

**IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISOR (“PROFESSIONAL ADVISORS”)**

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

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**Lord Abbett Passport Portfolios plc**

(an open-ended investment company with variable capital constituted as an umbrella fund with segregated liability between its Funds under the laws of Ireland authorised and regulated by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011)

**PROSPECTUS**

Dated 2 June 2017

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The Funds of the Company are referred to in the section “IMPORTANT INFORMATION” which lists the existing Funds. The Directors do not anticipate that any active secondary market will develop in Shares of any Fund. The Company issues a Supplement to this Prospectus at the time of establishing each Fund. Each Supplement forms part of, and should be read in the context of and together with, this Prospectus.

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## **IMPORTANT INFORMATION**

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All capitalised terms used in this Prospectus shall have the meanings given to them in the section "DEFINITIONS" unless the context requires otherwise.

### **Investor Responsibility**

Prospective investors should review this Prospectus carefully and in its entirety and should consult with their Professional Advisors in relation to (i) the legal requirements in their own countries for the purchase, holding, exchanging, redeeming or disposing of Shares; (ii) any non-U.S. exchange restrictions to which they are subject; (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming, or disposing of Shares; and (iv) the provisions of this Prospectus.

### **Central Bank Authorisation**

The Company is both authorised and supervised by the Central Bank. The Central Bank shall not be liable by virtue of its authorisation of the Company or by reason of its exercise of the functions conferred on it by legislation in relation to the Company for any default of the Company. Authorisation does not constitute a warranty by the Central Bank and the Central Bank shall not be liable for the performance or default of the Company. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of the Prospectus.

### **Investment Risks**

The price of Shares and the income from them may go down as well as up and investors may not get back the amount invested. There can be no assurance that any Fund will achieve its investment objective. Investors should consider the investment risks described in the section "INVESTMENT RISKS AND SPECIAL CONSIDERATIONS".

### **Initial Sales Charge/CDSC**

Where an initial sales charge and/or a CDSC is payable in respect of a subscription or redemption for certain Classes of Shares, the resulting difference at any one time between the Subscription Price and Redemption Price means that investment in such Shares should be viewed as medium to long term. Where an initial sales charge is charged, it will not exceed 5% of the Net Asset Value of the relevant Class. Where a CDSC is charged, it will not exceed 1% of the Net Asset Value of the relevant Class. A Fund will not charge both an initial sales charge and a CDSC in respect of a Class. Details of the applicable initial sales charge/CDSC will be set out in the Supplement for the relevant Fund.

### **Investors' Reliance on US Federal Tax Advice in this Prospectus**

The discussion contained in this Prospectus as to US federal tax considerations is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties. Such discussion is written to support the promotion or marketing of the transactions or matters addressed in this Prospectus. Each taxpayer should seek US federal tax advice based on the taxpayer's particular circumstances from an independent tax advisor.

## **Key Investor Information Documents**

Key Investor Information Documents are available for the Funds of the Company. In addition to summarising some important information in this Prospectus, the Key Investor Information Documents may contain information on the historical performance and the ongoing charges for each of the Funds. The Key Investor Information Documents can be obtained from the registered office of the Company which is set out in the section "DIRECTORY".

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

The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. This Prospectus does not constitute 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.

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 when available. The Prospectus and the latest audited annual accounts and any subsequent half-yearly reports will be made available to the public at the office of the Administrator.

Any further information or representations given or made by any person should be disregarded and accordingly, should not be relied upon.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale or redemption of the Shares other than those contained in this Prospectus, the relevant Application Form(s) and, once published, the latest published annual report and accounts of the Company and such advertisement, information or representations, if given or made, must not be relied upon as having been authorised by the Company.

Neither the delivery of this Prospectus, the latest published annual report or accounts of the Company (once published) nor the offer, placement, allotment or issue of any of the Shares shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus or in any such report is correct as of any time subsequent to the date thereof or that the affairs of the Company have not changed since the date thereof.

Statements in this Prospectus are based on law and practice currently in force in Ireland and are made as at the date of this Prospectus and are subject to change.

No information or advice herein contained shall constitute advice to a proposed investor in respect of his personal position. Accordingly, no representations or warranties of any kind are intended or should be inferred with respect to the economic return or the tax consequences of an investment in the Company. No assurance can be given that existing laws will not be changed or interpreted adversely. Prospective investors are not to construe this document as legal or tax advice.

The distribution of this Prospectus in some jurisdictions may require the translation of this Prospectus into other languages specified by the regulatory authorities of those jurisdictions provided that any such translation shall be a direct translation of the English text. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in translation, the English text shall prevail and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the law of Ireland.

This Prospectus should be read in its entirety before making an application for Shares.

### **United States**

The Shares have not been, and will not be, registered under the 1933 Act or qualified under any applicable state statutes, and the Shares may not be transferred, offered or sold in the United States of America (including its territories and possessions) or to or for the benefit of, directly or indirectly, any U.S. Person (as defined in Schedule III), except pursuant to registration or an applicable exemption. The Company has not, and will not be, registered under the 1940 Act, and investors will not be entitled to the benefits of such registration. Any re-sales or transfers of the Shares in the U.S. or to U.S. Persons may constitute a violation of U.S. law and requires the prior written consent of the Company. Applicants for Shares will be required to certify whether they are a U.S. Person and will be required to declare whether they are Irish Residents.

The Directors have the power to impose restrictions on the shareholdings by (and consequently to redeem Shares held by), or the transfer of Shares to, any U.S. Person (unless permitted under certain exceptions under the laws of the United States), or by any person who appears to be in breach of the laws or requirements of any country or government authority, or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise have incurred or suffered. See the section "ADMINISTRATION OF THE COMPANY: Compulsory Redemption or Transfer".

The Shares have not been approved or disapproved by the SEC, any state securities commission or other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful.

Neither the Company nor the Funds currently are regulated by the CFTC as a commodity pool under the Commodity Exchange Act. The Investment Manager currently intends to limit its investments in FDIs to avoid such regulation, but the Company and/or the Funds may be subject to regulation as a commodity pool in the future.

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## DEFINITIONS

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

<b>“1933 Act”</b>	the U.S. Securities Act of 1933 (as amended);
<b>“1940 Act”</b>	the U.S. Investment Company Act of 1940 (as amended);
<b>“Accounting Date”</b>	31 January in each year;
<b>“Accounting Period”</b>	a period ending on the Accounting Date and commencing, in the case of the first such period, on the date of incorporation of the Company and, in subsequent such periods, on the day following expiry of the last Accounting Period;
<b>“Accumulating Classes”</b>	Classes in which the Directors intend to accumulate and to automatically reinvest all earnings, dividends and other distributions of whatever kind pursuant to the investment objectives and policies of the relevant Fund for the benefit of Shareholders in the relevant Fund and which are identified by the word “Accumulating” in their title;
<b>“Administration Agreement”</b>	the agreement dated 4 February 2014 between the Company and the Administrator;
<b>“Administrator”</b>	Brown Brothers Harriman Fund Administration Services (Ireland) Limited, or such other person as may be appointed in accordance with the requirements of the Central Bank to provide administration services to the Company;
<b>“AIF”</b>	means an alternative investment fund as defined in regulation 5(1) of the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. No. 257 of 2013) and/or any other collective investment undertaking meeting the criteria outlined in Regulation 68(1)(e) of the Regulations.
<b>“Anti-Dilution Levy”</b>	A charge for the benefit of a Fund added to or deducted from a Fund’s Net Asset Value to cover dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of a Fund;
<b>“Application Form”</b>	the application form, obtainable from the Administrator, to be completed by subscribers for Shares of any Fund or Class as prescribed by the

	Company from time to time;
<b>“Auditor”</b>	Deloitte & Touche or such other person as may be appointed in accordance with the requirements of the Central Bank to act as auditor to the Company;
<b>“Base Currency”</b>	the base currency of account of a Fund as determined by the Directors and as set out in the relevant Supplement;
<b>“Business Day”</b>	each day (except Saturdays and Sundays and normal public holidays in Ireland) on which the New York Stock Exchange is open for regular business and such other day or days as may be determined by the Directors;
<b>“CDO”</b>	collateralised debt obligation, a form of securitisation in which payments from multiple securities (a “collateralised bond obligation” or “CBO”), loans (a “collateralised loan obligation” or “CLO”), or possibly a mixture of securities and loans are pooled together and passed on to different Classes of owners in various tranches;
<b>“CDSC”</b>	contingent deferred sales charge, a penalty levied for the premature redemption of Shares;
<b>“Central Bank”</b>	the Central Bank of Ireland or any successor regulatory authority with responsibility for the authorisation and supervision of the Company;
<b>“Central Bank UCITS Regulations”</b>	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 as amended by the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2016 and as may be further amended or consolidated from time to time;
<b>“CFTC”</b>	the U.S. Commodity Futures Trading Commission;
<b>“Class”</b>	any class of Shares each representing interests in a Fund;
<b>“Class Currency”</b>	the currency denomination of a Class;
<b>“Clearing System”</b>	the National Securities Clearing Corporation (NSCC) or any other clearing system approved by the Directors;
<b>“Code”</b>	the U.S. Internal Revenue Code of 1986 (as amended);

<b>“Commodity Exchange Act”</b>	the U.S. Commodity Exchange Act of 1936 (as amended);
<b>“Companies Act”</b>	the Companies Act 2014 (as may be amended, consolidated, supplemented or re-enacted from time to time);
<b>“Company”</b>	Lord Abbett Passport Portfolios plc;
<b>“Company Secretary”</b>	Goodbody Secretarial Limited, the secretary of the Company or such other persons as may be appointed by the Company in accordance with the requirements of the Companies Act;
<b>“Constitution”</b>	the memorandum of association and articles of association of the Company for the time being in force and as may be modified from time to time;
<b>“Dealing Day”</b>	each Business Day, or such other Business Day as the Directors may determine and notify in advance to Shareholders provided that there shall be at least two Dealing Days in each calendar month carried out at regular intervals;
<b>“Dealing Deadline”</b>	in the case of subscriptions and redemptions, 4:00 pm Dublin time on the relevant Dealing Day;
<b>“Delegated Regulations”</b>	the Commission Delegated Regulation supplementing Directive 2014/91/EU of the European Parliament and of the Council of 17 December 2015 (once finalised and directly effective in Ireland);
<b>“Depositary Agreement”</b>	the agreement appointing the Depositary of the Company as originally entered into pursuant to an agreement dated 4 February 2014 as superseded and replaced by the Depositary Agreement dated 6 May 2016 as may be amended from time to time;
<b>“Depositary”</b>	Brown Brothers Harriman Trustee Services (Ireland) Limited, the depositary to the Company or such other person as may be appointed in accordance with the requirements of the Central Bank;
<b>“Directors”</b>	the directors of the Company for the time being and any duly constituted committee thereof;
<b>“Distributing Classes”</b>	Classes in which the Directors intend to declare a dividend in respect of the Shares and are identified by the word “Distributing” in their title;
<b>“Distribution Agent”</b>	any sub-distributors, intermediary, dealers and/or professional investor that the Distributor enters into contractual arrangements with for the distribution of

	Shares;
<b>“Distribution Agreement”</b>	the agreement dated 4 February 2014 between the Company and the Distributor;
<b>“Distributor”</b>	Lord Abbett Distributor LLC;
<b>“Duties and Charges”</b>	all stamp and other duties, taxes, governmental charges, brokerage, bank charges, non-U.S. exchange and/or other dealing spreads, interest, transfer fees, registration fees and other duties and charges whether in connection with the original acquisition or increase of the assets of the Company or the creation, issue, sale, switch or redemption of Shares or the purchase or sale of investments or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion or in the event of the transaction or dealing in respect of which such duties and charges are, or may be, payable, which may include, when calculating Subscription Prices and Redemption Prices, any provision for spreads (to take into account the difference between the price at which assets may be valued for the purpose of calculating the Net Asset Value and the price at which such assets may be acquired or may be sold or realised), but shall not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Shares;
<b>“EEA”</b>	the European Economic Area, comprising the Member States, Norway, Iceland and Liechtenstein;
<b>“Emerging Markets Country”</b>	shall have the meaning set forth in the Supplement for the relevant Fund;
<b>“ESMA”</b>	the European Securities and Markets Authority;
<b>“EU”</b>	the European Union;
<b>“FATCA” or the “Foreign Account Tax Compliance Act”</b>	Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, and any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of these Sections of the Code;
<b>“Financial Account”</b>	means a “Financial Account” as used in the

	intergovernmental agreement between the United States and Ireland for the purposes of FATCA;
<b>“Financial Institution”</b>	means a “Financial Institution” as defined in FATCA;
<b>“First Valuation Point”</b>	close of business in the market that closes first of which the investments of the Company are traded on the relevant Dealing Day;
<b>“FDIs”</b>	financial derivative instruments that derive their value from the value of an underlying asset, reference rate or index;
<b>“Fund” or “Funds”</b>	a portfolio of assets established by the Directors (with the prior approval of the Central Bank) and constituting a separate Fund invested in accordance with the investment objective and policies applicable to such Fund as specified in this Prospectus or any supplement thereto;
<b>“Global Supplement”</b>	means a supplement to the Prospectus issued on behalf of the Company for the purpose of listing the existing Funds of the Company;
<b>“High Yield Debt Securities”</b>	debt securities that, at the time of purchase, are rated outside the four highest tiers assigned by any rating agency recognised by any national regulatory or governmental agency (including but not limited to the Central Bank), such as Moody’s Investors Service, Inc. (Aaa, Aa, A, Baa), Standard & Poor’s Ratings Services (AAA, AA, A, BBB), or Fitch Ratings (AAA, AA, A, BBB), or are unrated but determined by the Investment Manager to be of comparable quality;
<b>“Inflation-Linked Investment”</b>	an investment in Treasury Inflation Protected Securities which are U.S. government bonds whose principal is adjusted for inflation as measured by the Consumer Price Index for All Urban Consumers as computed by the U.S. Bureau of Labor statistics and other U.S. and non-U.S. inflation-indexed securities;
<b>“Initial Offer Price”</b>	the price at which a Class of Shares is first offered or at which it is reoffered as specified in the section “ADMINISTRATION OF THE COMPANY: How to Purchase Shares”;
<b>“Investment Grade Debt Securities”</b>	securities that, at the time of purchase, are rated within the four highest tiers assigned by any rating agency recognised by any national regulatory or governmental agency (including but not limited to the Central Bank), such as Moody’s Investors Service, Inc. (Aaa, Aa, A, Baa), Standard & Poor’s

	Ratings Services (AAA, AA, A, BBB), or Fitch Ratings (AAA, AA, A, BBB), or are unrated but determined by the Investment Manager to be of comparable quality;
<b>“Investment Management Agreement”</b>	the agreement dated 4 February 2014 between the Company and the Investment Manager;
<b>“Investment Manager”</b>	Lord, Abbett & Co. LLC;
<b>“Member”</b>	a Shareholder, or a person who is registered as the holder of one or more Non-Participating Shares;
<b>“Member State”</b>	a member state of the EU;
<b>“Money Market Instrument”</b>	instruments normally dealt in on the money markets which are liquid, have a value which can be accurately determined at any time and include, but are not limited to, government debt, commercial paper, bankers acceptances, certificates of deposit and other short term debt securities as ancillary liquid assets, and which are further described in the UCITS Rules.
<b>“Net Asset Value” or “NAV”</b>	the Net Asset Value of the Company or of a Fund or Class, as appropriate, calculated as described herein;
<b>“Net Asset Value per Share”</b>	in respect of any Shares, the Net Asset Value attributable to the Shares issued in respect of a Fund or Class, divided by the number of Shares in issue in respect of the Fund or Class;
<b>“Non-Participating Shares”</b>	a redeemable non-participating share in the capital of the Company issued in accordance with, and having rights provided for, in the Constitution;
<b>“OECD”</b>	the Organisation for Economic Co-Operation and Development;
<b>“Prospectus”</b>	this document and any Supplements or addenda thereto, issued by the Company in accordance with the requirements of the Central Bank;
<b>“Redemption Price”</b>	the price payable in respect of redeemed Shares as specified in the section “DETERMINATION OF NET ASSET VALUE: Redemption Prices”;
<b>“Regulation” or “Regulations”</b>	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 as may be amended, supplemented, consolidated or otherwise modified from time to time including any condition that may from time to

	time be imposed thereunder by the Central Bank;
<b>“Regulated Market”</b>	a regulated market as set out in Schedule I;
<b>“SEC”</b>	U.S. Securities and Exchange Commission;
<b>“Share” or “Shares”</b>	a participating share or shares in the Company or a Fund, as the context so requires;
<b>“Shareholders”</b>	holders of Shares and each a “Shareholder”;
<b>“Subscription Price”</b>	the subscription price in respect of Shares of any Class on any Dealing Day as specified in the section “DETERMINATION OF NET ASSET VALUE: Calculation of Subscription and Redemption Prices”;
<b>“Supplement”</b>	a supplement including the Global Supplement and any addenda thereto, which is supplemental to this Prospectus setting out information specific to a Fund;
<b>“UCITS”</b>	an undertaking for collective investment in transferable securities within the meaning of the Regulations;
<b>“UCITS Rules”</b>	the Central Bank UCITS Regulations and any guidance or Q&A document issued by the Central Bank from time to time pursuant to the Central Bank UCITS Regulations; or any document published by the Central Bank which sets down all of the conditions which the Central Bank imposes on UCITS, their management companies and depositaries;
<b>“Umbrella Cash Account”</b>	an account maintained at the level of the Company;
<b>“Underlying Collective Investment Scheme”</b>	any collective investment scheme which meets the requirements of the Regulations and, for the avoidance of doubt, includes other Funds, regulated collective investment schemes and regulated AIF domiciled in the EU, Guernsey, Jersey, the Isle of Man or the EEA;
<b>“U.S.”</b>	the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;
<b>“U.S. Person”</b>	a “U.S. Person” as defined in Schedule III herein;
<b>“U.S. Reportable Account”</b>	a Financial Account held by a U.S. Reportable Person;
<b>“U.S. Reportable Person”</b>	(i) a “U.S. Taxpayer” who is not an “Excluded U.S. Taxpayer” or (ii) a “Passive U.S. Controlled Foreign

	Entity.” See Schedule III for a complete definition of U.S. Reportable Person, Excluded U.S. Taxpayer, and Passive U.S. Controlled Foreign Entity;
<b>“U.S. Taxpayer”</b>	a “U.S. Taxpayer” as defined in Schedule III herein;
<b>“Valuation Point”</b>	the day and time(s) with reference to which the assets and liabilities of each Fund will be valued for the purpose of calculating the Net Asset Value and the Net Asset Value per Share. The Valuation Point shall be at close of business in the relevant market on each Dealing Day.

In this Prospectus, all references to the “Euro” or “EUR” or “€” are to the currency referred to in the second sentence of Article 2 of the Council Regulation (EC) No. 974/98 of 3 May 1998 and as adopted as the single currency of the participating Member States of the European Union and any successor currency as determined at the discretion of the Directors, all references to “US Dollars” or “\$” or “US\$” or “USD” are to the lawful currency of the United States of America, all references to “Pounds” or “Pounds Sterling” or “GBP” are to the lawful currency of the United Kingdom.

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## DIRECTORY

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### ***Board of Directors***

Adrian Waters (Chairman, Irish Resident)  
David Conway (Irish Resident)  
Daria L. Foster (U.S. Resident)  
Lawrence H. Kaplan (U.S. Resident)  
Douglas B. Sieg (U.S. Resident)

### ***Registered Office of the Company***

30 Herbert Street  
Dublin D02 W329  
Ireland

### ***Promoter and Investment Manager***

Lord, Abbett & Co. LLC  
90 Hudson Street  
Jersey City  
New Jersey  
07302-3973  
U.S.A.

### ***Distributor***

Lord Abbett Distributor LLC  
90 Hudson Street  
Jersey City  
New Jersey  
07302-3973  
U.S.A.

### ***Administrator, Registrar and Transfer Agent***

Brown Brothers Harriman Fund Administration  
Services (Ireland) Limited  
30 Herbert Street  
Dublin D02 W329  
Ireland

### ***Depositary***

Brown Brothers Harriman Trustee Services  
(Ireland) Limited  
30 Herbert Street  
Dublin D02 W329  
Ireland

### ***Legal Advisors as to Irish law***

A&L Goodbody  
International Financial Services Centre  
North Wall Quay  
Dublin D01 H104  
Ireland

### ***Company Secretary***

Goodbody Secretarial Limited  
International Financial Services Centre  
North Wall Quay  
Dublin D01 H104  
Ireland

### ***Auditors***

Deloitte & Touche  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2  
Ireland

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## INTRODUCTION

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### **Establishment and Incorporation**

The Company is an open-ended umbrella investment company with variable capital and segregated liability between its Funds and is organised under the laws of Ireland as a public limited company pursuant to the Companies Act. The Company is authorised by the Central Bank pursuant to the Regulations. The Company was incorporated on 17 October 2013 under registration number 534227.

The life of the Company is unlimited.

The activities of the Company are governed by its Constitution and this Prospectus and the details concerning the Company contained herein.

The Constitution provides that the Company may offer separate Classes of Shares, each representing interests in a Fund, with each Fund comprising a separate and distinct portfolio of investments. The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund. The value of the Shares of each Fund shall at all times equal their Net Asset Value. The Base Currency of each Fund will be determined by the Directors and will be set out in the Prospectus and/or Supplement for the relevant Fund.

The names of all Funds approved at the date of this Prospectus are listed in the Global Supplement.

### **Share Classes**

A Fund may consist of one or more Classes of Shares. A separate pool of assets will not be maintained for each Class within a Fund. The Classes of Shares are described more fully in the section "SHARE CLASSES". The Directors shall notify to the Central Bank and clear in advance with it, the issue of additional Classes of Shares in a Fund.

### **Non-Participating Shares**

The authorised share capital of the Company at the date of this Prospectus is 500,000,000,000 Shares of no par value and 300,002 redeemable Non-Participating Shares of €1.00 each. Non-Participating Shares do not entitle the holders thereof to any dividend. On a winding up of the Company, the Non-Participating Shares entitle the holders thereof to receive the amount paid up thereon but do not otherwise entitle them to participate in the assets of the Company. The Non-Participating Shares are held on behalf of Lord, Abbett & Co. LLC.

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## INVESTMENT OBJECTIVES AND POLICIES OF THE FUNDS

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The Company intends to provide investors with a choice of Funds offering an array of investment objectives. Each Fund aims to achieve its investment objective while spreading investment risks through investment in transferable securities or liquid financial assets or collective investment schemes or other permitted investments in accordance with the Regulations. The transferable securities and liquid financial assets in which a Fund may invest generally must be listed and/or traded on a Regulated Market except that up to 10%

of the Net Asset Value of a Fund may be invested in transferable securities and liquid financial assets which are not so listed, traded or dealt. The Regulated Markets in which a Fund's investments will be traded are set out in Schedule I.

The assets of each Fund will be invested separately in accordance with the investment objective and policies of the Fund which are set out in the relevant Supplement.

The investment return to Shareholders in a particular Fund is related to the Net Asset Value of that Fund which in turn is primarily determined by the performance of the portfolio of investments held by that Fund.

Each Fund may invest up to 10% of its Net Asset Value in collective investment schemes, subject to the limits set out in Schedule II and the limitations contained in Regulation 68 of the Regulations. Such investment in collective investment schemes includes investing in other Funds. However, a Fund may not invest in another Fund which itself holds Shares in other Funds. Where a Fund invests in another Fund, the investing Fund may not charge an annual management and/or investment management fee in respect of the portion of its assets invested in the other Fund. If a Fund invests in the units or shares of an Underlying Collective Investment Scheme managed by the Investment Manager or by an associated or related company of the Investment Manager, the Investment Manager or the associated or related company must waive the sales charge or exit charge payable, if any. The Investment Manager will not receive any commission when a Fund invests in such a scheme. However, if any commissions are received by the Investment Manager, the commission must be paid into a property of the Fund.

Pending investment of the proceeds of a placing or offer of Shares or where market or other factors so warrant, a Fund may, subject to the investment restrictions set out under the heading "Investment Restrictions" below, invest in cash deposits, Money Market Instruments and in short-term securities such as commercial paper, bankers' acceptances, certificates of deposit, and government securities issued by an OECD member country or by any supranational entity provided that the securities are listed, traded or dealt in on a Regulated Market in an OECD member country and are rated investment grade or better by Moody's or by Standard & Poor's.

Each Fund seeks to remain fully invested in accordance with its investment objective. However, in an attempt to respond to adverse market, economic, political, or other conditions, a Fund may take a temporary defensive position by holding some or all of its assets in short-term investments. These investments include cash, commercial paper, ETFs, Money Market Instruments, repurchase agreements, and U.S. government securities. A Fund also may hold these types of investments while looking for suitable investment opportunities or to maintain liquidity. Taking a temporary defensive position could prevent the Fund from achieving its investment objective.

A Fund may sell a security if it no longer meets the Fund's investment criteria or for a variety of other reasons, such as to secure gains, limit losses, maintain its duration, redeploy assets into opportunities believed to be more promising, or satisfy redemption requests, among others. A Fund will not be required to sell a security that has been subject to a change of investment grade after purchase; however, in these cases, the Fund will monitor the situation to determine whether it is advisable for the Fund to continue to hold the security. In considering whether to sell a security, the Fund may evaluate factors including, but not limited to, the condition of the economy, changes in the issuer's competitive position or financial condition, changes in the outlook for the issuer's industry, the Fund's valuation target for the security, and the impact of the security's duration on the Fund's overall duration.

Each of the Funds engage in active and frequent trading of its portfolio securities.

Any change in the investment objective or a material change in the investment policies of a Fund will be subject to prior approval on the basis of a majority of votes cast by an ordinary resolution of Shareholders passed at a general meeting or by all of the Shareholders by way of a written resolution.

Subject thereto, non-material changes to the policy of a Fund may be amended from time to time by the Directors if they shall deem it to be in the best interest of the relevant Fund to do so. In the event of a change of investment objective and/or material change of the policies of a Fund, the changes will be provided for in an update to the relevant Supplement of the Fund and a reasonable notification period will be provided to Shareholders to enable them to redeem their Shares prior to the implementation of such a change.

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## USE OF FINANCIAL DERIVATIVE INSTRUMENTS

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### Use of FDIs

#### *Efficient Portfolio Management*

The Company may, on behalf of each Fund and subject to the conditions and within the limits laid down by the Central Bank, use techniques and instruments for hedging purposes (to protect the Fund's unrealised gains by hedging against possible adverse fluctuations in the securities markets or changes in interest rates or currency exchange rates that may reduce the market value of the Fund's investment portfolio) or for the purposes of efficient portfolio management (including but not limited to forward non-U.S. currency exchange contracts, futures contracts, options, put and call options on securities, indices and currencies, stock index contracts and swap contracts). The Company may also use repurchase/reverse repurchase and stock lending agreements for the purposes of efficient portfolio management. A Fund also may use FDIs to seek to enhance returns, spreads or gains, or to efficiently invest excess cash or quickly gain market exposure. A Fund may engage in such transactions on an exchange or in the over-the-counter ("OTC") market.

The Company may engage in such techniques and instruments for the reduction of risk, cost or the generation of additional capital or income for each Fund with an appropriate level of risk, taking into account the risk profile of the Company as described in this Prospectus and the general provisions of the Regulations. See Appendix IV: "Efficient Portfolio Management Techniques and Instruments".

The use of techniques for efficient portfolio management is not expected to raise the risk profile of a Fund or result in higher volatility.

As is required to be disclosed in this Prospectus by Regulation 58(1)(c) of the Central Bank UCITS Regulations, all revenues from efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the relevant Fund. Direct and indirect operational costs and fees arising from efficient portfolio management techniques (which shall not include hidden revenue) will be paid to the securities lending agent or counterparty to the repurchase agreement, who shall not be related to the Company, Investment Manager or the Depositary.

The types of FDIs that a Fund may use consist principally of:

#### *Futures Contracts and Options on Futures*

A Fund may enter into futures contracts and options on futures contracts, which involve the purchase or sale of a contract to buy or sell a specified security, index or other financial

instrument at a specific future date and price on an exchange or the OTC market. A Fund may enter into such contracts as a substitute for taking a position in any underlying asset or to increase returns.

#### *Non-U.S. Currency Forward Contracts and Options*

A Fund may use non-U.S. currency forward contracts and options to hedge the risk to the portfolio to non-U.S. exchange price movements. Under some circumstances, a Fund may commit a substantial portion or the entire value of its portfolio to the completion of forward contracts. Generally, these instruments allow a Fund to lock in a specified exchange rate for a period of time. Non-U.S. currency forward contracts also may be used to increase a Fund's exposure to non-U.S. currencies that the Investment Manager believes may rise in value relative to the U.S. dollar or to shift a Fund's exposure to non-U.S. currency fluctuations from one country to another.

#### *Options*

A Fund may purchase call and put options and write (i.e. sell) covered call and put option contracts in accordance with its investment objective and policies. A "call option" is a contract sold for a price giving its holder the right to buy a specific number of securities at a specific price prior to a specified date. A "covered call option" is a call option issued on securities already owned by the writer of the call option for delivery to the holder upon the exercise of the option. A "put option" gives the purchaser of the option the right to sell, and obligates the writer to buy, the underlying securities at the exercise price at any time during the option period. A put option sold by a Fund is covered when, among other things, a Fund segregates permissible liquid assets having a value equal to or greater than the exercise price of the option to fulfil the obligation undertaken or otherwise covers the transaction. A Fund may purchase and sell call and put options in respect of specific securities (or groups or "baskets" of specific securities) or securities indices, currencies or futures. A Fund also may enter into OTC options contracts, which are available for a greater variety of securities, and a wider range of expiration dates and exercise prices, than are exchange-traded options. Successful use by a Fund of options and options on futures will depend on the Investment Manager's ability to predict correctly movements in the prices of individual securities, the relevant securities market generally, non-U.S. currencies or interest rates.

#### *Swap Agreements*

A Fund may enter into interest rate, equity index, credit, currency and total return swap agreements, and swaptions (options on swaps) and similar transactions. A Fund may enter into these swap transactions for hedging purposes or in an attempt to obtain a particular return when it is considered desirable to do so. A swap transaction involves an agreement between two parties to exchange different cash flows based on a specified or "notional" amount. The cash flows exchanged in a specific transaction may be, among other things, payments that are the equivalent of interest on a principal amount, payments that would compensate the purchaser for losses on a defaulted security or basket of securities, or payments reflecting the performance of one or more specified currencies, securities or indices.

If a Fund invests in total return swaps or other FDI with the same characteristics, the underlying asset or index may be comprised of equity or debt securities, Money Market Instruments or other eligible investments which are consistent with the investment objective and policies of a Fund as set out in the section "Investment Policies" of the Supplement for the relevant Fund. The counterparties to such transactions are typically banks, investment firms, broker-dealers, collective investment schemes or other financial institutions or intermediaries. The risk of the counterparty defaulting on its obligations under the total

return swap and its effect on Shareholder returns are described in the section “INVESTMENT RISKS AND SPECIAL CONSIDERATIONS” under the heading “FDI Risk”.

It is not intended that the counterparties to total return swaps entered into by a Fund assume any discretion over the composition or management of the Fund’s investment portfolio or over the underlying of the FDI, or that the approval of the counterparty is required in relation to any portfolio transactions by the Fund.

In selecting securities for a Fund, portfolio management takes a value oriented approach and attempts to identify securities with the best income opportunities. Portfolio management uses credit research to identify individual securities with strong fundamentals that are undervalued in the marketplace.

#### *Repurchase/Reverse Repurchase Agreements*

A Fund may enter into repurchase/reverse repurchase agreements for the purposes of efficient portfolio management subject to the conditions and limits set out in the UCITS Rules.

A repurchase agreement, or sale-and-repurchase agreement, also known as a repo, is the sale of securities together with an agreement for the seller to buy back the securities at a later date. Under a repurchase agreement, a Fund sells securities to a counterparty with an agreement by the relevant Fund to repurchase the securities at the same price, plus interest, at a specified rate.

A reverse repurchase agreement, also known as a reverse repo, is the purchase of securities from a counterparty with an agreement for the purchaser to resell the securities at a later date to the counterparty. Under a reverse repurchase agreement, a Fund buys securities from a counterparty with an agreement by the relevant Fund to resell the securities at the same price, plus interest, at a specified rate. Security is held by the relevant Fund as collateral for the counterparty’s repurchase obligation.

For repurchase agreements, a Fund shall ensure that it is able at any time to recall any securities subject to the agreement or to terminate the repurchase agreement into which it has entered. In relation to reverse repurchase agreements, a Fund should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the relevant Fund.

#### *Forward contracts*

A forward contract involves obligations of one party to purchase, and another party to sell, a specific amount of a currency (or a security or other financial instrument) at a future date, at a price established in the contract.

Forward contracts may be structured for cash settlement, rather than physical delivery. A Fund may enter into non-deliverable currency forward contracts (“NDFs”), which are a particular type of cash-settled forward contract that may be used to gain exposure to a non-convertible or relatively thinly traded non-U.S. currency.

With respect to futures contracts or forward contracts that are contractually required to cash settle, a Fund will be permitted to set aside liquid assets in an amount equal to the Fund’s daily marked-to-market net obligation (i.e., the Fund’s daily net liability) under the contracts, if any, rather than such contracts’ full notional value. In the case of futures contracts or forward contracts that are not contractually required to cash settle, the Fund will be obligated

to set aside liquid assets equal to such contracts' full notional value (generally, the total numerical value of the asset underlying a future or forward contract at the time of valuation) during the period of time while the contract positions are open.

### *Risk Management*

The Investment Manager operates a risk management process on behalf of the Funds in relation to the use of FDIs which allows it to accurately measure, monitor and manage the various risks associated with FDIs and other investments, and which is intended to ensure that the Funds' investments including FDI exposure remains within the limits described below. This risk management process also takes into account any exposure created through FDIs embedded in investments held by the Funds.

The risk management process is described in a statement, a copy of which has been filed with the Central Bank, and which will be updated from time to time to include any additional FDIs which the Investment Manager proposes to employ on behalf of the Funds ("Risk Management Process"). Until such time as the risk management statement has been updated, however, the Investment Manager will not use any FDI which is not for the time being included in the Risk Management Process.

### *Class Currency Hedging*

The Company may also (but is not obliged to) enter into certain currency related transactions in order to hedge the currency exposure of the assets of a Fund attributable to a particular Class designated as a hedged Class into the relevant Class Currency for the purposes of efficient portfolio management. While not the intention, over-hedged or under-hedged positions may arise due to factors outside of the control of the Company. Each Fund may employ such techniques and instruments provided that the level of the currency exposure hedged does not exceed 105% of the Net Asset Value of a Class. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed this level and that positions materially in excess of 100% of the Net Asset Value of a Class are not carried forward from month to month. Over-hedged positions will not be permitted to exceed 105% of the Net Asset Value of the Class. All over-hedged positions will be included in the calculation of a Fund's global exposure in accordance with UCITS Rules. Otherwise, a Fund will not be leveraged as a result of the transactions entered into for the purposes of hedging.

While the Company may attempt to hedge against currency exposure at a Class level, there can be no guarantee that the value of a Class will not be affected by fluctuations in the value of the Base Currency relative to the Class Currency (if different). Any costs related to such hedging shall be borne separately by the relevant Class. All gains/losses which may be made by any Class of any Fund as a result of such hedging transactions shall accrue to the relevant Class of Shares. Hedging transactions shall be clearly attributable to the relevant Class of Shares. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. The use of Class hedging strategies may substantially limit holders of Shares in the relevant Class from benefiting if the Class Currency falls against the Base Currency and/or the currency in which the assets of the relevant Fund are denominated.

The Funds may implement currency hedging strategies by using spot and forward non-U.S. exchange contracts and currency futures, options and swap contracts.

In the case of Classes designated as unhedged Classes, a currency conversion will take place on subscription, redemption and conversion and any distributions at prevailing exchange rates. The value of a Class Currency denominated in a currency other than the

Base Currency will be subject to share currency designation risk in relation to the Base Currency.

Responsibility for any such hedging activity may be delegated by the Investment Manager as it sees fit.

#### *Fund/Portfolio Currency Hedging*

Each Fund generally operates the investment portfolio in USD, which shall constitute the Base Currency of the Funds. As long as a Fund holds securities or currencies denominated in a currency other than the denomination of the Base Currency of a Fund, the value of a Fund may be affected by the value of the local currency relative to the currency in which that Fund is denominated. The Company may use currency hedging techniques to remove the currency exposure against the USD as applicable in order to limit currency exposure between the currencies of a Fund's investment portfolio and the Base Currency of a Fund; however, this may not be possible or practicable in all cases. As long as a Fund holds securities denominated in a currency other than the Base Currency of the Fund, the Fund's Net Asset Value will be affected by the value of the local currency relative to the Base Currency.

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### **INVESTMENT RESTRICTIONS**

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Each of the Fund's investments will be limited to investments permitted by the Regulations, as set out in Schedule II. If the Regulations are altered during the life of the Company, the investment restrictions may be changed to take account of any such alterations. Changes to the investment restrictions shall be in accordance with the requirements of the Central Bank and may be subject to prior approval and/or notification of Shareholders. Shareholders will be advised of such changes in the next succeeding annual or half-yearly report of the Company.

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### **BORROWING AND LENDING POWERS**

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The Company may borrow up to 10% of a Fund's Net Asset Value at any time for the account of any Fund and the Directors may instruct the Depositary to charge the assets of such Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes. Credit balances (for example, cash) may not be offset against borrowings when determining the percentage of borrowings outstanding. Without prejudice to the powers of the Company to invest in transferable securities, Money Market Instruments and other financial instruments referred to in paragraph 1 of Schedule II, the Company may not lend to, or act as guarantor on behalf of, third parties.

The Company may acquire non-U.S. currency by means of a back to back loan agreement(s). Non-U.S. currency obtained in this manner is not classified as borrowing for the purposes of Regulation 103(1) of the Regulations, provided that the offsetting deposit equals or exceeds the value of the non-U.S. currency loan outstanding.

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## INVESTMENT RISKS AND SPECIAL CONSIDERATIONS

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### General

The risks described in this Prospectus should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Potential investors should be aware that an investment in a Fund may be exposed to other risks of an exceptional nature from time to time. There can be no assurance that a Fund will achieve its investment objective and there is potential for an investor to lose some or all of its investment in a Fund. Different risks may apply to different Funds and/or Classes. Prospective investors should review this Prospectus carefully and in its entirety on its own. An investment in a Fund may be deemed speculative and is not intended as a complete investment program. A subscription for Shares should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in a Fund. Investors should review closely the investment objectives and investment strategies to be utilised by the relevant Fund as outlined herein and in the relevant Supplement to familiarise themselves with the risk associated with an investment in a Fund and consult with their Professional Advisors before making an application for Shares. There is potential for an investor to lose some or all of its investment in a Fund.

The securities and instruments in which each Fund invests are subject to normal market fluctuations and other risks inherent in investing in such investments and there can be no assurance that any appreciation in value will occur.

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

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## INVESTMENT RISKS APPLICABLE TO EACH FUND

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The Investment Manager considers that the investment risks more fully detailed below may be potentially relevant to an investment in the Company and each Fund. Risks of specific and significant relevance for individual Funds are highlighted in the KIIDs pertaining to such Fund.

### Lack of Operating History Risk

The past investment performance of the Investment Manager cannot be construed as an indication of the future results of an investment in a Fund and its Shares. Although persons involved in the management of a Fund have had long experience in their respective fields of specialisation, a Fund has no operating or performing history upon which prospective investors can evaluate the Fund's likely performance. Investors should be aware that the past performance by those involved in the investment management of the Fund should not be considered as an indication of future results.

### Segregated Liability Risk

The Company is an umbrella company with segregated liability between its Funds. As a result, as a matter of Irish law, any liability attributable to a particular Fund may only be discharged out of the assets of that Fund and the assets of other Funds may not be used to

satisfy the liability of that Fund. These provisions are binding both on creditors and in any insolvency but do not prevent the application of any enactment or rule of law which would require the application of the assets of one Fund to discharge some or all liabilities of another Fund, for example, on the grounds of fraud or misrepresentation. In addition, whilst these provisions are binding in an Irish court which would be the primary venue for an action to enforce a debt against the Company, these provisions have not been tested in other jurisdictions, and there remains a possibility that a creditor might seek to attach or seize assets of one Fund in satisfaction of an obligation owed in relation to another Fund in a jurisdiction which may not recognise the principle of segregation of liability between Funds.

### **Depository Risk**

Each market may have different clearance and settlement procedures which may make it difficult to conduct securities transactions. A Fund may invest in certain markets in different parts of the world where depository, custody and/or settlement systems do not recognise legal structures established in other jurisdictions and/or such systems are not fully developed. The assets of a Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the Depository will have no liability, in which case the custodial risk will be borne by the Fund.

### **Indemnity Risk**

Under certain circumstances, a Fund might be subject to significant indemnification obligations in favour of the Investment Manager and other service providers. The Fund will not carry any insurance to cover such potential obligations and, to the Investment Manager's knowledge, none of the foregoing parties will be insured for losses for which the Fund has agreed to indemnify them. Any indemnification paid by the Fund would reduce the Net Asset Value of the Fund and, by extension, the value of the Shares.

### **Foreign Account Tax Compliance Act ("FATCA")**

Pursuant to FATCA, the Company (or each Fund) is required to comply with reporting and withholding requirements designed to inform the U.S. Department of the Treasury of U.S.-owned foreign investment accounts. Failure to comply (or be deemed compliant) with these requirements will subject the Company (or each Fund) to U.S. withholding taxes on certain U.S.-sourced income and (effective 1 January 2019) gross proceeds. Pursuant to an intergovernmental agreement between the United States and Ireland, the Company (or each Fund) may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports U.S. Reportable Account information directly to the Irish tax authorities. Shareholders may be requested to provide additional information to the Company to enable the Company (or each Fund) to satisfy these obligations. Failure to provide requested information or (if applicable) satisfy its own FATCA obligations may subject a Shareholder to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory redemption, transfer or other termination of the Shareholder's interest in its Shares. The administrative cost of compliance with FATCA may cause the operating expenses of the Company (or each Fund) to increase, thereby reducing returns to investors. FATCA may also require the Company (or each Fund) to provide to the Irish tax authorities (for exchange with the U.S. Internal Revenue Service) private and confidential information relating to certain investors. See section headed "Foreign Account Tax Compliance Act".

### **Common Reporting Standards: Organisation for Economic Co-operation and Development ("OECD")**

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard ("CRS") to address the issue of offshore tax

evasion on a global basis. Aimed at maximizing efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with other participating tax authorities in which the investors of the reporting financial institution are resident on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges are expected to begin in 2017. Ireland has committed to implement the CRS. As a result, the Company will be required to comply with the CRS due diligence and reporting requirements, as adopted by Ireland. Investors may be required to provide additional information to the Company to enable the Company to satisfy its obligations under the CRS. Accordingly, there is a risk that failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or mandatory termination of its interest in the Company.

### **Collateral Management Risk**

In seeking to reduce credit risk through the posting or receiving of collateral in OTC transactions and repurchase/reverse repurchase agreements, the management of the collateral posted/received will be subject to liquidity and counterparty risks associated with the relevant collateral instruments. Collateral is also subject to other types of risks as set out below:

Operational risks: including that the valuation of the underlying instrument for which it is posted is inaccurate due to inadequate or failed internal processes, people or systems which may cause the relevant Fund to have an incorrect level of margin posted or received.

Legal risks: including risks associated with contracts and change of regulations in the relevant jurisdiction, etc. as well as the risk that collateral provided in cross-border transactions could result in conflicts of law preventing the Fund from recovering collateral lost or from enforcing its rights in relation to collateral received.

Custody risk: collateral received by the Funds on a title transfer basis will be safekept by the Depositary or by a third party depositary subject to prudential regulation and will be subject to custody risks associated with those entities. Collateral pledged by the Funds will continue to be safekept by the Depositary.

Reinvestment of Cash Collateral: cash collateral that is reinvested may realize a loss, which would reduce the value of the collateral and result in the relevant Fund being less protected if there is a counterparty default.

While commercially reasonable efforts are utilized to ensure that collateral management is effective, such risks cannot be eliminated.

### **Change of Law Risk**

The Company must comply with regulatory constraints, such as a change in the laws affecting the applicable investment restrictions, which might require a change in the investment policies and objectives followed by a Fund.

### **Suspension Risk**

Investors are reminded that, in certain exceptional circumstances, their right to purchase and sell Shares may be suspended (see the section "DETERMINATION OF NET ASSET VALUE: Temporary Suspension of Valuation of the Shares and of Sales and Redemptions").

## **Reliance on Management Risk**

Investment decisions will be made for each Fund by the Investment Manager. The success of a Fund will depend on the ability of the Investment Manager to identify suitable investments and to dispose of such investments at a profit. The strategies used and investments selected by the Investment Manager may fail to produce the intended result and a Fund may not achieve its investment objective. The investments selected for a Fund also may not perform as well as other investments that were not selected for a Fund. As a result, a Fund may suffer losses or underperform other funds with the same investment objective or strategies, even in a rising market.

There can also be no assurance that all of the personnel of the Investment Manager will continue to be associated with the Investment Manager for any length of time. The loss of the services of one or more employees of the Investment Manager could have an adverse impact on a Fund's ability to realise its investment objectives.

## **Repurchase/Reverse Repurchase Agreement Risk**

Repurchase and reverse repurchase agreements are subject to counterparty risk. In the case of a repurchase agreement, the counterparty may fail to repurchase its securities which may cause the relevant Fund to suffer delays and incur costs in exercising its rights under the agreement. In addition, if the securities held by the Fund as collateral for the repurchase agreement go down in market value, this may cause a loss to the Fund.

In the case of a reverse repurchase agreement, the counterparty may fail to return the securities sold to the counterparty by the relevant Fund which may cause the Fund to lose money if it is unable to recover the securities and the value of the collateral held (including if the value of the investments made with cash collateral is less than the value of the securities).

## **Tax Risk**

Each of the Funds may invest in securities that produce income or capital gains that are subject to withholding and other taxes in respect of income or gains derived from its investments in underlying investee countries. Shareholders and potential investors are advised to consult their Professional Advisors concerning possible taxation or other consequences of subscribing, holding, selling, converting or otherwise disposing of Shares in the Funds under the laws of jurisdictions in which they may be subject to taxes. Taxation law and practice and the levels and bases of and reliefs from taxation relating to the Funds and to its investors may change from time to time. In addition, developing or emerging countries typically have less well defined tax laws and procedures and such laws may permit retroactive taxation so that a Fund could in the future become subject to local tax liabilities it could not have reasonably anticipated in conducting its investment activities or valuing its interests. A summary of some of the Irish tax consequences applicable to the Funds is set out in the section "TAXATION". However, Shareholders and potential investors should note that the information contained in that section does not purport to deal with all of the tax consequences applicable to the Funds or all categories of investors, some of whom may be subject to special rules.

## **Share Currency Designation Risk**

A Class of Shares of a Fund may be designated in a currency other than the Base Currency of the Fund. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency. The investor bears the risk of any such depreciation.

## **Fixed Income Securities Risk**

A Fund may be subject to the general risks and considerations associated with investing in debt securities, including the risk that issuers will fail to make timely payments of principal or interest. Typically, shorter-term bonds are less volatile than longer-term bonds; however, longer-term bonds typically offer higher yields and more stable interest income than shorter-term bonds. In addition to the risks described below, these risks include call risk (or the risk that the issuer might call or redeem a bond before maturity), extension risk (or the risk that rising interest rates may cause payments to occur at a slower-than-expected rate, reducing the value of a bond), and prepayment risk (or the risk that declining interest rates may cause obligations to be paid off early, causing a Fund to reinvest the prepayment proceeds in lower yielding securities). These risks apply to varying degrees to the specific types of fixed income instruments in which each Fund may invest. For example, mortgage-backed and other asset-backed securities may be more sensitive to credit risk, inflation-linked investments may be more sensitive to interest rate risk, and convertible securities may be more sensitive to liquidity risk.

## **Credit Risk**

The value of a debt security may decline based on adverse conditions of the relevant issuer, such as management performance, financial difficulties, or reduced demand for the goods and services provided by the relevant issuer. As a result, the issuer of a debt security owned by a Fund may fail to make timely payments of principal or interest, or may default on such payments. If an issuer becomes less creditworthy or is perceived to become less creditworthy, a debt security may decline in value, even when interest rates are falling. This risk is greatest for High Yield Debt Securities, particularly those of emerging market issuers, which have lower credit ratings. Debt securities of emerging market issuers generally are subject to greater credit risk than debt securities of U.S. issuers.

## **FDI Risk**

FDIs can increase a Fund's volatility and/or reduce its returns. Gains or losses involving FDI instruments may be substantial, because a relatively small price movement in the underlying security(ies), instrument, currency or index may result in a substantial gain or loss. FDI's will typically increase exposure to the principal risks to which a Fund is otherwise exposed. A Fund may invest in any type of FDIs, and the Emerging Markets Currency Fund may invest substantially in forward contracts and other types of FDIs.

The risks associated with FDIs may be different from and greater than the risks associated with directly investing in securities and other investments. FDIs are subject to risks such as liquidity risk, leveraging risk, interest rate risk, market risk, counterparty risk, settlement risk, legal risk and credit risk. FDIs also involve the risk of mispricing or improper valuation and the risk that changes in the value of the FDI may not correlate perfectly with the value of the underlying asset, rate, or index. Loss may result, for example, from adverse market movements, a lack of correlation between changes in the value of these FDI instruments and a Fund's assets being hedged, the potential illiquidity of the markets for FDI instruments, the risk that the counterparty to an over-the-counter ("OTC") contract, such as a forward contract, will fail to perform its obligations, or the risks arising from margin requirements and related leverage factors associated with such transactions. Because FDIs may involve a small amount of cash relative to the total amount of the transaction, the magnitude of losses from FDIs may be greater than the amount originally invested by a Fund. In addition, a Fund will be required to segregate permissible liquid assets to cover a Fund's obligations under these transactions and may have to liquidate positions before it is desirable to do so to fulfil its requirements to segregate.

Counterparty credit risk is the risk that a counterparty to the FDI becomes bankrupt, insolvent, enters administration, liquidates or otherwise fails to perform its obligations due to financial difficulties, and a Fund may obtain no recovery of its investment or may only obtain a limited recovery, and any recovery may be delayed.

There is no assurance that a Fund will be able to employ its FDI strategy successfully. Whether a Fund's use of FDIs is successful will depend on, among other things, the Investment Manager's ability to correctly forecast market movements, company and industry valuation levels and trends, changes in non-U.S. exchange and interest rates, and other factors. If the Investment Manager incorrectly forecasts these and other factors, a Fund's performance could suffer. Although hedging and other risk management measures may reduce or eliminate losses, they also may reduce or eliminate gains.

### **High Portfolio Turnover Risk**

High portfolio turnover may result in increased brokerage fees or other transaction costs. These costs are not reflected in a Fund's annual operating expenses, but they can reduce a Fund's investment performance.

### **Liquidity Risk**

There may be few available buyers or sellers for a security, preventing a Fund from transacting in a timely manner or at an advantageous price, and subjecting the security to greater price fluctuations. These securities may be more difficult to sell, particularly in times of market turmoil, and may be more difficult to value. If a Fund is forced to sell an illiquid security to fund redemptions or other cash needs, a Fund may be forced to sell the security at a loss. A Fund may experience heightened redemptions during periods of market turmoil. These risks are greater for a Fund's high yield investments because the high yield market generally is less liquid than the investment grade market.

A substantial portion of each of Emerging Markets Currency Fund's, and Emerging Markets Local Bond Fund's assets will be invested in emerging market debt securities and related FDIs. These investments, along with the other foreign debt securities and FDIs in which these Funds may invest, are considerably less liquid than comparable instruments traded in the U.S. Securities and FDIs with reduced liquidity involve greater risk than those with more liquid markets. Such instruments also may be more difficult to value and the Funds may have difficulty selling them at desirable prices or times. The prices of foreign debt securities also may be adversely affected by supply-demand imbalances caused by conditions within the relevant market or in other markets that otherwise have an impact on the value of those securities. The frequency and magnitude of such changes cannot be predicted.

### **Interest Rate Risk**

A rise in prevailing interest rates generally will cause the price of a fixed rate debt security to fall. Generally, the longer the maturity of a security or weighted average maturity of a Fund, the more sensitive its price is to a rise in interest rates. The interest rates on certain debt securities in which a Fund invests may adjust periodically and may not correlate to prevailing interest rates during the periods between rate adjustments.

### **Senior Loan Risk**

A Fund's investments in floating or adjustable rate senior loans are subject to increased credit and liquidity risks. Senior loan prices also may be adversely affected by supply-demand imbalances caused by conditions in the senior loan market or related markets. Below investment grade senior loans, like High Yield Debt Securities, or junk bonds, usually

are more credit than interest rate sensitive, although the value of these instruments may be affected by interest rate swings in the overall fixed income market.

### **Non-U.S. Market Risk**

A Fund's investments in securities issued or guaranteed by non-U.S. governmental entities, non-U.S. corporate entities, and U.S. entities with economic ties to non-U.S. markets generally involve special risks that can increase the likelihood that a Fund will lose money. For example, as compared with issuers or guarantors organized and operated in the U.S., these entities may be more vulnerable to economic, political, and social volatility and subject to less government supervision, lack of transparency, inadequate regulatory and accounting standards, and non-U.S. taxes. In addition, these securities also may be subject to inadequate exchange control regulations, higher transaction and other costs, reduced liquidity, and delays in settlement to the extent they are traded on non-U.S. exchanges or markets. Non-U.S. securities also may be subject to thin trading volumes and reduced liquidity, which may lead to greater price fluctuations. These and other factors can materially adversely affect the prices of non-U.S. securities held by a Fund, impair a Fund's ability to buy or sell securities at its desired price or time, or otherwise adversely affect a Fund's operations. Emerging Market Securities generally are more volatile than other non-U.S. securities, and are subject to greater liquidity, regulatory, and political risks.

### **High Yield Debt Securities Risk**

The High Yield Debt Securities in which a Fund may invest involve greater risks than higher-rated bonds and are considered speculative with respect to the issuer's continuing ability to make principal and interest payments. First, there is a greater risk that the bond's issuer will not make interest or principal payments when due. Some issuers or guarantors may default as to principal and/or interest payments after a Fund purchases their securities. Second, the market for High Yield Debt Securities generally is less liquid than the market for higher-rated securities. Third, during periods of uncertainty or market turmoil, prices of High Yield Debt Securities generally decline. Many convertible securities are considered high yield and are subject to increased credit and liquidity risks. These risks may result in losses to a Fund. The Short Duration Income Fund typically invests a greater percentage of its assets in High Yield Debt Securities and lower rated commercial mortgage-backed securities than other funds that invest in short duration fixed income securities. To the extent that the Short Duration Income Fund invests in this manner, it will be subject to a greater amount of credit risk, including the risk of default, as compared to other short-term bond funds.

### **Redemption Risk**

A Fund may need to sell its holdings in order to meet Shareholder redemption requests. A Fund could experience a loss when selling securities to meet redemption requests if the redemption requests are unusually large or frequent or occur in times of overall market turmoil or declining prices for the securities sold, or when the securities a Fund wishes to or is required to sell are illiquid.

### **Credit and Counterparty Risk**

This is the risk that the issuer or guarantor of a fixed-income security, the counterparty to an over-the-counter (OTC) derivatives contract (see "Hedging, FDIs and Other Strategic Transactions Risk"), a counterparty to a repurchase agreement, or a borrower of a Fund's securities will be unable or unwilling to make timely principal, interest, or settlement payments, or to otherwise honor its obligations. Credit risk associated with investments in fixed-income securities relates to the ability of the issuer to make scheduled payments of principal and interest on an obligation. A Fund that invests in fixed-income securities is subject to varying degrees of risk that the issuers of the securities will have their credit

ratings downgraded or will default, potentially reducing the Fund's share price and income level. Nearly all fixed-income securities are subject to some credit risk, which may vary depending upon whether the issuers of the securities are corporations, U.S. or non-U.S. governments, or their subdivisions or instrumentalities. U.S. government securities are subject to varying degrees of credit risk depending upon whether the securities are supported by the full faith and credit of the United States; supported by the ability to borrow from the U.S. Treasury; supported only by the credit of the issuing U.S. government agency, instrumentality, or corporation; or otherwise supported by the United States. For example, issuers of many types of U.S. government securities (e.g., the Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), and Federal Home Loan Banks), although chartered or sponsored by Congress, are not funded by congressional appropriations, and their fixed-income securities, including asset-backed and mortgage-backed securities, are neither guaranteed nor insured by the U.S. government. An agency of the U.S. government has placed Fannie Mae and Freddie Mac into conservatorship, a statutory process with the objective of returning the entities to normal business operations. It is unclear what effect this conservatorship will have on the securities issued or guaranteed by Fannie Mae or Freddie Mac. As a result, these securities are subject to more credit risk than U.S. government securities that are supported by the full faith and credit of the United States (e.g., U.S. Treasury bonds). When a fixed-income security is not rated, the Investment Manager may have to assess the risk of the security itself. Asset-backed securities, whose principal and interest payments are supported by pools of other assets, such as credit card receivables and automobile loans, are subject to further risks, including the risk that the obligors of the underlying assets default on payment of those assets.

Funds that invest in below-investment-grade securities, also called junk bonds (e.g., fixed-income securities rated Ba or lower by Moody's Investors Service, Inc. (Moody's) or BB or lower by Standard & Poor's Ratings Services (S&P)), at the time of investment, or determined by the Investment Manager to be of comparable quality to securities so rated, are subject to increased credit risk. The sovereign debt of many non-U.S. governments, including their subdivisions and instrumentalities, falls into this category.

Below-investment-grade securities offer the potential for higher investment returns than higher-rated securities, but they carry greater credit risk: Their issuers' continuing ability to meet principal and interest payments is considered speculative, they are more susceptible to real or perceived adverse economic and competitive industry conditions, and they may be less liquid than higher-rated securities.

In addition, a Fund is exposed to credit risk to the extent that it makes use of OTC derivatives (such as forward currency contracts and/ or swap contracts) and engages to a significant extent in the lending of fund securities or the use of repurchase agreements. OTC derivatives transactions can be closed out with the other party to the transaction. If the counterparty defaults, a Fund will have contractual remedies, but there is no assurance that the counterparty will be able to meet its contractual obligations or that, in the event of default, a Fund will succeed in enforcing them. A Fund, therefore, assumes the risk that it may be unable to obtain payments owed to it under the relevant contract or that those payments may be delayed or made only after the Fund has incurred the costs of litigation. While the Investment Manager intends to monitor the creditworthiness of contract counterparties, there can be no assurance that the counterparty will be in a position to meet its obligations, especially during unusually adverse market conditions.

### **Hedging, FDIs, and Other Strategic Transactions Risk**

The ability of a Fund to utilise hedging, FDIs, and other strategic transactions successfully will depend in part on its Investment Manager's ability to predict pertinent market movements

and market risk, counterparty risk, credit risk, interest-rate risk, and other risk factors, none of which can be assured. The skills required to successfully utilise hedging and other strategic transactions are different from those needed to select a fund's securities. Even if the Investment Manager only uses hedging and other strategic transactions in a Fund primarily for hedging purposes or to gain exposure to a particular securities market, if the transaction is not successful, it could result in a significant loss to a Fund. The amount of loss could be more than the principal amount invested. These transactions may also increase the volatility of a Fund and may involve a small investment of cash relative to the magnitude of the risks assumed, thereby magnifying the impact of any resulting gain or loss. For example, the potential loss from the use of futures can exceed a Fund's initial investment in such contracts. In addition, these transactions could result in a loss to a fund if the counterparty to the transaction does not perform as promised. The Investment Manager may delegate responsibility for carrying out such transactions in accordance with the requirements of the Central Bank.

A Fund may invest in FDIs, which are financial contracts with a value that depends on, or is derived from, the value of underlying assets, reference rates, or indexes. FDIs may relate to stocks, bonds, interest rates, currencies, or currency exchange rates, and related indexes. A Fund may use derivatives for many purposes, including for hedging, and as a substitute for direct investment in securities or other assets. FDIs may be used in a way to efficiently adjust the exposure of a fund to various securities, markets, and currencies without a Fund actually having to sell existing investments and make new investments. This generally will be done when the adjustment is expected to be relatively temporary or in anticipation of effecting the sale of fund assets and making new investments over time. Further, since many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, reference rate, or index can result in a loss substantially greater than the amount invested in the FDI itself. Certain FDIs have the potential for unlimited loss, regardless of the size of the initial investment. When a Fund uses FDIs for leverage, investments in that Fund will tend to be more volatile, resulting in larger gains or losses in response to market changes. To limit leverage risk, a Fund may segregate assets determined to be liquid or, as permitted by applicable regulation, enter into certain offsetting positions to cover its obligations under FDIs.

The use of FDIs may involve risks different from, or potentially greater than, the risks associated with investing directly in securities and other, more traditional assets. In particular, the use of OTC derivative instruments exposes a Fund to the risk that the counterparty to an OTC derivatives contract will be unable or unwilling to make timely settlement payments or otherwise honor its obligations. OTC derivatives transactions typically can only be closed out with the other party to the transaction, although either party may engage in an offsetting transaction that puts that party in the same economic position as if it had closed out the transaction with the counterparty or may obtain the other party's consent to assign the transaction to a third party. If the counterparty defaults, the relevant Fund will have contractual remedies, but there is no assurance that the counterparty will meet its contractual obligations or that, in the event of default, the relevant Fund will succeed in enforcing them. For example, because the contract for each OTC derivatives transaction is individually negotiated with a specific counterparty, a Fund is subject to the risk that a counterparty may interpret contractual terms (e.g., the definition of default) differently than a Fund when that Fund seeks to enforce its contractual rights. If that occurs, the cost and unpredictability of the legal proceedings required for a Fund to enforce its contractual rights may lead it to decide not to pursue its claims against the counterparty. A Fund, therefore, assumes the risk that it may be unable to obtain payments owed to it under OTC derivatives contracts or that those payments may be delayed or made only after the relevant Fund has incurred the costs of litigation. While the Investment Manager intends to monitor the creditworthiness of counterparties, there can be no assurance that a counterparty will meet its obligations, especially during unusually adverse market conditions. To the extent a Fund

contracts with a limited number of counterparties, that Fund's risk will be concentrated and events that affect the creditworthiness of any of those counterparties may have a pronounced effect on the relevant Fund. FDIs also are subject to a number of other risks, including market risk and liquidity risk. Since the value of FDIs is calculated and derived from the value of other assets, instruments, or references, there is a risk that they will be improperly valued as a result of movements in the value of the underlying asset referenced by the FDIs. FDIs also involve the risk that changes in their value may not correlate perfectly with the assets, rates, or indexes they are designed to hedge or closely track. Suitable FDIs transactions may not be available in all circumstances. The relevant Fund is also subject to the risk that the counterparty closes out the derivatives transactions upon the occurrence of certain triggering events. In addition, the Investment Manager may determine not to use derivatives to hedge or otherwise reduce risk exposure. The use of FDI techniques may not always be an effective means of, and sometimes could be counter-productive to achieving a Fund's investment objective.

The following is a list of certain FDIs and other strategic transactions in which the Funds anticipate potentially investing and the main risks associated with each of them:

*Credit Default Swaps.* Counterparty risk, liquidity risk (*i.e.*, the inability to enter into closing transactions), interest-rate risk, risk of default of the underlying reference obligation and risk of disproportionate loss are the principal risks of engaging in transactions involving credit default swaps.

*Currency Forward Contracts.* Counterparty risk, liquidity risk (*i.e.*, the inability to enter into closing transactions), currency risk and risk of disproportionate loss are the principal risks of engaging in transactions involving currency forward contracts.

*Futures Contracts.* Counterparty risk, liquidity risk (*i.e.*, the inability to enter into closing transactions), and risk of disproportionate loss are the principal risks of engaging in transactions involving futures contracts.

*Interest-Rate Swaps.* Counterparty risk, liquidity risk (*i.e.*, the inability to enter into closing transactions), interest-rate risk, and risk of disproportionate loss are the principal risks of engaging in transactions involving interest-rate swaps.

*Options.* Counterparty risk, liquidity risk (*i.e.*, the inability to enter into closing transactions) and risk of disproportionate loss are the principal risks of engaging in transactions involving options. Counterparty risk does not apply to exchange-traded options.

*Swaps.* Counterparty risk, liquidity risk (*i.e.*, the inability to enter into closing transactions) interest-rate risk, settlement risk, risk of default of the underlying reference obligation, and risk of disproportionate loss are the principal risks of engaging in transactions involving swaps.

*Warrants and Rights.* A Fund may purchase warrants and rights. Warrants and rights do not carry with them the right to dividends or voting rights with respect to the securities that they entitle the holder to purchase and they do not represent any rights in the assets of the issuer. As a result, warrants and rights may be considered more speculative than certain other types of equity-like securities. In addition, the values of warrants and rights do not necessarily change with the values of the underlying securities and these instruments cease to have value if they are not exercised prior to their expiration dates.

*Convertible Securities.* The market value of a convertible security is a function of its "investment value" and its "conversion value." A security's "investment value" represents the value of the security without its conversion feature (*i.e.*, a non-convertible fixed income security). The investment value may be determined by reference to its credit quality and the

current value of its yield to maturity or probable call date. At any given time, investment value is dependent upon such factors as the general level of interest rates, the yield of similar non-convertible securities, the financial strength of the issuer, and the seniority of the security in the issuer's capital structure. A security's "conversion value" is determined by multiplying the number of shares the holder is entitled to receive upon conversion or exchange by the current price of the underlying security. If the conversion value of a convertible security is significantly below its investment value, the convertible security will trade like non-convertible debt or preferred stock and its market value will not be influenced greatly by fluctuations in the market price of the underlying security. In that circumstance, the convertible security takes on the characteristics of a bond, and its price moves in the opposite direction from interest rates. Conversely, if the conversion value of a convertible security is near or above its investment value, the market value of the convertible security will be more heavily influenced by fluctuations in the market price of the underlying security. In that case, the convertible security's price may be as volatile as that of common stock. Because both interest rates and market movements can influence its value, a convertible security generally is not as sensitive to interest rates as a similar fixed income security, nor is it as sensitive to changes in share price as its underlying equity security. Convertible securities are often rated below investment grade or are not rated, and they are generally subject to a high degree of credit risk.

Although all markets are prone to change over time, the generally high rate at which convertible securities are retired (through mandatory or scheduled conversions by issuers or through voluntary redemptions by holders) and replaced with newly issued convertibles may cause the convertible securities market to change more rapidly than other markets. For example, a concentration of available convertible securities in a few economic sectors could elevate the sensitivity of the convertible securities market to the volatility of the equity markets and to the specific risks of those sectors. Moreover, convertible securities with innovative structures, such as mandatory-conversion securities and equity-linked securities, have increased the sensitivity of the convertible securities market to the volatility of the equity markets and to the special risks of those innovations, which may include risks different from, and possibly greater than, those associated with traditional convertible securities. A convertible security may be subject to redemption at the option of the issuer at a price set in the governing instrument of the convertible security. If a convertible security held by a Fund is subject to such redemption option and is called for redemption, the relevant Fund must allow the issuer to redeem the security, convert it into the underlying common stock, or sell the security to a third party.

As a result of the conversion feature, convertible securities typically offer lower interest rates than if the securities were not convertible. During periods of rising interest rates, it is possible that the potential for capital gain on convertible securities may be less than that of a common stock equivalent if the yield on the convertible security is at a level that would cause it to sell at discount.

In the absence of adequate anti-dilution provisions in a convertible security, dilution in the value of a Fund's holding may occur in the event the underlying stock is subdivided, additional securities are issued, a stock dividend is declared, or the issuer enters into another type of corporate transaction which increases its outstanding securities.

The value of a synthetic convertible instrument will respond differently to market fluctuations than a traditional convertible bond or convertible preferred security because a synthetic convertible instrument is composed of two or more separate securities, each with its own market value. In addition, if the value of the underlying common stock or the level of the index involved in the convertible component falls below the exercise price of the warrant or option, the warrant or option may lose all value. These factors may cause a Fund to perform

poorly compared to other funds, including funds that invest exclusively in fixed income securities.

### **Currency Risk**

Non-U.S. currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by supply and demand in the non-U.S. exchange markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates also can be affected unpredictably by intervention (or failure to intervene) by U.S. or non-U.S. governments or central banks, or by currency controls or political developments. A Fund's use of currency-related transactions involves the risk that the Investment Manager will not accurately predict currency movements, and a Fund's returns could be reduced as a result. Investments in non-U.S. currencies are subject to the risk that those currencies will decline in value relative to the U.S. dollar, or, in the case of hedged positions, that the U.S. dollar will decline relative to the currency being hedged. If the Investment Manager is not accurate in its predictions of currency movements, a Fund will lose money, in addition to a Fund's incurring transaction costs. Also, it may be difficult or impractical to hedge currency risk in many developing or emerging countries. The risks associated with exposure to emerging market currencies may be heightened in comparison to those associated with exposure to developed market currencies. Performance may be strongly influenced by movements in currency exchange rates because currency positions held by a Fund may not correspond with the securities positions held. In the case of unhedged Class Currencies, a currency conversion will take place on subscription, redemption, switching and payments of dividends at prevailing exchange rates. Accordingly, the value of the Shares expressed in the Class Currency will be subject to exchange rate risk in relation to the Base Currency of the relevant Fund.

### **Convertible and Other Equity Related Securities Risk**

Convertible securities are subject to the risks affecting both equity and fixed income securities, including market, credit, liquidity, and interest rate risk. Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality and less potential for gains or capital appreciation in a rising stock market than equity securities. They tend to be more volatile than other fixed income securities, and the markets for convertible securities may be less liquid than markets for common stocks or bonds. Many convertible securities have below investment grade credit ratings and are subject to increased credit and liquidity risks. Synthetic convertible securities and convertible structured notes may present a greater degree of market risk, and may be more volatile, less liquid and more difficult to price accurately than less complex securities. These factors may cause a Fund to perform poorly compared to other funds, including funds that invest exclusively in fixed income securities.

### **U.S. Government Securities Risk**

A Fund may invest in securities issued or guaranteed by the U.S. government or its agencies and instrumentalities (such as Ginnie Mae, Fannie Mae or Freddie Mac securities). Securities issued or guaranteed by Ginnie Mae, Fannie Mae or Freddie Mac are not issued directly by the U.S. government. Ginnie Mae is a wholly-owned U.S. corporation that is authorized to guarantee, with the full faith and credit of the U.S. government, the timely payment of principal and interest of its securities. By contrast, securities issued or guaranteed by U.S. government-related organizations such as Fannie Mae and Freddie Mac are not backed by the full faith and credit of the U.S. government. No assurance can be given that the U.S. government would provide financial support to its agencies and instrumentalities if not required to do so by law.

## **Mortgage-Related and Other Asset-Backed Securities Risk**

Mortgage-related securities are interests in pools of residential or commercial mortgage loans, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks, and others. Pools of mortgage loans are assembled as securities for sale to investors by various government, government-related, and private organizations.

Mortgage-related securities may include the following:

mortgage “pass through” securities where the principal and interest payments made by the borrower on the underlying mortgages are passed through to investors;

collateralised mortgage obligations (CMOs) which are debt obligations collateralised by residential or commercial mortgage loans or residential or commercial mortgage pass-through securities. CMOs may be collateralised by whole mortgage loans or private mortgage pass-through securities but more typically are collateralised by portfolios of mortgage pass-through securities guaranteed by Ginnie Mae, Freddie Mac or Fannie Mae;

residential mortgage-backed securities (RMBS) and commercial mortgage-backed securities (CMBS), which are securities representing an interest in, and secured by, mortgage loans on real property;

mortgage dollar rolls which are transactions in which an investor sells securities in one month and simultaneously agrees with the same counterparty to buy similar (same type, coupon, and maturity) but not identical securities in a future month;

to be announced or “TBA” sale commitments, which are arrangements to sell mortgage-backed securities on a delayed delivery basis;

stripped mortgage-backed securities (SMBS) which are multi-class mortgage-backed securities issued by agencies or instrumentalities of the U.S. government, or by private originators of, or investors in, mortgage loans, including savings and loan associations, mortgage banks, commercial banks, investment banks or special purpose entities of the foregoing. SMBS usually are structured with two classes that receive different proportions of the interest and principal distributions on a pool of mortgage assets and

other mortgage-related securities including securities other than those described above that directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans on real property.

Asset-backed securities are securities whose principal and interest payments are collateralized by pools of assets such as auto loans, credit card receivables, leases, installment contracts and personal property. In addition to prepayment and extension risks, these securities present credit risks that are not inherent in mortgage-related securities because asset-backed securities generally do not have the benefit of a security interest in collateral that is comparable to mortgage assets. Credit card receivables generally are unsecured and the debtors on such receivables are entitled to the protection of a number of state and federal consumer credit laws, many of which give such debtors the right to set-off certain amounts owed on the credit cards, thereby reducing the balance due. Automobile receivables generally are secured, but by automobiles rather than residential real property. Most issuers of automobile receivables permit the loan servicers to retain possession of the underlying obligations. If the servicer were to sell these obligations to another party, there is a risk that the purchaser would acquire an interest superior to that of the holders of the asset-backed securities. In addition, because of the large number of vehicles involved in a typical issuance and technical requirements under the state laws, the trustee for the holders of the automobile receivables may not have a proper security interest in the underlying

automobiles. Therefore. If the issuer of an asset-backed security defaults on its payment obligations, there is the possibility that, in some cases, a Fund will be unable to possess and sell the underlying collateral and that the Fund's recoveries on repossessed collateral may not be available to support payments on these securities.

The mortgage- and asset-backed securities in which a Fund invests may be particularly sensitive to changes in economic conditions, including delinquencies and/or defaults, and changes in prevailing interest rates. Like other debt securities, when interest rates rise, the value of mortgage- and other asset-backed securities generally will decline; however, when interest rates are declining, the value of mortgage-related securities with prepayment features may not increase as much as that of other fixed income securities. Alternatively, rising interest rates may cause prepayments to occur at a slower-than-expected rate, extending the duration of a security and typically reducing its value. Early repayment of principal on some mortgage-related securities may deprive a Fund of income payments above current market rates. The payment rate thus will affect the price and volatility of a mortgage-related security. The value of some mortgage-related and other asset-backed securities may fluctuate in response to the market's perception of the creditworthiness of the issuers. Additionally, although mortgages and mortgage-related securities generally are supported by some form of government or private guarantee and/or insurance, there is no assurance that private guarantors or insurers will meet their obligations.

### **Commercial Mortgage-Backed Securities (CMBS) Risk**

CMBS include securities that reflect an interest in, and are secured by, mortgage loans on commercial real property. Many of the risks of investing in CMBS reflect the risks of investing in the real estate securing the underlying mortgage loans, which include the risks associated with the effects of local and other economic conditions on real estate markets, the ability of tenants to make loan payments, and the ability of a property to attract and retain tenants. CMBS depend on cash flows generated by underlying commercial real estate loans, receivables, and other assets, and can be significantly affected by changes in market and economic conditions, the availability of information regarding the underlying assets and their structures, and the creditworthiness of the borrowers or tenants. CMBS may be less liquid and exhibit greater price volatility than other types of mortgage- or asset-backed securities. CMBS issued by private issuers may offer higher yields than CMBS issued by U.S. government issuers, but also may be subject to greater volatility than CMBS issued by U.S. government issuers. In addition, the CMBS market in recent years has experienced substantially lower valuations and greatly reduced liquidity, and current economic and market conditions suggest that this trend for CMBS may continue.

### **Structured Products Risk**

Structured products may present additional risks that are different from those associated with a direct investment in fixed-income or equity securities; they may be more volatile, less liquid, more difficult to price accurately, and subject to increased credit risks. A Fund that invests in structured products could lose more than the principal amount invested. As compared with other types of structured products, CLOs are subject to heightened credit, liquidity, and transparency risks, as well as additional special risks that depend largely on the type of the collateral held in the CLO portfolio and the tranche of securities in which the Fund invests. Such special risks generally consist of economic risks of the underlying loans combined with the risks associated with the CLO structure governing the priority of payments. These risks are especially acute for lower-tranche CLOs.

### **Inflation-Linked Investments Risk**

Unlike traditional fixed income securities, the principal and interest payments of Inflation-Linked Investments are adjusted periodically based on the inflation rate. The value of a

Fund's Inflation-Linked Investments may be vulnerable to changes in expectations of inflation or interest rates and there is no guarantee that a Fund's use of these instruments will be successful.

### **Emerging Markets Country Risk**

The securities markets of Emerging Markets Countries tend to be less liquid, be especially subject to greater price volatility, have a smaller market capitalisation, and have less government regulation and may not be subject to as extensive and frequent accounting, financial, and other reporting requirements as securities issued in more developed countries. Further, investing in securities issued or guaranteed by emerging market governmental or corporate entities may present a greater risk of loss resulting from problems in security registration and custody or substantial economic, social, or political disruptions. In addition, key information about an issuer, security, or market may be inaccurate or unavailable. Securities clearance, settlement procedures and trading practices may be different, transaction costs may be higher, and there may be less trading volume and liquidity in emerging markets, subjecting the securities traded in them to greater price fluctuations. Investments in emerging markets also may be affected by changes in currency rates or currency controls. With respect to certain non-U.S. countries, there is a possibility of nationalisation, expropriation or confiscatory taxation, imposition of withholding or other taxes, and political or social instability that could affect investments in those countries.

### **Russian Investments Risk**

Certain markets in central and eastern Europe present specific risks in relation to the settlement and safekeeping of securities. These risks result from the fact that physical securities may not exist in certain countries (such as Russia); as a consequence, the ownership of securities is evidenced only on the issuer's register of shareholders. Each issuer is responsible for the appointment of its own registrar. In the case of Russia, this results in a broad geographic distribution of several thousand registrars across Russia. Russia's Federal Commission for Securities and Capital Markets (the "Commission") has defined the responsibilities for registrar activities, including what constitutes evidence of ownership and transfer procedures. However, difficulties in enforcing the Commission's regulations mean that the potential for loss or error still remains and there is no guarantee that the registrars will act according to the applicable laws and regulations. Widely accepted industry practices are still in the process of being established.

When registration occurs, the registrar produces an extract of the register of shareholders as at that particular point in time. Ownership of shares is evidenced by the records of the registrar, but not by the possession of an extract of the register of shareholders. The extract is only evidence that registration has taken place. It is not negotiable and has no intrinsic value. In addition, a registrar will typically not accept an extract as evidence of ownership of shares and is not obligated to notify the Depositary, or its local agents in Russia, if or when it amends the register of shareholders. As a consequence of this Russian securities are not on physical deposit with the Depositary or its local agents in Russia. Therefore, neither the Depositary nor its local agents in Russia can be considered as performing a physical safekeeping or custody function in the traditional sense. The registrars are neither agents of, nor responsible to, the Depositary or its local agents in Russia. Investments in securities listed or traded in Russia will only be made in equity securities that are listed or traded on level 1 or level 2 of the Russian Trading Systems Stock Exchange ("RTS") or Moscow Stock Exchange ("MICEX"). The Depositary's liability extends to its unjustifiable failure to perform its obligations or its improper performance of them and does not extend to losses due to the liquidation, bankruptcy, negligence or wilful default of any registrar. In the event of such losses the relevant Fund will have to pursue its rights directly against the issuer and/or its appointed registrar. The aforesaid risks in relation to safekeeping of securities in Russia may

exist, in a similar manner, in other central and eastern European countries in which a Fund may invest.

### **“Brexit” Related Risk**

The United Kingdom (“UK”) held a referendum on 23 June 2016 at which the electorate voted to leave the European Union (“EU”). Following the announcement of the result, the Prime Minister of the UK announced that he would resign his office and hand over to a new prime minister by the time of his party’s conference in October 2016 and that it would be for the new prime minister to enter into negotiations with the EU Council and invoke article 50 of the Treaty of Lisbon (the “Treaty”), which would have the effect formally of initiating the withdrawal of the UK from the EU. The Treaty provides for a period of up to two years for negotiation of withdrawal arrangements, at the end of which (whether or not agreement has been reached) the treaties cease to apply to the withdrawing Member State unless the European Council, in agreement with the Member State concerned, unanimously decides to extend this period. During, and possibly after, this period there is likely to be considerable uncertainty as to the position of the UK and the arrangements which will apply to its relationships with the EU and other countries following its withdrawal. This uncertainty may affect other countries in the EU, or elsewhere, if they are considered to be impacted by these events.

The impact of such events on the Company is difficult to predict but they may adversely affect the return on the Funds and their investments. There may be detrimental implications for the value of certain of a Fund’s investments, its ability to enter into transactions or to value or realise such investments or otherwise to implement its investment programme. This may be due to, among other things: increased uncertainty and volatility in UK, EU and other financial markets; fluctuations in asset values; fluctuations in exchange rates between Pounds Sterling, Euro, US Dollar and other currencies, accentuating Currency Risk; increased illiquidity of investments located, listed or traded within the UK, the EU or elsewhere; changes in the willingness or ability of financial and other counterparties to enter into transactions, or the price at which and terms on which they are prepared to transact; and/or changes in legal and regulatory regimes to which a Fund, the Investment Manager and/or certain of a Fund’s assets are or become subject.

Once the position of the UK and the arrangements which will apply to its relationships with the EU and other countries have been established, or if the UK ceases to be a member of the EU without having agreed on such arrangements or before such arrangements become effective, this may increase costs or make it more difficult for certain Funds to pursue their objectives. In addition, if the effect is restrictions on the ability to market or promote the Company in any jurisdiction, that may also result in existing investors in that or any other jurisdiction seeking to redeem their interests in a Fund earlier than they might otherwise do so, which may disadvantage those investors or other investors in such Fund.

### **Geographic Risk**

To the extent that a Fund focuses its investments in a single country or only a few countries in a particular geographic region, economic, political, regulatory or other conditions affecting such region may have a greater impact on a Fund’s performance relative to a more geographically diversified Fund.

### **Leverage Risk**

Certain of a Fund’s transactions (including, among others, forward currency contracts and other FDIs, reverse repurchase agreements, and the use of when-issued, delayed delivery or forward commitment transactions) may give rise to leverage risk. Leverage, including borrowing, may increase volatility in a Fund by magnifying the effect of changes in the value

of a Fund's holdings. The use of leverage may cause investors in a Fund to lose more money in adverse environments than would have been the case in the absence of leverage. A Fund may be required to segregate permissible liquid assets to cover its obligations under these transactions and may have to liquidate positions before it is desirable to do so to fulfil its segregation requirements. By setting aside assets equal to only its net obligations under cash-settled futures and forwards contracts, a Fund may employ leverage to a greater extent than if a Fund were required to segregate assets equal to the full notional value of such contracts. There is no assurance that a Fund will be able to employ leverage successfully.

### **Non U.S. Sovereign Debt Risk**

Bonds issued or guaranteed by non-U.S. governments or governmental entities (commonly referred to as "sovereign debt") present risks not associated with investments in other types of bonds. Sovereign debt securities are subject to the risk that the relevant sovereign government or governmental entity may delay or refuse to pay interest or repay principal on its debt, due, for example, to cash flow problems, insufficient non-U.S. currency reserves, political considerations, the size of its debt relative to the economy, or the failure to put in place economic reforms required by the International Monetary Fund or other multilateral agencies. If a sovereign government or governmental entity defaults, it may ask for maturity extensions, interest rate reductions, or additional loans. There is no legal process for collecting sovereign debt that is not repaid nor are there bankruptcy proceedings through which all or part of the unpaid sovereign debt may be collected. In the past, emerging market sovereign governments and governmental entities have refused to honour their payment obligations on issued or guaranteed bonds.

### **Cyber Security Risk**

Intentional cybersecurity breaches include: unauthorised access to systems, networks, or devices (such as through "hacking" activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws).

A cybersecurity breach could result in the loss or theft of customer data or funds, the inability to access electronic systems ("denial of services"), loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause a Fund, the Investment Manager, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. In addition, such incidents could affect issuers in which a Fund invests, and thereby cause a Fund's investments to lose value.

In addition to risks to the Company and Funds, investors are advised to ensure communication methods with the Administrator and any financial advisors, including the Investment Manager are secure so as to prevent fraudulent change of details or fraudulent redemption requests from being submitted through, for example, their email accounts.

### **Equity Securities Risk**

Common stocks and other equity securities, as well as equity-like securities such as convertible debt securities, may experience significant volatility. Such securities may fall sharply in response to adverse events affecting overall markets, a particular industry or sector, or an individual company's financial condition.

## **Industry and Sector Risk**

Although a Fund may not employ an industry or sector focus, its exposure to specific industries or sectors may increase from time to time based on the portfolio management team's perception of investment opportunities. If a Fund overweights a single industry or sector relative to its benchmark index, such a Fund will face an increased risk that the value of its portfolio will decrease because of events disproportionately affecting that industry or sector. Furthermore, investments in particular industries or sectors may be more volatile than the broader market as a whole.

## **Growth Investing Risk**

A growth investing style may be out of favour from time to time or may not produce the best results over short or longer time periods. In addition, growth stocks tend to be more volatile than slower growing value stocks. Growth stocks typically trade at higher multiples of current earnings than other stocks. Growth stocks often are more sensitive to market fluctuations than other securities because their market prices are highly sensitive to future earnings expectations. At times when it appears that these expectations may not be met, growth stocks' prices typically fall.

## **Large Company Risk**

As compared to smaller successful companies, larger, more established companies may be less able to respond quickly to certain market developments and may have slower rates of growth. Large companies also may fall out of favour relative to smaller companies in certain market cycles, causing a Fund focusing on such companies to incur losses or underperform.

## **Mid-Sized and Small Company Risk**

Investments in mid-sized and smaller companies may involve greater risks than investments in larger, more established companies. As compared to larger companies, mid-sized and smaller companies may have limited management experience or depth, limited ability to generate or borrow capital needed for growth, and limited products or services, or operate in less established markets. Accordingly, mid-sized and smaller company securities tend to be more sensitive to changing economic, market, and industry conditions and tend to be more volatile and less liquid than equity securities of larger companies, especially over the short term. Mid-sized and smaller companies also may fall out of favour relative to larger companies in certain market cycles, causing a Fund focussing on such companies to incur losses or underperform

## **Foreign and Emerging Market Company Risk**

A Fund's investments in non-U.S. (including emerging market) companies and in U.S. companies with economic ties to foreign markets generally involve special risks that can increase the likelihood that the Fund will lose money. For example, as compared with companies organized and operated in the U.S., these companies may be more vulnerable to economic, political, and social instability and subject to less government supervision, lack of transparency, inadequate regulatory and accounting standards, and foreign taxes. In addition, the securities of foreign companies also may be subject to inadequate exchange control regulations, the imposition of economic sanctions or other government restrictions, higher transaction and other costs, reduced liquidity, and delays in settlement to the extent they are traded on non-U.S. exchanges or markets. Non-U.S. company securities also include American Depositary Receipts ("ADRs"), Unsponsored Depositary Receipts ("UDRs") and Global Depositary Receipts ("GDRs"). Such securities may be less liquid than the underlying shares in their primary trading market. Emerging market securities generally are more volatile than other foreign securities, and are subject to greater liquidity, regulatory,

and political risks. Investments in emerging markets may be considered speculative and generally are riskier than investments in more developed markets because such markets tend to develop unevenly and may never fully develop. Emerging markets are more likely to experience hyperinflation and currency devaluations. Securities of emerging market companies may have far lower trading volumes and less liquidity than securities of issuers in developed markets. Investments in securities of companies whose economic fortunes are linked to emerging markets but which principally are traded on a non-emerging market exchange may not meet the Fund's definition of an emerging market security but to the extent a Fund invests in this manner, the percentage of that Fund's portfolio that is exposed to emerging market risks may be greater than the percentage of that Fund's assets that it defines as representing emerging market securities.

### **Swing Pricing Risk**

Shareholders are advised that the application of the Swing Pricing Policy may mean that the volatility of a Fund's Net Asset Value might not reflect the true performance of the underlying portfolio performance. Typically, an adjustment for swing pricing will increase the Net Asset Value per Share when there are net inflows into a Fund and decrease the Net Asset Value per Share when there are net outflows. As this adjustment is related to the net inflows and outflows pertaining to a Fund it is not possible to accurately predict when an adjustment for swing pricing will be necessary at any future point in time or how frequently the Company may need to make such adjustments.

### **Stock Connect Risk**

Where a Fund is permitted by its investment policy to invest into China, there are various means for the Fund to obtain such exposure, including using American depositary receipts and "H Shares" (shares of a company incorporated in the Chinese mainland listed on the Hong Kong Stock Exchange). A Fund may also invest in certain eligible securities ("Stock Connect Securities") that are listed and traded on the Shanghai Stock Exchange ("SSE") through the Hong Kong – Shanghai Stock Connect program ("Stock Connect"). The Stock Exchange of Hong Kong Limited ("SEHK"), SSE, Hong Kong Securities Clearing Company Limited ("HKSCC") and China Securities Depository and Clearing Corporation Limited developed Stock Connect as a securities trading and clearing program to establish mutual market access between SEHK and SSE.

Investors in Stock Connect Securities are not subject to individual investment quotas or licensing requirements, unlike other means of foreign investment in Chinese securities. Additionally, no lock-up periods or restrictions apply to the repatriation of principal and profits.

However, a number of restrictions do apply to Stock Connect trading that could affect a Fund's investments and returns. For example, investors in Stock Connect Securities are generally subject to PRC securities regulations and SSE listing rules, among other restrictions. Furthermore, an investor may not sell, purchase or transfer its Stock Connect Securities other than through Stock Connect and in accordance with applicable rules. Although individual investment quotas do not apply, Stock Connect participants are subject to daily and aggregate investment quotas, which could restrict or preclude a Fund's ability to invest in Stock Connect Securities or to have a trade settled. Trading in the Stock Connect program is accordingly subject to risks relating to applicable trading, clearance and settlement procedures that are untested in the PRC. The withholding tax treatment of dividends and capital gains payable to overseas investors currently is unsettled.

Where shares are purchased through Stock Connect, a Fund would only have a contractual claim against HKSCC for the rights and interests in such shares. The Fund does not have any proprietary rights, as the PRC legal system does not recognise the concept of beneficial

ownership and the PRC authorities recognise HKSCC as the legal owner of such shares and not the Fund.

### **Risk Factors Not Exhaustive**

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

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

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## **MANAGEMENT AND ADMINISTRATION**

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### **The Directors**

The Directors of the Company are as set out below.

#### **Adrian Waters (Chairman, Irish Resident)**

Adrian Waters, Chairman, is a Fellow of The Institute of Chartered Accountants in Ireland and of The Institute of Directors. He is a Chartered Director (UK Institute of Directors) and he specializes in risk management and governance. He has over 25 years' experience in the funds industry. From 1993 to 2001, he held various executive positions within The BISYS Group, Inc. (now part of the Citi Group), including Chief Executive Officer of BISYS Fund Services (Ireland) Limited and finally as Senior Vice President – Europe for BISYS Investment Services out of London. From 1989 to 1993, he was employed by the Investment Services Group of PricewaterhouseCoopers in New York and prior to that by Oliver Freaney and Company, Chartered Accountants, in Dublin. Mr. Waters holds a Bachelor of Commerce degree and a Post Graduate Diploma in Corporate Governance both received from University College Dublin in 1985 and 2005, respectively. Additionally, in 2013, he has received a Master of Science degree in Risk Management from the Stern Business School at New York University.

#### **David Conway (Irish Resident)**

David Conway is an experienced senior investment management professional with expertise in private client and wealth management, asset management and fund administration. Mr. Conway left Ulster Bank (a wholly owned subsidiary of Royal Bank of Scotland) in late 2010 to become a professional independent investment funds director. He worked in a variety of roles with Ulster Bank in Ireland for over 25 years. From 2000, until his departure, he was a director of the Bank's Private Client and Wealth Management divisions. In the late 1990's, David played a key role in the development of Ulster Bank as a major participant in the international fund administration industry. As a director of Ulster Bank Investment Services, he was a founding member of the Dublin Funds Industry Association (latterly IFIA) and was a regular speaker and participant at industry seminars and conferences. Prior to that he was a member of the senior management in Ulster Bank Investment Managers where he was director of fixed income and a member of the investment policy committee. David holds an honours degree in Economics from Trinity College Dublin and is a certified investment funds director.

### **Daria L. Foster (U.S. Resident)**

Daria L. Foster is the Managing Partner of Lord, Abnett & Co. LLC, President and Chief Executive Officer of the Lord Abnett Family of Funds and a member of the board of the Lord Abnett Family of Funds. As Managing Partner, she is responsible for setting the firm's strategic direction and managing the day-to-day business activities of the firm, including investment management, institutional investment services, private wealth, marketing and relationship management, as well as operations, technology, human resources, finance, and legal services.

Ms. Foster has over 30 years of financial services industry experience, more than half of which has been with Lord Abnett. She joined the firm in 1990 as Director of Fixed-Income Marketing, and was responsible for establishing the firm's institutional investment business. Named a Partner in 1996, she was instrumental in developing numerous new investment products, and working closely with operations, technology, client services, legal, and trading to facilitate implementation of these capabilities. Ms. Foster's accomplishments include expanding the firm's institutional sales and marketing groups, which grew from USD 2 billion to nearly USD 35 billion in assets, establishing institutional investment processes, and having an influential role in attracting and hiring new portfolio managers and other investment personnel. In 2005, she was named the Director of Global Client Services, and led the effort to combine and integrate the retail and institutional investment services businesses. In 2006, she was elected Director and President of Lord Abnett Mutual Funds and she was named Managing Partner of Lord Abnett in 2007.

Prior to joining Lord Abnett, Ms. Foster served as Vice President of Marketing for the Chemical Investment Group. Earlier in her career, she served as Vice President for the Irving Trust Co., Assistant Vice President of Marine Midland Bank, N.A., and Assistant Treasurer for Chase Manhattan Bank.

Ms. Foster is a contributor to several leading institutional trade publications, including Barron's, Pensions & Investments, and Plan Sponsor. She serves on the board of the New York Philharmonic, is chairman of the board of trustees of the Alvin Ailey American Dance Theater, and is chairman of the board of directors of ReadWorks, a nonprofit organization committed to creating a culture of academic excellence in urban elementary schools. Ms. Foster earned a BA from Gettysburg College and was awarded an honorary doctorate of humane letters by St. Bonaventure University.

### **Lawrence H. Kaplan (U.S. Resident)**

Lawrence H. Kaplan is a Partner and General Counsel of Lord, Abnett & Co. LLC. He manages the firm's legal and compliance departments and is responsible for oversight of the firm's information security program. Before joining Lord Abnett in 1997, Mr. Kaplan was Chief Counsel at Salomon Brothers Asset Management Inc. (1995 – 1997), and Senior Vice President and General Counsel at Kidder Peabody Asset Management, Inc. (1990 – 1995), after being associated with two New York-based law firms (1982 – 1990), where he specialized in investment management regulatory matters. Mr. Kaplan has been actively involved with numerous committees of the Investment Company Institute ("ICI"), the national association of U.S. investment companies, since 1990, and is presently a member of the ICI's Board of Governors. He also has been a Director of ICI Mutual Insurance Company, a captive insurance company serving the needs of the mutual fund industry, since 2006, and is serving as the chairman of its board from June 2016 through May 2017.

### **Douglas B. Sieg (U.S. Resident)**

Doug Sieg is the Partner in charge of Client Services at Lord, Abnett & Co. LLC which includes the U.S Retail, U.S Institutional, International Investor Services, Product and Market

Strategy, and Corporate Communications teams. In this role, Mr Sieg has operational responsibility for the retail, institutional, and international distribution of the firm's products and services. He also serves as a member of the board of the Lord Abbett Family of Funds.

During his tenure at Lord Abbett, Mr. Sieg has served in senior leadership roles in sales, relationship management, product development, and marketing. He has been instrumental in all business activities and the growth of the firm, serving in a strategic planning role in addition to his Client Services responsibilities.

Mr. Sieg joined Lord Abbett in 1994 as Regional Manager in Florida and later served as Western Division Sales Manager based in San Francisco. He became Director of Marketing and Relationship Management in 2000, and was named a Partner of the firm in 2001. In 2005, Mr. Sieg was tasked with the challenge of creating a firm-wide marketing organization that combined communications, brand management, and competitive intelligence. In 2007, he was asked to create a product management and development team focused on positioning Lord Abbett products in the market. Mr Sieg was named head of Client Services in 2013. He has worked in the financial services industry since 1992.

Mr. Sieg is on the board of Kent Place School in Summit, New Jersey, which for over 100 years has provided a superior education to young women from diverse backgrounds.

Mr. Sieg earned a BS in business from Pennsylvania State University.

No Director has:

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

The address of the Directors is the registered office of the Company.

### **The Investment Manager and Promoter**

The Company has appointed Lord, Abbett & Co. LLC. as the discretionary investment manager for all of the Funds pursuant to an Investment Management Agreement (further details of which are set out within the section "STATUTORY AND GENERAL INFORMATION: Material Contracts"). The Investment Manager is formed under the laws of Delaware as a limited liability company and is regulated by the SEC and the CFTC in the U.S.

The Investment Manager is also the promoter of the Company and has extensive experience in managing assets for institutional and individual investors in the United States.

The Investment Manager is responsible for managing the day-to-day undertaking of the Funds and is also responsible for making investment decisions on behalf of the Funds.

## **The Administrator**

The Company has appointed Brown Brothers Harriman Fund Administration Services (Ireland) Limited as administrator pursuant to the Administration Agreement.

The Administrator subject to the terms and conditions of the Administration Agreement and subject to the overall supervision of the Directors, will be responsible for administration of the Company's affairs including calculating the Net Asset Value and the Net Asset Value per Share and the preparation of the accounts of the Company and will also be responsible for processing subscription and redemption applications and transfer instructions received by the Company in respect of Shares; acting as registrar and transfer agent in respect of Shares and preparing and distributing annual reports to Shareholders.

The Administrator was incorporated as a limited liability company in Ireland on 29 March 1995 and is a wholly-owned subsidiary of Brown Brothers Harriman & Co. The Administrator has an issued and fully paid up share capital of USD 700,000. The Administrator is both authorised and regulated by the Central Bank.

The Administration Agreement is described in more detail in the section "STATUTORY AND GENERAL INFORMATION: Material Contracts".

## **The Depositary**

Brown Brothers Harriman Trustee Services (Ireland) Limited has been appointed to act as depositary of all of the assets of the Company subject to the overall supervision of the Directors and subject to the terms and conditions of the Depositary Agreement.

The Depositary is a limited liability company incorporated in Ireland on 29 March 1995. The Depositary is a subsidiary of Brown Brothers Harriman & Co. and has shareholder equity in excess of USD 1,500,000.

The main activity of the Depositary is to act as depositary and trustee of the assets of collective investment schemes

The Depositary will carry out the instructions of the Company unless they conflict with the Regulations or the Constitution. The Depositary also is obliged to enquire into the conduct of the Company in each financial year and report thereon to the Shareholders.

The Depositary is responsible for the safe-keeping of all the assets of the Company. The key duties of the Depositary are to perform on behalf of the Company the depositary duties referred to in Regulations and the Delegated Regulations essentially consisting of:

- (a) monitoring and verifying the Company's cash flows;
- (b) safekeeping of the assets of the Company, including inter alia verification of ownership;
- (c) ensuring that the issue, redemption, cancellation and valuation of Shares are carried out in accordance with the Constitution and applicable law, rules and regulations;
- (d) ensuring that in transactions involving assets of the Company any consideration is remitted to the Company within the usual time limits;
- (e) ensuring that the Company's income is applied in accordance with the Constitution, applicable law, rules and regulations; and

- (f) carrying out instructions from the Investment Manager unless they conflict with the Constitution or applicable law, rules and regulations.

The Depositary may, however appoint any person or persons to be the sub-custodian of the assets of the Company. The liability of the Depositary shall not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Central Bank considers that in order for the Depositary to discharge its responsibility, the Depositary must (1) exercise all skill, care and diligence in selecting and appointing a third party as a sub-custodian so as to ensure that the sub-custodian has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned; (2) exercise all skill, care and diligence in review and monitoring of and supervision over the sub-custodian; (3) make appropriate enquiries from time to time to confirm that the obligations of the sub-custodian continue to be competently discharged; and (4) provide, on request, details of the criteria used to select sub-custodians and steps taken to monitor their activities.

The information in this section will be kept up to date and is available to Shareholders upon request.

The Depositary Agreement is described in more detail in the section “STATUTORY AND GENERAL INFORMATION: Material Contracts”.

### **The Distributor**

The Company has appointed Lord Abbett Distributor LLC as Distributor pursuant to the Distribution Agreement.

The Distributor is a wholly owned subsidiary of the Investment Manager. The Distributor is formed under the laws of New York as a limited liability company and is regulated by the SEC and FINRA in the U.S. The Distributor is a limited purpose broker-dealer that was formed solely for the purpose of serving as the distributor and principal underwriter for U.S. mutual funds sponsored by the Investment Manager and as placement agent for privately offered, commingled funds sponsored by the Investment Manager.

The Distributor will be responsible for the distribution and marketing of the Shares of the Company. The Distributor may also appoint Distribution Agents. The fees and expenses of any Distribution Agents will be discharged by the Distributor out of its fee.

The Distribution Agreement is described in more detail in the section “STATUTORY AND GENERAL INFORMATION: Material Contracts”.

### **Paying Agents and Local Representatives**

The Directors, the Investment Manager or their duly authorised delegates may appoint such paying agents and local representatives as may be required to facilitate the authorisation or registration of the Company, any Fund and/or the marketing of any of its Shares in any jurisdictions. Where an investor chooses or is obliged under local regulations to subscribe/redeem via an intermediary entity rather than directly to the Administrator, the investor bears a credit risk against the intermediary entity with respect to (i) subscription payments prior to the transmission of such payment to the Depositary for the account of the Fund and (ii) redemption payments payable by such intermediate entity to the Shareholder. Local regulations in EEA countries may require the appointment of paying agents and the maintenance of accounts by such agents through which subscriptions and redemption monies may be paid. The fees of such paying agents and local representatives will be borne by the Company.

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## FEES AND EXPENSES

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### **Establishment Costs**

The preliminary expenses incurred in the formation of the Company and the Funds amounting to approximately €300,000 will be discharged out of the assets of the Company and will be amortised over the first five financial years of the Company's operation and amortised and allocated among the Funds on a basis deemed fair and equitable by the Directors. The Directors may in their absolute discretion, following consultation with the Depositary, shorten the period over which said expenses are amortised.

The preliminary expenses incurred in the establishment of each new Fund or Class will be charged to the respective Fund.

This practice is not in accordance with International Financial Reporting Standards and, although this is not anticipated by the Directors, could lead to a divergence between the published Net Asset Value per Share, which is calculated in accordance with this Prospectus, and the Net Asset Value per Share included in the financial statements, which is calculated in accordance with International Financial Reporting Standards.

### **Directors' Remuneration**

The Constitution provides that the Directors shall be entitled to a fee by way of remuneration for their services at a rate to be determined from time to time by the Directors. However, Directors affiliated with the Investment Manager are not entitled to a fee. The aggregate amount of Directors' remuneration in any one year shall not exceed €100,000 without the approval of the Directors. All Directors will be entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties.

### **Service Provider Fees and Expenses**

The fees and expenses of the Depositary, Administrator, Investment Manager and Distributor shall be specified in the Supplement for the relevant Fund. Unless otherwise provided for in a Supplement, the Fees of the Depositary and Administrator shall be as set out below:

### **Sales Charge and CDSC**

Details of any applicable sales charge or CDSC shall be specified in the Supplement for the relevant Fund and in the section: "SHARE CLASSES".

### **Other Expenses**

The Company will bear all costs and expenses incurred in relation to its ongoing operation including, without limitation, all its operating costs, expenses, or those incurred by the Investment Manager, the Administrator, Company Secretary and the Depositary in connection with the ongoing management, administration and operation of the Company and other costs including but not limited to:

- (a) out-of-pocket expenses incurred by the Investment Manager, the Depositary, Company Secretary, the Distributor and the Administrator in the performance of their duties to the

Company on such basis as may be determined by the Directors from time to time;

- (b) all clerical expenses and stamp duty (other than any payable by an applicant for Shares or a Shareholder) or other tax or duty which may be levied or payable from time to time on or in respect of the Company, a Fund or any Class of Shares or on creation, issue or redemption of Shares or any Class Shares or arising in any other circumstance;
- (c) all brokerage, stamp, fiscal and purchase or fiscal and sale charges and expenses arising on any acquisition or disposal of investments;
- (d) all expenses incurred in relation to the registration of any investments into and transfer of any investments out of the name of Company, a Fund or the Depositary, or any sub-custodian or their nominees or the holding of any investment or the custody of investments and/or any documents or title thereto (including bank charges, insurance of documents of title against loss in shipment, transit or otherwise) and charges made by the registrar or agents of the Depositary or any sub-custodian for acceptance of documents for safe custody, retention and/or delivery;
- (e) all expenses incurred in the collection of income and administration of the Company;
- (f) all costs and expenses of Shareholders' meetings and preparing resolutions of Shareholders;
- (g) all taxation payable in respect of the holding of or dealings with or income from the Company's property and in respect of allocation and distribution of income to Shareholders other than tax of Shareholders or tax withheld on account of Shareholders' tax liability;
- (h) all commissions, charges, stamp duty, VAT and other costs and expenses of or incidental to any acquisition, holding, realisation or other dealing in investments of any nature whatsoever and including any non-U.S. exchange options, financial futures or of any other FDIs or the provision of cover or margin therefor or in respect thereof or in connection therewith;
- (i) all stationery, telephone, fax, printing, translation and postage costs in connection with the preparation, publication and distribution of the Net Asset Value, the Net Asset Value per Share, any cheques, warrants, tax certificates, statements, accounts and reports made, issued or dispatched;
- (j) all legal and other professional advisory fees incurred by the Company, including but not limited to the fees and expenses of the Company's auditors and company secretarial fees, and professional consulting fees;

- (k) any statutory fees payable, including any fees payable to the Companies Registration Office, the Central Bank or to any regulatory authority or fiscal authority in any country or territory, the costs and expenses (including legal, accountancy and other professional charges and printing costs) incurred in meeting on a continuing basis the notification, registration, tax reporting and costs of qualifying the Shares for favourable tax treatment in any of the jurisdictions where the Shares are marketed and other requirements of each such regulatory or fiscal authority, and any fees and expenses of representatives or facilities agents in any such other country or territory;
- (l) all fees and costs relating to a scheme of reconstruction and amalgamation (to the extent it has not been agreed that such expenses should be borne by other parties);
- (m) any interest on any borrowings of the Company;
- (n) all expenses and fees relating to any periodic update of the Prospectus or any other documentation relating to the Company;
- (o) expenses and fees related to any specialised risk management or research services or software utilised by the Investment Manager in managing the assets of the Company;
- (p) all fees and expenses of the Directors and any Directors' insurance premia;
- (q) the costs of winding up the Company, a Fund or terminating any Class; and
- (r) all costs and expenses incurred by the Company and any of their appointees which are permitted by the Constitution (including all set up expenses).

Notwithstanding the above, the Investment Manager may in its discretion pay certain expenses on behalf of the Company.

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## SHARE CLASSES

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The following is a description of the Classes of Shares being offered. A more detailed description of the Classes of Shares offered for each Fund is described in the relevant Fund Supplement.

Shares can be either described as Distributing or Accumulating Shares. The Board of Directors intends to distribute all of the distributable income attributable to Distributing Shares. No distribution of dividends shall be made for Accumulating Shares, and the income attributable to those Shares will be reflected in the increased value of the Shares.

The purchase proceeds of the various Share Classes of a Fund are invested in one common underlying pool of investments but the Net Asset Value of each Share Class will be different as a result of the differences in the issue price, fee structure and dividend policy.

In relation to Currency Classes other than those denominated in the Base Currency, the Net Asset Value of the Class concerned will be calculated and published in the Class Currency and subscription proceeds for such Classes are to be paid by Shareholders (and redemption proceeds are paid to redeeming Shareholders) in such Class Currency.

Class Currencies will either be designated as hedged Classes or will be unhedged and details of the treatment of both hedged Classes and unhedged Classes are set out in the section "Class Currency Hedging".

### **Class A Shares**

The Class A Shares are offered to retail investors outside of the United Kingdom. Class A Shares are, however, also available for non-advised execution only clients and discretionary sales in the United Kingdom.

Class A Shares will be subject to an initial sales charge of up to 5% of the amount subscribed. Out of this charge, the Distributor will make payments to Distribution Agents. The sales charge may be waived in whole or in part by the Distributor (or any Distribution Agent) either for individual Shareholders or a group of Shareholders. The balance of the amount subscribed after the deduction of any applicable sales charge will then be applied to the purchase of Shares in the relevant Fund. Purchases of Class A Shares are not subject to a CDSC.

If, in any country in which Shares are offered, local law or practice requires a lower sales charge than the charge stated above for any individual purchase order, the Distributor may sell Class A Shares, and may otherwise allow Distribution Agents to sell Class A Shares, within such country at a lower sales charge, if any, provided this is in accordance with the amounts permitted by the law or practice of such country.

### **Class C Shares**

Class C Shares may be offered for distribution through certain Distribution Agents at the discretion of the Distributor.

Purchases of Class C Shares are not subject to an initial sales charge upon acquisition of Class C Shares. However, Class C Shares are subject to a CDSC of 1% if an investor sells Shares within one (1) year of purchase. The manner in which the CDSC is calculated is more fully described in the section "Calculation of CDSC".

### **Class I Shares**

Class I Shares are only offered to institutional investors in certain limited circumstances at the discretion of the Distributor. Purchases of Class I Shares are not subject to an initial sales charge, CDSC, nor any servicing charge.

### **Class N Shares**

Class N Shares may be offered for distribution in certain countries and/or through certain Distribution Agents at the discretion of the Distributor. Purchases of Class N Shares are not subject to an initial sales charge, CDSC nor any servicing charge.

### **Class Z Shares**

Class Z Shares may be offered in certain limited circumstances through the Distributor and/or certain Distribution Agents having separate fee arrangements with their clients and to certain professional investors at the discretion of the Distributor. In these cases, any marketing material, including that used by the relevant Distribution Agents, will refer to the

possibility and terms to subscribe for Class Z Shares. Purchases of Class Z Shares are not subject to an initial sales charge, CDSC nor any servicing charge.

### **Calculation of CDSC**

The CDSC for Class C Shares is based on the lesser of the Net Asset Value of the Shares being sold or the Net Asset Value of those Shares when purchased. The calculation is made in the relevant Class Currency. To keep the CDSC as low as possible each time an instruction to sell Shares is placed, any Shares in the investor's holding not subject to a CDSC will be sold first. If there are not enough of these to meet the request, additional Shares will be sold in the order in which they were purchased. The amount of the CDSC is calculated by multiplying the Net Asset Value of the Shares being sold or the Net Asset Value when purchased (whichever is applicable) by the CDSC charge for Class C Shares (i.e., 1%).

The holding period for the purposes of applying a CDSC on Shares of a particular Fund acquired through the conversion of Shares in another Fund will be measured by the date that such Shares were originally acquired in the other Fund. Amounts accessed as a CDSC are paid to the Distributor. The CDSC may be waived in whole or in part by the Distributor in its sole discretion either for individual investors or for particular groups of investors. The Company has committed to pay the CDSC to the Distributor at the rates set forth in this Prospectus net of any taxes. In case any taxes will be payable on set amounts, the amount of CDSC will be increased in the manner to ensure that the agreed amounts will be paid net to the Distributor. The Board of Directors has no reason to believe that any taxes are due or levied on the CDSC.

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## **ADMINISTRATION OF THE COMPANY**

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The following is a description of the Classes of Shares being offered. A more detailed description of the Classes of Shares offered for each Fund is described in the relevant Fund Supplement.

### **How to Purchase Shares**

The terms and conditions applicable to the subscription for Shares including the initial offer period, the Initial Offer Price, minimum holding and minimum initial investment amounts are set out in the Supplement for the relevant Fund.

### **Subscriptions Following the Initial Offer Period**

Following the close of the initial offer period, investors may apply to subscribe for Shares in respect of each Dealing Day at the Subscription Price for the relevant Class calculated as of the Valuation Point in respect of the relevant Dealing Day.

The Subscription Price for the relevant Class will be calculated in accordance with the procedures referred to in the section "DETERMINATION OF NET ASSET VALUE: Calculation of Subscription and Redemption Prices".

Subsequent subscription requests may be processed by fax without the need to submit original subscription documentation, or by such other electronic means (including applications made via a Clearing System) as the Directors and the Administrator shall approve, provided cleared funds in respect of the subscription are received by the Administrator no later than three Business Days after a Dealing Day or such earlier or later day and/or time as the Directors may determine (in exceptional circumstances only) in

respect of specific applications (the “Settlement Date”) provided that the application is received prior to the First Valuation Point.

If payment for subscription orders is not received by the relevant Settlement Date, a subscription may be cancelled or the investor may be charged interest on the outstanding subscription monies at normal commercial rates. In such an event, the individual investor may be held liable for any loss to a Fund. The Company reserves the discretion to require receipt of subscription monies on the Dealing Day that the Shares are to be issued and the Company may exercise this discretion, for example, with respect to new investors in a Fund. In exercising this discretion, the Company will take into account legal considerations, timing matters and other considerations. Investors will be notified in advance, should the Company exercise this discretion.

The Directors may limit or close, permanently or on a temporary basis, subscriptions for Shares of a Fund or any Class in their discretion.

The Company may issue fractional Shares rounded to three decimal places. Fractional Shares shall not carry voting rights.

### **Subscription Procedure**

Application for Shares of each Class should be made by written application using the Application Form available from the Administrator, or by such other electronic means (including applications via a Clearing System) as the Directors and the Administrator shall approve. Where application for Shares are made by written application, applicants should subscribe for Shares in accordance with the instructions contained in the Application Form. Signed original Application Forms, duly completed, should be sent to the Company c/o the Administrator in accordance with the instructions contained in the Application Form.

It is the responsibility of the investor or his or her agent to ensure that Application Forms are correctly completed and monies submitted in accordance with the terms of this Prospectus. Applications not in accordance with the terms of the Prospectus may be rejected without notice. Amendments to an investor’s registration details and payment instructions will only be made following receipt of original written instructions, or in circumstances where the Shareholder’s application was submitted via a Clearing System approved by the Administrator, by other electronic means. Applications will be irrevocable unless the Directors otherwise agree. Any subsequent application may be sent by fax or other electronic means. Applications by fax will be treated as definite orders and no application will be capable of withdrawal after acceptance by the Administrator.

### **Payment for Shares**

In accordance with the Constitution, the Company has established an Umbrella Cash Account in the name of the Company, through which subscription and redemption proceeds for the Funds will be channelled. The Company will ensure that at all times the records of this account identifies the cash as belonging to the individual Funds of the Company. The Company has segregated liability between its Funds and accordingly in the event of the insolvency of a Fund, only Shareholders of that Fund will be affected.

Where payment is accepted in a currency other than the relevant Class Currency, a currency conversion will take place on subscription at prevailing exchange rates and only the net proceeds (after deducting the conversion expenses) will be applied towards the purchase of Shares. This may result in a delay in processing the application. The value of the Shares expressed in the Class Currency will be subject to exchange rate risk in relation to the Base Currency.

The Company has standing arrangements in place for subscription monies to be paid by telegraphic transfer as specified in the Application Form available from the Administrator.

The Company is under no obligation to consider the allotment and issue of Shares to an applicant unless in the case of applications in writing, it has received the relevant subscription documentation including the completed original Application Form, for initial applications and cleared funds no later than three Business Days after a Dealing Day or such earlier or later day and/or time as the Directors may determine (in exceptional circumstances only) in respect of specific applications or generally provided that the application is received prior to the First Valuation Point.

The Company reserves the right to reverse any allotment of Shares in the event of a failure by the Shareholder to settle the subscription monies by the Settlement Date. In such circumstances, the Company shall compulsorily redeem any Shares issued and the Shareholder shall be liable for any loss suffered by the Company in the event that the redemption proceeds are less than the amount originally subscribed for. For the avoidance of doubt, the relevant Shareholder shall not be entitled to any profit arising from such a redemption of Shares in the event that the redemption proceeds are worth more than the amount originally subscribed for.

### **Right to Reject Applications**

The Directors reserve the right to reject any application in whole or in part, in which event the application monies or any balance thereof will be returned to the applicant without interest at its own risk within a reasonable period following the closing of the initial offer period, or, in respect of subsequent applications, the relevant Dealing Day. Where applications are accepted, notification of the allotment and issue of Shares of the relevant Classes will be sent as soon as possible after the closing of the initial offer period and following the completion of the Net Asset Value computation after the relevant Dealing Day for subsequent issues.

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

#### *Verification of Identity*

Measures aimed at the prevention of money laundering may require an applicant to provide verification of identity to the Administrator. The Administrator, working in conjunction with the designated anti-money laundering reporting officer of the Company, will notify applicants if additional proof of identity is required. By way of example, an individual may be required to produce an original certified copy of a passport or identification card together with evidence of the applicant's address, such as a utility bill or bank statement. In the case of corporate applicants, this may require production of a certified copy of the certificate of incorporation (and any change of name), by-laws, memorandum and articles of association (or equivalent), and the names and addresses of all directors and beneficial owners.

Existing Shareholders may be required to provide additional or updated identification documents from time to time pursuant to the Company's ongoing client due diligence requirements relevant to anti-money laundering legislation.

#### *Right to Reject Applications for Anti-Money Laundering purposes*

In the event of delay or failure by an investor or applicant to produce any information required for verification purposes, the Administrator on behalf of the Company and the Directors may each refuse to accept the application and subscription monies and return all subscription monies or compulsorily redeem such Shareholder's Shares and/or payment of redemption proceeds may be delayed (no redemption proceeds will be paid if the

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

#### *Right to Terminate Relationship for Anti-Money Laundering purposes*

In the event of failure by an investor or applicant to provide documentation required to complete verification purposes, within a reasonable period of time after subscription, the Administrator on behalf of the Company and the Directors may each terminate the relationship with such Shareholder and redeem the Shareholder's Shares. Where such failure to provide the requisite documentation is associated with a suspicion of money-laundering, the Administrator on behalf of the Company and the Directors will not be able to return said monies to the relevant former Shareholder until such time as the money laundering concerns are addressed.

#### **Beneficial Ownership**

Applicants and investors should note that pursuant to the European Union (Anti-Money Laundering: Beneficial Ownership of Corporate Entities) Regulations 2016 (as may be amended from time to time), an investor may be required to disclose its ownership rights in the shares of each Fund and where such investor holds greater than 25% of the Shares of the Company, such investor's name shall be entered on a beneficial ownership register maintained by the Company or its delegates.

#### **Written Confirmations of Ownership**

The Administrator shall be responsible for maintaining the Company's register of Shareholders in which all issues, redemptions, conversions, and transfers of Shares will be recorded. Written confirmations of ownership will be issued in relation to the Shares. Shares will be in registered form. The Administrator will not issue a Share certificate in respect of Shares. A Share may be registered in a single name or in up to four joint names. The register of Shareholders will be conclusive evidence of ownership and will be available for inspection by Shareholders upon reasonable notice at the registered office of the Company during normal business hours. A Shareholder may inspect only his entry on the register.

#### **In Specie or In Kind Subscriptions**

The Directors, at their discretion, reserve the right to accept or reject subscriptions to be satisfied by way of in specie or in kind transfers of assets, the nature of which shall be within the investment policy and restrictions of the relevant Fund.

Any in specie or in kind subscription that meets the investment criteria will be valued by the Directors in accordance with the valuation procedures of the Company set out in the section "DETERMINATION OF THE NET ASSET VALUE."

The Directors reserve the right to decline to register any prospective investor on the register of Shareholders until the subscriber has been able to prove title to the assets in question and make a valid transfer thereof. Unless otherwise determined by the Directors, any in specie or in kind transfer will be at the investor's risk and the costs of such a transfer will be borne by the investor. Shares will not be issued until the investments have been vested or

arrangements are made to vest the investments with the Depositary or its sub-custodian to the Depositary's satisfaction, and the number of Shares to be issued will not exceed the amount that would be issued if cash equivalent of investments had been invested and the Depositary is satisfied that the terms of such exchange shall not be such as are likely to result in any material prejudice to the existing Shareholders.

### **How to Redeem Shares**

Requests for redemption of Shares should be addressed to the Company c/o the Administrator so that an original repurchase request (which may be in writing, by fax, or such other electronic means in accordance with the requirements of the Central Bank) is received by the Administrator no later than the Dealing Deadline. This notice period may be waived by the Directors in exceptional circumstances provided the request is received prior to the First Valuation Point.

Requests for redemption by fax may only be processed where payment is made to the bank account specified in the Application Form.

Other than in the event of a temporary suspension of the determination of the Net Asset Value, or where otherwise determined by the Directors, requests for redemption once made may not be withdrawn.

Redemption requests are not required to be accepted or payment made in respect thereof unless cleared funds are received by the Administrator no later than three Business Days after a Dealing Day and completed documents (including in the case of redemption requests in writing, the original Application Form and documentation relating to anti-money laundering prevention checks) are in place. No interest is payable to Shareholders in respect of any delay in paying such monies.

In circumstances where there is outstanding documentation on behalf of a Shareholder, the Administrator will process any redemption request received. However, as the investor upon redemption is no longer the holder of the Shares in the Fund the proceeds of that redemption shall remain as an asset held on behalf of the relevant Fund and the investor will rank as a general creditor of the Fund until such time as the Administrator is satisfied that its anti-money laundering procedures have been fully complied with, following which the redemption proceeds will be release. To avoid delays in the payment of redemption proceeds, issues in relation to outstanding documentation should be addressed promptly by investors.

The amount payable to a Shareholder upon redemption will be paid in the relevant Class Currency generally within three Business Days of the relevant Dealing Day and in any event within ten Business Days of the Dealing Deadline. A currency conversion will take place on redemption at prevailing exchange rates and the value of the Share expressed in the Class currency will be subject to exchange rate risk in relation to the Base Currency.

The Company will, if required by the laws of any relevant jurisdiction, make a withholding from any redemption proceeds payable to a redeeming Shareholder.

Partial redemptions of Shares may be effected. The Company will have the right compulsorily to redeem any holding of Shares where the Net Asset Value of that holding is less than the minimum holding applicable to the relevant Class (if any).

### **Deferral of Redemption Requests**

The Directors reserve the right to refuse to redeem Shares of the Company where the redemptions made and requested in respect of a Dealing Day would otherwise exceed 10%

of the Net Asset Value of the relevant Fund as at such Dealing Day. If they so refuse, the requests for redemption on such Dealing Day shall all be reduced rateably and the Shares to which each request relates which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all the Shares to which the original request related have been redeemed.

The Constitution provides that the Directors may set limits on the number of Shares that the Company will be obliged to redeem lower than the prescribed levels outlined above, from time to time, in accordance with the requirements of the Central Bank. This power may be exercised by the Directors and acting in the best interests of Shareholders, with the consent of the Depositary, in extraordinary market circumstances.

### **In Specie or In Kind Redemptions**

The Directors may with the consent of the redeeming Shareholder satisfy any request for redemption of Shares in whole or in part by the transfer in specie or in kind to such Shareholder of assets of the Company having a value equal to the Redemption Price for the Shares redeemed as if the redemption proceeds were paid in cash less any expenses of the transfer. Where such request for redemption represents 5% or more of the Net Asset Value of the Company, the Directors may in their absolute discretion arrange to satisfy a redemption in whole or in part in specie or in kind by way of the transfer of shares, securities and/or other assets of the Company's portfolio having a value equal to the Redemption Price for the Shares redeemed as if the redemption proceeds were paid in cash. In this event the Company will, if requested, sell the assets on behalf of the Shareholder. The costs of effecting such transfer or sale shall be deducted from the redemption proceeds. In the case of a redemption in specie or in kind, the asset allocation will be subject to the prior approval of the Depositary in accordance with the requirements of the Central Bank.

### **Compulsory Redemption or Transfer**

The Company may compulsorily redeem all of the Shares of the Company if the Net Asset Value of the Company is less than USD 20,000,000 or compulsorily redeem all of the Shares of a Fund if the Net Asset Value of that Fund is less than USD 10,000,000.

The Company has the right at any time compulsorily to redeem or transfer Shares if in the reasonable belief of the Directors such Shares are acquired or held directly or beneficially by: (i) any person in breach of the law or requirements of any country or governmental authority by virtue of which such person is not qualified to hold Shares including without limitation any exchange control regulations; (ii) by any person who holds less than the minimum holding for the relevant Class (if any) or who does not supply any information or declaration required under the Constitution or the Application Form; (iii) where the continued ownership of such Shares by the Shareholder is deemed to be harmful or injurious to the business or reputation of the Company or a Fund; or (iv) by any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons, connected or not, or any other circumstance appearing to the Directors to be relevant) which in the opinion of the Directors might result in the Company or Fund or the Shareholders as a whole or of any Fund or Class incurring any liability to taxation or suffering legal, pecuniary, regulatory or material administrative disadvantage which the Company or Fund or the Shareholders as a whole or of any Class might not otherwise have incurred or suffered.

Any such compulsory redemption or compulsory transfer shall, as determined by the Directors taking due account of the interests of the remaining Shareholders of a Fund or Class, be made at a price equal to the Redemption Price less interest accrued or costs or penalties, if any.

The Company may apply the proceeds of such compulsory redemption or transfer in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by a Shareholder including any interest or penalties payable thereon. Each Shareholder will indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the occurrence of an event giving rise to a charge to taxation.

#### *Transfer of Shares*

All transfers of Shares shall be effected by transfer in writing in any usual or common form and every form of transfer shall state the full name and address of the transferor and the transferee. The instrument of transfer of a Share shall be signed by or on behalf of the transferor and the transferee and the form must be submitted to the Administrator in writing or via fax. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Share register in respect thereof. Where the transferee is not an existing Shareholder in a Fund, the transferee must complete an Application Form and comply with the relevant anti-money laundering procedures.

The Directors may decline to register any transfer of Shares if in consequence of such transfer the transferor or transferee would hold less than the minimum holding for the relevant Fund (if any) or would otherwise infringe the restrictions on holding Shares outlined above or otherwise be inconsistent with the terms of this Prospectus. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than 30 days in any year. The Directors may decline to register any transfer of Shares unless the instrument of transfer is deposited at the registered office of the Company or at such other place as the Directors may reasonably require together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

#### **Withholdings and Deductions**

The Company may be required to account for tax on the value of the Shares redeemed or transferred at the applicable rate unless it has received from the transferor a declaration in the prescribed form confirming that the Shareholder is not an Irish Resident or unless the Company has implemented equivalent measures acceptable to the Irish Revenue Commissioners prohibiting the sale of Shares to Irish Resident investors in respect of whom it is necessary to deduct tax (see the section "TAXATION" below for further details). The Company reserves the right to redeem such number of Shares held by a transferor as may be necessary to discharge the tax liability arising therefrom. The Company reserves the right to refuse to register a transfer of Shares until it receives a declaration as to the transferee's residency or status in the form prescribed by the Irish Revenue Commissioners.

#### **Conversion of Shares**

With the consent of the Directors, a Shareholder may convert Shares of one Fund or Class into Shares of another Fund or Class (if available) on any Valuation Day on giving notice to the Administrator in such form as the Company or its delegate may require subject to the following limitations:

- the Class C, I, N, and Z Shares cannot be converted into Class A Shares;
- the Class N Shares can only be converted into the Class N Shares of other Funds; and
- the Class A Shares may only be converted into the Class I Shares to the extent that the Shareholder is an institutional Shareholder and obtains the consent of the Directors.

Conversion is not intended to facilitate short-term or excessive trading. The conversion is effected by arranging for the redemption of Shares of one Fund and subscribing for the Shares of the other Fund with the proceeds.

Conversion will take place in accordance with the following formula:

$$NS = \frac{[(A \times B) - C]}{D}$$

where:

- NS = the number of Shares in the new Fund to be allotted;
- A = the number of the Shares in the original Fund to be converted;
- B = the Redemption Price of the Shares in the original Fund to be converted on the relevant Dealing Day;
- C = the currency conversion factor (if any) as determined by the Directors as representing the effective rate of exchange on the relevant Business Day between the Base Currency of the original Fund or Class Currency and the new Fund (where the base currencies or class currencies are different); and
- D = the Subscription Price per Share in the new Fund applicable to subscription applications received on the relevant Dealing Day plus.

If NS is not an integral number of Shares the Directors reserve the right to issue fractional Shares in the new Fund or Class or to return the surplus arising to the Shareholder seeking to convert the Shares.

The length of time for completion of a conversion will vary depending on the Funds involved and the time when the conversion is initiated. In general, the length of time for completion of a conversion will depend upon the time required to obtain payment of redemption proceeds from the Fund whose Shares are being acquired. As the conversion of Shares requires the consent of the Directors, once a request is made the need for such consent may result in Shares being converted on a Dealing Day subsequent to the Dealing Day on which the Shareholder initially wished to have the Shares converted. Any conversion will take place at prevailing exchange rates as the value of the Shares expressed in the Class Currency in which the Shareholder wishes to have the Shares converted to and will be subject to exchange rate risk in relation to the Base Currency.

### **Excessive Trading**

Investment in the Funds is intended for medium to long-term purposes only. The Company will take reasonable steps to seek to prevent excessive short-term trading. Excessive short-term trading (or market timing) into and out of a Fund or other abusive trading practices may disrupt portfolio investment strategies and may increase expenses, and adversely affect investment returns, for all Shareholders, including long-term Shareholders who do not generate these costs. The Company reserves the right to reject any application for Shares (including any conversion or transfer requests) by any investor or group of investors for any reason without prior notice, including, in particular, if it believes that the trading activity would be disruptive to a Fund. For example, the Company may refuse a subscription order (or to execute a transfer request) if the Investment Manager believes it would be unable to invest the money effectively in accordance with a Fund's investment policy or a Fund would otherwise be adversely affected due to the size of the transaction, frequency of trading or other factors change.

The trading history of accounts under common ownership or control may be considered in enforcing these policies. Transactions placed through the same financial intermediary on an omnibus basis may be deemed a part of a group for purposes of this policy and may be rejected in whole or in part by a Fund.

Transactions accepted by a financial intermediary in violation of the Company's excessive trading policy are not deemed accepted by the Company and may be cancelled or revoked by the Company on the next Business Day following receipt.

Investors should be aware that there are practical restraints both in determining the policy which is appropriate in the interests of long term investors, and in applying and enforcing such policy. For example, the ability to identify and prevent covert trading practices or short-term trading where investors act through omnibus accounts is limited. Also, investors such as fund of funds and asset allocation funds will change the proportion of their assets invested in a Fund in accordance with their own investment mandate or investment strategies. The Company will seek to balance the interests of such investors in a way that is consistent with the interests of long-term investors but no assurance can be given that the Company will succeed in doing so in all circumstances. For example, it is not always possible to identify or reasonably detect excess trading that may be facilitated by financial intermediaries or made difficult to identify by the use of omnibus accounts by those intermediaries.

The Company, (where possible from the reports provided by the Administrator to assist in the analysis), will endeavour to monitor "round trips". A "round trip" is a redemption or conversion out of a Fund (by any means) followed by a purchase or conversion back into the same Fund (by any means). The Company may limit the number of round trips carried out by a Shareholder.

### **Data Protection Notice**

Prospective investors should note that by completing the Application Form they are providing personal information, which may constitute personal data within the meaning of the Irish Data Protection Act, 1988, as amended by the Data Protection (Amendment) Act, 2003 (the "Data Protection Legislation"). This data will be used for the purposes of administration, transfer agency, statistical analysis, research and disclosure to the Company, its delegates and agents. By signing the Application Form, prospective investors acknowledge that they are providing their consent to the Company, its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies obtaining, holding, using, disclosing and processing the data for any one or more of the following purposes:

- to manage and administer the investor's holding in the Company and any related accounts on an ongoing basis;
- for any other specific purposes where the investor has given specific consent;
- to carry out statistical analysis and market research;
- to comply with legal and regulatory obligations applicable to the investor and the Company;
- for disclosure or transfer, whether in Ireland or countries outside Ireland, including without limitation the U.S., which may not have the same data protection laws as Ireland, to third parties including financial advisors, regulatory bodies, auditors, technology providers or to the Company and its delegates and its or their duly appointed agents and

any of their respective related, associated or affiliated companies for the purposes specified above; or

- for other legitimate business interests of the Company.

Pursuant to the Data Protection Legislation, investors have a right of access to their personal data kept by the Company and the right to amend and rectify any inaccuracies in their personal data held by the Company by making a request to the Company in writing. The Company is a Data Controller within the meaning of the Data Protection Legislation and undertakes to hold any personal information provided by investors in confidence and in accordance with the Data Protection Legislation. By signing the Application Form, prospective investors consent to the recording of telephone calls made to, and received from, them by the Company, its delegates, its duly appointed agents and any of their respective related, associated or affiliated companies for recordkeeping, security and/or training purposes.

Additionally, by signing the Application Form, prospective investors acknowledge and accept that the Company and/or the Administrator, for purposes of FATCA compliance, may be required to disclose personal data relating to U.S. Reportable Persons to the U.S. Internal Revenue Service.

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## **DISTRIBUTION POLICY**

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Under the Constitution, the Directors are entitled to pay such dividends on any Class of Shares at such times as they think appropriate and as appear to be justified out of the profits of the relevant Fund. The amount available for distribution in respect of any Accounting Period or part thereof shall be the net income of the relevant Fund (whether in the form of dividends, interest or otherwise) and/or net realised gains (i.e., realised gains net of realised and unrealised losses) or net realised and unrealised gains (i.e., realised and unrealised gains net of realised and unrealised losses) during the Accounting Period, subject to such adjustments as may be determined by the Directors to be appropriate in accordance with the Constitution.

For all Accumulating Classes, the Directors intend to accumulate and to automatically reinvest all earnings, dividends and other distributions of whatever kind pursuant to the investment objectives and policies of the relevant Fund for the benefit of Shareholders in the relevant Fund.

For all Distributing Classes, the Directors intend to declare and pay dividends monthly.

The Company will maintain an equalisation account with a view to ensuring that the level of dividends payable on Shares is not affected by the issue and redemption of such Shares during an Accounting Period. The Subscription Price of such Shares will therefore include an equalisation payment calculated by reference to the accrued income of the Fund and distributions in respect of any Shares will include a payment of capital usually equal to the amount of such equalisation payment. The Redemption Price of each Share will also include an equalisation payment in respect of the accrued income of the Company up to the date of redemption.

Any change to the distribution policy of a Fund will be notified in advance to Shareholders and will be noted in an addendum or a revision to the Prospectus.

UK Shareholders in a Class which has reporting fund status should be aware that they may be treated as receiving taxable income for UK tax purposes even if sums are not actually

distributed to them. UK Shareholders are referred to in the section "TAXATION: Taxation in the UK."

Any failure to supply the Company or the Administrator with any documentation requested by them for anti-money laundering purposes may result in a delay in the settlement of any dividend payments. In such circumstances, any sums payable by way of dividends to Shareholders shall remain an asset held on behalf of the Fund until such time as the Administrator is satisfied that its anti-money laundering procedures have been fully complied with, following which such dividend will be paid.

Any dividends payable (and not applied to the purchase of further Shares of the relevant Class) will be paid by electronic transfer at the Shareholder's risk, the cost of which will normally be passed on to the Shareholder, although the Directors have the discretion to determine that these charges should be borne by the relevant Fund. Payment of dividends may be withheld, without payment of interest, where the identity of the recipient has not been sufficiently established for anti-money laundering purposes in accordance with the procedures set out in the section "ADMINISTRATION OF THE COMPANY; Anti-Money Laundering Procedures".

No dividends, returns of capital or other amounts payable to any Shareholder shall bear interest against the Company.

All unclaimed amounts payable as aforesaid by the Company on behalf of the relevant Fund may be invested or otherwise made use of for the benefit of the relevant Fund until claimed. Payment by the Company of any unclaimed amount payable in respect of a Share into a separate account shall not constitute the Company a trustee in respect thereof. Any dividend or return of capital unclaimed after 6 years from the date when it first became payable shall be forfeited automatically and shall revert back to the relevant Fund, without the necessity for any declaration or other action by the Company.

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## DETERMINATION OF NET ASSET VALUE

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### Calculation of Net Asset Value

Except when the determination of the Net Asset Value has been temporarily suspended in the circumstances set out in the section "Temporary Suspension of Valuation of the Shares and of Sales and Redemptions" below, the Net Asset Value of the assets of the Company will be calculated as at the Valuation Point and rounding the resulting total to two decimal places (or such other number of decimal places as the Directors in consultation with the Administrator may determine) in respect of each Dealing Day or more frequently if required by the Directors.

The Net Asset Value of a Fund is the value of assets less the total liabilities of a Fund. These assets include the sum of all cash, accrued interest and the value of all investments held by the Company which are in each case so attributable. Total liabilities include borrowings and amortised expenses, all accrued expenses and any contingencies (including tax) for which reserves are determined to be required which are in each case so attributable.

The method of calculating the value of the assets of a Fund is as follows:-

- (a) the value of an investment which is quoted, listed or normally dealt in on a Regulated Market shall be the last traded price (or if no last traded price is available the latest mid-market

price) on such Regulated Market as at the Valuation Point provided that:

- (i) if an investment is quoted, listed or normally dealt in on more than one Regulated Market, the Directors may, in their absolute discretion, select any one of such markets for the foregoing purposes (provided that the Directors have determined that such market constitutes the main market for such investment or provides the fairest criteria for valuing such securities) and once selected a market shall be used for future calculations of the Net Asset Value with respect to that investment unless the Directors (with the approval of the Depositary) otherwise determine;
  - (ii) in the case of any investment which is quoted, listed or normally dealt in on a Regulated Market but in respect of which for any reason, prices on that market may not be available at any relevant time, or, in the opinion of the Directors, may not be representative, the value thereof shall be the probable realisation value thereof estimated with care and in good faith by a competent person, firm or association (including the Investment Manager) appointed by the Directors and approved for the purpose by the Depositary; and
  - (iii) in the case of any investment which is quoted, listed or normally dealt in on a Regulated Market but which was acquired at a premium or at a discount outside or off the relevant market, the level of premium or discount at the date of valuation may be taken into account when valuing such investment provided the Depositary ensures that the adoption of such procedure is justifiable in the context of establishing the probable realisation value thereof.
- (b) the value of any investment which is not quoted, listed or normally dealt in on a Regulated Market shall be the probable realisable value estimated with care and in good faith by a competent person, firm or association (including the Investment Manager) appointed by the Directors and approved for the purpose by the Depositary;
- (c) the value of prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof;

- (d) the value of cash (in hand or deposit) is valued at face/nominal value plus accrued interest from the date on which the same were acquired or made;
- (e) the value of units or shares in collective investment schemes (other than those valued pursuant to paragraph (a) above) shall be valued at the latest available Net Asset Value as published by the relevant collective investment scheme or (if bid and offer prices are published) the latest published bid price;
- (f) the value of exchange traded FDIs shall be based on the settlement price, as determined by the market in question, as at the Valuation Point, provided that where it is not the practice for the relevant market to quote a settlement price or such settlement price is not available for any reason as at the Valuation Point, such value shall be the probable realisation value thereof estimated with care and in good faith by a competent person, firm or association (including the Investment Manager) appointed by the Directors and approved for the purpose by the Depositary;
- (g) the value of forward non-U.S. exchange contracts which are dealt on a Regulated Market shall be calculated by reference to freely available market prices at which a new forward contract of the same size, currency and maturity could be effected at the Valuation Point, provided that if such market price is not available for any reason, such value shall be calculated in the same manner as over the counter FDI outlined in paragraph (h) below;
- (h) the value of any over the counter (“OTC”) FDI shall be:
  - (i) the valuation from the counterparty provided that such valuation is provided on a daily basis and verified at least weekly by a person independent of the counterparty and who is approved for the purpose by the Depositary; or
  - (ii) where an alternative valuation is used (i.e. a valuation that is provided by a competent person, firm or association (including the Investment Manager) appointed by the Directors and approved for that purpose by the Depositary, the valuation principles employed must follow best international practice established by bodies such as IOSCO (International Organisation for Securities Commission) and AIMA (the Alternative Investment Management Association). Any such valuation shall be reconciled to that of the counterparty on a monthly basis and if significant differences arise the Company shall arrange for these to be investigated promptly and seek explanations from the relevant parties.

- (i) the value of forward non-U.S. exchange and interest rate swap contracts shall be valued in accordance with paragraph (h) above or, alternatively, by reference to freely available market quotations.
- (j) the value of certificates of deposit, where they do not fall under (a) above shall be valued if the Directors deem it necessary by reference to the latest available sale price for certificates of deposit of like maturity, amount and credit risk at the Valuation Point or, if such price is not available, at the latest bid price or, if such price is not available or is unrepresentative in the opinion of Directors of the value of such certificates of deposit, at the probable realisation value estimated with care and in good faith by a competent person, firm or association (including the Investment Manager) appointed by the directors and approved for the purpose by the Depositary;
- (k) the value of short-term money market fund shall be valued using the amortised cost method of valuation only in relation to Funds which comply with the Central Bank's requirements for money market funds and where a review of the amortised cost method of valuation vis-à-vis market valuation will be carried out in accordance with the Central Bank's guidelines;
- (l) the value of Money Market Instruments in a non-money market fund shall be valued on an amortised basis in accordance with the Central Bank's requirements; and
- (m) the Directors may, with the approval of the Depositary, adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof.

In the event of it being impossible or incorrect to carry out a valuation of a specific asset in accordance with the valuation rules set out in paragraph (a) to (m) above, or if such valuation is not representative of an asset's fair market value, the Directors (or their delegate) are entitled to use other generally recognised valuation methods in order to reach a proper valuation of that specific asset, provided that the Directors deem it necessary and any alternative method of valuation is approved by the Depositary.

The Net Asset Value of the assets of a Fund will be expressed in the Base Currency. The value of any assets or liabilities expressed in terms of currencies other than the Base Currency will be translated into the Base Currency of the relevant Fund at prevailing market rates as determined by the Administrator.

None of the Directors, the Company, the Depositary, the Administrator or the Investment Manager shall have any liability in the event that any price or valuation used in good faith in connection with the above procedures proves to be an incorrect or an inaccurate estimate or determination of the price or value of any part of the property of the Company.

## **Calculation of Net Asset Value per Share**

The Net Asset Value of a Fund calculated as provided above shall be allocated between each Class in accordance with the respective values in the Base Currency, represented by subscriptions and redemptions of Shares of each Class received or made from time to time and as further adjusted for any dividends paid.

Where different entitlements, costs or liabilities apply in respect of different Classes, these are for this purpose excluded from the initial calculation of the Net Asset Value and shall be applied separately to the Net Asset Value allocated to each relevant Class. The portion of the Net Asset Value attributable to each Class shall then be converted into the relevant Class Currency (if different) at prevailing exchange rates applied by the Administrator and shall be divided by the number of Shares of the relevant Class in issue as at the relevant Valuation Point in order to calculate the Net Asset Value per Share of the relevant Class.

## **Publication of the Prices of the Shares**

The most-up-to-date Net Asset Value per Share of each Fund and the Bloomberg ticker codes will be made available on the Company's website [www.passportportfolios.com](http://www.passportportfolios.com) on each Dealing Day. In addition, the most-up-to-date Net Asset Value per Share of each Fund is available on request from the Administrator during normal business hours. The Net Asset Value per Share of each Fund shall be notified to the Irish Stock Exchange immediately upon calculation, where applicable.

## **Swing Pricing Adjustment**

A Fund may experience reductions of the Net Asset Value per Share due to investors purchasing, selling and/or switching in and out of a Fund at a price that does not reflect the dealing costs associated with the trading of the underlying assets of the Fund necessary to accommodate associated cash inflows or outflows.

In order to counter this dilution effect and protect Shareholders' interests, a swing pricing mechanism has been adopted by the Company as part of its valuation policy to counter the impact of such trading.

Accordingly, if the aggregate of net investor transactions in Shares of a Fund on any given Valuation Day exceed a pre-determined threshold for such Fund (determined as a percentage of the net assets of that Fund from time to time by the Investment Manager), then the Net Asset Value per Share may be adjusted upwards or downwards to reflect the costs attributable to such net inflows or outflows, respectively. The relevant threshold for swing pricing shall be calculated based on objective criteria and may be adjusted from time to time. The Directors have delegated responsibility for the determination of such threshold and criteria to the Investment Manager.

The Swing Pricing Policy provides that any determination to apply swing pricing will be based on the latest available information pertaining to the aggregate level of relevant transactions at the time of calculation of the Net Asset Value.

The swing pricing mechanism may be applied across all Funds. The extent of the price adjustment will be revised by the Investment Manager on a periodic basis to reflect an approximation of current dealing and other relevant costs, as well as market spreads. Such adjustment may vary from Fund to Fund and will not exceed 2% of the original Net Asset Value per Share. The Net Asset Value per Share of each Share Class in a Fund will be calculated separately but any adjustment will affect the Net Asset Value per Share of each Share Class in a Fund identically in percentage terms.

Details of any such price adjustments are available on request from the Company at its registered office.

### **Calculation of Subscription and Redemption Prices**

#### *Subscription Prices*

The price at which Shares of each Class may be subscribed on a Dealing Day is the Subscription Price per Share of the relevant Class calculated as at the Valuation Point in respect of the relevant subscription Dealing Day.

The Subscription Price per Share of each Class is ascertained by:-

- (a) determining the Net Asset Value per Share of the relevant Class as at the Valuation Point for the relevant Dealing Day;
- (b) applying any relevant adjustment in accordance with the Swing Pricing Policy applicable on the relevant Dealing Day;
- (c) adding thereto a provision for Duties and Charges, if the Directors so determine;
- (d) if applicable, a provision for an equalisation payment in respect of accrued income; and
- (e) in the event of subscription applications exceeding redemption requests for any Dealing Day, and if the Directors so determine, adding thereto such provision representing an Anti-Dilution Levy to provide for dealing costs and preserve the value of the underlying assets of the relevant Fund as the Directors may determine.

#### *Redemption Prices*

The price at which Shares may be redeemed on a Dealing Day is the Redemption Price per Share of the relevant Class calculated as at the Valuation Point in respect of the relevant redemption Dealing Day.

The Redemption Price per Share of the relevant Class is ascertained by:-

- (a) determining the Net Asset Value per Share of the relevant Class as at the Valuation Point for the relevant Dealing Day;
- (b) applying any relevant adjustment in accordance with the Swing Pricing Policy applicable on the relevant Dealing Day;
- (c) deducting therefrom a provision for Duties and Charges, if the Directors so determine;
- (d) if applicable, a provision for an equalisation payment in respect of accrued income; and
- (e) in the event of requests for redemption exceeding subscription applications for the Company on any Dealing Day, and if the Directors so determine, deducting therefrom such provision representing an Anti-Dilution Levy to provide

for dealing costs and preserve the value of the underlying assets of the relevant Fund as the Directors determine.

The Subscription Price and the Redemption Price of Shares of each Class is available from the Administrator on request.

### **Temporary Suspension of Valuation of the Shares and of Sales and Redemptions**

The Company may temporarily suspend the determination of the Net Asset Value and the sale or redemption of Shares in the Company or any Fund during:

- (a) any period (other than ordinary holiday or customary weekend closings) when any market or Regulated Market is closed which is the main market for a significant part of a Fund's investments, or when trading thereon is restricted or suspended;
- (b) any period during which disposal or valuation of investments which constitute a substantial portion of the assets of a Fund is not practically feasible or if feasible would be possible only on terms materially disadvantageous to Shareholders;
- (c) any period when, in the opinion of the Directors, for any reason the prices of any investments of a Fund cannot be reasonably, promptly, or accurately ascertained by the Administrator;
- (d) any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, investments of a Fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- (e) any period when the volume of requests for the redemption of Shares on any Dealing Day would, in the opinion of the Directors, require the sale of a substantial proportion of the liquid assets of the portfolio of the Fund to the detriment of the remaining Shareholders;
- (f) any period when, in the opinion of the Directors, for any reason the latest Net Asset Value preceding the notice of suspension is determined not to be reliable;
- (g) any period when proceeds of the sale or redemption of the Shares cannot be transmitted to or from a Fund's account;
- (h) any period following the service on the Shareholders of a notice to consider a resolution to wind up the Company or close a Fund;
- (i) upon mutual agreement between the Company and the Depositary for the purpose of winding up the Company; or
- (j) any other reason makes it impossible or impracticable to determine the value of a substantial portion of the investments of the Company.

Notice of any such suspension and notice of the termination of any such suspension shall be published by the Company in such manner as the Directors may deem appropriate to notify the persons likely to be affected thereby and given without delay and in any event within the same Business Day to the Central Bank and, where applicable, the Irish Stock Exchange. All reasonable steps will be taken to bring a period of suspension to an end as soon as possible.

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## CONFLICTS OF INTEREST

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The Investment Manager, the Administrator and the Depositary, any of their respective directors, members, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an "Interested Party") may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services similar or identical to those provided to the Company to other entities and shall not be liable to account for any profit earned from any such services. The Directors shall endeavour to procure that such parties shall at all times have due regard to their duties owed to the Company. For example, an Interested Party may acquire investments in which a Fund may invest on behalf of other clients and the Interested Party. However, where the Investment Manager could (i) allocate an investment between two or more funds or accounts which it manages (including a Fund) or (ii) make a disposal of investments held by two or more such funds or accounts, it will act fairly as between the relevant funds or accounts in making such allocation or disposal, having regard to, inter alia, factors such as cash availability and portfolio balance. In addition, other client accounts and Interested Parties may take differing or opposite transaction for accounts.

A Fund may acquire securities from or dispose of securities to any Interested Party or any investment fund or account advised or managed by any such person.

An Interested Party may provide professional services to the Company (provided that no Interested Party shall act as auditor to the Company) or hold Shares and buy, hold and deal in any investments for their own accounts notwithstanding that similar investments may be held by a Fund. An Interested Party may contract or enter into any financial or other transaction with any Shareholder or with any entity any of whose securities are held by or for the account of a Fund, or be interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions to which it or he is contractually entitled in relation to any sale or purchase of any investments of a Fund effected by it for the account of a Fund, provided that in each case the terms are no less beneficial to a Fund than a transaction involving a disinterested party and any commission shall be in line with market practice.

Where the "competent person" valuing unlisted securities is a related party to the Company possible conflict of interests which may arise include the fact that a valuation provided by that entity may result in it obtaining a higher fee where its fee is based on a percentage of the Net Asset Value of the Company. Where it is a party related to the OTC counterparty (which, in accordance with the requirements of the Central Bank, constitutes an independent unit within the counterparty's group and which does not rely on the same pricing models employed by the counterparty) possible conflicts of interest which may arise include the fact that a valuation provided by that entity may result in a greater or lesser exposure for the counterparty, including related margin requirements. In these scenarios reconciliations will take place on a monthly basis and significant differences arising will be promptly investigated and explained at that stage but accordingly there is a risk of differences arising and persisting in the interim leading to the risks highlighted above.

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

- (a) a certified valuation by a person approved by the Depositary (or, in the case of a transaction entered into by the Depositary, the Directors) as independent and competent; or
- (b) execution on best terms reasonably obtainable on organised investment exchanges under their rules; or
- (c) where (a) and (b) are not practical, execution on terms which the Depositary is (or, in the case of a transaction entered into by the Depositary, the Directors are) satisfied conform with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length and in the best interests of Shareholders.

In the event of a conflict of interest arising, the Directors will endeavour to ensure that it is resolved fairly. There are no other agreements in place involving the Directors acting in a personal capacity other than those disclosed in this document.

The Investment Manager has adopted a policy intended to restrict and monitor all personal trading by the employees of the Investment Manager in order to ensure that there is no conflict between such personal trading and the interests of the investment funds managed by the Investment Manager and the Investment Manager's other clients.

The Investment Manager may enter into referral arrangements whereby it pays a fee for the referral of a client to the Investment Manager or to the Fund. No such payments will be made unless the referred investors are advised of the arrangement and all applicable securities laws are complied with.

From time to time conflicts may arise between the Depositary and the delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Company. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will have regard to the applicable laws.

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## **SOFT COMMISSIONS**

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It is the Investment Manager's policy to seek to obtain best execution on all client transactions over which the Investment Manager exercises discretion. However, under certain circumstances, consistent with applicable law and regulation, the Investment Manager may select broker-dealers that furnish the Investment Manager with proprietary and third-party brokerage and research services in connection with commissions paid on transactions placed for client accounts (including for the Funds). The Investment Manager has entered into client commission arrangements with a number of broker-dealers that it selects to execute client transactions from time to time. These client commission arrangements provide for the broker-dealers to pay a portion of the commissions paid by

eligible client accounts for securities transactions to providers of certain research services designated by the Investment Manager. Soft commission arrangements occur when brokers have agreed to provide other services (relating to research and trade execution) at no cost to the Investment Manager in exchange for brokerage business from the Investment Manager's managed accounts and investment funds. Although the broker-dealers involved in these soft commission arrangements do not necessarily charge the lowest brokerage commissions, the Investment Manager will nonetheless enter into such arrangements where the broker-dealers have agreed to provide best execution and/or the value of the research and other services exceeds any incremental commission costs. Details of any such soft commission arrangements will be disclosed in the periodic reports of the relevant Fund.

The Investment Manager may enter into soft commission arrangements in accordance with all applicable law and with industry standards when it is of the view that the arrangements enhance the quality of the provision of the investment services to the Company. While such arrangements are designed to be for the benefit of its clients, not all soft commission arrangements will benefit all clients at all times.

In selecting brokers or dealers to execute transactions and negotiating their commission rates, the Fund is expected to consider one or more of such factors as price, execution capabilities, reputation, reliability, financial resources, the quality of research products and services and the value and expected contribution of such services to the performance of the Fund. It may not be possible to place a dollar value on information and services received from brokers and dealers, as they only supplement the research efforts of the Fund. If the Fund determines in good faith that the amount of the commissions charged by a broker or dealer is reasonable in relation to the value of the research products or services provided by such broker or dealer, the Fund may pay commissions to such broker or dealer in an amount greater than the amount another broker or dealer might charge.

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## TAXATION

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*The following is of a general nature and does not purport to deal with all of the tax consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. Shareholders and potential investors should consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in the light of their particular circumstances.*

*Distributions and interest receipts on securities issued in countries other than Ireland may be subject to taxes including withholding taxes imposed by such countries. The Company may not be able to benefit from a reduction in the rate of withholding tax under any double taxation agreement in operation between Ireland and other countries. If this position changes in the future and the application of a lower rate results in a repayment to the Company, the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of the repayment.*

*The following general statements on taxation are based on advice received by the Directors regarding the law and practice in force in Ireland at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the date of this Prospectus will apply at any other date.*

## TAXATION IN IRELAND

### Taxation of the Company

The Company intends to conduct its affairs so that it is resident in Ireland for tax purposes. On the basis that the Company is Irish tax resident, the Company qualifies as an ‘investment undertaking’, as defined in Section 739B(1) of the Taxes Acts and, consequently, is exempt from Irish corporation tax on its income and gains. On the basis that the Company is a UCITS it is outside the scope of Part 27 Chapter 1B of the Taxes Acts dealing with Irish real estate funds.

However, tax can arise on the happening of a “chargeable event” in the Company. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation or transfer of Shares. A “chargeable event” also includes the appropriation or cancellation of Shares of a Shareholder by the Company for the purposes of meeting the amount of the tax payable on a gain arising on a transfer of an entitlement to a Share. It also includes “Deemed Disposals” as outlined below, regardless of whether the Shares have been encashed, redeemed, cancelled or transferred.

No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who is neither Irish resident nor Irish ordinarily resident at the time of the chargeable event provided that a Relevant Declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information contained therein is not or is no longer materially correct, or provided a written notice of approval from the Irish Revenue Commissioners to the effect that a Relevant Declaration is deemed to be in place has been provided to the Company and not withdrawn (a “Non-Irish Shareholder”). In the absence of a Relevant Declaration, or a written notice of approval from the Revenue Commissioners, there is a presumption that the Shareholder is Irish resident or Irish ordinarily resident and shall be treated as an Irish Taxable Shareholder (as outlined below).

A chargeable event does not include:

- an exchange by a Shareholder, effected by way of an arm’s length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company;
- any transactions (which might otherwise be a chargeable event) in relation to Shares held in a recognised Clearing System as designated by order of the Irish Revenue Commissioners;
- a transfer by a Shareholder of the entitlement to a Share where the transfer is between spouses/civil partners and former spouses/civil partners, on the occasion of judicial separation, decree of dissolution and/or divorce as appropriate;
- an exchange of Shares arising on a qualifying amalgamation or reconstruction of the Company with another investment undertaking (within the meaning of Section 739H or Section 739HA of the Taxes Act);
- any exchange of Shares arising on a scheme of amalgamation or reconstruction (within the meaning of Section 739D (8C) of the Taxes Act), subject to certain conditions;
- any exchange of Shares arising on a scheme of migration and amalgamation (within the meaning of Section 739D (8D) of the Taxes Act), subject to certain conditions; or

- any transaction in relation to, or in respect of, relevant Shares in an investment undertaking which transaction only arises by virtue of a change of court funds manager for that undertaking.

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

Deemed Disposals, as described below, will also constitute a chargeable event. To the extent that any tax arises on such a chargeable event, such tax will be allowed as a credit against any tax payable on the subsequent encashment, sale, cancellation or transfer of the relevant Shares. In relation to other Irish Shareholders (as described below), the Company has the option of electing to value the Shares at bi-annual dates (meaning 30 June or 31 December) rather than at the date of the Deemed Disposal itself. Therefore, the Company, may make an irrevocable election to allow the Shares in the calculation of the gain on a Deemed Disposal for Irish Taxable Shareholders (being an Irish resident or Irish ordinarily resident Shareholder which is not an Exempt Irish Shareholder as outlined below) to be valued at the later of the previous 30 June or 31 December prior to the date of the deemed disposal rather than at the date of the deemed disposal itself.

Where less than 10% of the net asset value of Shares in the Company is held by Irish Taxable Shareholders, the Company may elect not to apply a withholding tax to a Deemed Disposal of Shares in the Company provided it has advised the Irish Revenue Commissioners of this election, and provides the relevant details in relation to the Irish resident Shareholders to Irish Revenue Commissioners, in accordance with the legislative requirements. Where the Company intends to make this election, it must notify all Irish Shareholders, who will then be required to account for the tax liability arising on a self-assessment basis.

Where less than 15% of the net asset value of Shares in the Company is held by Irish Taxable Shareholders the Company may elect not to repay Shareholders any overpaid tax (should an excess payment of tax arise on the redemption of Shares as a result of tax paid on an earlier deemed chargeable event) and as such Shareholders must seek repayment of any overpaid tax directly from the Irish Revenue Commissioners. Shareholders should contact the Company/Administrator to ascertain whether the Company has made such an election in order to establish whether they must seek repayment of any overpaid tax directly from the Irish Revenue Commissioners.

Please see the "Shareholders" section below dealing with the tax consequences for the Company and the Shareholders of chargeable events in respect of:-

- Non-Irish Shareholders;
- Exempt Irish Shareholders; and
- Other Irish Shareholders.

Dividends received by the Company from investment in Irish equities may be subject to Irish dividend withholding tax at the standard rate of income tax (currently 20%). However, the Company can make a declaration to the payer that it is an investment undertaking within the meaning of Section 739B of the Taxes Act beneficially entitled to the dividends which will

entitle the Company to receive such dividends without deduction of Irish dividend withholding tax.

Pursuant to Section 891C of the Taxes Act and the Return of Values (Investment Undertakings) Regulations 2013, the Company is obliged to report certain details in relation to Shares held by Shareholders to the Irish Revenue Commissioners on an annual basis. The details to be reported include the name, address and date of birth if on record of, and the investment number associated with and the value of the Shares held by, a Shareholder. In respect of Shares acquired on or after 1 January 2014, the details to be reported also include the tax reference number of the Shareholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual's PPS number) or, in the absence of a tax reference number, a marker indicating that this was not provided. These provisions do not require such details to be reported in respect of Shareholders who are Non-Irish Shareholders, Exempt Irish Shareholders or Shareholders whose Shares are held in a recognised clearing system.

Defined terms relevant to this section are set out under "Meaning of Terms and Definitions" below.

### **Taxation of Non-Irish Shareholders**

Where a Shareholder is not resident (or ordinarily resident) in Ireland for Irish tax purposes, the Company will not deduct any Irish tax on the occurrence of a chargeable event (as described above) in respect of the Shareholder's Shares once a Relevant Declaration form has been received by the Company confirming the Shareholder's non-resident status, in advance of the relevant chargeable event, or provided a written notice of approval from the Irish Revenue Commissioners to the effect that a Relevant Declaration is deemed to be in place has been provided to the Company and which has not been withdrawn.

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

Generally, Non-Irish Shareholders 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).

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Residents nor Irish Ordinary Residents, no tax will be required to be deducted by the Company on the occasion of a chargeable event provided that the Intermediary has made a Relevant Declaration that they are acting on behalf of such persons and the Company is not in possession of any information which would reasonably suggest that the information contained therein is not, or is no longer materially correct, or the Company is in possession of a notice of approval from the Revenue Commissioners to the effect that a Relevant Declaration is deemed to be in place, which has not been withdrawn.

### **Taxation of Exempt Irish Shareholders**

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and falls within any of the categories listed in Section 739D(6) of the Taxes Act, the Company will

not deduct Irish tax on the occurrence of a chargeable event in respect of the Shareholder's Shares provided a Relevant Declaration form has been received by the Company confirming the Shareholder's exempt status, in advance of the relevant chargeable event (an "Exempt Irish Shareholder"). An Intermediary may also be regarded as an Exempt Irish Shareholder.

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

The categories listed in Section 739D(6) of the Taxes Act can be summarised as follows:

1. Pension schemes which are an exempt approved scheme (within the meaning of Section 774, Section 784 or Section 785 of the Taxes Act) or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies.
2. Companies carrying on life assurance business (within the meaning of Section 706 of the Taxes Act).
3. Investment undertakings (within the meaning of Section 739B of the Taxes Act).
4. Investment Limited Partnerships (within the meaning of Section 739J of the Taxes Act).
5. Special investment schemes (within the meaning of Section 737 of the Taxes Act).
6. Unauthorised unit trust schemes (to which Section 731(5)(a) of the Taxes Act applies).
7. Charities (within the meaning of Section 739D(6)(f)(i) of the Taxes Act).
8. Qualifying managing companies or specified companies (within the meaning of Section 739B(1) of the Taxes Act).
9. Persons entitled to exemption from income tax and capital gains tax under Section 784A(2) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
10. Personal Retirement Savings Account (PRSA) administrators (within the meaning of Section 739D(6)(i) of the Taxes Act).
11. The National Pensions Reserve Fund Commission or a commission investment vehicle;
12. Irish credit unions (within the meaning of Section 2 of the Credit Union Act 1997).
13. Irish Resident companies (being a company within the meaning of Section 739D(6)(k)(l) of the Taxes Act) investing in money market funds.
14. The National Asset Management Agency.
15. The National Treasury Management Agency or a Fund investment vehicle (within the meaning of Section 739(6)(kb) of the Taxes Act).
16. Qualifying companies (within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act).
17. Any other person resident (or ordinarily resident) in Ireland as may be approved by the Directors from time to time provided the holding of Shares by such persons does not

result in a potential liability to tax arising to the Company in respect of that Shareholder under Part 27 Chapter 1A of the Taxes Act.

### **Taxation of Irish Taxable Shareholders**

To the extent any Shares are not held in a recognised Clearing System at the time of a chargeable event, the following tax consequences will arise on a chargeable event in respect of Shares held by an Irish Taxable Shareholder, who is not an Exempt Irish Shareholder.

For Irish Taxable Shareholders the Company will deduct Irish tax on distributions, redemptions and transfers and, additionally, on 'Deemed Disposal' chargeable events, as described below.

#### *Distributions by the Company*

If the Company pays a distribution to an Irish Taxable Shareholder, the Company will deduct Irish tax from the distribution. The amount of Irish tax deducted will be:

1. 25% of the distribution, where the distributions are paid to a Shareholder who is a company, provided the Company has received from the corporate Shareholder confirmation of its Irish corporate tax reference number in advance of the payment of the distribution; and
2. 41% of the distribution for all other Irish Taxable Shareholders.

The Company will pay this deducted tax to the Irish Revenue Commissioners. Generally, a Shareholder will have no further Irish tax liability in respect of the distribution.

If the Shareholder is a company for which the distribution is a trading receipt, the gross distribution (including the Irish tax deducted) will form part of its taxable income for self-assessment purposes (subject to Irish corporation tax at the rate of 12.5%) and the Shareholder may set off the deducted tax against its corporation tax liability.

#### *Redemptions of Shares*

If the Company redeems Shares held by an Irish Taxable Shareholder, the Company will deduct Irish tax from the redemption payment made to the Shareholder. The amount of Irish tax deducted will be calculated by reference to the gain (if any) which has accrued to the Shareholder on the Shares being redeemed and will be equal to:

1. 25% of such gain, where the Shareholder is a company provided the Company has received from the corporate Shareholder confirmation of its Irish corporate tax reference number in advance of the payment of the redemption proceeds; and
2. 41% of the gain for all other Shareholders.

The Company will pay this deducted tax to the Irish Revenue Commissioners. Generally, a Shareholder will have no further Irish tax liability in respect of the redemption payment.

If the Shareholder is a company for which the redemption payment is a trading receipt, the gross payment (including the Irish tax deducted) less the cost of acquiring the Shares will form part of its taxable income for self-assessment purposes (subject to Irish corporation tax at the rate of 12.5%) and the Shareholder may set off the deducted tax against its corporation tax liability.

If Shares are not denominated in Euro, an Irish Taxable Shareholder may be liable (on a self-assessment basis) to Irish capital gains taxation on any currency gain, currently at the rate of 33%, arising on the redemption of the Shares.

#### *Transfers of Shares*

If an Irish Taxable Shareholder transfers (by sale or otherwise) an entitlement to Shares, which constitutes a chargeable event, the Company will account for Irish tax in respect of that transfer. The amount of Irish tax deducted will be calculated by reference to the gain (if any) which has accrued to the Shareholder on the Shares being transferred and will be equal to:

1. 25% of such gain, where the Shareholder is a company, provided the Company has received from the corporate Shareholder confirmation of its Irish corporate tax reference number in advance of the payment of the transfer proceeds; and
2. 41% of the gain for all other Shareholders.

The Company will pay this deducted tax to the Irish Revenue Commissioners. To fund this Irish tax liability, the Company may appropriate or cancel other Shares held by the Shareholder. This may result in further Irish tax becoming due. Generally, a Shareholder will have no further liability to Irish tax in respect of any payment received in respect of the transfer of Shares.

If the Shareholder is a company for which the payment is a trading receipt, the payment (less the cost of acquiring the Shares as recognised for accounting purposes) will form part of its taxable income for self-assessment purposes (subject to Irish corporation tax at the rate of 12.5%) and the Shareholder may set off the deducted tax against its corporation tax liability.

If Shares are not denominated in Euro, a Shareholder may be liable (on a self-assessment basis) to Irish capital gains tax on any currency gain, currently at the rate of 33%, arising on the transfer of the Shares.

#### *Deemed Disposals*

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

3. 25% of such increase in value, where the Shareholder is a company, provided the Company has received from the corporate Shareholder confirmation of its corporate tax reference number in advance of the payment of the distribution; and
4. 41% of the increase in value for all other Shareholders.

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

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

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

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

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

#### *Personal Portfolio Investment Undertakings*

Essentially, an investment undertaking will be considered a personal portfolio investment undertaking ("PPIU") in relation to a particular Irish Taxable Shareholder who is an individual where that Shareholder can influence the selection of some or all of the property held by the investment undertaking. Depending on individuals' circumstances, an investment undertaking may be considered a PPIU in relation to some, none or all individual Shareholders i.e. it will be a PPIU only in respect of those individuals who can "influence" selection. Irish tax arising on distributions, redemptions, transfers and Deemed Disposals, as described above, will be increased to 60% (80% where details of the payment/disposal are not correctly included in the individual's tax return). Specific exemptions apply from the PPIU regime where the property invested in has been widely marketed and made available to the public. As a result, it is unlikely that the PPIU provisions will apply in respect of the Shares. Shareholders should consult their professional advisors where they have any concerns.

The above Irish tax rates in respect of distributions, redemptions, and transfers can increase significantly in certain circumstances where an Irish Taxable Shareholder does not include correct details in respect of the Shares in their tax return.

#### **Stamp Duty**

No Irish stamp duty (or other Irish transfer tax) will apply to the issue, transfer or redemption of Shares provided that no application for Shares or redemption or transfer of Shares is satisfied by an in specie transfer of any Irish situated property.

If a Shareholder receives a distribution in specie of assets from the Company, a charge to Irish stamp duty could potentially arise. Where the Company acquires or transfers stock or marketable securities of a company not registered in Ireland as part of a subscription or redemption of Shares, no charge to Irish stamp duty will arise provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property, or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the Taxes Act) which is registered in Ireland.

#### **Capital Acquisitions Tax**

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

Irish domiciled, resident or ordinarily resident or the person taking the gift or inheritance is Irish resident or ordinarily resident.

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

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

### **Automatic exchange of information**

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

### **FATCA**

With effect from 1 July 2014, the Company may be obliged to report certain information in respect of U.S. investors in the Company to the Irish Revenue Commissioners who will then share that information with the U.S. tax authorities. The Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 impose a 30% US withholding tax on certain 'withholdable payments' made on or after 1 July 2014 unless the payee enters into and complies with an agreement with the U.S. Internal Revenue Service ("IRS") to collect and provide to the IRS substantial information regarding direct and indirect owners and account holders.

On 21 December 2012, Ireland signed an Intergovernmental Agreement ("IGA") with the U.S. to improve international tax compliance and to implement FATCA. Under the IGA Ireland agreed to implement legislation to collect certain information in connection with FATCA and the Irish and U.S. tax authorities have agreed to automatically exchange this information. The IGA provides for the annual automatic exchange of information in relation to accounts and investments held by certain U.S. investors in a broad category of Irish financial institutions and vice versa.

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

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

## **CRS**

The CRS framework was first released by the OECD in February 2014. To date, more than 90 jurisdictions have publically committed to implementation, many of which are early adopter countries, including Ireland. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the "Standard") was published, involving the use of two main elements, the Competent Authority Agreement ("CAA") and the CRS.

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

Ireland is a signatory jurisdiction to a Multilateral Competent Authority Agreement on the automatic exchange of financial account information in respect of CRS while sections 891F and 891G of the Taxes Act contain measures necessary to implement the CRS internationally and across the EU, respectively. The Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the "CRS Regulations"), giving effect to the CRS from 1 January 2016 came into operation on 31 December 2015.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("DAC II") implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis. Section 891 G of the Taxes Act contained measures necessary to implement the DAC II. The Mandatory Automatic Exchange of Information in the Field of Taxation Regulations 2015 (together with the CRS Regulations, the "2015 Regulations"), giving effect to DAC II from 1 January 2016, came into operation on 31 December 2015.

Under the 2015 Regulations, reporting financial institutions, which may include the Company, are required to collect certain information on accountholders and on certain controlling persons in the case of the accountholder(s) being an entity, as defined for CRS purposes, (e.g. name, address, jurisdiction of residence, TIN, date and place of birth (as appropriate), the account number and the account balance or value at the end of each calendar year) to identify accounts which are reportable to the Irish tax authorities. The Irish tax authorities shall in turn exchange such information with their counterparts in participating jurisdictions. Further information in relation to CRS and DAC II can be found on the Automatic Exchange of Information webpage on [www.revenue.ie](http://www.revenue.ie)

## Meaning of Terms and Definitions

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

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

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

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

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

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

4. spends 183 days or more in Ireland in that calendar year; or
5. 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 2016 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2019.

### Meaning of 'Intermediary'

An 'intermediary' means a person who:

- (d) 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

- (e) holds units or shares in such an investment undertaking on behalf of other persons.

*Meaning of 'Ireland'*

Ireland means the Republic of Ireland.

*Meaning of "Taxes Act"*

The Taxes Consolidation Act 1997, as amended.

*Meaning of "Relevant Declaration"*

A completed and signed declaration on an Irish Revenue Commissioners prescribed form as set out in Schedule 2B of the Taxes Acts. A declaration by a Non-Irish Shareholder or an Intermediary is only a Relevant Declaration where the Company has no reason to believe the declaration is incorrect.

In certain circumstances, the Company may seek to avoid the requirement to have a declaration in prescribed form in place for non-Irish resident Shareholders, and may apply for a written notice of approval from the Irish Revenue Commissioners to the effect that a Relevant Declaration is deemed to be in place for all such Shareholders. This may apply where the Company has implemented certain 'equivalent measures' acceptable to the Irish Revenue Commissioners prohibiting the sale of Shares to Irish Resident investors in respect of whom it is necessary to deduct tax, together with meeting other requirements.

## **TAXATION IN THE UK**

### **The Company**

The Directors of the Company intend that the affairs of the Company should be managed and conducted so that it is not resident in the United Kingdom for United Kingdom taxation purposes.

Accordingly, and provided that the Company does not carry on a trade in the United Kingdom through a fixed place of business or agent situated therein that constitutes a "permanent establishment" for United Kingdom taxation purposes and that all its trading transactions in the United Kingdom are carried out through a broker or investment manager acting as an agent of independent status in the ordinary course of business, the Company will not be subject to United Kingdom corporation tax or income tax on its profits.

The Directors intend that the affairs of the Company are conducted so that no such permanent establishment, branch or agency will arise insofar as this is within their control, but it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment, branch or agency coming into being will at all times be satisfied.

Dividends, interest and other income as well as capital gains received by the Company may be subject to withholding taxes or similar taxes imposed by the country in which such dividend, interest, other income or capital gain originated.

It is the intention of the Company to enter and comply with the reporting fund regime for Classes indicated as reporting funds at [www.passportportfolios.com](http://www.passportportfolios.com) for the Accounting Period commencing 31 January 2015 and subsequent Accounting Periods.

The Directors reserve the right to seek reporting fund status in respect of any Class. Prospective investors are referred to the relevant Supplement for confirmation of those Classes in respect of which reporting fund status may be sought.

The annual reportable income will be made available to each Shareholder at [www.passportportfolios.com](http://www.passportportfolios.com) for each reporting period.

#### Transactions not treated as trading

Part 3 Chapter 6 of the Offshore Funds (Taxation) Regulations 2009 (“the Offshore Funds Regulations”) provide that transactions undertaken by the Company that are within a “white list” of specified transactions will not be treated as trading transactions for the purposes of the Offshore Funds Regulations, provided that the Company meets the “equivalence condition” and the “genuine diversity of ownership condition” (“GDO condition”). The Company meets the equivalence condition as it is a UCITS fund.

The GDO condition will be also be met if the Company meets certain conditions relating to its Shareholders and how the Company is marketed.

With a view to meeting these conditions, the Directors confirm that the intended categories of Shareholders are any potential investors which are eligible investors (subject to the conditions such as the minimum subscription). Shares of the Company will be widely available to that category of Shareholders. Furthermore, Shares of the Company will be marketed and made sufficiently widely available to reach that category of Shareholders and in a manner appropriate to attract those investors and an interested Shareholders can, upon request to the Administrator, obtain information about the Company and acquire Shares in it.

#### **UK resident Shareholders**

*The below is general in nature and does not constitute tax advice. Shareholders should seek their own professional advice. The below analysis applies only to Shareholders holding Shares in the Company as an investment.*

##### *General – income distributions*

Subject to their personal circumstances, Shareholders who are resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax on dividends or other distributions of an income nature declared by the Company (whether or not such distributions or dividends are reinvested in further shares).

The Company will not ordinarily, but may at the Directors’ discretion, pay dividends to Shareholders. However, so far as dividends are paid, Shareholders should note that the Company intends to operate dividend equalisation. Shareholders should seek independent advice in relation to the taxation treatment of any such equalisation amount based on their specific facts and circumstances.

It should also be noted that to the extent actual dividends are not declared in relation to all income of Shares in a reporting Class for a period, any excess reportable income under the new reporting fund rules will be attributed only to those Shareholders who remain as Shareholders at the end of the relevant Accounting Period. The Tax Regulations enable (but do not oblige) a reporting fund to elect to operate full equalisation or to make income adjustments, which should minimise this effect. The Directors expect to make such an election in respect of any Fund or Class with reporting fund status.

##### *General – realised gains*

Subject to their personal circumstances, Shareholders who are resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax, capital gains tax or corporation tax in respect of any gains realised on Shares held in the Fund. The particular

tax due will depend on the taxation profile of the investor (whether income tax or corporation tax payer) and the status of the Fund or a Class of Shares in the Fund.

Each Fund or Class of Shares within a Fund will be deemed to constitute an “offshore fund” for the purposes of TIOPA. Under this legislation, any gain arising on the sale, disposal or redemption of shares in an offshore fund held by persons who are resident in the United Kingdom for tax purposes will be taxed at the time of such sale, disposal or redemption as income and not as a capital gain.

This does not apply, however, where a Class or Fund is accepted by HM Revenue & Customs as a “reporting fund” throughout the period during which shares have been held. Shareholders who are resident in the United Kingdom for tax purposes and who invest in Classes without reporting fund status may be liable to United Kingdom income taxation in respect of any gain realised on disposal or redemption of such Shares.

Any such gain may thus remain taxable notwithstanding any general or specific United Kingdom capital gains tax exemption or allowance available to a Shareholder and this may result in certain investors incurring a proportionately greater United Kingdom taxation charge. Any losses arising on the disposal of Shares in Classes without reporting fund status by Shareholders who are resident in the United Kingdom will be eligible for capital gains loss relief.

The effect of reporting fund status, if maintained, is that Shareholders shall generally be subject to income tax on both dividends received and excess reported income attributable to the Shareholder in over and above any amounts actually distributed. Any gain accruing to the Shareholder upon the sale, redemption or other disposal of their interest in a reporting fund will be subsequently taxed as a capital gain, any undistributed income that has been subject to tax being treated as capital expenditure for the purpose of computing the amount of the chargeable gain.

### **Individual shareholders – specific taxation comments**

#### *Distributions received*

According to their personal circumstances, individual Shareholders resident in the United Kingdom for tax purposes will, in general, be liable to income tax at the relevant dividend income rate on both distributions received and reported income attributable to the investor in excess of any amounts actually distributed, whether or not distributions are reinvested, provided the Company does not fail the qualifying investment test (see ‘Qualifying Investment Test’ section).

The current rates, depending on individual Shareholders’ total annual income band, are 10%, 32.5% or 37.5%. A dividend tax credit of 1/9th of the dividend may be available to such investors on dividends (including reportable income) received from the Company (reducing the effective dividend income tax rate to 0%/25%/30.55% respectively for the fiscal year 2013/14).

However, individual Shareholders should be aware that as a result of certain rules (s378A, Income Tax (Trading and Other Income) Act 2005) investors in any Class of a Fund where the market value of the Class’s investments in debt instruments, securities and certain other offshore funds which invest in similar assets exceeds 60% of the market value of all of the assets of the Class at any relevant time will be deemed to receive a payment economically similar to yearly interest. Where this is the case Shareholders will be treated as receiving an interest payment for income tax purposes.

### *Treatment of gains on exit*

Under current law, a disposal of Shares (which includes a redemption) by an individual Shareholder who is resident or ordinarily resident in the United Kingdom for taxation purposes should be taxed at the current capital gains tax rate of either 18% or 28%, depending on the Shareholder's personal circumstances.

The principal factors that will determine the extent to which such capital gains will be subject to capital gains tax are the level of annual allowance of tax free gains in the year in which the disposal takes place, the extent to which the Shareholder realises any other capital gains in that year and the extent to which the Shareholder has incurred capital losses in that or any earlier tax year.

### *Anti-avoidance provisions to consider*

The attention of individual Shareholders ordinarily resident in the United Kingdom is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007, under which the income accruing to the Company may be attributed to such a Shareholder and may render them liable to taxation in respect of the undistributed income and profits of the Company. This legislation will, however, not apply if such a Shareholder can satisfy HM Revenue & Customs that either:

1. it would not be reasonable to draw the conclusion from all the circumstances of the case, that the purpose of avoiding liability to taxation was the purpose, or one of the purposes, for which the relevant transactions or any of them were effected; or
2. all the relevant transactions are genuine commercial transactions and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of the transactions was more than incidentally designed for the purpose of avoiding liability to taxation.

A Shareholder who is resident in the United Kingdom and who, subsequent to subscription, wishes to switch Shares of one Class or Fund into Shares of a different Class or Fund in accordance with the procedure outlined in "Conversion of Shares" above should note that such a switch could give rise to a disposal triggering a potential liability to income tax or corporation tax if the original Class is a non-reporting fund or capital gains or corporation tax if the original Class is a reporting fund (see further below) as appropriate depending upon the value of the shareholding on the date of conversion.

The attention of Shareholders resident or ordinarily resident in the United Kingdom for taxation purposes is drawn to the provisions of Section 13 of the Taxation of Chargeable Gains Act 1992 ("Section 13"). Section 13 applies to a "participator" for United Kingdom taxation purposes (which term includes a shareholder) if at any time when any gain accrues to the Company which constitutes a chargeable gain for those purposes, at the same time, the Company is itself controlled by a sufficiently small number of persons so as to render the Company a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a "close" company for those purposes.

The provisions of Section 13 could, if applied, result in any such person who is a "participator" in the Company being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds on a just and reasonable basis to that person's proportionate interest in the Company as a "participator". No liability under Section 13 could be incurred by such a person however, where such proportion does not exceed one quarter of the gain. In the case of United

Kingdom resident individuals domiciled outside the United Kingdom, Section 13 applies only to gains relating to United Kingdom situate assets of the Company and gains relating to non-United Kingdom situate assets if such gains are remitted to the United Kingdom.

Special rules and different rates apply to United Kingdom resident individual Shareholders who are not domiciled in the United Kingdom. Shareholders who are not resident in the United Kingdom for taxation purposes should not generally be subject to United Kingdom taxation on any gain realised on any sale, redemption or other disposal of their Class of interest unless their holding of shares is connected with a branch or agency through which the relevant Shareholder carries on a trade, profession or vocation in the United Kingdom.

A Shareholder who is an individual who has ceased to be resident in the United Kingdom for tax purposes for a period of less than five years of assessment and who disposes of their Class of interest during that period may also be liable, on his return to the United Kingdom, to taxation on offshore income gains.

### **Corporate shareholders**

#### *Distributions received*

Shareholders who are subject to United Kingdom corporation tax should generally be exempt from United Kingdom taxation in respect of dividends from a relevant Class of interest assuming that the dividend income is within one of the categories of exempt dividend under Part 9A of the Corporation Tax Act 2009, subject to the “non-qualifying investments test” outlined below and provided that the dividend income does not fall to be treated as trading income.

Excess reportable income from relevant Classes of interest will be exempt from UK corporation tax in the hands of a UK corporate investor if a distribution from the fund would be so exempt.

Please note below the implications of failing to meet the “qualifying investments test”.

#### *Treatment of exit gains*

Generally, Shareholders who are bodies corporate resident in the United Kingdom for taxation purposes will be taxed on any gains arising from the sale, redemption or other disposal of their shares in a reporting fund Class of Shares at the applicable corporation tax rate (currently 23%, falling to 20% from 1 April 2015), but may benefit from indexation allowance which, in general terms, increases the capital base cost of an asset in accordance with the rise in the retail prices index.

Special rules apply to insurance companies, investment trusts, authorised unit trusts and open-ended investment companies in the United Kingdom. Such investors should seek their own professional advice in relation to the tax consequences of an investment in the Company.

#### *Anti-avoidance provisions to consider*

### Controlled Foreign Company Rules

UK resident corporate investors should be aware that if they invest into the Company, they could be subject to the UK Controlled Foreign Company (“CFC”) provisions. Chapter IV of Part XVII of the United Kingdom Income and Corporation Taxes Act 1988 (which has been replaced by Part 9A of the Taxation (International and other Provisions) Act 2010 (“TIOPA”) for accounting periods of Shareholders beginning on or after 1st January 2013) subjects

United Kingdom resident companies to tax on the profits of companies not so resident (such as the Company) in which they have an interest.

The provisions, broadly, affect United Kingdom resident companies which hold, alone or together with certain other associated persons, shares which confer a right to at least 25% of the profits of a non-resident company where that non-resident company (a “25% interest”) is controlled by persons who are resident in the United Kingdom and is subject to a lower level of taxation in its territory of residence.

The legislation is not directed towards the taxation of capital gains. In addition, for accounting periods of a Shareholder beginning on or after 1st January 2013, these provisions will not apply if the Shareholder reasonably believes that it does not hold a 25% interest in the Company throughout the relevant period.

#### Qualifying Investment Test

Corporate Shareholders subject to United Kingdom corporation tax should be aware that where such an investor holds an interest in an offshore fund, and there is a time in the corporate Shareholder’s accounting period when that fund fails to satisfy the “qualifying investments test”, the relevant holding will be treated for that accounting period as if it involved rights under a loan relationship for the purposes of the tax rules relating to the taxation of most corporate debt as defined in Part 6 of the United Kingdom Corporation Tax Act 2009 (the “Loan Relationships Regime”).

A fund fails to satisfy the qualifying investments test if at any time more than 60% by market value comprises government and/or corporate debt securities or cash on deposit or certain derivative contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves satisfy the “qualifying investments test”. All returns on that interest in respect of such a person’s accounting period (including gains, profits and losses) will be taxed or relieved as a loan relationship debit or credit on a “fair value accounting” basis.

#### **Stamp Duty**

No United Kingdom stamp duty, or stamp duty reserve tax, is payable on the issue of the Shares. No United Kingdom stamp duty will be payable on the transfer of Shares provided that any instrument of transfer is not executed in the United Kingdom and does not relate to any property situated, or to any matter or things done or to be done, in the United Kingdom.

#### **Inheritance Tax**

An individual Shareholder domiciled or deemed to be domiciled in the United Kingdom for inheritance tax purposes may be liable to inheritance tax on their Shares in the event of death or on making certain categories of lifetime transfers.

#### **U.S. TAXATION**

**Investors’ reliance on U.S. federal tax advice in this Prospectus: The discussion contained in this Prospectus as to U.S. federal tax considerations is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties. Such discussion is written to support the promotion or marketing of the transactions or matters addressed in this Prospectus. Each taxpayer should seek U.S. federal tax advice based on the taxpayer’s particular circumstances from an independent tax advisor.**

As with any investment, the tax consequences of an investment in Shares may be material to an analysis of an investment in a Fund. U.S. Taxpayers investing in a Fund should be aware of the tax consequences of such an investment before purchasing Shares. This Prospectus discusses certain U.S. federal income tax consequences only generally and does not purport to deal with all of the U.S. federal income tax consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. This discussion assumes that no U.S. Taxpayer owns or will own directly or indirectly, or will be considered as owning by reason of certain tax law rules of constructive ownership, 10% or more of the total combined voting power of all Shares. The Company does not, however, guarantee that this will always be the case. Furthermore, the discussion assumes that the Company will not hold any interests (other than as a creditor) in any "United States real property holding corporations" as defined in the United States Internal Revenue Code of 1986, as amended (the "Code"). Each prospective investor is urged to consult his or her independent tax advisor regarding the specific consequences of an investment in a Fund under applicable U.S. federal, state, local and foreign income tax laws as well as with respect to any specific gift, estate and inheritance tax issues.

The following discussion assumes for convenience that the Company, including each Fund thereof, will be treated as a single entity for U.S. federal income tax purposes. The law in this area is uncertain. Thus, it is possible that the Company may adopt an alternative approach, treating each Fund of the Company as a separate entity for U.S. federal income tax purposes. There can be no assurance that the U.S. Internal Revenue Service will agree with the position taken by the Company.

#### *Taxation of the Company*

The Company generally intends to conduct its affairs so that it will not be deemed to be engaged in trade or business in the United States and, therefore, none of its income will be treated as "effectively connected" with a U.S. trade or business carried on by the Company. If none of the Company's income is effectively connected with a U.S. trade or business carried on by the Company, certain categories of income (including dividends (and certain other dividend equivalent payments) and certain types of interest income) derived by the Company from U.S. sources will be subject to a U.S. tax of 30%, which tax is generally withheld from such income. Certain other categories of income, generally including capital gains (including those derived from options transactions) and interest on certain portfolio debt obligations (which may include United States Government securities), original issue discount obligations having an original maturity of 183 days or less, and certificates of deposit, will not be subject to this 30% tax. If, on the other hand, the Company derives income which is effectively connected with a U.S. trade or business carried on by the Company, such income will be subject to U.S. federal income tax at the graduated rates applicable to U.S. domestic corporations, and the Company may also be subject to a branch profits tax.

Pursuant to FATCA, the Company (or each Fund) will be subject to U.S. federal withholding taxes (at a 30% rate) on payments of certain amounts made to such entity after 30 June 2014 ("withholdable payments"), unless it complies (or is deemed compliant) with extensive reporting and withholding requirements. Withholdable payments generally will include interest (including original issue discount), dividends, rents, annuities, and other fixed or determinable annual or periodical gains, profits or income, if such payments are derived from U.S. sources, as well as gross proceeds from dispositions of securities that could produce U.S. source interest or dividends. Income which is effectively connected with the conduct of a U.S. trade or business is not, however, included in this definition. To avoid the withholding tax, unless deemed compliant, the Company (or each Fund) will be required to enter into an agreement with the United States to identify and disclose identifying and financial information about each U.S. Taxpayer (or foreign entity with substantial U.S. ownership)

which invests in such entity, and to withhold tax (at a 30% rate) on withholdable payments and related payments made to any investor which fails to furnish information requested by such entity to satisfy its obligations under the agreement. Pursuant to an intergovernmental agreement between the United States and Ireland, the Company (or each Fund) may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports U.S. ownership information directly to the government of Ireland. Certain categories of investors, generally including, but not limited to, tax-exempt investors, publicly traded corporations, banks, regulated investment companies, real estate investment trusts, common trust funds, brokers, dealers and middlemen and state and federal governmental entities, will be exempt from such reporting. Detailed guidance as to the mechanics and scope of this new reporting and withholding regime is continuing to develop. There can be no assurance as to the timing or impact of any such guidance on future Company operations.

Shareholders will be required to furnish appropriate documentation certifying as to their U.S. or non-U.S. tax status, together with such additional tax information as the Company, the Investment Manager, or the Administrator may from time to time request. Failure to provide requested information may subject a Shareholder to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory redemption, transfer or other termination of the Shareholder's investment in the Company.

#### *Taxation of Shareholders*

The U.S. tax consequences to Shareholders of distributions from the Company and of dispositions of Shares generally depends on the Shareholder's particular circumstances, including whether the Shareholder conducts a trade or business within the U.S. or is otherwise taxable as a U.S. Taxpayer.

#### *Dividend Distributions*

Distributions made by the Company to its U.S. Taxpayer Shareholders with respect to the Shares will be taxable to those Shareholders as ordinary income for U.S. federal income tax purposes to the extent of the Company's current and accumulated earnings and profits, subject to the "passive foreign investment company" ("PFIC") rules discussed below. Dividends received by U.S. corporate Shareholders will not be eligible for the dividends-received deduction.

#### *Sale of Shares*

Upon the sale or other disposition of Shares, and subject to the PFIC rules discussed below, a U.S. Taxpayer that holds the Shares as a capital asset generally will realize a capital gain or loss which generally will be long-term or short-term, depending upon the Shareholder's holding period for the Shares.

#### *Medicare Tax Legislation*

An additional 3.8% Medicare tax is imposed on certain net investment income (including interest, dividends, annuities, royalties, rents and net capital gains) of U.S. individuals, estates and trusts to the extent that such person's "modified adjusted gross income" (in the case of an individual) or "adjusted gross income" (in the case of an estate or trust) exceeds a threshold amount.

#### *Passive Foreign Investment Company Rules - In General*

The Company is a PFIC within the meaning of Section 1297(a) of the Code. In addition, the Company may invest in other entities that are classified as PFICs. Thus, Shareholders may

be treated as indirect shareholders of PFICs in which the Company invests. U.S. Taxpayers are urged to consult their own independent tax advisors with respect to the application of the PFIC rules and the making of a “qualified electing fund (“QEF”) election” or “mark-to-market election” summarised below.

*PFIC Consequences - No QEF or Mark-to-Market Election*

A U.S. Taxpayer Shareholder who holds Shares will generally be subject to special rules with respect to any “excess distribution” by the Company to that Shareholder or any gain from the disposition of the Shares. For this purpose, an “excess distribution” generally refers to the excess of the amount of any distributions received by the Shareholder during any taxable year in respect of the Shares of the Company over 125% of the average amount received by the Shareholder in respect of those Shares during the three preceding taxable years (or shorter period that the Shareholder held the Shares). The tax payable by a U.S. Taxpayer with respect to an excess distribution or disposition of Shares will be determined by allocating the excess distribution or gain from the disposition ratably to each day in the Shareholder’s holding period for the Shares. The distribution or gain so allocated to any taxable year of the Shareholder, other than the taxable year of the excess distribution or disposition, will be taxed to the Shareholder at the highest ordinary income rate in effect for that year, and the tax will be further increased by an interest charge to reflect the value of the tax deferral deemed to have resulted from the ownership of the Shares. Any amount of distribution or gain allocated to the taxable year of the distribution or disposition will be included as ordinary income.

*PFIC Consequences - QEF Election*

A U.S. Taxpayer may be able to make an election (a “qualified electing fund” or “QEF” election), in lieu of being taxable in the manner described above, to include annually in gross income that Shareholder’s pro rata share of (a) the ordinary earnings (that is, the earnings and profits (computed using U.S. federal income tax principles), reduced by any net capital gain (defined below)) and (b) net capital gain (that is, the excess of net long-term capital gain over net short-term capital loss) of the Company, regardless of whether the Shareholder actually received any distributions from the Company. The ordinary earnings would be included in the Shareholder’s income as ordinary income, and the net capital gain would be included as long-term capital gain. Losses, however, would not flow through to an electing shareholder. For the QEF election to be effective, the Company would need to provide the electing Shareholder with certain financial information based on U.S. tax accounting principles. The Company currently does not intend to provide its U.S. Taxpayer Shareholders with information in the form required to make an effective QEF election. There can be no assurance that a QEF election will be available with respect to any PFIC shares held by a Shareholder indirectly through the Company.

*PFIC Consequences - Mark to Market Election*

There can be no certainty that a mark-to-market election will be available for Shareholders in the Company, nor is one likely to be available with respect to any other PFIC Shares held indirectly through the Company. Were such an election to become available, in lieu of being taxable in the manner described above, an electing Shareholder would include in income at the end of each taxable year the excess, if any, of the fair market value of its Shares over its adjusted basis for the Shares. The Shareholder also would be permitted to deduct the excess, if any, of its adjusted basis for the Shares over their fair market value, but only to the extent of any net mark-to-market gain included in income in prior years. Any mark-to-market gain and any gain from an actual disposition of Shares would be included as ordinary income. Ordinary loss treatment would apply to any deductible mark-to-market loss, as well as any loss from an actual disposition to the extent of previously included net mark-to-market

gains. An electing Shareholder's adjusted basis in its Shares would be adjusted to reflect any mark-to-market inclusions or deductions.

#### *PFIC Consequences - Tax-Exempt Organizations - Unrelated Business Taxable Income*

Certain entities (including qualified pension and profit sharing plans, individual retirement accounts, 401(k) plans and Keogh plans ("Tax-Exempt Entities")) generally are exempt from U.S. federal income taxation except to the extent that they have unrelated business taxable income ("UBTI"). UBTI is income from a trade or business regularly carried on by a Tax-Exempt Entity which is unrelated to that entity's exempt activities. Various types of income, including dividends, interest and gains from the sale of property other than inventory and property held primarily for sale to customers, are excluded from UBTI, so long as the income is not derived from debt-financed property.

Capital gains derived by a Tax-Exempt Entity from the sale or exchange of Shares and any dividends received by a Tax-Exempt Entity with respect to its Shares should be excluded from UBTI, provided that the Tax-Exempt Entity has not incurred acquisition indebtedness in connection with the acquisition of such Shares.

Under current law, the PFIC rules apply to a Tax-Exempt Entity that holds Shares only if a dividend from the Company would be subject to U.S. federal income taxation in the hands of the Shareholder (as would be the case, for example, if the Shares were debt-financed property in the hands of the Tax-Exempt Entity). It should be noted, however, that temporary and proposed regulations, appear to treat individual retirement accounts differently than other Tax-Exempt Entities by treating the beneficiaries of such accounts as PFIC Shareholders and thereby subjecting such persons to the PFIC rules.

#### *Other Tax Considerations*

The foregoing discussion assumes, as stated above, that no U.S. Taxpayer owns or will own directly or indirectly, or be considered as owning by application of certain tax law rules of constructive ownership, 10% or more of the total combined voting power of all voting Shares of the Company. In the event that the ownership of Shares were so concentrated, other U.S. tax law rules which are designed to prevent deferral of U.S. income taxation (or conversion of ordinary income into capital gain) through investment in non-U.S. corporations could apply to an investment in the Company. For example, the Company could, in such a circumstance, be considered a "controlled foreign corporation," in which case a U.S. Taxpayer might, in certain circumstances, be required to include in income that amount of the Company's earnings to which the Shareholder would have been entitled had the Company currently distributed all of its earnings. (Under current law, such income inclusions generally would not be expected to be treated as UBTI, so long as not deemed to be attributable to insurance income earned by the Company.) Also, upon the sale or exchange of Shares, all or part of any resulting gain could be treated as a dividend. Alternatively, if each Fund were treated as a separate entity for U.S. federal income tax purposes, the 10% ownership determinations would be made on an individual Fund basis. Similar rules could apply with respect to shares of any non-U.S. corporations that are held by a Shareholder indirectly through the Company.

#### *Reporting Requirements*

U.S. Taxpayers may be subject to additional U.S. tax reporting requirements by reason of their ownership of Shares. For example, special reporting requirements may apply with respect to certain interests in, transfers to, and changes in ownership interest in, the Company and certain foreign entities in which the Company may invest. A U.S. Taxpayer also would be subject to additional reporting requirements in the event that it is deemed to own 10% or more of the voting stock of a controlled foreign corporation by reason of its investment in the Company. Alternatively, the determination of "controlled foreign

corporation” and whether a U.S. Taxpayer owns a 10% voting interest would be made on an individual Fund basis, if each Fund were to be treated as a separate entity for U.S. federal income tax purposes. Each U.S. Taxpayer which is deemed to be a direct or indirect PFIC Shareholder will also be required to report annually such information as the U.S. Department of the Treasury shall require, regardless of whether such person has received any PFIC income or distributions in a given taxable year. Individuals holding foreign financial assets (including Company Shares) having an aggregate value of more than \$50,000 generally will be required to disclose such holdings with such individual’s U.S. tax returns. Significant penalties will apply to failures to disclose and to certain underpayments of tax attributable to undisclosed foreign financial assets. U.S. Taxpayers should consult their own U.S. tax advisors regarding any reporting responsibilities resulting from any investment in the Company.

#### *Tax Shelter Reporting*

Persons who participate in or act as material advisors with respect to certain “reportable transactions” must disclose required information concerning the transaction to the IRS. In addition, material advisors must maintain lists that identify such reportable transactions and their participants. Significant penalties apply to U.S. Taxpayers who fail to disclose a reportable transaction. Although the Company is not intended to be a vehicle to shelter U.S. federal income tax, and the new regulations provide a number of relevant exceptions, there can be no assurance that the Company and certain of its Shareholders and material advisors will not under any circumstance, be subject to these disclosure and list maintenance requirements.

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## STATUTORY AND GENERAL INFORMATION

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

- (a) The Company was incorporated in Ireland on 17 October 2013 as an investment company with variable capital with limited liability under registration number 534227.
- (b) The registered office of the Company is as stated in the Directory at the front of this Prospectus.
- (c) The authorised share capital of the Company is 500,000,000,000 redeemable Shares of no par value and 300,002 redeemable Non-Participating Shares of no par value issued at €1 each. Non-Participating Shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the amount paid up thereon but do not otherwise entitle them to participate in the assets of the Company. The Directors have the power to allot Shares in the capital of the Company on such terms and in such manner as they may think fit. As of the date of this Prospectus, the Company has issued Non-Participating Shares to the value of €300,002. The Company reserves the right to redeem some or all of the Non-Participating Shares provided that the Company at all times has a minimum issued share capital of at least €300,000.
- (d) The Company’s year-end is 31 January in each year. The annual report and audited accounts of the Company will be published within 4 months after the conclusion of each Accounting Date. The Company will also prepare a semi-annual report and unaudited accounts which will be published within 2 months

after the six month period ending on 31 July in each year. The annual report and semi-annual report will, upon request, be supplied to subscribers and Shareholders free of charge, and, if applicable, sent to the Irish Stock Exchange, and will be made available at the office of the Company. The Company may provide certain additional reports (including in relation to certain performance measures, risk measures or portfolio information) and/or accounting materials to any current or prospective Shareholders upon request, and, if deemed necessary by the Company, upon the execution of a confidentiality agreement and/or non-disclosure agreement.

- (e) As at the date of this Prospectus, the Company has no loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, finance leases, hire purchase commitments, guarantees or contingent liabilities in respect of any of the Funds.

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

- (a) The rights attaching to the Shares issued in any Fund or Class may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued Shares of that Fund or Class, or with the sanction of a special resolution passed at a general meeting of the Shareholders of that Fund or Class.
- (b) A resolution in writing signed by all the Shareholders and holders of Non-Participating Shares for the time being entitled to attend and vote on such resolution at a general meeting of the Company shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the Company duly convened and held and if described as a special resolution shall be deemed to be a special resolution.
- (c) The rights attaching to the Shares shall not be deemed to be varied by the creation, allotment or issue of any further Shares ranking *pari passu* with Shares already in issue.
- (d) There are no rights of pre-emption upon the issue of Shares.

## **3. Voting Rights**

The rights conferred on Shareholders by virtue of their shareholdings are governed by the Constitution, the general law of Ireland and the Act.

The following rules relating to voting rights apply:

- (a) Fractions of Shares do not carry voting rights.
- (b) Every Shareholder or holder of Non-Participating Shares present in person or by proxy who votes on a show of hands shall be entitled to one vote, save with respect to Shares that are designated as non-voting Shares.
- (c) The chairman of a general meeting of a Class or any Shareholder of a Class present in person or by proxy at a meeting of a Class may demand a poll. The chairman of a general meeting of the Company or by one or more Members present in person or by proxy or any Shareholder or Shareholders present in

person or by proxy representing at least one tenth of the Shares in issue having the right to vote at such meeting may demand a poll.

- (d) On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him and every holder of Non-Participating Shares shall be entitled to one vote in respect of all Non-Participating Shares held by him. A Shareholder entitled to more than one vote need not cast all his votes or cast all the votes he uses in the same way.
- (e) Any person (whether a Member or not) may be appointed to act as a proxy. A Member may appoint more than one proxy to attend on the same occasion.
- (f) Any instrument appointing a proxy must be deposited at the registered office of the Company, not less than 48 hours before the meeting or at such other place and by such time as is specified in the notice convening the meeting. The Directors may at the expense of the Company send by post or otherwise to the Shareholders instruments of proxy (with or without prepaid postage for their return) and may either leave blank the appointment of the proxy or nominate one or more of the Directors or any other person to act as proxy.
- (g) To be passed, ordinary resolutions of the Company or of the Shareholders of a particular Fund or Class will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed. Special resolutions of the Company or of the Shareholders of a particular Fund or Class will require a majority of not less than 75% of the votes cast by the Shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Constitution.

#### **4. Meetings**

- (a) The Directors may, in accordance with the Act, convene extraordinary general meetings of the Company at any time. The Directors shall convene an annual general meeting within six months of the end of each Accounting Period.
- (b) Not less than 21 days' notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to Shareholders and 14 days' notice must be given in the case of any other general meeting.
- (c) Two Members present either in person or by proxy shall be a quorum for a general meeting provided that the quorum for a general meeting convened to consider any alteration to the rights of Shares in a Fund or Class shall be two Shareholders holding or representing by proxy Shares of the relevant Fund or Class. If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of or by Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same time, day and place in the next week or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be a quorum and in the case of a meeting of a Fund or Class convened to consider the variation of rights of Shareholders in such Fund or Class the quorum shall be one Shareholder holding Shares of the Fund or Class in question or his proxy. All general meetings will be held in Ireland.

- (d) The foregoing provisions with respect to the convening and conduct of meetings shall save as otherwise specified with respect to meetings of Funds or Classes and, subject to the Act, have effect with respect to separate meetings of each Fund or Class at which a resolution varying the rights of Shareholders in such Class is tabled.

## **5. Transfer of Shares**

Transfers of Shares may be effected in writing in any usual or common form, signed by or on behalf of the transferor and every transfer shall state the full name and address of the transferor and transferee.

The Directors may from time to time specify an initial charge for the registration of instruments of transfer provided that the maximum fee may not exceed 5% of the Net Asset Value of the Shares subject to the transfer as at the Valuation Point on the Dealing Day immediately preceding the date of the transfer.

The Directors may decline to register any transfer of Shares if:

- (a) in consequence of such transfer (i) the transferor or the transferee would hold a number of Shares less than the minimum holding of the relevant Fund (if any); or (ii) the transferee (being an initial investor in the Fund) would hold less than the minimum subscription;
- (b) all applicable taxes and/or stamp duties have not been paid in respect of the instrument of transfer;
- (c) the instrument of transfer is not deposited at the registered office of the Company or such other place as the Directors may reasonably require, accompanied by (i) the certificate, if any, for the Shares to which it relates (if any), (ii) such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, (iii) such relevant information and declarations as the Directors may reasonably require from the transferee including, without limitation, an Application Form duly completed by the proposed transferee, information and declarations of the type which may be requested from an applicant for Shares in a Fund and (iv) such fee as may from time to time be specified by the Directors for the registration of any instrument of transfer;
- (d) they are aware or reasonably believe the transfer would result in the beneficial ownership of such Shares in contravention of any restrictions on ownership imposed by the Directors or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the Company, a Fund, a Class or Shareholders as a whole of the Company or of any Fund or Class;

If requested to do so by the Directors a transferee shall be required to deliver to the Company such certificates, opinions, statements or other evidence required by the Directors for any of the aforementioned purposes.

The registration of transfers may be suspended for such periods as the Directors may determine, provided always that each registration may not be suspended for more than 30 days.

## 6. Communications and Notices to Shareholders

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

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

## 7. Directors

The following is a summary of the principal provisions in the Constitution relating to the Directors:-

- (a) Unless otherwise determined by an ordinary resolution of the Company in general meeting, the number of Directors shall not be less than two nor more than nine;
- (b) A Director need not be a Shareholder;
- (c) The Constitution contains no provisions requiring Directors to retire on attaining a particular age or to retire on rotation;
- (d) A Director may vote and be counted in the quorum at a meeting to consider the appointment or the fixing or variation of the terms of appointment of any Director to any office or employment with the Company or any company in which the Company is interested, but a Director may not vote or be counted in the quorum on a resolution concerning his own appointment;
- (e) The Directors for the time being are entitled to such remuneration as may be determined by the Directors and disclosed in the Prospectus and may be reimbursed all reasonable travel, hotel and other expenses incurred in connection with the business of the Company or the discharge of their duties and may be entitled to additional remuneration if called upon to perform any special or extra services to or at the request of the Company;
- (f) A Director may hold any other office or place of profit under the Company, other than the office of Auditor, in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine;
- (g) No Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise, nor shall any contract or

arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director who is so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, but the nature of his interest must be declared by him at the meeting of the Directors at which the proposal to enter into the contract or agreement is first considered or, if the Director in question was not at the date of that meeting interested in the proposed contract or arrangement, at the next Directors' meeting held after he becomes so interested. A general notice in writing given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or arrangement which may thereafter be made with that company or firm is deemed to be a sufficient declaration of interest in relation to any contract or arrangement so made; and

- (h) A Director may not vote in respect of any contract or arrangement or any proposal whatsoever in which he has any material interest or a duty which conflicts with the interests of the Company and shall not be counted in the quorum at a meeting in relation to any resolution upon which he is debarred from voting unless the Directors resolve otherwise. However, a Director may vote and be counted in quorum in respect of any proposal concerning any other company in which he is interested directly or indirectly, whether as an officer, shareholder, member, partner, employee, agent or otherwise. A Director may also vote and be counted in the quorum in respect of any proposal concerning an offer of Shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Company or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the Company for which the Director has assumed responsibility in whole or in respect of the purchase of directors' and officers' liability insurance.
- (i) The office of a Director shall be vacated in any of the following events namely:-
  - i. if he resigns his office by notice in writing signed by him in accordance with the requirements of the Central Bank and left at the registered office of the Company;
  - ii. if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - iii. in the opinion of a majority of the Directors, he becomes incapable by reason of unsound mind of discharging his duties as a Director;
  - iv. if he is absent from meetings of the Directors for six successive months without leave expressed by a resolution of the Directors and the Directors resolve that his office be vacated;
  - v. if he ceases to be a Director by virtue of, or becomes prohibited or restricted from being a Director by reason of, an order made under the provisions of any law or enactment;

- vi. if he is requested by a majority of the other Directors (not being less than two in number) to vacate office; or
- vii. if he is removed from office by ordinary resolution of the Company.

## **8. Directors' Interests**

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

- i. the Directors or companies of which they are officers or employees, including the Investment Manager, may subscribe for Shares in a Fund. Their applications for Shares will rank *pari passu* with all other applications.
- ii. no Director has any interest, direct or indirect, in the promotion of or in any assets which are proposed to be acquired, disposed of by or leased to the Fund and no Director has a material interest in any contract or arrangement entered into by the Fund which is unusual in nature or conditions or significant in relation to the business of the Fund, nor has any Director had such an interest since the Fund was incorporated other than:
  - (i) Daria L. Foster who is a Member of the Investment Manager, which receives fees in respect of its services to the Company;
  - (ii) Douglas B. Sieg who is a Member of the Investment Manager, which receives fees in respect of its services to the Company; and
  - (iii) Lawrence H. Kaplan who is a Member of the Investment Manager, which receives fees in respect of its services to the Company.

None of the Directors, nor any connected person have any direct interest in the share capital of the Company or any options in respect of such capital.

## **9. Winding Up**

- (a) The Company may be wound up if:
  - i. within a period of three months from the date on which (a) the Depositary notifies the Company of its desire to retire in accordance with the terms of the Depositary Agreement and has not withdrawn notice of its intention to so retire, (b) the appointment of the Depositary is terminated by the Company in accordance with the terms of the Depositary Agreement, or (c) the Depositary ceases to be approved by the Central Bank to act as a depositary, and no new Depositary has been appointed (the appointment of the replacement Depositary and the replacement Depositary being subject to the prior approval of the Central Bank) with the approval of the Central Bank, the Directors shall instruct the Company's secretary to forthwith convene an extraordinary general meeting of the Company at which there shall be proposed an ordinary resolution to wind up the Company in accordance with the provisions in the Constitution. Notwithstanding

anything set out above, the Depositary's appointment shall only terminate on revocation of the Company's authorisation by the Central Bank;

- ii. the Shareholders resolve by special resolution to wind up the Company.
- (b) In the event of a winding up, the liquidator shall apply the assets of the Company on the basis that any liability incurred or attributable to a Fund shall be discharged solely out of the assets of that Fund.
- (c) The assets available for distribution among the Shareholders shall be applied in the following priority:-
- i. firstly, in the payment to the Shareholders of each Fund or Class of a sum in the Base Currency (or in any other currency selected and at such rate of exchange as determined by the liquidator) as nearly as possible equal to the Net Asset Value of the Shares of the relevant Fund or Class held by such Shareholders respectively as at the date of commencement of winding up;
  - ii. secondly, in the payment to the holders of Non-Participating Shares of sums up to the nominal amount paid up thereon out of the assets of the Company not comprised within a Fund's investment portfolio provided that if there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets comprised within such Fund;
  - iii. thirdly, in the payment to the Shareholders of each Fund or Class of any balance then remaining in the Company, in proportion to the number of Shares held in the relevant Fund or Class; and
  - iv. fourthly, any balance then remaining and not attributable to any Class shall be apportioned between the Funds or Classes pro-rata to the Net Asset Value of each Fund or Class or attributable to each Class immediately prior to any distribution to Shareholders and the amounts so apportioned shall be paid to Shareholders pro-rata to the number of Shares in that Fund or Class held by them.
- (d) The liquidator may, with the authority of an ordinary resolution of the Company, divide among the Shareholders (pro rata to the value of their respective shareholdings in the Company) 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 provided that any Shareholder shall be entitled to request the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such sale. The costs of any such sale shall be borne by the relevant Shareholder. The liquidator may, with like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator shall think fit and the liquidation of the Company may be closed and the Company dissolved, provided that no Shareholder shall be compelled to accept any asset in respect of which there is any liability. Further the liquidator may with like authority transfer the whole or part of the assets of the Company to a company or collective investment scheme (the "Transferee Company") on terms that Shareholders in the Company shall receive from the Transferee

Company Shares or units in the Transferee Company of equivalent value to their shareholdings in the Company.

- (e) The Shareholders of any Fund may, by way of special resolution, and subject to the requirements of the Central Bank, authorise the amalgamation/merger of the Fund with another Fund or any other collective investment schemes or schemes, which amalgamation/merger may involve the redemption of Shares of the relevant Fund and in the case of an amalgamation/merger with a collective investment scheme other than a Fund, may involve the transfer of the whole or part of the assets of the Fund to the depositary/trustee (who may or may not be regulated by the Central Bank) or the relevant collective investment scheme.
- (f) Notwithstanding any other provision contained in the Constitution, should the Directors at any time and in their absolute discretion resolve that it would be in the best interests of the Shareholders to wind up the Company, the secretary shall forthwith at the Directors' request convene an extraordinary general meeting of the Company at which there shall be presented a proposal to appoint a liquidator to wind up the Company and if so appointed, the liquidator shall distribute the assets of the Company in accordance with the Constitution.

#### **10. Remuneration Policy**

- (a) The Company has approved a remuneration policy (the “**Remuneration Policy**”) in accordance with the requirements of the Regulations, which applies to remuneration of any type paid by the Company including in certain circumstances and to certain persons prescribed by the Regulations.
- (b) Through the implementation of the Remuneration Policy, the Company will ensure good corporate governance and promote sound and effective risk management. Specifically, it will ensure that risk taking which would be considered inconsistent with the risk profile of the Company, the Constitution and this Prospectus is not encouraged. The Company will ensure that related decisions are consistent with the overall business strategy, objectives, values and interests of the Company and to try to avoid any conflicts of interest which may arise.
- (c) While the total annual remuneration of each member of identified staff as set out in the Remuneration Policy, may contain both a fixed remuneration (i.e. in the form of a directorship fee or salary) and a performance related component, the Company does not currently pay any performance-related remuneration.
- (d) The Company will be held ultimately responsible for the implementation of the policy and will ensure that the Remuneration Policy is reviewed annually.
- (e) The Remuneration Policy is available at [www.passportportfolios.com](http://www.passportportfolios.com) and a paper copy will be provided free of charge upon request.

#### **11. Termination of the Company, Funds or Classes**

The Directors, in their sole and absolute discretion, may terminate the Company, a Fund or a Class in any of the following events:-

- (a) If at any time the Net Asset Value of the Company, a Fund or Class shall be less than such amount as may be determined by the Directors in respect of that Fund or Class as disclosed in this Prospectus;
- (b) the Company, a Fund or a Class shall cease to be authorised or otherwise officially approved;
- (c) if there is any change in applicable law or regulation which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the Company, a Fund or Class;
- (d) if there is any change in material aspects of the business, in the economic or political situation relating to the Company, a Fund or Class which the Directors consider would have material adverse consequences on the investments of the Company, a Fund or Class;
- (e) if the Directors shall have resolved that it is impracticable or inadvisable for the Company, a Fund or Class to continue to operate having regard to prevailing market conditions and the best interests of the Shareholders.

The decision of the Directors in any of the above events shall be final and binding on all the parties concerned but the Directors shall be under no liability on account of any failure to terminate the relevant Fund pursuant to this clause or otherwise.

## **12. Indemnities and Insurance**

The Directors (including alternates), Company Secretary and other officers of the Company and its former directors and officers shall be indemnified by the Company against losses and expenses to which any such person may become liable by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (other than in the case of fraud, negligence or wilful default). The Company acting through the Directors is empowered under the Constitution to purchase and maintain for the benefit of persons who are or were at any time Directors or officers of the Company insurance against any liability incurred by such persons in respect of any act or omission in the execution of their duties or exercise of their powers.

## **13. Allocation of Assets and Liabilities**

The assets and liabilities of each Fund will be allocated in the following manner:

- (a) the proceeds from the issue of Shares representing a Fund shall be applied in the books of the Company of the Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Constitution;
- (b) where any asset is derived from another asset, such FDI asset shall be applied in the books of the Company to the same Fund as the assets from which it was derived and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant Fund;
- (c) where the Company incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset of a particular Fund, such a liability shall be allocated to the relevant Fund, as the case may be; and

- (d) where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, such asset or liability, subject to the approval of the Depositary, shall be allocated to all the Funds pro rata to the Net Asset Value of each Fund.

Any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund, and, neither the Company nor any Director, receiver, examiner, liquidator, provisional liquidator or other person shall apply, nor be obliged to apply, the assets of any such Fund in satisfaction of any liability incurred on behalf of, or attributable to, any other Fund.

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

In the event that assets attributable to a Fund are taken in execution of a liability not attributable to that Fund, and in so far as such assets or compensation in respect thereof cannot otherwise be restored to the Fund affected, the Directors, with the consent of the Depositary, shall certify or cause to be certified, the value of the assets lost to the Fund affected and transfer or pay from the assets of the Fund or Funds to which the liability was attributable, in priority to all other claims against such Fund or Funds, assets or sums sufficient to restore to the Fund affected, the value of the assets or sums lost to it.

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

Separate records shall be maintained in respect of each Fund.

#### **14. Material Contracts**

The following contracts have been entered into and are, or may be, material:

- (a) Investment Management Agreement
  - i. By an agreement (the “Investment Management Agreement”) dated 4 February 2014 between the Company and the Investment Manager, the Investment Manager has agreed to act as the investment manager of the Company;
  - ii. Details of the fees payable to the Investment Manager are set out in the section “FEES AND EXPENSES: Service Provider Fees and Expenses”;
  - iii. The Investment Management Agreement may be terminated by either party on not less than 90 days’ notice in writing. The Investment Management Agreement may be terminated forthwith by written notice given by either party to the other in certain circumstances;
  - iv. The Investment Manager is indemnified by the Company from and against any and all liabilities, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from fraud, negligence, bad faith, or wilful default on the part of the Investment Manager or of any delegate, servant or agent) which may be imposed on, incurred by

or asserted against the Investment Manager in performing its obligations under the Investment Management Agreement.

(b) Administration Agreement

- i. By an agreement (the “Administration Agreement”) dated 4 February 2014 between the Company and the Administrator, the Administrator will act as administrator and registrar to the Company.
- ii. Details of the fees and expenses payable to the Administrator are set out in the section “FEES AND EXPENSES: Service Provider Fees and Expenses”.
- iii. The Administration Agreement may be terminated by either party on not less than 90 days’ written notice. In addition, the Administration Agreement may be terminated immediately: (i) if either party commits any breach of the provisions of the Administration Agreement and fails to remedy that breach (provided the breach is capable of being remedied) within 30 days of receipt of notice service by the other party requiring it to do so; (ii) if the continued performance of the Administration Agreement for any reason ceases to be lawful; or (iii) in the event of a winding up (except for voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the non-defaulting parties) of or the appointment of an examiner or receiver to the other or upon the happening of a like event whether at the discretion of an appropriate regulatory agency or court of competent jurisdiction or otherwise; or (iv) the Depositary ceases to be the Depositary of the Company.
- iv. The Administration Agreement contains an indemnity in favour of the Administrator against, 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 the Administration Agreement. This indemnity does not apply to such losses, claims, damages, liabilities or expenses resulting from the wilful misfeasance, fraud recklessness, bad faith, or negligence of the Administrator.

(c) Depositary Agreement

- i. An agreement entered into between the Company and the Depositary appointing the Depositary of the Company as originally entered into pursuant to the custody agreement dated 4 February 2014 as superseded and replaced by the depositary agreement dated 18 March 2016.
- ii. The Depositary Agreement may be terminated by either party on not less than 90 days’ written notice provided that the appointment of the Depositary shall continue in force until a replacement Depositary approved by the Central Bank has been appointed. In addition, the Depositary Agreement may be terminated immediately: (i) if either party commits any breach of the provisions of the Depositary Agreement and fails to remedy that breach (provided the breach is capable of being remedied) within 30 days of receipt of notice service by the other party requiring it to do so; or (ii) upon the appointment of

an examiner or receiver to the other or upon the happening of a like event whether at the discretion of an appropriate regulatory agency or court of competent jurisdiction or otherwise; or (iii) if the Depositary ceases to be permitted to act as a depositary of collective investment schemes by the Central Bank under Irish law.

- iii. The Depositary Agreement contains an indemnity in favour of the Depositary against all actions, proceedings, and claims against all losses, costs, demands and expenses arising therefrom which may be brought against, suffered or incurred by the Depositary by reason of its performance of its duties under the terms of the Depositary Agreement (other than to the extent that it relates to loss for which the Depositary is for the negligent or intentional failure of the Depositary of the performance of its duties. The indemnity may be extended to third parties including sub-custodians.

(d) Distribution Agreement

- i. By an agreement (the “Distribution Agreement”) dated 4 February 2014 between the Company and the Distributor, the Distributor will act as distributor to the Company.
- ii. Details of the fees and expenses payable to the Distributor are set out in the section “FEES AND EXPENSES: Service Provider Fees and Expenses”.
- iii. The Distribution Agreement may be terminated by either party on not less than 60 days’ written notice. In addition, the Distribution Agreement may be terminated immediately if: (i) in the event of the winding up or the appointment of an examiner or receiver to the other party or upon the happening of a like event at the direction of an appropriate regulatory agency or court of competent jurisdiction; (ii) either party is no longer being permitted to perform its obligations pursuant to applicable law or regulation; (iii) either party fails to remedy a material breach of the Distribution Agreement (if capable of remedy) within 30 days after service of notice by the other party requesting it to do so; or (iv) upon the Distributor ceasing to be permitted to act as Distributor pursuant to applicable law or becoming otherwise unable to perform its duties.
- iv. The Distribution Agreement contains an indemnity in favour of the Distributor, its affiliates and any person acting on their behalf, but only to the extent assets are available in the Company, against any expenses (including legal and professional fees), losses, claims, damages or liabilities (or actions in respect thereof), joint or several (the “Covered Claims”), to which the Distributor may become subject, insofar as such Covered Claims arise out of (i) any failure on the part of the Company to comply with any provision of the Distribution Agreement, the Prospectus, or any applicable laws and regulations; or (ii) are based upon an untrue statement or alleged untrue statement of a material fact contained in the Prospectus, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statement therein, in light of the circumstances under which they are made, not misleading.

## **15. Supply and Inspection of Documents**

The following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays and public holidays excepted) at the registered office of the Company:

- (a) the certificate of incorporation and Constitution of the Company;
- (b) the Prospectus (as amended and supplemented);
- (c) the Key Investor Information Documents;
- (d) the annual and semi-annual reports relating to the Company when available;
- (e) the material contracts referred to above;
- (f) the Regulations and the Central Bank UCITS Regulations;
- (g) a list of past and current directorships and partnerships held by each Director over the last five years.

Copies of the Constitution of the Company (each as amended from time to time in accordance with the requirements of the Central Bank) and the latest financial reports of the Company, may be obtained, free of charge, upon request at the registered office of the Company.

## SCHEDULE I

### Regulated Markets

The following is a list of regulated stock exchanges and markets in which the assets of each Fund may be invested from time to time and is set out in accordance with the Central Bank's requirements. **With the exception of permitted investments in unlisted securities and open-ended collective investment schemes investment is restricted to these stock exchanges and markets listed in the Prospectus.** The Central Bank does not issue a list of approved stock exchanges or markets.

(i) without restriction in any stock exchange which is:

- located in any Member State of the European Union; or
- located in a Member State of the EEA
- located in any of the following countries:

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

(ii) without restriction in any of the following:

Argentina	Bolsa de Comercio de Buenos Aires
Argentina	Bolsa de Comercio de Cordoba
Argentina	Mercado Abierto Electronico S.A.
Bahrain	Bahrain Stock Exchange
Bangladesh	Dhaka Stock Exchange
Botswana	Botswana Stock Exchange
Brazil	Bolsa de Valores do Rio de Janeiro
Brazil	Bolsa de Valores de Sao Paulo
Chile	Bolsa de Comercio de Santiago
Chile	Bolsa Electronica de Chile
China, Peoples' Republic of	Shanghai Securities Exchange
China, Peoples' Republic of	Shenzhen Stock Exchange
Colombia	Bolsa de Valores de Colombia
Croatia	Zagreb Stock Exchange
Egypt	Cairo and Alexandria Stock Exchange
Ghana	Ghana Stock Exchange
India	Bangalore Stock Exchange
India	Calcutta Stock Exchange
India	Delhi Stock Exchange
India	The Stock Exchange, Mumbai
India	National Stock Exchange of India
Indonesia	Jakarta Stock Exchange
Israel	Tel-Aviv Stock Exchange
Jordan	Amman Stock Exchange
Kazakhstan (Rep. Of)	Kazakhstan Stock Exchange
Kenya	Nairobi Stock Exchange
Korea	Korea Stock Exchange

Korea	KOSDAQ
Kuwait	Kuwait Stock Exchange
Lebanon	Bourse de Beyrouth
Malaysia	Bursa Malaysia
Mauritius	Stock Exchange of Mauritius
Mexico	Bolsa Mexicana de Valores
Morocco	Societe de la Bourse des Valeurs de Casablanca
Namibia	Namibian Stock Exchange
Nigeria	Nigerian Stock Exchange
Oman	Muscat Securities Market
Pakistan	Islamabad Stock Exchange
Pakistan	Karachi Stock Exchange
Pakistan	Lahore Stock Exchange
Palestine	Palestine Stock Exchange
Peru	Bolsa de Valores de Lima
Philippines	Philippine Stock Exchange
Qatar	Doha Securities Market
Russian Federation	Moscow Stock Exchange
Saudi Arabia	Saudi Stock Exchange
Serbia	Belgrade Stock Exchange
Singapore	Singapore Exchange
South Africa	JSE Securities Exchange
Sri Lanka	Colombo Stock Exchange
Taiwan (Republic of China)	Taiwan Stock Exchange Corporation
Taiwan (Republic of China)	Gre Tai Securities Market
Thailand	Stock Exchange of Thailand
Trinidad & Tobago	Trinidad & Tobago Stock Exchange
Tunisia	Bourse des Valeurs Mobilieres de Tunis
Turkey	Istanbul Stock Exchange
Ukraine	Ukrainian Stock Exchange
United Arab Emirates	Abu Dhabi Stock Exchange
UAE	Dubai International Financial Exchange
Uruguay	Bolsa de Valores de Montevideo
Venezuela	Venezuela Electronic Stock Exchange
Venezuela	Caracas Stock Exchange
Venezuela	Maracaibo Stock Exchange
Vietnam	Ho Chi Minh City Securities Trading Centre
Zambia	Lusaka Stock Exchange

(iii) for the purposes of investment in Russia and the States of the Russian Federation a Fund may invest in any of the following markets:

MICEX;  
RTS;

(iv) without restriction in any of the following:

the market organised by the International Capital Market Association;

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, Non-U.S. Exchange and Bullion” dated April, 1988 (as amended from time to time);

AIM - the Alternative Investment Market in the United Kingdom, regulated and operated by the London Stock Exchange;

the French Markets for Titres de Créances Négotiables (the Over-the-Counter markets in negotiable debt instruments);

the Over-the-Counter market in the United States of America regulated by the Financial Industry Regulatory Authority;

NASDAQ in the United States of America;

the Over-the-Counter market in Japan regulated by the Securities Dealers Association of Japan;

the market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York; and

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

- (v) In addition to those markets listed above on which financial derivative instruments are traded, the following regulated derivatives markets:

All derivatives exchanges on which permitted financial derivative instruments may be listed or traded:

- in a Member State;
- in a Member State in the European Economic Area (the European Union, Norway, Iceland and Liechtenstein);

in Asia, on the

- Bursa Malaysia Derivatives Berhad
- Hong Kong Exchanges & Clearing;
- Jakarta Futures Exchange;
- Korea Futures Exchange;
- Korea Stock Exchange;
- Kuala Lumpur Options and Financial Futures Exchange;
- National Stock Exchange of India;
- Osaka Mercantile Exchange;
- Osaka Securities Exchange;
- Shanghai Futures Exchange (SHFE);
- Singapore Commodity Exchange;
- Singapore Exchange;
- Stock Exchange of Thailand;
- Taiwan Futures Exchange;
- Taiwan Stock Exchange;
- The Stock Exchange, Mumbai;
- Tokyo International Financial Futures Exchange;
- Tokyo Stock Exchange;

in Australia, on the

- Australian Stock Exchange;
  - Sydney Futures Exchange;
- in Brazil on the Bolsa de Mercadorias & Futuros (BM&F);

in Israel on the Tel-Aviv Stock Exchange;  
in Mexico on the Mexican Derivatives Exchange (MEXDER)  
in South Africa on the South African Futures Exchange (Safex);  
in Switzerland on Eurex (Zurich)  
in Turkey on Turkish Derivatives Exchange  
in the United States of America, on the

- American Stock Exchange;
- Chicago Board of Trade;
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;
- Eurex US;
- International Securities Exchange;
- New York Futures Exchange;
- New York Board of Trade;
- New York Mercantile Exchange;
- Pacific Stock Exchange;
- Philadelphia Stock Exchange;
  
- in Canada on the
- Bourse de Montreal;
- Winnipeg Commodity Exchange (WCE).

(vi) for the purposes only of determining the value of the assets of a Fund, the term "Recognised Exchange" shall be deemed to include, in relation to any futures or options contract, any organised exchange or market on which such futures or options contract is regularly traded.

## SCHEDULE II

### Investment Restrictions Applicable to the Funds

#### 1. Permitted Investments

Investments of a Fund are confined to:

- 1.1 Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
- 1.2 Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3 Money Market Instruments other than those dealt on a Regulated Market.
- 1.4 Units of UCITS.
- 1.5 Units of AIF.
- 1.6 Deposits with credit institutions.
- 1.7 Financial derivative instruments.

#### 2. Investment Restrictions

- 2.1 A Fund may invest no more than 10% of net assets in transferable securities and Money Market Instruments other than those referred to in paragraph 1.
- 2.2 A Fund 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 Company in certain U.S. securities known as Rule 144A securities provided that:
  - the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and
  - the securities are not illiquid securities i.e. they may be realised by the Company within seven days at the price, or approximately at the price, at which they are valued by the Company.
- 2.3 A Fund may invest no more than 10% of net assets in transferable securities or Money Market Instruments issued by the same body provided that the total value of transferable securities and Money Market Instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4 The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Fund.

- 2.5 The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 2.6 The transferable securities and Money Market Instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
- 2.7 The Fund 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

- (i) a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein);
- (ii) 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
- (iii) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand,

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 depository.

- 2.8 The risk exposure of a Fund 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.

- 2.9 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:

- (i) investments in transferable securities or Money Market Instruments;
- (ii) deposits, and/or
- (iii) counterparty risk exposures arising from OTC derivatives transactions.

- 2.10 The limits referred to in 2.3, 2.4, 2.5, 2.6, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.

- 2.11 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.6, 2.7, 2.8 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.

- 2.12 A Fund may invest up to 100% of net assets in different transferable securities and Money Market Instruments issued or guaranteed by any Member State, its local

authorities, non-Member States or public international body of which one or more Member States are members.

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

OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter-American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC and Export-Import Bank.

The Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

### **2.13 Deposits**

Deposits with any single credit institution other than a credit institution specified in Regulation 7 of the Central Bank Regulations held as ancillary liquidity shall not exceed:

- (a) 10% of the NAV of the Fund; or
- (b) where the deposit is made with the Depositary 20% of the net assets of the Fund.

### **2.14 Recently Issued Transferable Securities**

1. Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of a Fund in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2016 apply.

2. Paragraph (1) does not apply to an investment by a responsible person in US Securities known as "Rule 144 A securities" provided that;
- (a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and
  - (b) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the Company.

### **3. Investment in Collective Investment Schemes ("CIS")**

- 3.1 A Fund may not invest more than 20% of net assets in any one CIS.
- 3.2 Investment in AIF may not, in aggregate, exceed 30% of net assets.
- 3.3 The CIS are prohibited from investing more than 10% of net assets in other open-ended CIS.

3.4 When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS.

3.5 Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the Fund (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the Fund.

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

4.1 A Fund 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 Fund is to replicate an index which satisfies the criteria set out in the UCITS Regulations 2016 and is recognised by the Central Bank.

4.2 The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

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

5.1 An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

5.2 A Fund may acquire no more than:

- (i) 10 % of the non-voting shares of any single issuing body;
- (ii) 10 % of the debt securities of any single issuing body;
- (iii) 25 % of the units of any single CIS;
- (iv) 10 % of the Money Market Instruments of any single issuing body.

NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments, or the net amount of the securities in issue cannot be calculated.

5.3 5.1 and 5.2 shall not be applicable to:

- (i) transferable securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
- (ii) transferable securities and Money Market Instruments issued or guaranteed by a non-Member State;
- (iii) transferable securities and Money Market Instruments issued by public international bodies of which one or more Member States are members;

- (iv) shares held by a Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that Member State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.
- (v) Shares held by an investment company or investment companies or Irish Collective Asset-management Vehicle ("ICAV") or ICAV's 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 redemption of units at unit-holders' request exclusively on their behalf.

5.4 A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or Money Market Instruments which form part of their assets.

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

5.6 If the limits laid down herein are exceeded for reasons beyond the control of the Company, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.

5.7 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:

- (i) transferable securities;
- (ii) Money Market Instruments\*;
- (iii) units of CIS; or
- (iv) financial derivative instruments.

5.8 A Fund may hold ancillary liquid assets.

## **6. Financial Derivative Instruments ('FDIs')**

6.1 The Fund's global exposure relating to FDI must not exceed its total Net Asset Value.

6.2 Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or Money Market Instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations/UCITS Rules. (This provision does not apply in the case of index based FDI provided the

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\* Any short selling of money market instruments by UCITS is prohibited.

underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations).

- 6.3 A Fund 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.
- 6.4 Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

## SCHEDULE III

### Definition of U.S. Person and U.S. Taxpayer

#### “U.S. Person”

A “U.S. Person” for the purpose of this Prospectus is a “U.S. Person” as defined by Rule 902 of Regulation S promulgated under the 1933 Act, and does not include any “Non-United States person” as used in Rule 4.7 under the U.S. Commodity Exchange Act, as amended;

Regulation S currently provides that:

1. “U.S. Person” means:
  - (a) any natural person resident in the U.S.;
  - (b) any partnership or corporation organised or incorporated under the laws of the U.S.;
  - (c) any estate of which any executor or administrator is a U.S. Person;
  - (d) any trust of which any trustee is a U.S. Person;
  - (e) any agency or branch of a non-U.S. entity located in the U.S.;
  - (f) any non-discretionary or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;
  - (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 U.S.; and
  - (h) any partnership or corporation if
    - (i) organised or incorporated under the laws of any non-U.S. jurisdiction and
    - (ii) formed by a U.S. Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined under Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts.
2. “U.S. Person” does not include:
  - (a) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organised, incorporated, or, if an individual, resident in the U.S.;
  - (b) any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person if (i) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate and (ii) the estate is governed by non-U.S. law;

- (c) any trust of which any professional fiduciary acting as trustee is a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person;
- (d) an employee benefit plan established and administered in accordance with the law of a country other than the U.S. and customary practices and documentation of such country;
- (e) any agency or branch of a U.S. Person located outside the U.S. if (i) the agency or branch operates for valid business reasons and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located;
- (f) 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; and
- (g) any entity excluded or exempted from the definition of "U.S. Person" in reliance on or with reference to interpretations or positions of the SEC or its staff;

Rule 4.7 of the U.S. Commodity Exchange Act regulations 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 U.S.; (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-U.S. Persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as non-U.S. Persons in a pool with respect to which the operator is exempt from certain requirements of the U.S. Commodity Futures Trading Commission's regulations by virtue of its participants being non-U.S. Persons; and (e) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside of the U.S.

#### "U.S. Taxpayer"

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

who are aliens as to the United States but who have spent 183 days or more in the United States in any of the last two years should check with their tax advisors as to whether they may be considered residents of the United States.

An investor may be a U.S. Taxpayer for Federal income tax purposes but not a "U.S. Person" for purposes of investor qualification for a Fund. For example, an individual who is a U.S. citizen residing outside of the U.S. is not a "U.S. Person" but is a U.S. Taxpayer for Federal income tax purposes.

## SCHEDULE IV

### Efficient Portfolio Management Techniques and Instruments

In addition to the investments in FDIs, the Company may employ other techniques and instruments relating to transferable securities and money market instruments subject to the Regulations and to conditions imposed by the Central Bank. These techniques and instruments will be used in the best interest of the Shareholders.

Such techniques and instruments are set out below and are subject to the following conditions:

All assets received by a Fund in the context of efficient portfolio management techniques should be considered as collateral and should comply with the criteria set down below. It is not anticipated that the Company will engage in securities lending on behalf of any Fund.

It is typically expected that, where permitted by the investment policy of a Fund as set out in its Supplement, approximately 10% of the Net Asset Value of available instruments in a relevant Fund may be subject to repurchase/reverse repurchase agreements or securities lending at any given time, but subject to a maximum of up to 75% of the Net Asset Value.

Solely where described in a Supplement, a Fund may utilize total return swaps in accordance with its investment policy. Where the investment policy provides that total return swaps are to be used as part of the primary investment policy, the Fund may invest in total return swaps up to 100% of its net assets with an expected range of usage in line with the percentage of long and short exposure of the relevant Fund otherwise such instruments are limited to 1/3 of the net assets of the relevant Fund. The underlying instruments permitted for total return swaps are as set out under "Swaps" in the section "Use of Financial Derivative Instruments" and in each Supplement.

#### *Collateral*

For the purposes of limiting the Funds' credit risk in respect of OTC transactions or repurchase agreements, collateral may be received from, or posted to, counterparties on behalf of the Funds. Collateral received must at all times meet with the following criteria:

**Liquidity:** Collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of UCITS Regulation 74.

**Valuation:** Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.

**Issuer Credit Quality:** Collateral received should be of high quality. The responsible person shall ensure that:

- (i) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the responsible person in the credit assessment process; and
- (ii) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in (i) this shall result in a new credit assessment being conducted of the issuer by the responsible person without delay.

**Correlation:** Collateral received must be issued by an entity that is independent from the counterparty and is not expected, on reasonable grounds to display a high correlation with the performance of the counterparty.

**Diversification (asset concentration):** Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Fund's Net Asset Value. When the Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this requirement, the Funds may be fully collateralised using transferable securities and money market instruments issued or guaranteed by any Member State, one or more of its local authorities, a third country or a public international body of which one or more Member States belongs provided the Funds should receive securities from at least 6 different issues and securities from any single issue shall not account for more than 30% of the relevant Fund's net asset value. It is expected that the Funds will receive collateral of more than 20% of the net asset value of each Fund in transferable securities or money market instruments issued by the U.S Government; however, the Funds may take collateral from any Member State or other body meeting the above criteria.

**Immediately Available:** Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.

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

Cash collateral may not be invested other than in the following:

- (a) deposits with relevant institutions;
- (b) high-quality government bonds;
- (c) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on an accrued basis;
- (d) short-term money market funds, as defined in the European Securities and Markets Authority Guidelines on a Common Definition of European Money Market Funds.

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

A Fund receiving collateral for at least 30% of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:

- design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- empirical approach to impact assessment, including back-testing of liquidity risk estimates;

- reporting frequency and limit/loss tolerance threshold/s; and
- mitigation actions to reduce loss including haircut policy and gap risk protection.

Where necessary, the Investment Manager (or Sub-Investment Manager) will apply haircuts to collateral in accordance with its documented haircut policy and will vary depending on the class of assets received. When applying a haircut, the Investment Manager considers 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, shall equal or exceed in value at all times the relevant counterparty exposure.

All counterparties to OTC FDI transactions, repurchase/reverse repurchase agreements or securities lending agreements will be with a counterparty which meets the counterparty requirements under the UCITS Rules as to legal status and origin.

Where a counterparty to a repurchase or a securities lending agreement which has been entered into on behalf of the Funds:

(a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account in the credit assessment process: and

(b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted by the Company.

Where there is a novation of a counterparty to an OTC FDI contract, the counterparty must be one which meets the requirements of the UCITS Rules or is a central counterparty authorized, recognized or pending recognition by ESMA under the European Market Infrastructure Regulation, or an entity classified as a derivatives clearing organization by the Commodity Futures Trading Commission or a clearing agency by the SEC.

The Company will ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.<sup>1</sup>

If the Company enters into a reverse repurchase agreement, it will ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement will be used for the calculation of the net asset value of the Fund.

If the Company enters into a repurchase agreement, it will ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of the Central Bank UCITS Regulations.

### *Safekeeping*

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<sup>1</sup> Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the UCITS.

Collateral received on a title transfer basis should be held in custody by the trustee. For other types of collateral arrangements, the collateral can be held by a third party depository which is subject to prudential supervision, and which is unrelated to the provider of the collateral. Assets pledged in such transactions by the Funds continue to be safekept by the Depository.

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**IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISORS**

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

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**SUPPLEMENT**

**LORD ABBETT HIGH YIELD FUND**

(A Fund of Lord Abbett Passport Portfolios plc, an open-ended investment company with variable capital constituted as an umbrella fund with segregated liability between its Funds)

The date of this Supplement No.2 is 2 June 2017

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**This Supplement contains specific information in relation to the Lord Abbett High Yield Fund (the "Fund"), a sub-fund of Lord Abbett Passport Portfolios plc (the "Company"). It forms part of and must be read in the context of and together with the Prospectus of the Company dated 2 June 2017.**

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

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## INTRODUCTION

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This Supplement comprises information relating to the Shares of the Fund to be issued in accordance with the Prospectus and this Supplement.

Application was made to the Irish Stock Exchange for the Shares of the Fund in respect of which an Initial Offer Price is indicated in the Schedule to this Supplement and issued or to be issued by the Company to be admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange. The Shares in respect of which no Initial Offer Price is indicated were admitted to listing on the Main Securities Market of the Irish Stock Exchange as at the date of the Supplement. The Directors intend to de-list those Shares that have been admitted to listing on the Main Securities Market of the Irish Stock Exchange and to refrain from listing any further Shares upon issue. Appropriate notice of the intended de-listing will be listed in the markets announcements on the webpage of the Irish Stock Exchange prior to taking effect. Investors concerned regarding the listing status of Shares should consult the markets announcements on the webpage of the Irish Stock Exchange prior to effecting a subscription as there is no guarantee that Shares will continue to be listed or that newly issued Shares shall be listed.

The general details set out in the Prospectus apply to the Fund save where otherwise stated in this Supplement. To the extent that there is any inconsistency between this Supplement and the Prospectus this Supplement shall prevail.

**Investors should read the section “RISK FACTORS” before investing in the Fund.**

**As the Directors may, at their discretion, impose an initial sales charge and/or a CDSC with respect to particular Classes, Shareholders in these Classes should view their investment as medium to long-term.**

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

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## THE FUND

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### **Investment Objective**

The investment objective of the Fund is to seek a high current income and the opportunity for capital appreciation to produce a high total return.

### **Investment Policies**

Under normal conditions, the Fund pursues its investment objective by investing primarily in High Yield Debt Securities (commonly referred to as “lower-rated” or “junk” bonds), including securities that are convertible into common stock or have warrants to purchase common stock. High Yield Debt Securities typically pay a higher yield than Investment Grade Debt Securities, but present greater risks.

The Investment Manager believes high total return (current income and capital appreciation) may be derived from an actively-managed, diversified portfolio of investments. In addition to seeking high current income, the Fund seeks to purchase High Yield Debt Securities with attractive valuations and where the Investment Manager believes the credit risk is likely to decrease, allowing the security to potentially generate higher returns. Through portfolio diversification, credit analysis and attention to current developments and trends in interest

rates and economic conditions, the Fund attempts to reduce investment risk, but losses may occur.

The Fund may invest up to 20% of its net assets in non-U.S. (including emerging market) debt securities that primarily are traded outside of the U.S. The Fund may invest up to 10% of its net assets in equity securities listed or traded on Regulated Markets. The Fund may purchase such equity securities to pursue capital appreciation or to diversify its portfolio and may also acquire such equity securities as a result of restructurings of debt securities held in its portfolio. Equity securities include common stocks, preferred stocks, convertible preferred stocks, warrants, rights to purchase equity securities of an issuer, and equity interests in trusts and partnerships, including real estate investment trusts.

The debt securities described above may include mortgage-backed, mortgage-related and other asset-backed securities, which directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans, real property, or other assets such as car loans or aviation financing. The Fund will not invest more than 25% of its total assets in any industry; however, this limitation does not apply to mortgage-backed securities, privately issued mortgage-related securities or securities issued by the U.S. government, its agencies and its instrumentalities.

The Fund also may invest in CDOs.

The Fund may invest in convertible securities, such as preferred stocks or bonds, which are exchangeable at the option of the holder for a fixed number of other securities, usually common stocks, at a set price or formula. Convertible securities may provide the opportunity to participate in rising equity markets, but generally entail greater risks than bonds in declining equity markets. Convertible securities may represent derived investment positions whose value at maturity or interest rate is linked to equity securities and which may therefore embed FDIs.

The Fund may invest up to 10% of its net assets in floating or adjustable rate senior loans which are assignments or participations in loans which are acquired from the banks or brokers who have made the loan or from a member of a lending syndicate. The Fund will not engage in loan origination. Senior loans are business loans made to borrowers that may be U.S. or non-U.S. corporations, partnerships or other business entities. The interest rates on senior loans periodically are adjusted to a generally recognised base rate such as the London Interbank Offered Rate or the prime rate as set by the U.S. Federal Reserve. Senior loans typically are secured by specific collateral of the borrower and hold the most senior position in the borrower's capital structure or share the senior position with the borrower's other senior debt securities. This capital structure position generally gives holders of senior loans a priority claim on some or all of the borrower's assets in the event of default.

In pursuing its investment objective, the Fund may invest in FDIs. The Fund may use FDIs in order to seek to enhance returns, to attempt to hedge some of its investment or currency risk, to manage portfolio duration or as a substitute position for holding the underlying asset on which the FDI is based. The FDIs that the Fund may use consist principally of futures contracts, forward contracts, options and swap agreements. The underlying reference security for FDIs which will, at all times, reflect the investment policies of the Fund may be a single security, a basket of securities or an index of securities. FDIs may also use other types of instruments or investments as a reference, such as interest rates. Where the Fund invests in FDIs that are based on financial indices, these indices will be consistent with the investment policies of the Fund and generally will not be rebalanced more frequently than monthly. It is not anticipated that such rebalancing will increase Fund costs or impact the Fund's ability to comply with its investment restrictions. Details of these FDIs are set out in the Prospectus under the section "USE OF FINANCIAL DERIVATIVE INSTRUMENTS".

The leverage exposure of the Fund through the use of FDIs will not exceed 100% of the Fund's Net Asset Value, as measured using the commitment approach.

The Investment Manager operates a risk management process on behalf of the Fund in relation to its use of FDIs, details of which are set out in the Prospectus under the section "USE OF FINANCIAL DERIVATIVE INSTRUMENTS: Risk Management".

### **Investment Process**

The Investment Manager believes high total return (current income and capital appreciation) may be derived from an actively-managed, diversified portfolio of investments. In addition to seeking current income, the Fund seeks unusual values particularly in lower-rated High-Yield Debt Securities. The Fund seeks to purchase lower-rated securities that the Investment Manager believes will experience declining credit risk, allowing the securities potentially to generate higher returns. The Fund attempts to reduce investment risk through portfolio diversification, credit analysis, and attention to current developments and trends in interest rates and economic conditions, but losses may occur.

The Fund selects securities using a bottom-up analysis of an issuer's management quality, credit, and relative market position, and industry dynamics, as well as an evaluation of conditions within the broader economy. The Fund applies proprietary filters to this fundamental analysis to position its portfolio across the high yield credit continuum. To the extent the Fund purchases equity securities, it seeks equities offering attractive valuations and strong fundamentals. The Fund engages in active and frequent trading of its portfolio securities.

### **Base Currency**

The Base Currency of the Fund is USD.

### **Investment Restrictions and Risk Management**

The general investment restrictions as set out in the "INVESTMENT RESTRICTIONS" section of the Prospectus shall apply. The Fund will only invest in assets that are permitted under the Regulations.

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

The Fund is intended to serve as a long-term investment option and should not be viewed as an appropriate investment vehicle for short-term gain or trading. The Fund may be suitable for investors able to withstand investment risks associated with investing in High Yield Debt Securities while seeking high current income and the opportunity for capital appreciation to produce a high total return.

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## **RISK FACTORS**

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Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the "INVESTMENT RISKS AND SPECIAL CONSIDERATIONS" section of the Prospectus. The Investment Manager considers that the investment risks that are ticked in the "INVESTMENT RISKS APPLICABLE TO EACH FUND" section of the Prospectus are relevant to an investment in the Fund. These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement

carefully and consult with their professional advisers before making an application for Shares. There can be no assurance that the Fund will achieve its investment objective.

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## FEES AND EXPENSES

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**The Fund shall bear its attributable portion of the fees and operating expenses of the Company. The fees and operating expenses of the Company are set out in detail under the section “Fees and Expenses” in the Prospectus.**

### **Investment Management Fee and Expense Limitation**

Under the Investment Management Agreement, the Company will pay to the Investment Manager, a maximum fee at an annual rate equal to the percentage of the average daily Net Asset Value of the relevant Class of the Fund as set out in the Schedule to this Supplement. The investment management fee shall accrue daily and be calculated and payable monthly in arrears.

The Investment Manager may from time to time at its sole discretion, use part of its investment management fee to remunerate the Distributor and certain other financial intermediaries and may pay reimbursements or rebates to certain institutional Shareholders.

In addition, the Investment Manager shall be entitled to be reimbursed its reasonable vouched out-of-pocket expenses. Each Fund shall bear pro rata its share of such out-of-pocket expenses.

The Investment Manager has committed to waive its management fee and, if necessary, reimburse the Fund's operating expenses, in order to keep the Fund's total operating expenses (including the fees of the Investment Manager, Administrator and Depositary) from exceeding an annual rate of the daily Net Asset Value of the Fund as set out in the Schedule to this Supplement (the “Expense Limitation”). Operating expenses do not include the cost of buying and selling investments, withholding tax, stamp duty or other taxes on investments, commissions and brokerage fees incurred with respect to investments, and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company as may be determined by the Directors in their discretion. The expenses subject to the Expense Limitation shall include the investment management fee and out-of-pocket expenses. The Investment Manager may renew or discontinue this arrangement at any time upon prior notification to Shareholders.

To the extent that the Investment Manager waives its fee or reimburses the Fund's operating expenses under the Expense Limitation, the Fund's overall expense ratio will be lower than it would have been without the Expense Limitation. This reduction in operating expenses may increase the Fund's investment return and such returns may not be achieved without the benefit of the Expense Limitation.

### **Depositary's Fee**

The Depositary is entitled to receive out of the assets of the Fund a fee at an annual rate which will not exceed 0.03% of the average Net Asset Value of the Fund (plus any applicable taxes). This fee accrues and is calculated on each Dealing Day and payable monthly in arrears. The Depositary shall, subject to a minimum annual custody fee of USD 15,000 per Fund, also be entitled to receive out of the assets of the Fund all agreed sub-custodian fees, transaction charges (which will be charged at normal commercial rates) together with reasonable out-of-pocket expenses incurred by the Depositary in the performance of its duties under the Depositary Agreement. Such depositary fees shall

accrue daily and be calculated and payable monthly in arrears. This will be included within the Expense Limitation.

### **Administrator's Fee**

The Administrator is entitled to receive out of the assets of the Fund a fee at an annual rate which will not exceed 0.035% of the average Net Asset Value of the Fund, subject to a minimum fee of USD 3,000 per month per Fund (plus any applicable taxes). This fee accrues and is calculated on each Dealing Day and payable monthly in arrears. The Administrator is also entitled to charge to the Fund all agreed fees and transaction charges, at normal commercial rates, together with reasonable out-of-pocket expenses (plus any applicable taxes), it incurs on behalf of the Fund in the performance of its duties under the Administration Agreement, which shall be payable monthly in arrears. This will be included within the Expense Limitation.

### **Initial Sales Charge**

An initial sales charge of up to 5% of the amount subscribed shall be payable in respect of subscriptions to Class A Shares as more particularly described in the "SHARE CLASSES" section of the Prospectus and the Schedule to this Supplement. Where an initial sales charge applies, Shareholders should view their investment as medium to long-term.

### **CDSC**

Class C Shares are subject to a CDSC of 1% of the lesser of the Net Asset Value of the Shares being sold or the Net Asset Value of those Shares when purchased if an investor sells Shares within one (1) year of purchase as more particularly described in the "SHARE CLASSES" section of the Prospectus.

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## **SUBSCRIPTIONS**

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### **Purchase of Shares**

Full details on how to purchase Shares are set out in the "ADMINISTRATION OF THE COMPANY: Subscription Procedure" section of the Prospectus.

Details in relation to the Class Currency, investment management fee, Initial Offer Price, minimum initial investment, minimum holding and initial sales charge are set out in the Schedule to this Supplement.

The Distributor is authorised by the Directors to accept subscriptions in relation to the Fund notwithstanding that the amount subscribed for may fall below the minimum initial investment and minimum holding as set out in the Schedule to this Supplement.

#### *Initial Offer Period*

The initial offer period for the Class A EUR Accumulating Shares, Class A EUR Accumulating (Hedged) Shares, Class A EUR Distributing Shares, Class A EUR Distributing (Hedged) Shares, Class A GBP Accumulating Shares, Class A GBP Accumulating (Hedged) Shares, Class A GBP Distributing Shares, Class A GBP Distributing (Hedged) Shares, Class I EUR Distributing Shares, Class I EUR Distributing (Hedged) Shares, Class I GBP Distributing Shares, Class I GBP Distributing (Hedged) Shares, Class I CHF Distributing (Hedged) Shares, Class Z EUR Distributing (Hedged) Shares, Class Z GBP Distributing (Hedged) Shares, and Class Z CHF Accumulating Shares will conclude upon the earlier of:

(i) the first investment by a Shareholder in such Class; or (ii) 4:00 pm (Dublin time) on 24 November 2017 (the “Closing Date”).

Investors may apply to subscribe for Shares during the initial offer period at the Initial Offer Price for each Class as set out in the Schedule to this Supplement.

During the initial offer period, subscriptions may be made by way of signed original Application Forms, duly completed in accordance with the instructions contained in the Application Form, or by such other electronic means (including applications made via a Clearing System) as the Directors and the Administrator shall approve by the Closing Date.

Subscription monies should be paid to the account specified in the Application Form (or such other account specified by the Administrator) so as to be received in cleared funds no later than three Business Days after a Dealing Day or such other time as may be agreed with the Administrator and notified to Shareholders. Any initial Application Form sent by facsimile (or other electronic means) must be confirmed promptly by receipt of an original Application Form and supporting anti-money laundering documentation.

#### *Following the Initial Offer Period*

Once the initial offer period for any Share Class is closed, Shares in those Classes will be available at the Subscription Price for the relevant Class calculated as of the Valuation Point in respect of the relevant Dealing Day.

Following the close of the initial offer period, all applications for Shares must be received by the Dealing Deadline in the manner set out in the “ADMINISTRATION OF THE COMPANY: Subscriptions Following the Initial Offer Period” and “Subscription Procedure” sections of the Prospectus.

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## REDEMPTIONS

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### **How to Redeem Shares**

Shares in the Fund may be redeemed on every Dealing Day at the Net Asset Value per Share of the relevant Class subject to the procedures, terms and conditions set out in the “ADMINISTRATION OF THE COMPANY: How to Redeem Shares” sections of the Prospectus.

## SCHEDULE

### Subscription and Fee Information

Class	Class Currency	Investment Management Fee	Expense Limitation	Initial Offer Price / Current Offer Price	Minimum Initial Investment and Minimum Holding	Initial Sales Charge	CDSC
<b>Class A USD Accumulating</b>	USD	1.65%	1.60%	NAV per Share	USD 2,500	Up to 5%	N/A
<b>Class A USD Distributing</b>	USD	1.65%	1.60%	NAV per Share	USD 2,500	Up to 5%	N/A
<b>Class A EUR Accumulating</b>	EUR	1.65%	1.60%	EUR 10	EUR 2,500	Up to 5%	N/A
<b>Class A EUR Accumulating (Hedged)</b>	EUR	1.65%	1.65%	EUR 10	EUR 2,500	Up to 5%	N/A
<b>Class A EUR Distributing</b>	EUR	1.65%	1.60%	EUR 10	EUR 2,500	Up to 5%	N/A
<b>Class A EUR Distributing (Hedged)</b>	EUR	1.65%	1.65%	EUR 10	EUR 2,500	Up to 5%	N/A
<b>Class A GBP Accumulating</b>	GBP	1.65%	1.60%	GBP 10	GBP 2,500	Up to 5%	N/A
<b>Class A GBP Accumulating (Hedged)</b>	GBP	1.65%	1.65%	GBP 10	GBP 2,500	Up to 5%	N/A
<b>Class A GBP Distributing</b>	GBP	1.65%	1.60%	GBP 10	GBP 2,500	Up to 5%	N/A
<b>Class A GBP Distributing (Hedged)</b>	GBP	1.65%	1.65%	GBP 10	GBP 2,500	Up to 5%	N/A
<b>Class A CHF Accumulating</b>	CHF	1.65%	1.60%	CHF 10	CHF 2,500	Up to 5%	N/A
<b>Class A CHF Accumulating (Hedged)</b>	CHF	1.65%	1.65%	CHF 10	CHF 2,500	Up to 5%	N/A
<b>Class A CHF Distributing</b>	CHF	1.65%	1.60%	CHF 10	CHF 2,500	Up to 5%	N/A
<b>Class A CHF Distributing (Hedged)</b>	CHF	1.65%	1.65%	CHF 10	CHF 2,500	Up to 5%	N/A
<b>Class C USD Accumulating</b>	USD	1.95%	2.20%	NAV per Share	USD 2,500	N/A	1%

<b>Class</b>	<b>Class Currency</b>	<b>Investment Management Fee</b>	<b>Expense Limitation</b>	<b>Initial Offer Price / Current Offer Price</b>	<b>Minimum Initial Investment and Minimum Holding</b>	<b>Initial Sales Charge</b>	<b>CDSC</b>
<b>Class C USD Distributing</b>	USD	1.95%	2.20%	NAV per Share	USD 2,500	N/A	1%
<b>Class I USD Accumulating</b>	USD	0.70%	0.80%	NAV per Share	USD 1,000,000	N/A	N/A
<b>Class I USD Distributing</b>	USD	0.70%	0.80%	NAV per Share	USD 1,000,000	N/A	N/A
<b>Class I EUR Accumulating</b>	EUR	0.70%	0.80%	NAV per Share	EUR 1,000,000	N/A	N/A
<b>Class I EUR Accumulating (Hedged)</b>	EUR	0.70%	0.85%	NAV per Share	EUR 1,000,000	N/A	N/A
<b>Class I EUR Distributing</b>	EUR	0.70%	0.80%	EUR 10	EUR 1,000,000	N/A	N/A
<b>Class I EUR Distributing (Hedged)</b>	EUR	0.70%	0.85%	EUR 10	EUR 1,000,000	N/A	N/A
<b>Class I GBP Accumulating</b>	GBP	0.70%	0.80%	NAV per Share	GBP 1,000,000	N/A	N/A
<b>Class I GBP Accumulating (Hedged)</b>	GBP	0.70%	0.85%	NAV per Share	GBP 1,000,000	N/A	N/A
<b>Class I GBP Distributing</b>	GBP	0.70%	0.80%	GBP 10	GBP 1,000,000	N/A	N/A
<b>Class I GBP Distributing (Hedged)</b>	GBP	0.70%	0.85%	GBP 10	GBP 1,000,000	N/A	N/A
<b>Class I CHF Accumulating</b>	CHF	0.70%	0.80%	CHF 10	CHF 1,000,000	N/A	N/A
<b>Class I CHF Accumulating (Hedged)</b>	CHF	0.70%	0.85%	CHF 10	CHF 1,000,000	N/A	N/A
<b>Class I CHF Distributing</b>	CHF	0.70%	0.80%	CHF 10	CHF 1,000,000	N/A	N/A
<b>Class I CHF Distributing (Hedged)</b>	CHF	0.70%	0.85%	CHF 10	CHF 1,000,000	N/A	N/A
<b>Class N USD Accumulating</b>	USD	1.95%	2.20%	NAV per Share	USD 2,500	N/A	N/A

<b>Class</b>	<b>Class Currency</b>	<b>Investment Management Fee</b>	<b>Expense Limitation</b>	<b>Initial Offer Price / Current Offer Price</b>	<b>Minimum Initial Investment and Minimum Holding</b>	<b>Initial Sales Charge</b>	<b>CDSC</b>
<b>Class N USD Distributing</b>	USD	1.95%	2.20%	NAV per Share	USD 2,500	N/A	N/A
<b>Class Z USD Accumulating</b>	USD	0.95%	1.20%	NAV per Share	N/A	N/A	N/A
<b>Class Z USD Distributing</b>	USD	0.95%	1.20%	NAV per Share	N/A	N/A	N/A
<b>Class Z EUR Accumulating</b>	EUR	0.95%	1.20%	NAV per Share	N/A	N/A	N/A
<b>Class Z EUR Accumulating (Hedged)</b>	EUR	0.95%	1.25%	NAV per Share	N/A	N/A	N/A
<b>Class Z EUR Distributing</b>	EUR	0.95%	1.20%	NAV per Share	N/A	N/A	N/A
<b>Class Z EUR Distributing (Hedged)</b>	EUR	0.95%	1.25%	EUR 10	N/A	N/A	N/A
<b>Class Z GBP Accumulating</b>	GBP	0.95%	1.20%	NAV per Share	N/A	N/A	N/A
<b>Class Z GBP Accumulating (Hedged)</b>	GBP	0.95%	1.25%	NAV per Share	N/A	N/A	N/A
<b>Class Z GBP Distributing</b>	GBP	0.95%	1.20%	NAV per Share	N/A	N/A	N/A
<b>Class Z GBP Distributing (Hedged)</b>	GBP	0.95%	1.25%	GBP 10	N/A	N/A	N/A
<b>Class Z CHF Accumulating</b>	CHF	0.95%	1.20%	CHF 10	N/A	N/A	N/A
<b>Class Z CHF Accumulating (Hedged)</b>	CHF	0.95%	1.25%	CHF 10	N/A	N/A	N/A
<b>Class Z CHF Distributing</b>	CHF	0.95%	1.20%	CHF 10	N/A	N/A	N/A
<b>Class Z CHF Distributing (Hedged)</b>	CHF	0.95%	1.25%	CHF 10	N/A	N/A	N/A

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**LORD ABBETT PASSPORT PORTFOLIOS PLC  
SPAIN COUNTRY SUPPLEMENT  
ADDITIONAL INFORMATION FOR INVESTORS IN SPAIN**

19 June 2017

**This Supplement contains information specific to investors in Spain regarding Lord Abbett Passport Portfolios plc (the “Company”). It forms part of and must be read in conjunction with the prospectus of the Company dated 2 June 2017, as amended and supplemented from time to time (the “Prospectus”).**

All capitalised terms used herein shall have the same meaning as set forth in the Prospectus, unless otherwise indicated.

## **REGISTRATION AND SUPERVISION**

The Company is registered in Spain with the Comisión Nacional del Mercado de Valores (“CNMV”). The Company is authorised to publicly market Shares of the following sub-funds of the Company in Spain:

Lord Abbett Short Duration Income Fund;  
Lord Abbett High Yield Fund;  
Lord Abbett Strategic Income Fund;  
Lord Abbett Total Return Fund;  
Lord Abbett Emerging Markets Corporate Debt Fund;  
Lord Abbett Multi-Sector Income Fund; and  
Lord Abbett U.S. Growth Leaders Fund.

## **LOCAL REPRESENTATIVE**

The Company has appointed Allfunds Bank S.A. as its local representative in Spain (the “Local Representative”). The fees payable to the Local Representative will be paid at normal commercial rates. The details of the Local Representative are as follows:

Legal Department  
Allfunds Bank S.A.  
c/ Estafeta nº6 (La Moraleja)  
Complejo Plaza de la Fuente -Edificio 3-  
28109, Alcobendas -Madrid- España  
Phone number: 91 274 64 00  
Fax: 91 274 64 66  
[E-Mail: legal@allfundsbank.com](mailto:legal@allfundsbank.com)

## **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays and public holidays excepted) at the registered office of the Company, the relevant designated distributor (as may be appointed) and any of the distributors appointed by the Company:

- the Memorandum and Articles of Association of the Company;
- the Prospectus and Supplements (as amended and supplemented);

- the Key Investor Information Documents; and
- the annual and semi-annual reports relating to the Company when available.

Copies of the Memorandum and Articles of Association of the Company (each as amended from time to time in accordance with the requirements of the Central Bank) and the latest financial reports of the Company, may be obtained, free of charge, upon request at the registered office of the Company and the Local Representative. This information is always available in the English language, together with the Key Investor Information Documents in the Spanish language.

#### **PUBLICATION OF PRICES**

The most-up-to-date Net Asset Value per Share of each Fund of the Company is available as set forth in the section entitled “Publication of the Prices of the Shares” in the Prospectus and from the relevant designated distributor and any of the distributors appointed by the company.

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## Global Supplement to the Prospectus

This Global Supplement contains a list of all existing Funds of Lord Abbett Passport Portfolios plc (the “**Company**”), an umbrella type open-ended investment company with segregated liability between sub-funds and with variable capital governed by the laws of Ireland and authorised by the Central Bank.

**This Global Supplement dated 2 June 2017 forms part of, may not be distributed unless accompanied by and must be read in conjunction with, the Prospectus dated 2 June 2017.**

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Global Supplement.

As at the date of this Global Supplement, the Company has twelve Funds in existence, namely:

1. Lord Abbett Short Duration Income Fund;
2. Lord Abbett High Yield Fund;
3. Lord Abbett Strategic Income Fund;
4. Lord Abbett Total Return Fund;
5. Lord Abbett Emerging Markets Local Bond Fund;
6. Lord Abbett Emerging Markets Currency Fund;
7. Lord Abbett Emerging Markets Corporate Debt Fund;
8. Lord Abbett Multi-Sector Income Fund;
9. Lord Abbett U.S. Growth Leaders Fund;
10. Lord Abbett Global High Yield Fund;
11. Lord Abbett Global Core Equity Fund; and
12. Lord Abbett Short Duration Income Select Fund.

Additional Funds may be established by the Company with the prior approval of the Central Bank.