.

#### **UNITED ARAB EMIRATES**

This Prospectus and the information contained herein, does not constitute, and is not intended to constitute, a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and accordingly should not be construed as such. The Shares are only being offered to a limited number of sophisticated investors in the UAE who are willing and able to conduct an independent investigation of the risks involved in an investment in such Shares, upon their specific request. The Shares have not been approved by or licensed or registered with the UAE Central Bank, the Securities and Commodities Authority, the Dubai Financial Services Authority or any other relevant licensing authorities or governmental agencies in the UAE. The Prospectus is for the use of the named addressee only and should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof). No transaction will be concluded in the UAE.

#### **UNITED KINGDOM**

The Company is a recognised collective investment scheme for the purposes of section 264 of the Financial Services and Markets Act 2000 of the United Kingdom.

The information below describes the facilities available to investors resident in the United Kingdom and the procedures which apply to dealing in Shares. This information must be read in conjunction with the Prospectus, the Key Investor Information Documents, the most recent annual report and, if published thereafter, the most recent semi-annual report of the Company. Material amendments to the Prospectus, the Key Investor Information Documents and the Articles will be filed with the UK Financial Conduct Authority.

#### **Facilities Agent in the United Kingdom**

The Company has appointed Neuberger Berman Europe Limited (the "Facilities Agent") to act as the facilities agent for the Company in the United Kingdom. The Facilities Agent has agreed to provide the following from its office at Lansdowne House, 57 Berkeley Square, London W1J 6ER, to the Company's investors:

1. facilities at which the following documents in the English language can be inspected free of charge and copies obtained:
  - (a) the Articles establishing the Company in its original form and an updated instrument incorporating the changes (if any) contemplated in paragraph (b) below;
  - (b) any special resolutions amending the Articles of the Company;
  - (c) the latest Prospectus and any addenda;
  - (d) the latest annual and half-yearly reports of the Company; and
  - (e) Key Investor Information Documents.
2. facilities at which:
  - (a) a Shareholder may arrange for redemption of Shares and arrange payment of the redemption proceeds;
  - (b) information in the English language can be obtained orally and in writing about the Company's most recently published Net Asset Value per Share; and

- (c) facilities at which any person who has a complaint to make about the operation of the Company can submit his or her complaint for transmission to the Company.

## **Taxation**

The following is a summary of the expected United Kingdom tax treatment of Shareholders based upon current law and practice (which in either case may change and potentially with retrospective effect). The summary below is addressed to investors who hold their interest as an investment and not as part of a trade such as dealing in securities. This summary does not cover all aspects of United Kingdom tax law. It does not constitute legal or tax advice and prospective investors should consult their own professional advisers on the tax implications of their investment in the Company.

## **Shareholders**

Subject to their personal circumstances, Shareholders resident in the United Kingdom for United Kingdom tax purposes will be liable to United Kingdom income tax or corporation tax in respect of dividends or other distributions of an income nature made by the Company (including deemed distributions or distributions that are automatically reinvested). United Kingdom resident individual Shareholders may, in certain circumstances, be entitled to a non-payable tax credit, which may reduce their liability to United Kingdom income tax in respect of such distributions.

Shareholders who are resident or ordinarily resident in the United Kingdom for United Kingdom taxation purposes should be aware that their Shares will constitute interests in an "offshore fund" for the purposes of the United Kingdom Offshore Funds (Tax) Regulations 2009 (the "Regulations"). Where such a person holds such an interest, any gain arising to that person on the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income and not as capital gain, unless the offshore fund (or the particular class of interests in the fund held by that person, which class is deemed to be a separate "offshore fund" for these purposes) has been for United Kingdom tax purposes a "reporting fund" throughout the period during which that person has held that interest.

The Investment Manager intends to make an application to the United Kingdom HM Revenue & Customs ("HMRC") in respect of certain Classes for Shares of such Classes to be treated as Shares in a "Reporting Fund" United Kingdom tax purposes with effect from the beginning of the Company's accounting period which commenced on 1 January 2010 (each a "Reporting Fund Class"). Accordingly, any gain realised by United Kingdom resident or ordinary resident Shareholders upon the sale, redemption or other disposal of Shares of a Reporting Fund Class will be taxed at the time of such sale, redemption or other disposal as capital gains and not as income. However, under the Regulations, a reporting fund is also required to make available to each investor in the fund for each account period of the fund a report of the income of the fund for that account period which is attributable to the investor's interest in the fund (whether or not such income has been distributed), and such reported income is treated as an additional distribution made by the fund to the investor. A United Kingdom resident or ordinarily resident Shareholder in a Reporting Fund Class will therefore receive from the Company for each account period a report of the income of the Company for that account period which is attributable to their Shares, and will (subject to their particular United Kingdom tax position) be potentially subject to United Kingdom tax on that reported income as if such reported income were a distribution upon their Shares.

The Directors do not intend to apply for any Class of Shares other than the Reporting Fund Classes to be a deemed reporting fund. Accordingly, any United Kingdom resident or ordinarily resident holders of Shares of any Class other than the Reporting Fund Classes should be aware that any gain realised upon the sale, redemption or other disposal of their Shares (including a deemed disposal on death) will be subject to tax as income and not as capital gains.

The precise consequences of the taxation of gains realised upon a disposal of Shares as income or as capital gains will depend upon the particular tax position of each Shareholder, but United Kingdom resident or ordinarily resident Shareholders who are individuals should be aware that capital gains are generally taxed at lower rates of tax than income, and also that where gains are taxed as capital gains it may be possible to utilise capital gains tax exemptions and relief to reduce the tax liability on such gains where such exemptions and reliefs could not be utilised in the case of gains taxed as income. However, Shareholders who are not domiciled in the United Kingdom (and who, where relevant, elect to be taxed on the remittance basis of taxation for the tax year in which such gain is realised) will only be subject to United Kingdom tax on gains realised upon the disposal of their Shares – whether such gains are in principle taxable as capital gains or as income - to the extent that they remit the proceeds of disposal of such Shares to the United Kingdom. Shareholders which are United Kingdom gross funds should also be unaffected by these rules, since their exemption from UK tax on capital gains will extend to gains treated as income.

Shareholders who are within the charge to United Kingdom corporation tax should be aware that where such an investor holds a material interest in an offshore fund and that offshore fund fails, at any time in an accounting period in which the investor holds its material interest, to satisfy the "qualifying investments test", the investor is required to treat its material interest for that accounting period as if it were rights under a creditor relationship for the purposes of the "loan relationships" regime (which governs the United Kingdom taxation of most forms of corporate debt) contained in the United Kingdom Corporation Tax Act 2009. Shares will constitute material interests in an offshore fund for this

purpose. An offshore fund fails to satisfy the qualifying investments test at any time when its investments consist as to more than 60% by market value of, inter alia, government and corporate debt securities, money placed at interest, certain derivative contracts or holdings in collective investment schemes which do not themselves satisfy the qualifying investments test. The investment policies of the Company are such that the Company could fail the qualifying investments test. Shareholders within the charge to United Kingdom corporation tax would in these circumstances be required to account for their interest in the Company under the loan relationships regime, in which case all returns on their Shares in the relevant accounting period (including gains and losses) would be taxed or relieved as income receipt or expense on a "fair value" basis. Such Shareholders might therefore, depending upon their particular circumstances, incur a charge to United Kingdom corporation tax on an unrealised increase in the value of their Shares (or obtain relief against United Kingdom corporation tax for an unrealised diminution in the value of their Shares).

In the event that the Company is considered "close" for UK tax purposes then any Shareholder resident or ordinarily resident in the United Kingdom with an entitlement exceeding 10% of any gain that accrues to the Company may be subject to certain anti-avoidance legislation (contained in section 13 Taxation of Chargeable Gains Act 1992 ("TCGA")) in respect of any capital gains made by the Company. In the event that a liability arises, it may be applied in reducing or extinguishing any liability to income tax, capital gains tax or corporation tax in respect of a subsequent distribution from the Company of the capital gain made by the Company which gave rise to the liability under section 13 TCGA.

The attention of individuals ordinarily resident in the United Kingdom is drawn to the provisions of Sections 714 - 751 of the United Kingdom Income Taxes Act 2007 which may render such individuals liable to taxation in respect of any undistributed income of the Company.

The attention of companies resident in the United Kingdom is drawn to the fact that "controlled foreign companies provisions" contained in Sections 747 - 756 of the United Kingdom Income and Corporation Taxes Act 1988 (the "UK Taxes Act") could be material to any company so resident that holds alone, or together with certain other associated persons, 25% or more of Shares, if at the same time the Company is controlled by companies or other persons who are resident in the United Kingdom for taxation purposes. Persons who may be treated as "associated" with each other for these purposes include two or more companies one of which controls the other(s) or all of which are under common control. The effect of such provisions could be to render such United Kingdom companies liable to United Kingdom corporation tax in respect of undistributed income and profits of the Company.

The attention of United Kingdom resident and domiciled investors is drawn to Sections 703 to 709 of the UK Taxes Act (under which HMRC may seek to cancel tax advantages from certain transactions in securities). On the basis of current HMRC practice the Directors do not anticipate that the provisions of Section 703 should apply to the winding up of the Company.

Transfers of shares will not be liable to United Kingdom stamp duty unless the instrument of transfer is executed within the United Kingdom where the transfer would be liable to United Kingdom ad valorem stamp duty at the rate of 50p for every £100 or part of £100 of the consideration paid. United Kingdom stamp duty reserve tax will be payable at the rate of 50p for every £100 or part of £100 if shares of the company are listed in the United Kingdom.

## **The Company**

The Directors intend to conduct the affairs of the Company so that it does not become resident in the United Kingdom for taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom (whether or not through a branch or agency situated there), the Company will not be subject to United Kingdom income tax or corporation tax other than on any United Kingdom source income. The Directors and the Investment Manager intend to manage the affairs of the Company and the Investment Manager in such a way that the Company is not treated as for United Kingdom tax purposes as carrying on a trade in the United Kingdom through the agency of the Investment Manager as its "permanent establishment" by reason of a statutory exemption (the "Investment Manager Exemption"). It cannot however be guaranteed that the conditions of the Investment Manager Exemption will at all times be met.

## **UNITED STATES OF AMERICA**

Refer to Annex IV.

## **URUGUAY**

The sale of the Shares of the Portfolios qualifies as a private placement pursuant to section 2 of Uruguayan Law 18,627. The Shares of the Portfolios must not be offered or sold to the public in Uruguay, except in circumstances which do not constitute a public offering or distribution under Uruguayan laws and regulations. The Shares of the Portfolios are not and will not be registered with the Financial Services Superintendency of the Central Bank of Uruguay. The Portfolios correspond to investment funds that are not investment funds registered by Uruguayan Law 16,774 dated 27 September 1996, as amended.

## **VENEZUELA**

Under the laws of the Republica Bolivariana de Venezuela, no offer of the securities described in this Prospectus may take place in Venezuela. This Prospectus may not be publicly distributed within the territory of Venezuela.



**ANNEX IV**  
**OTHER IMPORTANT INFORMATION FOR U.S. PERSONS**

The Shares being offered hereby have not been approved or disapproved by the US Securities and Exchange Commission ("SEC") or by the securities regulatory authority of any state or of any other US jurisdiction or the CFTC, nor has the SEC or any such securities regulatory authority or the CFTC passed upon the accuracy or adequacy of this Prospectus, as it may be amended, restated or supplemented from time to time. Any representation to the contrary is a criminal offence.

The Shares have not been and will not be registered under the 1933 Act or the securities laws of any state or the United States, nor is any such registration contemplated. The Shares are being offered and will be offered and sold in the United States and to US Persons under the exemption provided by Section 4(a)(2) of the 1933 Act and Regulation D promulgated thereunder. The offer and sale of the Shares outside the United States or to non-US Persons will not be registered under the 1933 Act in reliance upon the exemption from registration provided by Regulation S promulgated thereunder.

Any re-offer, resale or transfer of Shares of the Company and/or any Portfolio in the United States or to US Persons (as defined below) may constitute a violation of US law under certain circumstances; accordingly, any prospective investor or applicant for a subscription for the Shares and subsequent transferor and transferee involving the Shares, will be required to certify whether it is a US Person in order to promote compliance with applicable US law in respect of the Shares, any Portfolio and the Company.

There is no public market for the Shares and no such market is expected to develop in the future. The Shares offered hereby may be sold, transferred, hypothecated or otherwise disposed of only upon the terms set out in this Prospectus and subject to the Articles which include the requirement to obtain the prior written consent of the Directors which may be withheld without the provision of any reasons.

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted by the Prospectus and the Articles and otherwise subject to compliance with the 1933 Act and other applicable securities laws, whether pursuant to registration thereunder or exemption therefrom.

The Company and each Portfolio have not been and will not be registered under the 1940 Act in reliance upon the exemption from such registration in Section 3(c)(7) of the 1940 Act for certain issuers based upon the status of each US Person investor as a "qualified purchaser" within the meaning of Section 2(a)(51) of the 1940 Act.

The Investment Manager, Neuberger Berman Asia Limited, Neuberger Berman Investment Advisers LLC, Neuberger Berman Singapore Pte. Limited and Neuberger Berman Breton Hill ULC are registered with the SEC as investment advisers.

The Shares are being offered outside the United States pursuant to an exemption from registration under the 1933 Act and the 1940 Act and if offered in the United States or to US Persons will be offered to a limited number of "accredited investors" (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are also "qualified purchasers" (as defined in Section 2(a)(51) of the 1940 Act), in reliance on the private placement exemption from the registration requirements of the 1933 Act provided by Section 4(a)(2) thereof and Regulation D thereunder and the exception to the definition of "investment company" in Section 3(c)(7) of the 1940 Act.

The Company will not admit as investors entities that are Benefit Plans. The Shares may not be offered, sold or transferred to any entity that is a Benefit Plan. Each transferor and each transferee of Shares will be deemed to represent and warrant that it is not a Benefit Plan and that it will not become a Benefit Plan while it holds Shares or an interest therein.

The Directors may refuse an application for Shares by or for the account or benefit of any US Person or Benefit Plan or decline to register a transfer of Shares to or for the account or benefit of any US Person or Benefit Plan and may require the mandatory redemption or transfer of Shares beneficially owned by any US Person or Benefit Plan. See the "*Transfer of Shares*" and "*Mandatory Redemption of Shares*" sections for more details.

No offering materials will or may be employed in the offering of Shares except for this Prospectus (including appendices, exhibits, amendments, addenda and supplements hereto) and the documents summarised herein. No person has been authorised to make representations or give any information with respect to the Company or the Shares except for the information contained herein. Investors should not rely on information not contained in this Prospectus or the documents summarised herein.

The information and data set out in this Prospectus reflects or is based upon general information and data that are current as at the date of this Prospectus, unless otherwise stated. Certain information set out in this Prospectus is derived from or based upon information provided by independent third party sources, as to which the Directors, the Investment Manager and their affiliates and associated persons reasonably believes is accurate and reliable as to

source without conducting separate or independent verification; accordingly, no guarantee is intended or may be inferred or implied as to the accuracy and reliability of such information or the assumptions on which such information may be premised or provided.

Certain information and data set out in this Prospectus may constitute forward-looking statements which generally reflect certain expectations, projections or future anticipated events based upon underlying conditions that may be subject to change. Due to the various risks and uncertainties inherent to any such forward-looking statements, including potential conflicts of interest, the actual outcome of various events or results and the actual performance of an investment in the Shares may differ materially from those reflected or contemplated in light of such forward-looking statements.

This Prospectus and the information contained herein are intended solely for use on a confidential basis by those persons to whom it is transmitted by or on behalf of the Company in connection with the contemplated private placement of the Shares. Recipients, by their acceptance and retention of this Prospectus, acknowledge and agree to preserve the confidentiality of the contents of this Prospectus and all accompanying documents and to return this Prospectus and all such documents to the Administrator if the recipient does not purchase any Shares. Neither this Prospectus nor any of the accompanying documents may be reproduced in whole or in part, nor may they be used for any purpose other than that for which they have been submitted, without the prior written consent of the Company or its authorised agents or representatives.

Notwithstanding the confidentiality conditions applicable to the information referred to in this Prospectus, each investor (including any appropriate employee, representative or agent of the investor) may disclose to any and all persons, without limitation, the tax treatment and tax structure of an investment in the Shares and related materials (including any opinions or tax information) that are provided to the investor relating to such tax treatment and tax structure.

None of the Company, any Portfolio, the Directors, the Administrator, the Investment Manager or any affiliate or associated person of the foregoing is making any representation to any offeree or prospective investor in respect of the Shares regarding the legality of investment by such offeree or prospective investor under applicable investment or similar laws.

The Investment Manager has claimed an exemption with respect to the Company and each Portfolio where relevant, under CFTC Rule 4.13(a)(3) from registration with the CFTC as a commodity pool operator and, accordingly, is not subject to certain regulatory requirements with respect to the Company or any such Portfolios (which are intended to provide certain regulatory safeguards to investors) that would otherwise be applicable absent such an exemption. In addition, the Investment Manager will provide commodity interest trading advice to certain Portfolios, in each case pursuant to an exemption from registration as a commodity trading advisor in CFTC Rule 4.14(a)(5). Certain Sub-Investment Managers may rely upon an exemption from registration with the CFTC as a commodity trading advisor under CFTC Rule 4.14(a)(8) and act in an unregistered capacity with respect to one or more of the Company's Portfolios, despite the fact that such Sub-Investment Managers are registered as commodity trading advisors.

WHILE CERTAIN PORTFOLIOS MAY TRADE COMMODITY INTERESTS, INCLUDING BUT NOT LIMITED TO, SWAPS, COMMODITY FUTURES AND/OR COMMODITY OPTIONS CONTRACTS, THE INVESTMENT MANAGER IS EXEMPT FROM REGISTRATION WITH THE CFTC AS A COMMODITY POOL OPERATOR ("CPO") WITH RESPECT TO THOSE PORTFOLIOS PURSUANT TO CFTC RULE 4.13(a)(3). THEREFORE, UNLIKE A REGISTERED CPO, THE INVESTMENT MANAGER IS NOT REQUIRED TO DELIVER A CFTC DISCLOSURE DOCUMENT TO PROSPECTIVE SHAREHOLDERS, NOR IS IT REQUIRED TO PROVIDE SHAREHOLDERS WITH CERTIFIED ANNUAL REPORTS THAT SATISFY THE REQUIREMENTS OF CFTC RULES APPLICABLE TO REGISTERED CPOs.

THE INVESTMENT MANAGER QUALIFIES FOR THE EXEMPTION UNDER CFTC RULE 4.13(a)(3) WITH RESPECT TO CERTAIN PORTFOLIOS THAT MAY TRADE COMMODITY INTERESTS ON THE BASIS THAT, AMONG OTHER THINGS, (A) SUCH PORTFOLIO'S COMMODITY INTEREST POSITIONS (WHETHER OR NOT ENTERED INTO FOR BONA FIDE HEDGING PURPOSES) ARE LIMITED SUCH THAT EITHER: (I) THE AGGREGATE INITIAL MARGIN, PREMIUMS AND REQUIRED MINIMUM SECURITY DEPOSIT FOR RETAIL FOREX TRANSACTIONS REQUIRED TO ESTABLISH SUCH POSITIONS, DETERMINED AT THE TIME THE MOST RECENT POSITION WAS ESTABLISHED, WILL BE LIMITED TO 5% OF THE LIQUIDATION VALUE OF SUCH PORTFOLIO'S INVESTMENTS, AFTER TAKING INTO ACCOUNT UNREALIZED PROFITS AND UNREALIZED LOSSES ON ANY SUCH POSITIONS IT HAS ENTERED INTO; OR (II) THE AGGREGATE NET NOTIONAL VALUE OF SUCH POSITIONS (CALCULATED AS FURTHER DESCRIBED IN CFTC RULE 4.13(A)(3)), DETERMINED AT THE TIME THE MOST RECENT POSITION WAS ESTABLISHED, DOES NOT EXCEED 100% OF THE LIQUIDATION VALUE OF SUCH PORTFOLIO'S INVESTMENTS, AFTER TAKING INTO ACCOUNT UNREALIZED PROFITS AND UNREALIZED LOSSES ON ANY POSITIONS IT HAS ENTERED INTO; (B) THE SHARES OF SUCH PORTFOLIO ARE EXEMPT FROM REGISTRATION UNDER THE 1933 ACT AND ARE OFFERED AND SOLD WITHOUT MARKETING TO THE PUBLIC IN THE UNITED STATES; (C) THE INVESTMENT MANAGER REASONABLY BELIEVES, AT THE TIME A U.S. PERSON INVESTOR MAKES HIS INVESTMENT IN SUCH PORTFOLIO (OR AT THE TIME THE CPO BEGAN TO RELY ON RULE 4.13(A)(3)), THAT SUCH U.S. PERSON INVESTOR IN SUCH PORTFOLIO IS (I) AN "ACCREDITED INVESTOR," AS DEFINED IN RULE 501(a) OF REGULATION D UNDER THE 1933 ACT, (II) A

TRUST THAT IS NOT AN ACCREDITED INVESTOR BUT THAT WAS FORMED BY AN ACCREDITED INVESTOR FOR THE BENEFIT OF A FAMILY MEMBER, (III) A "KNOWLEDGEABLE EMPLOYEE," AS DEFINED IN RULE 3c-5 UNDER THE 1940 ACT, OR (IV) A "QUALIFIED ELIGIBLE PERSON," AS DEFINED IN CFTC RULE 4.7(a)(2)(viii)(A); AND (D) SHARES OF SUCH PORTFOLIO ARE NOT MARKETED AS OR IN A VEHICLE FOR TRADING IN THE COMMODITY FUTURES OR COMMODITY OPTIONS MARKETS.

### Subscriptions by and Transfers to US Persons

The Directors may authorise the purchase by or transfer of Shares to or on behalf of a US Person if:

- (a) such purchase or transfer does not result in a violation of the 1933 Act or the securities laws of any state of the United States;
- (b) such purchase or transfer would not require the Company or any Portfolio to register under the 1940 Act, or the Investment Manager to register as a CPO; and
- (c) there will be no adverse regulatory, tax or fiscal consequences or material administrative disadvantage to a Portfolio or its Shareholders as a whole as a result of such a purchase or transfer.

Each applicant for Shares who is in the United States or a US Person will be required to provide such representations, warranties or documentation as may be required by the Directors to ensure that such requirements are met prior to approval of such sale or transfer by the Directors. The Directors shall determine from time to time the number of US Persons who may be admitted into the Company. The Directors have determined to permit the private sale of Shares in the United States or to US Persons to a limited number of "accredited investors" (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are also "qualified purchasers" (as defined in Section 2(a)(51) of the 1940 Act) under restrictions and other circumstances designed to preclude any requirement to register the Shares under the 1933 Act or any securities law of any state of the United States, or cause the Company or any Portfolio to become subject to the registration requirements of the 1940 Act, including presentation by such investors, prior to the delivery to them of Shares, of a letter containing specified representations and agreements.

Accordingly, amongst other things, each investor that is a US Person will be required to represent, among other customary private placement representations, that it: (i) is an "accredited investor" as defined in Regulation D; (ii) it will not transfer or deliver all or any part of its Shares except in accordance with the restrictions set forth in the Prospectus and the Articles; (iii) is acquiring the Shares for the its own account, for investment purposes only and not with a view to resale or distribution; and (iv) is a "qualified purchaser" for purposes of the 1940 Act. A "qualified purchaser" generally includes a natural person who owns not less than US\$5,000,000 in investments or a company acting for its own account or the accounts of other qualified purchasers which owns and invests on a discretionary basis not less than US\$25,000,000 in investments (as defined in the 1940 Act) and certain trusts. Further, the subscription application form and the Articles contain restrictions on transfer designed to assure that these conditions will be met.

Unless otherwise agreed by the Directors, each non-US investor will be required to represent, amongst other things, that it: (i) is not a US Person; (ii) will not transfer or deliver all or any part of its Shares except in accordance with the restrictions set forth in the Articles and this Prospectus; (iii) will notify the Directors immediately if it becomes a US Person at any time during which it holds or owns any Shares; (iv) is not acquiring Shares on behalf of or for the benefit of, a US Person; (v) is acquiring the Shares for its own account, for investment purposes only and not with a view to resale or distribution; and (vi) received information as to offers to sell and communicated offers to buy the Shares, as the case may be, whilst it was outside the United States and was outside the United States at the time it originated its application to buy the Shares.

The Directors may refuse an application for Shares by or for the account or benefit of any US Person or decline to register a transfer of Shares to or for the account or benefit of any US Person and may require the mandatory redemption or transfer of Shares beneficially owned by any US Person.

A "**US Person**" for the purposes of this Prospectus is a person who is in one of the following categories: (i) (A) a "U.S. Person" as defined under Regulation S under the 1933 Act; (B) a "United States person" as defined under the Code; or (C) a "U.S. Person" as defined under the CFTC's "Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations," (each as described in further detail below); or (ii) a person excluded from the definition of a "Non-United States person" as used in CFTC Rule 4.7 (as described in further detail below). For the avoidance of doubt, a person is excluded from this definition of U.S. Person only if he or it does not satisfy any of the definitions of "U.S. Person" or "United States person" set forth below and qualifies as a "Non-United States person" under CFTC Rule 4.7. Further details regarding each of these definitions is provided below.

With respect to any person, any individual or entity that would be a "U.S. Person" under Regulation S of the 1933 Act.

1. Pursuant to Regulation S of the 1933 Act, "US Person" includes:

- (a) any natural person resident in the United States;
  - (b) any partnership or corporation organised or incorporated under the laws of the United States;
  - (c) any estate of which any executor or administrator is a US Person;
  - (d) any trust of which any trustee is a US Person;
  - (e) any agency or branch of a foreign entity located in the United States;
  - (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
  - (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; or
  - (h) any partnership or corporation if:
    - (i) organised or incorporated under the laws of any foreign jurisdiction; and
    - (ii) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts.
2. Notwithstanding 1. above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States shall not be deemed a US Person.
  3. Notwithstanding 1. above, any estate of which any professional fiduciary acting as executor or administrator is a US Person shall not be deemed a US Person if:
    - (a) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and
    - (b) the estate is governed by foreign law.
  4. Notwithstanding 1. above, any trust of which any professional fiduciary acting as trustee is a US Person shall not be deemed a US Person if a trustee who is not a US 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 US Person.
  5. Notwithstanding 1. above, 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 shall not be deemed a US Person.
  6. Notwithstanding 1. above, any agency or branch of a US Person located outside the United States shall not be deemed a US Person if:
    - (a) the agency or branch operates for valid business reasons; and
    - (b) 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.
  7. 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 organisations, their agencies, affiliates and pension plans shall not be deemed "US Persons."

With respect to individuals, any US citizen or "resident alien" within the meaning of US income tax laws as in effect from time to time. Currently, the term "resident alien" is defined under US income tax laws to generally include any individual who (i) holds an Alien Registration Card (a "green card") issued by the US Immigration and Naturalization Service or (ii) meets a "substantial presence" test. The "substantial presence" test is generally met with respect to any current calendar year if (i) the individual was present in the US on at least 31 days during such year and (ii) the sum of the number of days on which such individual was present in the US during the current year, 1/3 of the number of such days during the first preceding year and 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days.

With respect to persons other than individuals: (i) a corporation or partnership created or organised in the US or under the laws of the US or any state or the District of Columbia; (ii) a trust where (A) a US court is able to exercise primary supervision over the administration of the trust or (B) one or more US persons have the authority to control all substantial decisions of the trust; and (iii) an estate other than a foreign estate. A "foreign estate" is defined as an estate the income of which, from sources without the US which is not effectively connected with the conduct of a trade or business within the US, is not includible in gross income under the US Internal Revenue Code of 1986, as amended.

A "U.S. Person" as defined under the CFTC's "Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations," July 26, 2013, 78 Fed. Reg. 45291 (July 26, 2013), which generally includes, but is not limited to: (a) any natural person who is a resident of the United States; (b) any estate of a decedent who was a resident of the United States at the time of death; (c) any corporation, partnership, limited liability company, business or other trust, association, joint-stock company, fund or any form of enterprise similar to any of the foregoing (other than an entity described in prongs (d) or (e), below) (a "legal entity"), in each case that is organized or incorporated under the laws of a state or other jurisdiction in the United States or having its principal place of business in the United States; (d) any pension plan for the employees, officers or principals of a legal entity described in prong (c), unless the pension plan is primarily for foreign employees of such entity; (e) any trust governed by the laws of a state or other jurisdiction in the United States, if a court within the United States is able to exercise primary supervision over the administration of the trust; (f) any commodity pool, pooled account, investment fund, or other collective investment vehicle that is not described in prong (c) and that is majority-owned by one or more persons described in prong (a), (b), (c), (d) or (e), except any commodity pool, pooled account, investment fund, or other collective investment vehicle that is publicly offered only to non-U.S. persons and not offered to U.S. persons; (g) any legal entity (other than a limited liability company, limited liability partnership or similar entity where all of the owners of the entity have limited liability) that is directly or indirectly majority-owned by one or more persons described in prong (a), (b), (c), (d) or (e) and in which such person(s) bears unlimited responsibility for the obligations and liabilities of the legal entity; and (h) any individual account or joint account (discretionary or not) where the beneficial owner (or one of the beneficial owners in the case of a joint account) is a person described in prong (a), (b), (c), (d), (e), (f) or (g). Under this interpretation, the term "U.S. person" generally means that a foreign branch of a U.S. person would be covered by virtue of the fact that it is a part, or an extension of, a U.S. person.

CFTC Rule 4.7 currently provides in relevant part that the following persons are considered "Non-United States persons":

- (a) a natural person who is not a resident of the United States;
- (b) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-U.S. jurisdiction and which has its principal place of business in a non-U.S. jurisdiction;
- (c) an estate or trust, the income of which is not subject to U.S. income tax regardless of source;
- (d) an entity organised 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 (as defined in CFTC Rule 4.7(a)(2) or (3)) represent in the aggregate less than ten per cent. 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 CFTC's regulations by virtue of its participants being Non-United States persons; and
- (e) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States.

## **Taxation**

THE DISCUSSION HEREIN IS FOR INFORMATIONAL PURPOSES ONLY AND IS A DISCUSSION PRIMARILY OF THE U.S. TAX CONSEQUENCES TO PROSPECTIVE SHAREHOLDERS. EACH PROSPECTIVE SHAREHOLDER SHOULD CONSULT ITS PROFESSIONAL TAX ADVISOR WITH RESPECT TO THE TAX ASPECTS OF AN INVESTMENT IN THE COMPANY. TAX CONSEQUENCES MAY VARY DEPENDING UPON THE PARTICULAR STATUS OF A PROSPECTIVE SHAREHOLDER. IN ADDITION, SPECIAL CONSIDERATIONS (NOT DISCUSSED HEREIN) MAY APPLY TO PERSONS WHO ARE NOT DIRECT SHAREHOLDERS IN THE COMPANY BUT WHO ARE DEEMED TO OWN SHARES AS A RESULT OF THE APPLICATION OF CERTAIN ATTRIBUTION RULES.

Neither the Company nor any Portfolios has sought a ruling from the IRS or any other U.S. federal, state or local agency with respect to any of the tax issues affecting the Company or such Portfolio, nor has the Company or a Portfolio obtained an opinion of counsel with respect to any tax issues.

The following is a summary of certain potential U.S. federal tax consequences which may be relevant to prospective shareholders. The discussion contained herein is not a full description of the complex tax rules involved and is based upon existing laws, judicial decisions and administrative regulations, rulings and practices, all of which are subject to change, retroactively as well as prospectively. A decision to invest in the Company should be based upon an evaluation of the merits of the trading program and not upon any anticipated U.S. tax benefits.

### **U.S. Tax Status**

Each Portfolio intends to operate as a separate corporation for U.S. federal tax purposes. The remainder of the U.S. tax discussion herein assumes that the Portfolios will be treated as separate corporations for U.S. federal tax purposes.

### **U.S. Trade or Business**

Section 864(b)(2) of the U.S. Internal Revenue Code of 1986, as amended (the "IRC"), provides a safe harbor (the "Safe Harbor") applicable to a non-U.S. corporation (other than a dealer in securities) that engages in the U.S. in trading securities (including contracts or options to buy or sell securities) for its own account pursuant to which such non-U.S. corporation will not be deemed to be engaged in a U.S. trade or business. The Safe Harbor also provides that a non-U.S. corporation (other than a dealer in commodities) that engages in the U.S. in trading commodities for its own account is not deemed to be engaged in a U.S. trade or business if "the commodities are of a kind customarily dealt in on an organized commodity exchange and if the transaction is of a kind customarily consummated at such place."

Pursuant to proposed regulations, a non-U.S. taxpayer (other than a dealer in stocks, securities or derivatives) that effects transactions in the United States in derivatives (including (i) derivatives based upon stocks, securities and certain commodities and currencies and (ii) certain notional principal contracts based upon an interest rate, equity, or certain commodities and currencies) for its own account is not deemed to be engaged in a United States trade or business. Although the proposed regulations are not final, the Service has indicated in the preamble to the proposed regulations that for periods prior to the effective date of the proposed regulations, taxpayers may take any reasonable position with respect to the application of Section 864(b)(2) of the IRC to derivatives and that a position consistent with the proposed regulations will be considered a reasonable position.

Based on the foregoing, each Portfolio intends to conduct its business in a manner so as to meet the requirements of the Safe Harbor. Thus, each Portfolio's securities and commodities trading activities should not constitute a U.S. trade or business and, except in the limited circumstances discussed below, the Portfolios should not be subject to the regular U.S. income tax on any of their trading profits. However, if a certain Portfolio's activities were determined not to be of the type described in the Safe Harbor, such Portfolio's activities may constitute a U.S. trade or business, in which case such Portfolio would be subject to U.S. income and branch profits tax on the income and gain from those activities.

Even if the Portfolios' securities trading activities do not constitute a U.S. trade or business, gains realized from the sale or disposition of stock or securities (other than debt instruments with no equity component) of U.S. Real Property Holding Corporations (as defined in Section 897 of the IRC) ("USRPHCs"), including stock or securities of certain Real Estate Investment Trusts ("REITs"), will be generally subject to U.S. income tax on a net basis. However, a principal exception to this rule of taxation may apply if such USRPHC has a class of stock which is regularly traded on an established securities market and the applicable Portfolio generally did not hold (and was not deemed to hold under certain attribution rules) more than 5% of the value of a regularly traded class of stock or securities of such USRPHC at any time during the five year period ending on the date of disposition. Moreover, if a Portfolio were deemed to be engaged in a U.S. trade or business as a result of owning a limited partnership interest in a U.S. business partnership or a similar ownership interest, income and gain realized from that investment would be subject to U.S. income and branch profits tax.

### **U.S. Withholding Tax**

In general, under Section 881 of the IRC, a non-U.S. corporation which does not conduct a U.S. trade or business is nonetheless subject to tax at a flat rate of 30% (or lower tax treaty rate, if applicable) on the gross amount of certain U.S. source income which is not effectively connected with a U.S. trade or business, generally payable through withholding. Income subject to such a flat tax rate is of a fixed or determinable annual or periodic nature, including dividends and certain interest income. The Portfolios are not eligible under the U.S.-Ireland. tax treaty for reduced withholding tax rates on U.S.-source dividends and interest.

Certain types of income are specifically exempted from the 30% tax and thus withholding is not required on payments of such income to a non-U.S. corporation. The 30% tax does not apply to U.S. source capital gains (whether long or short-term) or to interest paid to a non-U.S. corporation on its deposits with U.S. banks. The 30% tax also does not apply to interest which qualifies as portfolio interest. The term "portfolio interest" generally includes interest (including original issue discount) on an obligation in registered form which has been issued after July 18, 1984 and with respect to which the person who would otherwise be required to deduct and withhold the 30% tax receives the required

statement that the beneficial owner of the obligation is not a U.S. person within the meaning of the IRC. Under certain circumstances, interest on bearer obligations may also be considered portfolio interest.

The U.S. tax treatment of any rebate of fees made by a U.S. sub-investment manager to a non-U.S. Person is not entirely clear. A U.S. withholding tax may be imposed on such a rebate. Non-U.S. Persons are urged to consult their own tax advisors concerning the U.S. tax consequence of an investment in the Company and the receipt of such payments.

### **Redemption of Shares**

Gain realized by shareholders who are not U.S. persons within the meaning of the IRC ("non-U.S. shareholders") upon the sale, exchange or redemption of Shares held as a capital asset should generally not be subject to U.S. federal income tax provided that the gain is not effectively connected with the conduct of a trade or business in the U.S. However, in the case of non-resident alien individuals, such gain will be subject to the 30% (or lower tax treaty rate) U.S. tax if (i) such person is present in the U.S. for 183 days or more during the taxable year (on a calendar year basis unless the non-resident alien individual has previously established a different taxable year) and (ii) such gain is derived from U.S. sources.

Generally, the source of gain upon the sale, exchange or redemption of Shares is determined by the place of residence of the shareholder. For purposes of determining the source of gain, the IRC defines residency in a manner that may result in an individual who is otherwise a non-resident alien with respect to the U.S. being treated as a U.S. resident only for purposes of determining the source of income. Each potential individual shareholder who anticipates being present in the U.S. for 183 days or more (in any taxable year) should consult his tax advisor with respect to the possible application of this rule.

Gain realized by a non-U.S. shareholder engaged in the conduct of a U.S. trade or business will be subject to U.S. federal income tax upon the sale, exchange or redemption of Shares if such gain is effectively connected with its U.S. trade or business.

Non-U.S. shareholders may be required to make certain certifications to the Company or the Portfolios as to the beneficial ownership of the Shares and the non-U.S. status of such beneficial owner, in order to be exempt from U.S. information reporting and backup withholding on a redemption of Shares.

### **Tax-Exempt U.S. Persons**

The term "Tax-Exempt U.S. Person" means a U.S. person within the meaning of the IRC that is exempt from payment of U.S. federal income tax. Generally, a Tax-Exempt U.S. Person is exempt from federal income tax on certain categories of income, such as dividends, interest, capital gains and similar income realized from securities investment or trading activity. This type of income is exempt even if it is realized from securities trading activity which constitutes a trade or business. This general exemption from tax does not apply to the "unrelated business taxable income" ("UBTI") of a Tax-Exempt U.S. Person. Generally, except as noted above with respect to certain categories of exempt trading activity, UBTI includes income or gain derived from a trade or business, the conduct of which is substantially unrelated to the exercise or performance of the Tax-Exempt U.S. Person's exempt purpose or function. UBTI also includes (i) income derived by a Tax-Exempt U.S. Person from debt-financed property and (ii) gains derived by a Tax-Exempt U.S. Person from the disposition of debt-financed property.

In 1996, Congress considered whether, under certain circumstances, income derived from the ownership of the shares of a non-U.S. corporation should be treated as UBTI to the extent that it would be so treated if earned directly by the shareholder. Subject to a narrow exception for certain insurance company income, Congress declined to amend the IRC to require such treatment. Accordingly, based on the principles of that legislation, a Tax-Exempt U.S. Person investing in a non-U.S. corporation such as a Portfolio should not realize UBTI with respect to an unleveraged investment in Shares. The U.S. tax treatment of any rebate of fees made by the Investment Manager, any sub-investment manager or the Distributor to a Tax-Exempt U.S. Person is not entirely clear. Tax-Exempt U.S. Persons are urged to consult their own tax advisors concerning the U.S. tax consequences of an investment in a Portfolio and the receipt of such payments.

There are special considerations which should be taken into account by certain beneficiaries of charitable remainder trusts that invest in the Portfolios. Charitable remainder trusts should consult their own tax advisors concerning the tax consequences of such an investment on their beneficiaries.

### **U.S. Persons that are not Tax-Exempt U.S. Persons**

Each Portfolio will be classified as a passive foreign investment company ("PFIC") for federal income tax purposes. It is possible that a Portfolio will hold interests in one or more other PFICs (any such underlying PFIC, an "Underlying PFIC"). In addition, it is possible that a Portfolio or an Underlying PFIC will be a controlled foreign corporation ("CFC").



Under the PFIC rules, U.S. persons within the meaning of the IRC that are not Tax Exempt U.S. Persons ("Non Tax-Exempt U.S. Persons") are subject to U.S. federal income taxation with respect to their direct or indirect investment in a Portfolio or an Underlying PFIC under one of three methods. Under the "interest charge" method, a Non Tax-Exempt U.S. Person is generally liable for tax (at ordinary income rates) plus an interest charge reflecting the deferral of tax liability (which is not deductible by an individual) when it pledges or sells its Shares at a gain or receives a distribution from such Portfolio or an Underlying PFIC. Furthermore, the estate of a deceased individual Non Tax-Exempt U.S. Person will be denied a tax-free "step-up" in the tax basis to fair market value for PFIC shares held by that deceased individual that were subject to the "interest charge" method.

Alternatively, a Non Tax-Exempt U.S. Person can make an election under the PFIC rules to have a Portfolio or an Underlying PFIC treated as a qualified electing fund ("QEF") with respect to its Shares. A Shareholder that has made the QEF election, which may only be revoked with the consent of the Service, is generally taxed currently on its proportionate share of the ordinary earnings and net long-term capital gains of such Portfolio or Underlying PFIC, whether or not the earnings or gains are distributed. However, a Portfolio or Underlying PFIC expenses, if any, that are properly capitalized will not be deductible for purposes of calculating the income included as a result of the QEF election. If a Portfolio or an Underlying PFIC realizes a net loss in a particular year, under the QEF rules, that loss will not pass through to the Non Tax-Exempt U.S. Person nor will it be netted against the income of any other PFIC with respect to which a QEF election has been made. Moreover, the loss also cannot be carried forward to reduce inclusions of income with respect to such Portfolio or Underlying PFIC, as applicable, in subsequent years. Instead, a Non Tax-Exempt U.S. Person would only realize the loss in calculating its gain or loss when its interest in the Portfolio or Underlying PFIC is disposed of. A Non Tax-Exempt U.S. Person should also note that under the QEF rules, it may be taxed on income related to unrealized appreciation in a Portfolio's or Underlying PFIC's assets attributable to periods prior to the investor's investment in the PFIC if such amounts are recognized by the PFIC after the investor acquires Shares. Moreover, any net short-term capital gains of a Portfolio or Underlying PFIC will not pass through as capital gains, but will be taxed as ordinary income. In order for a shareholder to be eligible to make a QEF election, the PFIC would have to agree to provide certain tax information to such shareholder on an annual basis. The Portfolios and the Underlying PFICs, if any, have not committed to providing such information.

Finally, if a Portfolio's or an Underlying PFIC's shares are considered "marketable", a Non Tax-Exempt U.S. Person would be able to elect to mark its shares to market at the end of every year. Any such mark to market gain or loss would be considered ordinary. Ordinary mark to market losses would only be allowed to the extent of prior mark to market gains. However, as a result of the definition of "marketable" adopted in regulations, the Portfolios do not anticipate that the Shares or shares of an Underlying PFIC would be eligible for the mark to market election.

Even though the PFIC rules apply, if a Portfolio or an Underlying PFIC is also a CFC, other rules could apply in addition to the PFIC rules that could cause a Non Tax-Exempt U.S. Person to (i) recognize taxable income prior to his or her receipt of distributable proceeds or (ii) recognize ordinary taxable income that would otherwise have been treated as long-term or short-term capital gain.

INASMUCH AS NON TAX-EXEMPT U.S. PERSONS ARE SUBJECT TO POTENTIALLY ADVERSE TAX CONSEQUENCES IF THEY INVEST IN A PORTFOLIO AND THE FOREGOING SUMMARY IS ONLY A BRIEF OVERVIEW OF HIGHLY COMPLEX RULES, SUCH POTENTIAL INVESTORS ARE STRONGLY URGED TO CONSULT WITH THEIR OWN TAX ADVISORS BEFORE INVESTING IN A PORTFOLIO.

### **Reporting Requirements for U.S. Persons**

Any U.S. person within the meaning of the IRC owning 10% or more (taking certain attribution rules into account) of either the total combined voting power or total value of all classes of the shares (the "10% Amount") of a non-U.S. corporation such as a Portfolio will likely be required to file an information return with the Service containing certain disclosure concerning the filing shareholder, other shareholders and the corporation. Any U.S. person within the meaning of the IRC who within such U.S. person's tax year (A) acquires shares in a non-U.S. corporation such as a Portfolio, so that either (i) without regard to shares already owned, such U.S. person acquires the 10% Amount or (ii) when added to shares already owned by the U.S. person, such U.S. person's total holdings in the non-U.S. corporation goes above the 10% Amount or (B) disposes of shares in a non-U.S. corporation so that such U.S. person's total holdings in the non-U.S. corporation falls below the 10% Amount (in each such case, taking certain attribution rules into account), will likely be required to file an information return with the Service containing certain disclosure concerning the filing shareholder, other shareholders and the corporation. The Portfolios have not committed to provide all of the information about the Portfolios or their shareholders needed to complete these returns. In addition, a U.S. person within the meaning of the IRC that transfers cash to a non-U.S. corporation such as a Portfolio may be required to report the transfer to the Service if (i) immediately after the transfer, such person holds (directly, indirectly or by attribution) at least 10% of the total voting power or total value of such corporation or (ii) the amount of cash transferred by such person (or any related person) to such corporation during the twelve-month period ending on the date of the transfer exceeds \$100,000.

Certain U.S. persons who have an interest in a foreign financial account during a calendar year are generally required to file FinCEN Form 114 (an "FBAR") with respect to such account. Failure to file a required FBAR may result in civil

and criminal penalties. Investors should consult with their own advisors as to whether they are obligated to file an FBAR with respect to an investment in a Portfolio.

Furthermore, certain U.S. persons within the meaning of the IRC may have to file Form 8886 ("Reportable Transaction Disclosure Statement") with their U.S. tax return and submit a copy of Form 8886 with the Office of Tax Shelter Analysis of the Service if the Portfolio in which they are invested or the Company engages in certain "reportable transactions" within the meaning of recently issued U.S. Treasury Regulations. If the Service designates a transaction as a reportable transaction after the filing of a reporting shareholder's tax return for the year in which such Portfolio or such reporting shareholder participated in the transaction, the reporting shareholder may have to file Form 8886 with respect to that transaction within 90 days after the Service makes the designation. Shareholders required to file this report include a U.S. person within the meaning of the IRC if either (1) a Portfolio is treated as a CFC and such U.S. person owns a 10% voting interest or (2) such U.S. person owns 10% (by vote or value) of a Portfolio and makes a QEF election with respect to the such Portfolio. In certain situations, there may also be a requirement that a list be maintained of persons participating in such reportable transactions, which could be made available to the Service at its request. Moreover, if a U.S. person within the meaning of the IRC recognizes a loss upon a disposition of Shares, such loss could constitute a "reportable transaction" for such shareholder and such shareholder would be required to file Form 8886. A significant penalty is imposed on taxpayers who fail to make the required disclosure. The penalty is generally \$10,000 for natural persons and \$50,000 for other persons (increased to \$100,000 and \$200,000, respectively, if the reportable transaction is a "listed" transaction). Shareholders who are U.S. persons within the meaning of the IRC (including Tax-Exempt U.S. Persons) are urged to consult their own tax advisors concerning the application of these reporting obligations to their specific situations and the penalty discussed above.

### **Estate and Gift Taxes**

Individual holders of Shares who are neither present nor former U.S. citizens or U.S. residents (as determined for U.S. estate and gift tax purposes) are not subject to U.S. estate and gift taxes with respect to their ownership of such Shares.

### **Other Jurisdictions**

Interest, dividend and other income realized by a Portfolio from non-U.S. sources and capital gains realized on the sale of securities of non-U.S. issuers, may be subject to withholding and other taxes levied by the jurisdiction in which the income is sourced. It is impossible to predict the rate of foreign tax such Portfolio will pay since the amount of the assets to be invested in various countries and the ability of the such Portfolio to reduce such taxes, are not known.

### **Future Changes in Applicable Law**

The foregoing description of U.S. income tax consequences of an investment in and the operations of the Company and the Portfolios is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Other legislation could be enacted that would subject the Company or the Portfolios to income taxes or subject shareholders to increased income taxes.

### **FATCA**

Investors should also refer to the "FATCA" sub-section of the "Taxation" section.

### **Other Taxes**

Prospective shareholders should consult their own counsel regarding tax laws and regulations of any other jurisdiction which may be applicable to them.

THE TAX AND OTHER MATTERS DESCRIBED IN THIS PROSPECTUS DO NOT CONSTITUTE AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE SHAREHOLDERS.

**ANNEX V**  
**LIST OF DELEGATES AND SUB-DELEGATES**

<b>COUNTRY WHERE ASSETS HELD</b>	<b>SUBCUSTODIAN</b>
Argentina	CITIBANK, N.A. BUENOS AIRES BRANCH
Australia	HSBC BANK AUSTRALIA LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
Austria	UNICREDIT BANK AUSTRIA AG
Bahrain *	HSBC BANK MIDDLE EAST LIMITED, BAHRAIN BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
Belgium	BNP PARIBAS SECURITIES SERVICES
Bermuda *	HSBC BANK BERMUDA LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
Botswana *	STANDARD CHARTERED BANK BOTSWANA LIMITED FOR STANDARD CHARTERED BANK
Brazil *	CITIBANK, N.A. - SAO PAULO
Canada	RBC INVESTOR SERVICES TRUST FOR ROYAL BANK OF CANADA (RBC)
Chile *	BANCO DE CHILE FOR CITIBANK, N.A.
China *	STANDARD CHARTERED BANK (CHINA) LIMITED FOR STANDARD CHARTERED BANK
China *	HSBC BANK (CHINA) COMPANY LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
Colombia *	CITITRUST COLOMBIA S.A., SOCIEDAD FIDUCIARIA FOR CITIBANK, N.A.
Croatia *	ZAGREBACKA BANKA D.D. FOR UNICREDIT BANK AUSTRIA AG
Cyprus	BNP PARIBAS SECURITIES SERVICES
Czech Republic	CITIBANK EUROPE PLC, ORGANIZACNI SLOZKA FOR CITIBANK, N.A.
Denmark	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), DANMARK BRANCH
Egypt *	HSBC BANK EGYPT S.A.E. FOR THE HONG KONG AND

<b>COUNTRY WHERE ASSETS HELD</b>	<b>SUBCUSTODIAN</b>
	SHANGHAI BANKING CORPORATION LIMITED (HSBC)
Estonia	SWEDBANK AS FOR NORDEA BANK FINLAND PLC AND NORDEA BANK AB(PUBL)
Finland	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), HELSINKI BRANCH
Finland	NORDEA BANK FINLAND PLC FOR NORDEA BANK FINLAND PLC AND NORDEA BANK AB (PUBL)
France	BNP PARIBAS SECURITIES SERVICES
Germany	BNP PARIBAS SECURITIES SERVICES - FRANKFURT BRANCH
Ghana *	STANDARD CHARTERED BANK GHANA LIMITED FOR STANDARD CHARTERED BANK
Greece	HSBC BANK PLC - ATHENS BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
Hong Kong	STANDARD CHARTERED BANK (HONG KONG) LIMITED FOR STANDARD CHARTERED BANK
Hong Kong	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
Hungary	UNICREDIT BANK HUNGARY ZRT FOR UNICREDIT BANK HUNGARY ZRT AND UNICREDIT BANK AUSTRIA AG
Iceland *	LANDSBANKINN HF.
India *	CITIBANK, N.A.- MUMBAI BRANCH
Indonesia	CITIBANK, N.A.- JAKARTA BRANCH
Ireland	CITIBANK, N.A.- LONDON BRANCH
Israel	CITIBANK, N.A., ISRAEL BRANCH
Italy	BNP PARIBAS SECURITIES SERVICES - MILAN BRANCH
Japan	THE BANK OF TOKYO-MITSUBISHI UFJ LTD
Japan	MIZUHO BANK LTD
Kenya *	STANDARD CHARTERED BANK KENYA LIMITED FOR STANDARD CHARTERED BANK
Kuwait *	HSBC BANK MIDDLE EAST LIMITED - KUWAIT BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
Latvia	"SWEDBANK" AS FOR NORDEA BANK FINLAND PLC AND NORDEA BANK AB(PUBL)

<b>COUNTRY WHERE ASSETS HELD</b>	<b>SUBCUSTODIAN</b>
Lithuania	"SWEDBANK" AB FOR NORDEA BANK FINLAND PLC AND NORDEA BANK AB(PUBL)
Malaysia*	STANDARD CHARTERED BANK MALAYSIA BERHAD FOR STANDARD CHARTERED BANK
Mauritius*	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - MAURITIUS BRANCH
Mexico	BANCO NACIONAL DE MEXICO, SA (BANAMEX) FOR CITIBANK, N.A.
Morocco	CITIBANK MAGHREB FOR CITIBANK, N.A.
Namibia *	STANDARD BANK NAMIBIA LTD. FOR STANDARD BANK OF SOUTH AFRICA LIMITED
Netherlands	BNP PARIBAS SECURITIES SERVICES
New Zealand	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - NEW ZEALAND BRANCH
Nigeria *	STANBIC IBTC BANK PLC FOR STANDARD BANK OF SOUTH AFRICA LIMITED
Norway	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), OSLO BRANCH
Norway	NORDEA BANK NORGE ASA FOR NORDEA BANK NORGE ASA AND NORDEA BANK AB (PUBL)
Pakistan*	STANDARD CHARTERED BANK (PAKISTAN) LIMITED FOR STANDARD CHARTERED BANK
Peru*	CITIBANK DEL PERU S.A. FOR CITIBANK, N.A.
Philippines*	STANDARD CHARTERED BANK - PHILIPPINES BRANCH
Poland	BANK HANDLOWY W WARSZAWIE SA (BHW) FOR CITIBANK NA
Portugal	BNP PARIBAS SECURITIES SERVICES
Qatar *	HSBC BANK MIDDLE EAST LTD - QATAR BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
Romania	CITIBANK EUROPE PLC, DUBLIN - SUCURSALA ROMANIA FOR CITIBANK,N.A
Russia *	AO CITIBANK FOR CITIBANK, N.A.
Serbia *	UNICREDIT BANK SERBIA JSC FOR UNICREDIT BANK AUSTRIA AG

<b>COUNTRY WHERE ASSETS HELD</b>	<b>SUBCUSTODIAN</b>
Singapore	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - SINGAPORE BRANCH
Slovakia	CITIBANK EUROPE PLC, POBOCKA ZAHRANICNEJ BANKY FOR CITIBANK N.A.
South Africa	STANDARD CHARTERED BANK, JOHANNESBURG BRANCH
South Korea *	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED - KOREA BRANCH
Spain	BANCO BILBAO VIZCAYA ARGENTARIA SA
Spain	BNP PARIBAS SECURITIES SERVICES, SUCURSAL EN ESPANA
Sri Lanka *	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - SRI LANKA BRANCH
Swaziland *	STANDARD BANK SWAZILAND LTD. FOR STANDARD BANK OF SOUTH AFRICA LIMITED
Sweden	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)
Switzerland	CREDIT SUISSE AG
Switzerland	UBS SWITZERLAND AG
Taiwan *	STANDARD CHARTERED BANK (TAIWAN) LTD FOR STANDARD CHARTERED BANK
Thailand	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - THAILAND BRANCH
Transnational (EUROCLEAR)	BROWN BROTHERS HARRIMAN & CO. (BBH&CO.)
Turkey	CITIBANK ANONIM SIRKETI FOR CITIBANK, N.A.
Uganda *	STANDARD CHARTERED BANK UGANDA LIMITED FOR STANDARD CHARTERED BANK
United Arab Emirates *	HSBC BANK MIDDLE EAST LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
United Kingdom	HSBC BANK PLC
Uruguay	BANCO ITAU URUGUAY S.A. FOR BANCO ITAU URUGUAY S.A. AND ITAU UNIBANCO S.A.
Vietnam *	HSBC BANK (VIETNAM) LTD. FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
Zambia *	STANDARD CHARTERED BANK ZAMBIA PLC FOR STANDARD CHARTERED BANK

<b>COUNTRY WHERE ASSETS HELD</b>	<b>SUBCUSTODIAN</b>
Zimbabwe *	STANDARD CHARTERED BANK ZIMBABWE LIMITED FOR STANDARD CHARTERED BANK
United States	BROWN BROTHERS HARRIMAN & CO.

This GCNL is valid as of the date specified herein, and may be updated from time to time by BBH. A copy of the current GCNL is available upon request.