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**If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the Fund or the suitability for you of investment in the Fund, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.**

**Prices of Shares in the Fund may fall as well as rise. The difference at any one time between the sale price (to which may be added a sales charge or commission) and the redemption price of Shares (from which may be deducted a redemption fee) means an investment should be viewed as medium to long term.**

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

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## **RARE INVESTMENT FUNDS PLC**

### **PROSPECTUS**

**DATED 18<sup>th</sup> December , 2015**

An open-ended umbrella investment company with variable capital incorporated with limited liability in Ireland under the Companies Acts 2014 with registration number 433526 and established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011).

The Fund has segregated liability between each of its Sub-Funds.

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This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Sub-Fund. Details relating to Classes may be dealt with in the relevant Sub-Fund Supplement or in separate Supplements for each Class. Each Supplement shall form part of, and should be read in conjunction with, this Prospectus. To the extent that there is any inconsistency between this Prospectus and any Supplement, the relevant Supplement shall prevail.

Distribution of this Prospectus and the Supplements is not authorised in any jurisdiction unless it is accompanied by a copy of the latest annual report of the Fund and, if published after such annual report, a copy of the latest semi-annual report.

## **IMPORTANT INFORMATION**

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

### **The Prospectus**

This Prospectus describes the Fund, an open-ended investment company with variable capital incorporated in Ireland and authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations. The Fund is structured as an umbrella fund and may comprise several portfolios of assets. The share capital of the Fund ("Shares") may be divided into different classes of Shares, each representing a separate portfolio of assets, and further sub-divided, to denote differing characteristics attributable to particular Shares, into "Classes".

### **Promoter**

The promoter of this Fund is RARE Infrastructure Limited (the "Promoter").

The Promoter was formed in July 2006 and is authorised and regulated by the Australian Securities and Investments Commission in the conduct of financial services activities. The Promoter is an Australian based fund manager specialising in global listed infrastructure investments.

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

The Fund is authorised and supervised by the Central Bank.

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

### **Charging of Fees and Expenses to Capital**

**Shareholders and prospective investors should note that all or part of the fees and expenses of the Fund and its Sub-Funds may be charged to the capital of the Fund, or the relevant Sub-Fund. If all or part of the fees and expenses of the Fund or its Sub-Fund are charged to the capital of the Fund or the relevant Sub-Fund this would have the effect of lowering the capital value of an investment in the relevant Sub-Fund. Thus, on redemptions of Shares, Shareholders may not receive back the full amount invested.**

### **Stock Exchange Listing**

Application may be made to the Irish Stock Exchange for the Shares of any particular Class or Sub-Fund to be admitted to the Official List of the Irish Stock Exchange. The Directors do not expect that an active secondary market will develop in the Shares. This document together with the relevant Supplement will constitute listing particulars ("Listing Particulars") for the purpose of any application for listing of the Shares in respect of which the relevant Supplement is issued.

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

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

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

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

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

#### United Kingdom

The Fund is a regulated collective investment scheme pursuant to Section 264 of the Financial Services and Markets Act, 2000 ("FSMA") and accordingly, may be promoted direct to the public within the United Kingdom through the use of this document and otherwise as permitted by FSMA.

#### United States of America

None of the Shares have been, nor will be, registered under the United States Securities Act of 1933 (the "1933 Act") and, except in a transaction which does not violate the 1933 Act or any other applicable United States securities laws (including without limitation any applicable law of any of the States of the United States), none of the Shares may be directly or indirectly offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a US Person. Neither the Fund nor any Sub-Fund will be registered under the United States

Investment Company Act of 1940.

**Notwithstanding the foregoing prohibition on offers and sales in the United States or to or for the benefit of US Persons, the Fund may make a private placement of its Shares to a limited number or category of US Persons.**

#### *Redemption Fee*

**The Directors are empowered to levy a redemption fee not exceeding 3% of the Net Asset Value of Shares being redeemed. Details of any such charge with respect to one or more Sub-Funds will be set out in the relevant Supplement.**

#### **Reliance on this Prospectus**

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

Investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or other matters. You should consult your stockbroker, accountant, solicitor, independent financial adviser or other professional adviser.

#### **Risk Factors**

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

#### **Translations**

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

## DIRECTORY

### *RARE INVESTMENT FUNDS PLC*

#### **Registered Office**

33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

#### **Business Address**

George's Quay House  
43 Townsend Street  
Dublin 2  
Ireland

#### **Directors**

Nicholas Langley  
Carl McGann  
Denise Kinsella  
Tom Finlay

#### ***Custodian***

RBC Investor Services Bank S.A.,  
Dublin Branch  
George's Quay House  
43 Townsend Street  
Dublin 2  
Ireland

#### **Promoter, Investment Manager and Global Distributor**

RARE Infrastructure Limited  
Level 13, 35 Clarence Street  
Sydney  
New South Wales 2000  
Australia

#### **Company Secretary**

Tudor Trust Limited  
33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

#### **Administrator**

RBC Investor Services Ireland Limited  
George's Quay House  
43 Townsend Street  
Dublin 2  
Ireland

#### **Auditors**

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

#### **Irish Legal Advisers**

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

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## DEFINITIONS

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

All references to a specific time of day are to Irish time

"Accountholder"	means any investor who maintains an account with a Clearing System for the purpose of investing in the Shares;
"Accounting Date"	means 31 March in each year or such other date as the Directors may from time to time decide.
"Accounting Period"	means a period ending on the Accounting Date and commencing, in the case of the first such period on the date of incorporation of the Fund and, in subsequent such periods, on the day following expiry of the last Accounting Period.
"Act"	means the Companies Acts 2014 and every amendment or re-enactment of the same.
"Administrator"	means RBC Investor Services Ireland Limited.
"Administration Agreement"	means the administration agreement entered into between the Fund and the Administrator, dated 14 February, 2007, as same by a First Supplemental Administration Agreement dated 9 <sup>th</sup> November 2012.
"Application Form"	means any application form to be completed by subscribers for Shares as prescribed by the Fund from time to time.
"Articles of Association"	means the Memorandum and Articles of Association of the Fund.
"Auditors"	means Deloitte & Touche.
"Base Currency"	means the currency of account of a Sub-Fund as specified in the relevant Supplement relating to that Sub-Fund.
"Business Day"	means in relation to a Sub-Fund such day or days as shall be so specified in the relevant Supplement for that

	Sub-Fund.
"Central Bank"	means the Central Bank of Ireland.
"Class"	means a particular division of Shares in a Sub-Fund.
"Clearing System"	means Clearstream, Luxembourg, Euroclear or any other clearing system approved by the Directors;
"Clearstream, Luxembourg"	means Clearstream Banking S.A., as the operator of the Clearstream System;
"Collective Investment Schemes"	means UCITS and / or collective investment schemes other than UCITS in which the Sub-Funds may invest pursuant to the Central Bank's Guidance Note 2/03.
"Country Supplement"	means a supplement to this Prospectus specifying certain information pertaining to the offer of Shares of the Fund or a Sub-Fund or Class in a particular jurisdiction or jurisdictions.
"Custodian"	means RBC Investor Services Bank S.A., Dublin Branch.
"Custodian Agreement"	means the custodian agreement entered into between the Fund and the Custodian, dated 14 February, 2007, as same may be amended.
"Dealing Day"	means in relation to a Sub-Fund such day or days being not less than two in each month as shall be specified in the relevant Supplement for that Sub-Fund.
"Dealing Deadline"	means in relation to a Sub-Fund, such time on any Dealing Day as shall be specified in the relevant Supplement for the Sub-Fund.
"Directors"	means the directors of the Fund or any duly authorised committee or delegate thereof.
"Distributor"	means such entity or entities as the Global Distributor may appoint from time to time to distribute shares in one or more Sub-Funds.
"EEA"	means the countries for the time being comprising the European Economic Area (being at the date of this

Prospectus; European Union Member States, Norway, Iceland and Liechtenstein).

"Euro" or "€"

means the lawful currency of the participating member states of the European Union which have adopted the single currency in accordance with the EC Treaty of Rome dated 25 March, 1957 (as amended by the Maastricht Treaty dated 7 February 1992).

"Euroclear"

means Euroclear Bank S.A./N.V. as the operator of the Euroclear System;

"Exempt Irish Investor"

means

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

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

provided that they have correctly completed the Relevant Declaration.

"FCA"	means the Financial Conduct Authority of the United Kingdom.
"FSMA"	means the United Kingdom Financial Services and Markets Act, 2000, and every amendment or re-enactment of the same.
"Fund"	means RARE Investment Funds Plc.
"GBP" or "Sterling"	means the lawful currency, for the time being, of the United Kingdom.
"Global Distributor"	means RARE Infrastructure Limited, or such entity or entities as the Fund may appoint from time to time to distribute shares in the Fund or its Sub-Funds.
"Global Distribution Agreement"	means the global distribution agreement entered into between the Fund and the Global Distributor, dated 28 <sup>th</sup> June 2013.
"HKD" or "Hong Kong Dollars"	means the lawful currency, for the time being, of the Hong Kong Special Administrative Region of the People's Republic of China.
"Initial Offer Price"	means the initial price payable for a Share as specified in the relevant Supplement for each Sub-Fund.

"Intermediary"

means a person who:-

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

"Investment Manager"

means RARE Infrastructure Limited, to whom the Fund has delegated the discretionary investment management of the Fund, pursuant to an Investment Management Agreement, dated 28<sup>th</sup> June 2013, entered into between the Fund and the Investment Manager.

"Investment Management Agreement"

means the investment management agreement entered into between the Fund and the Investment Manager, dated 28<sup>th</sup> June 2013.

"Ireland"

means the Republic of Ireland.

"Irish Resident"

means

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

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

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

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

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

or

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

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

"Member"

means a Shareholder or a person who is registered as the holder of one or more non-participating shares in the Fund.

"Member State"

means a member state of the European Union.

"Minimum Holding"	means the minimum number or value of Shares which must be held by Shareholders as specified in the relevant Supplement.
"Minimum Subscription"	means the minimum subscription for Shares as specified in the relevant Supplement.
"Money Market Instruments"	means instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time.
"Net Asset Value"	means the Net Asset Value of a Sub-Fund or attributable to a Class (as appropriate) calculated as referred to herein.
"Net Asset Value per Share"	means the Net Asset Value of a Sub-Fund divided by the number of Shares in issue in that Sub-Fund or the Net Asset Value attributable to a Class divided by the number of Shares issued in that Class rounded to such number of decimal places as the Directors may determine.
"OECD Member Country"	means each of Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and the United States.
"Ordinarily Resident in Ireland"	<p>means</p> <ul style="list-style-type: none"> <li>• in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes</li> <li>• in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.</li> </ul> <p>An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years. Thus,</p>

an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2014 to 31 December 2014 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2017 to 31 December 2017.

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

"Paying Agency Agreement"

means one or more paying agency agreements entered into between the Fund and one or more Paying Agents and dated as shall be specified in one or more Country Supplements to this Prospectus.

"Paying Agent"

means one or more paying agents appointed by the Fund in certain jurisdictions as detailed in one or more Country Supplements to this Prospectus.

"Prospectus"

the prospectus of the Fund and any Supplements and addenda thereto issued in accordance with the requirements of the UCITS Regulations.

"Recognised Exchange"

means the stock exchanges or markets set out in Appendix II.

"Recognised Clearing System"

means Deutsche Bank AG - Depository and Clearing System, Clearstream Banking AG, Clearstream Banking SA, CREST, Depository Trust Company of New York, Euroclear, Japan Securities Depository Center, National Securities Clearing System, Sicovam SA, SIS Sega Intersettle AG or any other system for clearing shares which is designated for the purposes of Chapter 1A in Part 27 of the Taxes Act, by the Irish Revenue Commissioners as a recognised clearing system.

"Relevant Declaration"

means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act

"Relevant Period"

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



Semi- Annual Accounting Date	means 30 September in each year or such other date as the Directors may from time to time decide.
"SGD" or "Singapore Dollars"	means the lawful currency, for the time being, of Singapore.
"Share"	means a participating share or, save as otherwise provided in this Prospectus, a fraction of a participating share in the capital of the Fund.
"Shareholder"	means a person who is registered as the holder of Shares in the register of Shareholders for the time being kept by or on behalf of the Fund.
"Specified US Person"	The term "Specified U.S. Person" means (i) a US citizen or resident individual, (ii) a partnership or corporation organized in the United States or under the laws of the United States or any State thereof (iii) a trust if (a) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (b) one or more US persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States or (iv) an estate of a decedent that is a citizen or resident of the US; <b>excluding</b> (1) a corporation the stock of which is regularly traded on one or more established securities markets; (2) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i); (3) the United States or any wholly owned agency or instrumentality thereof; (4) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (5) any organization exempt from taxation under section 501(a) or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code; (6) any bank as defined in section 581 of the U.S. Internal Revenue Code; (7) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code; (8) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any

entity registered with the Securities Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (9) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code; (10) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code; (11) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; or (12) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code. This definition shall be interpreted in accordance with the US Internal Revenue Code.

"Sub-Fund"

means a sub-fund of the Fund representing the designation by the Directors of a particular class of Shares as a sub-fund the proceeds of issue of which are pooled separately and invested in accordance with the investment objective and policies applicable to such sub-fund and which is established by the Directors from time to time with the prior approval of the Central Bank.

"Sub-Investment Manager"

means any one or more sub-investment managers, if any, or any successor(s) thereto appointed by the Investment Manager to act as sub-investment manager of one or more Sub-Funds, as detailed in the relevant Supplement.

"Sub-Investment Management Agreement"

means one or more sub-investment management agreements, if any, entered into between the Investment Manager and one or more Sub-Investment Managers, as described in the relevant Supplement.

"Supplement"

means a supplement to this Prospectus specifying certain information in respect of a Sub-Fund and/or one or more Classes.

"Taxes Act"

The Taxes Consolidation Act, 1997 (of Ireland) as amended.

"UCITS"

means an Undertaking for Collective Investment in Transferable Securities established pursuant to EC

Council Directive 85/611/EEC of 20 December, 1985 as amended, consolidated or substituted from time to time.

"UCITS Notices"

means the notices issued by the Central Bank from time to time in relation to a UCITS pursuant to the UCITS Regulations.

"UCITS Regulations"

means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) and any regulations or notices issued by the Central Bank pursuant thereto for the time being in force.

"UK"

means the United Kingdom of Great Britain and Northern Ireland.

"United States"

means the United States of America (including the States and the District of Columbia) its territories, possessions and all other areas subject to its jurisdiction.

"USD" or US Dollars"

means the lawful currency, for the time being, of the United States of America.

"US Person"

means a US Person as defined in Regulation S under the 1933 Act and Rule 4.7 of the US Commodity Exchange Act.

"Valuation Point"

means such time as shall be specified in the relevant Supplement for each Sub-Fund.

## **1. THE FUND**

### **General**

The Fund is an open-ended investment company with variable capital, incorporated in Ireland on 24 January, 2007 under the Act, with registration number 433526. The Fund has been authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations.

The Fund is structured as an umbrella fund consisting of different Sub-Funds each comprising one or more Classes. The Fund has segregated liability between each of its Sub-Funds. The Shares issued in each Sub-Fund will rank *pari passu* with each other in all respects provided that they may differ as to certain matters including currency of denomination, hedging strategies if any applied to the currency of a particular Class, dividend policy, the level of fees and expenses to be charged, subscription or redemption procedures or the Minimum Subscription and Minimum Holding applicable. The assets of each Sub-Fund will be invested separately on behalf of each Sub-Fund in accordance with the investment objective and policies of each Sub-Fund. A separate portfolio of assets is not maintained for each Class. The investment objective and policies and other details in relation to each Sub-Fund are set out in the relevant Supplement which forms part of and should be read in conjunction with this Prospectus. The Base Currency of each Sub-Fund is specified in the relevant Supplement. Additional Sub-Funds in respect of which a Supplement or Supplements will be issued may be established by the Directors with the prior approval of the Central Bank. Additional Classes in respect of which a Supplement or Supplements will be issued may be established by the Directors and notified to and cleared in advance with the Central Bank or otherwise must be created in accordance with the requirements of the Central Bank.

### **Investment Objective and Policies**

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

Investors should be aware that the performance of certain Sub-Funds may be measured against a specified index or benchmark and in this regard, Shareholders are directed towards the relevant Supplement which will refer to any relevant performance measurement criteria. The Fund may at any time change that reference index where, for reasons outside its control, that index has been replaced, or another index or benchmark may reasonably be considered by the Fund to have become the appropriate standard for the relevant exposure. Such a change would represent a change in policy of the relevant Sub-Fund and Shareholders will be advised of any change in a reference index or benchmark (i) if made by the Directors, in advance of such a change and (ii) if made by the Index concerned, in the annual or half-yearly report of the Fund issued subsequent to such change.

Pending investment of the proceeds of a placing or offer of Shares or where market or other factors so warrant, a Sub-Fund's assets may be invested in money market instruments, including but not limited to certificates of deposit, floating rate notes and fixed or variable rate commercial paper listed or traded on

Recognised Exchanges and in cash deposits denominated in such currency or currencies as the Investment Manager may determine.

Where the Shares of a particular Sub-Fund have been listed on the Irish Stock Exchange, the Directors will ensure that, in the absence of unforeseen circumstances, the relevant Sub-Fund will adhere to the material investment objective and policies for that Sub-Fund for at least three years following the admission of the Shares to the Official List of the Irish Stock Exchange.

The investment objective of a Sub-Fund may not be altered and material changes in the investment policy of a Sub-Fund may not be made without approval of Shareholders on the basis of a majority of votes cast at a meeting of the Shareholders of the particular Sub-Fund duly convened and held. In the event of a change of the investment objective and / or policy of a Sub-Fund, Shareholders in the relevant Sub-Fund will be given reasonable notice of such change to enable them redeem their Shares prior to implementation of such a change.

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

### **Investment Restrictions**

Investment of the assets of each Sub-Fund must comply with the UCITS Regulations. The Directors may impose further restrictions in respect of any Sub-Fund.

The investment and borrowing restrictions applying to the Fund and each Sub-Fund are set out in Appendix I.

Each Sub-Fund may also hold ancillary liquid assets.

### **Borrowing Powers**

The Fund may only borrow on a temporary basis and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of each Sub-Fund. Subject to this limit the Directors may exercise all borrowing powers on behalf of the Fund. In accordance with the provisions of the UCITS Regulations the Fund may charge its assets as security for such borrowings.

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

The Fund will, with respect to each Sub-Fund, adhere to any investment or borrowing restrictions herein or imposed by the Irish Stock Exchange for so long as the Shares in a Sub-Fund are listed on the Irish Stock Exchange and any criteria necessary to obtain and/or maintain any credit rating in respect of any Shares or Sub-Fund or Class in the Fund, subject to the UCITS Regulations.

## Financial Derivative Instruments

A Sub-Fund may, subject to the conditions and within the limits laid down by the Central Bank, use the following types of financial derivative instruments, whether for investment or for other purposes:

1. Futures;
2. Forwards;
3. Options (writing and purchasing);
4. Swaps (including credit default swaps); and
5. Contracts for Differences.

The underlying exposure of the financial derivative instruments, in each case, may relate to transferable securities, money market instruments, other collective investment schemes, financial indices and interest and foreign exchange rates or currencies.

The Fund employs a risk management process, which enables it to accurately measure, monitor and manage the various risks associated with financial derivative instruments and the Fund will only use financial derivative instruments which are detailed in this risk management process, which has been cleared by the Central Bank.

A Sub-Fund may also utilise transferable securities with embedded derivatives, such as equity warrants, convertible bonds, structured notes and hybrid securities to gain exposure to an underlying security as a more efficient and cheaper alternative to direct investment in that security.

A Sub-Fund may, subject to the conditions and within the limits laid down by the Central Bank, use financial derivative instruments for investment purposes and also for the purposes of hedging, tactical asset allocation, beta and duration management, revenue generation, cash management and efficient investing, and maintaining appropriate levels of exposure in concentrated markets.

Financial derivative instruments may be traded on Recognised Exchanges worldwide or may be traded over the counter. The Fund will only enter into over the counter derivative transactions on behalf of a Sub-Fund with entities which are subject to prudential supervision and belong to categories approved by the Central Bank as set down in the UCITS Notices.

Any direct and indirect operational costs and/or fees which arise as a result of the use of efficient portfolio management techniques which may be deducted from the revenue delivered to the Sub-Fund shall be at normal commercial rates and shall not include any hidden revenue.

Such direct or indirect costs and fees will be paid to the relevant counterparty to the financial derivative instruments transaction, which, in the case of financial derivative instruments used for currency hedging purposes, may include the Custodian or entities related to the Custodian. All revenues generated through the use of efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the relevant Sub-Fund.

### Hedging

Futures, forwards, options, swaps (including protection purchased through credit default swaps) and contracts for differences may be used to hedge against downward movements in the value of a Sub-Fund's portfolio, either by reference to specific securities or markets to which the Sub-Fund may be exposed. A Sub-Fund may also take out hedges against changes in interest or currency rates which would have an impact on the Sub-Fund.

### Tactical Asset Allocation

Futures, forwards, options, swaps (including protection sold through credit default swaps) and contracts for differences may be used to gain or reduce a Sub-Fund's exposure to a particular security or market on a short or medium term basis, either in advance of a longer term allocation or reappraisal of the Sub-Fund's commitment to the asset or market in question, or purely on a temporary basis where it is more efficient to use derivatives for this purpose.

### Beta and Duration Management

Futures, options, swaps and contracts for differences may be used to increase or reduce beta or duration and convexity of all or a part of a Sub-Fund's portfolio to take account of changing levels of volatility in the market while at the same time maintaining exposure to the market. Futures, options, swaps and contracts for differences may be used to manage or maintain risk within levels that are consistent with the investment objective and policy of a Sub-Fund.

### Revenue Generation

A Sub-Fund may generate additional revenue by writing out of the money call options on securities held in the Sub-Fund.

### Cash Management and Efficient Investing

Futures, forwards, options, swaps and contracts for differences may be used as an alternative to acquiring the underlying or related securities, alone or in conjunction with the securities, in any case where such investment may be accomplished in a more efficient or less costly way through the use of derivatives. Such instruments may also be used to maintain exposure to the market while managing the cashflows from subscriptions and redemptions into and out of a Sub-Fund more efficiently than by buying and selling transferable securities.

### Market Concentrations

Certain markets within the investment universe of the Sub-Funds may be overly concentrated due to the presence of disproportionately larger issuers in those markets, with the result that a Sub-Fund may have difficulty in maintaining adequate exposure to that market by purchasing transferable securities without breaching its investment limits. Index futures may be used to maintain an appropriate level of

exposure to such markets.

### **When Issued / Delayed Delivery Securities**

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

### **Repurchase / Reverse Repurchase Agreements**

Subject to the conditions and limits set out in the UCITS Notices, a Sub-Fund may use repurchase agreements and/or reverse repurchase agreements. Repurchase agreements are transactions in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby a Sub-Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price.

### **Efficient Portfolio Management Techniques**

Any direct and indirect operational costs and/or fees which arise as a result of efficient portfolio management techniques which may be deducted from the revenue delivered to a Sub-Fund shall be at normal commercial rates and shall not include any hidden revenue.

Such direct or indirect costs and fees will be paid to the relevant counterparty to the financial derivative instruments transaction, which, in the case of financial derivative instruments used for currency hedging purposes, may include the Custodian or entities related to the Custodian. All revenues generated from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the relevant Sub-Fund.

### **Management of Collateral for OTC Financial Derivative Instruments and Techniques for Efficient Portfolio Management**

Collateral received and any investment of such collateral must meet the requirements of the Central Bank as set out in the UCITS Notices.



Collateral received must at all times meet with the following criteria:

- (i) **Liquidity:** Collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74.
- (ii) **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.
- (iii) **Issuer credit quality:** Collateral received should be of high quality.
- (iv) **Correlation:** Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty.
- (v) **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 a Sub-Fund's Net Asset Value. When a Sub-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.
- (vi) **Immediately available:** Collateral received should be capable of being fully enforced by the relevant Sub-Fund at any time without reference to or approval from the counterparty.

Collateral received on a title transfer basis should be held by the Custodian. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

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

Cash collateral may only be reinvested in:

1. deposits with relevant institutions;
2. high-quality government bonds;
3. reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Sub-Fund is able to recall at any time the full amount of cash on an accrued basis;
4. short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (*ref CESR/10-049*).

Invested cash collateral may not be placed on deposit with the counterparty or a related entity. In addition, all reinvested cash collateral must be diversified in terms of country, market and issuers. This diversification requirement is deemed satisfied if the maximum exposure to any given issuer is 20% of a Sub-Fund's net asset value. Where a Sub-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.

Where a Sub-Fund receives collateral for at least 30% of its assets, the Investment Manager will employ an appropriate stress testing policy to ensure regular tests are carried out under normal and exceptional liquidity conditions to enable the Investment Manager to assess the liquidity risks attached to the collateral.

The level of collateral required to be posted may vary by counterparty with which a Sub-Fund trades. The haircut policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by a Sub-Fund, taking into account the credit standing and price volatility of the relevant counterparty.

### **Dividend Policy**

The dividend policy, and information on the declaration and payment of dividends for each Sub-Fund, will be specified in the relevant Supplement. The Articles of Association of the Fund empower the Directors to declare dividends in respect of any Shares in the Fund out of the net income of the Fund, being the income of the Fund from dividends, interest or otherwise and net realised and unrealised gains (i.e. realised and unrealised capital gains net of all realised and unrealised losses) less accrued expenses of the Fund, subject to certain adjustments.

Dividends may be paid gross of fees and expenses. Where dividends are paid gross of fees and expenses, and such fees and expenses are paid out of the capital of the Fund the capital of the Fund may be eroded and income will be achieved by foregoing the potential for future capital growth. Dividends will not be paid out of the capital of the Fund.

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

The Net Asset Value per Share will be published daily and made available on the internet at [www.rareinfrastructure.com](http://www.rareinfrastructure.com) and will be updated following each calculation of the Net Asset Value. In addition, the Net Asset Value per Share may be obtained from either the Global Distributor or the Administrator during normal business hours. The Net Asset Value of any Sub-Fund or attributable to a Class whose Shares are listed will also be notified to the Irish Stock Exchange by the Administrator without delay.

## **2. RISK FACTORS**

### **General**

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

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

### **Market Capitalisation Risk**

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

### **Market Risk**

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

## **Exchange Control and Repatriation Risk**

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

## **Emerging Markets Risk**

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

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

The value of a Sub-Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. As some of the Sub-Funds may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of a Sub-Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk in circumstances in which the Custodian will have no liability.

## **Legal Infrastructure**

Company laws in some of the targeted countries may be at an early stage of development. As these countries develop, certain new laws might have a negative impact on the value of an investment which cannot be foreseen at the time the investment is made. As the efficacy of such laws are as yet uncertain, there can be no assurance as to the extent to which rights of foreign Shareholders can be protected. In addition, there may also be a shortage of qualified judicial and legal professionals to interpret or advise upon recently enacted and future laws in some jurisdictions.

## **Liquidity Risk**

Not all securities or instruments invested in by the Sub-Funds will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Sub-Funds may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity. A listing of Shares of a Sub-Fund or Class on the Irish Stock Exchange will not necessarily provide liquidity to investors.

## **Redemption Risk**

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

## **Credit Risk**

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

## **Credit Risk on Intermediaries**

An investor who pays or receives subscription or redemption monies via an intermediary rather than directly to or from the Custodian (for example via a financial or credit institution or sub-distributor or agent) bears a credit risk against that intermediate entity in respect of (i) subscription monies prior to the transmission of such monies to the Custodian for the account of the Company; and/or (ii) redemption monies payable via such intermediate entity to that investor

## **Currency Risk**

Assets of a Sub-Fund may be denominated in a currency other than the Base Currency of the Sub-Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Sub-Fund's assets as expressed in the Base Currency. It may not be possible or practical to hedge against such exchange rate risk. The Fund's Investment Manager may, but is not obliged to, mitigate this risk by using financial derivative instruments.

Sub-Funds may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Sub-Funds will not enter into forward contracts for speculative purposes. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the prices of a Sub-Fund's securities or in foreign exchange rates, or prevent loss if the

prices of these securities should decline. Performance of a Sub-Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Sub-Fund may not correspond with the securities positions held.

A Sub-Fund may enter into currency exchange transactions and/or use techniques and instruments to seek to protect against fluctuation in the relative value of its portfolio positions as a result of changes in currency exchange rates or interest rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. The successful execution of a hedging strategy which matches exactly the profile of the investments of any Sub-Fund cannot be assured. It may not be possible to hedge against generally anticipated exchange or interest rate fluctuations at a price sufficient to protect the assets from the anticipated decline in value of the portfolio positions as a result of such fluctuations.

### **Share Currency Designation Risk**

A Class of Shares of a Sub-Fund may be designated in a currency other than the Base Currency of the Sub-Fund. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency. The Investment Manager may try but is not obliged to mitigate this risk by using financial instruments such as those described under the heading "Currency Risk", provided that such instruments shall in no case exceed 100% of the Net Asset Value attributable to the relevant Class of Shares of the Sub-Fund. Investors should be aware that this strategy may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/or the currency/currencies in which the assets of the Sub-Fund are denominated. In such circumstances Shareholders of the relevant Class of Shares of the Sub-Fund may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the costs of the relevant financial instruments. Financial instruments used to implement such strategies shall be assets/liabilities of the Fund as a whole. However, such transactions will be attributable, and the gains/losses on and the costs of the relevant financial instruments will accrue, solely to the relevant Class of Shares of the Sub-Fund.

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

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

at an optimum time.

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

### **Changes in Interest Rates**

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

### **Amortised Cost Method**

Some or all of the investments of certain Sub-Funds may be valued at amortised cost. Investors' attention is drawn to the Section of the Prospectus entitled "Net Asset Value and Valuation of Assets" for further information. The amortised cost method may only be used to value a Sub-Fund which is a money market fund or to value securities with a residual maturity not exceeding six months.

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

### **Valuation Risk**

A Sub-Fund may invest some of its assets in illiquid and/or unquoted securities or instruments. Such investments or instruments will be valued by the Directors or their delegate in good faith in consultation with the Investment Manager as to their probable realisation value. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or "close-out" prices of such securities.

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

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

### **Financial Derivatives, Techniques and Instruments Risk**

#### General

The prices of financial derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced

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

The use of techniques and instruments also involves certain special risks, including (1) a dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select the Sub-Fund's securities, (4) the possible absence of a liquid market for any particular instrument at any particular time, and (5) possible impediments to effective portfolio management or the ability to meet redemption requests as a result of the risks detailed at (1) to (4).

#### Correlation Risk

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

#### Loss of Favourable Performance

The use of financial derivative instruments to hedge or protect against market risk or to generate additional revenue by writing covered call options may reduce the opportunity to benefit from favourable market movements.

#### Counterparty Exposure and Legal Risk

The use of OTC derivatives, such as forward contracts, swap agreements and contracts for difference, will expose the Sub-Funds to credit risk with respect to the counterparty involved and the risk that the legal documentation of the contract may not accurately reflect the intention of the parties. Measures taken to minimise counterparty and legal risk are detailed below.

#### Settlement Risk

As some of the financial derivative instruments in which the Sub-Funds may invest may be traded on markets where the trading, settlement and custodial systems are not fully developed, the financial derivative instruments of a Sub-Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk in circumstances in which the Custodian will have no liability.



### Liquidity Risk

Futures positions may be illiquid or difficult to close out because of limits imposed by the relevant exchange on daily price movements. OTC positions are, by definition, illiquid, but the Investment Manager will only enter into OTC transactions with counterparties which are contractually obliged to close out a position on request.

### Market Risk

When the Investment Manager purchases a security or an option, the risk to a Sub-Fund is limited to the loss of its investment. In the case of a transaction involving futures, forwards, swaps, contracts for differences or writing options, that Sub-Fund's liability may be potentially unlimited until the position is closed.

### Margin

The Investment Manager will be obliged to pay margin deposits and option premia to brokers in relation to futures and option contracts entered into for a Sub-Fund. While exchange traded contracts are generally guaranteed by the relevant exchange, the Sub-Fund may still be exposed to the fraud or insolvency of the broker through which the transaction is undertaken. The Investment Manager will seek to minimise this risk by trading only through high quality names.

### Forward Trading

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Sub-Fund.

### **Re-Investment of Cash Collateral**

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

### **Investment Manager Valuation Risk**

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

place pricing procedures designed to ensure fair pricing of all unlisted investments, which follows industry standards for valuing such investments.

### **Subscription via a Clearing System**

Where a Clearing System is used by an investor to invest in the Shares of any Class, or such investor holds interests in Shares of any Class through accounts with a Clearing System, such investor will only receive payments in respect of redemption and/or any dividends attributable to the Shares on the basis of the arrangements entered into by the investor with the Clearing System. Furthermore, any such investor will not appear on the Register of the Fund, will have no direct right of recourse against the Fund and must look exclusively to the Clearing System for all payments attributable to the relevant Shares. The Fund and the Directors will recognise as Shareholders only those persons who are at any time shown on the Register for the purposes of: (i) the payment of dividends and other payments due to be made to Shareholders (as applicable); (ii) the circulation of documents to Shareholders; (iii) the attendance and voting by Shareholders at any meetings of Shareholders; and (iv) all other rights of Shareholders attributable to the Shares. None of the Fund, the Directors, the Investment Manager, , the Administrator, the Custodian or any other person will be responsible for the acts or omissions of the Clearing System, nor make any representation or warranty, express or implied, as to the services provided by the Clearing System.

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

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

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

### **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 Fund or any Sub-Fund may be exposed to risks of an exceptional nature from time to time. Potential investors should also refer to the Supplements attached to this Prospectus in relation to any additional risk factors specific to one or more Sub-Funds.

### **3. MANAGEMENT AND ADMINISTRATION**

The Directors control the affairs of the Fund and are responsible for the formulation of the investment policy. The Directors have delegated functions to the Administrator, the Custodian and the Investment Manager. In addition, the Fund has engaged Bridge Consulting ("Bridge") to provide certain services to assist the Directors in carrying out the management functions specified by the Central Bank.

#### **Directors**

The Fund shall be managed and its affairs supervised by the Directors, of the Fund and whose details are set out below:

#### **Nicholas Langley (New Zealander)**

Nick Langley is a Director and Senior Portfolio manager of RARE Infrastructure Limited and its subsidiaries (RARE). Nick along with Richard Elmslie, developed and founded RARE, an investment management company that specialises in investments in global listed infrastructure, in 2006.

Nick has over 15 years' experience in the finance, Investment banking and funds management industries with nine years in listed and direct infrastructure funds management.

Nick commenced in the infrastructure sector in the mid-1990's with Arthur Andersen in New Zealand. In the late 1990's he worked for ABN AMRO Australia advising clients in regulated utilities and user pay infrastructure.

Prior to establishing RARE Nick was employed at AMP Capital as part of the Infrastructure Funds Management team. In 2003 Nick was appointed as one of two portfolio managers of both a listed infrastructure debt fund and an unlisted private equity fund. Nick's role with AMP Capital prior to co-founding RARE, was Chief Financial Officer of DUET Group, an AUD5.5b enterprise value, Australian listed, energy infrastructure owning trust.

Nick holds the role of Responsible Manager under RARE's Australian Financial Services License regulated by the Australian Securities Investment Commission (ASIC), along with the role of Compliance Officer under RARE's Investment Adviser authorisation with the US Securities Exchange Commission (SEC).

Nick holds a Bachelor of Laws and a Bachelor of Commerce from the University of Auckland.

#### **Carl McGann (Australian)**

Carl McGann is Chief Operating Officer of RARE Infrastructure Limited. As Chief Operating Officer, Carl is responsible for the management of all non-investment and distribution-related activities. This includes

risk management, compliance, legal, investment operations, finance, management of projects and general business support. Carl is also responsible for the trading team.

Carl has over 20 years' experience working in the investment industry.

Prior to joining RARE in 2014, Carl was Chief Operating Officer – Investments Asia Pacific at Fidelity International (Hong Kong), which managed over USD 70 billion. In this role Carl was responsible for 115 employees in 8 locations across the Asia Pacific region providing a full range of support services to the investment managers, analysts and traders including decision implementation, fund and risk analytics, logistical support and specialised IT support.

Before that, Carl oversaw the platforms, products and adviser services business unit at Zurich Financial Services, where he was responsible for the development and management of a range of products, platforms and adviser services.

Carl holds a Bachelor degree of Commerce in Accounting and Finance from the University of New South Wales, Sydney. Carl is Chartered Accountant and member of the Institute of Chartered Accountants in Australia and a member of the Australian Institute of Company Directors.

#### **Denise Kinsella (Irish)**

Denise Kinsella is an independent non-executive director of a number of investment funds and has over 20 years' experience in international financial services. She qualified as a lawyer and for six years (1999 to 2005) was a Partner at Dillon Eustace Solicitors specialising in financial services law and regulation, in particular investment funds.

Prior to that she was a senior executive at Bank of Ireland Group where she worked for 11 years, including, in Bank of Ireland Securities Services (now part of Northern Trust), as Director of Client Services and Director of Legal Affairs and, in Bank of Ireland Asset Management, as a Senior Manager.

Denise is a former Chairman of the Irish Funds Industry Association and IFIA's legal and regulatory sub-committee and has participated in a number of key funds industry working groups.

She holds an honours law degree from Trinity College Dublin and was admitted as a solicitor by the Law Society of Ireland in 1987. She also holds a diploma in company direction from the Institute of Directors (UK).

#### **Tom Finlay (Irish)**

Tom Finlay is a barrister by profession having, qualified in 1973. Mr. Finlay joined the Investment Bank of Ireland ("IBI") in February 1975 after having completed a one-year post-graduate Diploma in European Law in 1974 and from February 1975 to May 2001 he worked for the Fund Management division of the Bank of Ireland Group.

During his time with IBI/BIAM (the name of the business changed from IBI to Bank of Ireland Asset Management ("BIAM") in 1996), Mr. Finlay emerged as a key member of the management team, which made IBI/BIAM the leading fund manager in the Irish market, as well as a significant global player. Mr. Finlay's initial role with IBI/BIAM was selling fund management services to pension funds. By 1983 the IBI/BIAM personal business was beginning to develop and by 1985 Mr. Finlay had assumed responsibility for this growing business. In the early nineties Tom also assumed responsibility for IBI/BIAM's Irish institutional business.

Between 1987 and 1993 Tom also had overall responsibility for the selling of IBI/BIAM's third party fund administration and custodial services to international clients.

In May 2001 Mr. Finlay left BIAM and set up his own consultancy business - The Finlay Consultancy. Mr. Finlay has also taken up a number of non-executive directorships with companies operating out of Dublin's International Financial Services Centre.

Tom completed an MSC in Management in Trinity College Dublin in 1991.

Tom has had a lengthy involvement with the Irish Association of Pension Funds ("IAPF"). In May 2001 Tom completed two years as Chairman of the IAPF and in this role he was involved directly in lobbying the Irish government, and the Departments of Finance and Social Welfare on pension matters. In addition, Tom has been the Irish representative on the ERFP, which is the European representative body for national pension associations. In January 2001 Tom was appointed to the Irish Pensions Board which is the statutory body responsible for regulating Occupational Pension Schemes in Ireland. He served a full five year term and chaired the Board's key policy committee.

### **Promoter, Investment Manager and Global Distributor**

RARE Infrastructure Limited is the Promoter of the Fund. The Promoter was incorporated in July 2006 and is authorised and regulated by the Australian Securities & Investments Commission in the conduct of financial services activities. The Promoter is an Australian based fund manager specialising in global listed infrastructure investments.

The Fund has appointed RARE Infrastructure Limited to act as investment manager to the Fund and each of its Sub-Funds. The Investment Manager has the responsibility for the investment management, on a discretionary basis, of the assets of the Fund and each of its Sub-Funds. Under the terms of the Investment Management Agreement the Investment Manager is responsible, subject to the overall supervision and control of the Directors, for managing the assets and investments of the Fund and each of its Sub-Funds in accordance with the investment objective, investment policies and investment restrictions of each Sub-Fund. The Fund shall not be liable for any actions, costs, charges, losses, damages or expenses arising as a result of the acts or omissions of the Investment Manager or for its own acts or omissions in following the advice or recommendations of the Investment Manager.

The Investment Manager may delegate the discretionary investment management of each Sub-Fund to sub-investment managers. The Investment Manager shall not be held liable for any actions, costs,

charges, losses, damages or expenses arising as a result of the acts or omissions of sub-investment managers appointed by it or for its own acts or omissions in bona fide following the advice or recommendations of sub-investment managers.

The Investment Manager is free to render investment management services to others and to engage in other activities.

The Investment Manager has also been appointed to act as the Global Distributor to the Fund and each of its Sub-Funds. The Global Distributor has the authority to delegate some or all of its duties, as global distributor, to Distributors, in accordance with the requirements of the Central Bank.

The Fund may appoint additional entities from time to time to distribute Shares in the Fund and its Sub-Funds.

### **Administrator**

The Fund has appointed RBC Investor Services Ireland Limited as administrator and registrar of the Fund pursuant to the Administration Agreement with responsibility for the day to day administration of the Fund's affairs. The responsibilities of the Administrator include share registration and transfer agency services, valuation of the Fund's assets and calculation of the Net Asset Value per Share and the preparation of the Fund's semi-annual and annual reports.

The Administrator is a company incorporated with limited liability in Ireland and is authorised by the Central Bank under the Investment Intermediaries Act 1995. The Administrator is a wholly-owned subsidiary of the Royal Bank of Canada Group.

The Administrator is engaged in the business of, inter alia, providing fund administration services to collective investment undertakings. The Administrator has responsibility for the administration of the Company's affairs including the calculation of the Net Asset Value and preparation of the accounts of the Company, subject to the overall supervision of the Directors.

### **Custodian**

The Fund has appointed RBC Investor Services Bank S.A., Dublin Branch as custodian of all of its assets pursuant to the Custodian Agreement.

The Custodian is RBC Investor Services Bank S.A., which is a company incorporated with limited liability in Luxembourg, operating through its Dublin Branch. The Custodian is a wholly-owned subsidiary of the Royal Bank of Canada Group and its head office is 14, Porte de France L 4360 Esch sur Alzette Luxembourg, Luxembourg. The Custodian has been approved by the Central Bank to act as custodian for the Company.

The Custodian provides safe custody of the Company's assets which are held under the control of the Custodian. The main activity of the Custodian is to act as trustee and custodian of collective investment

schemes such as the Company.

The Custodian shall ensure that the sale, issue, repurchase, redemption and cancellation of Shares, effected by or on behalf of the Fund, are carried out in accordance with the UCITS Regulations and the Articles, ensure that in transactions involving the Assets of the Fund, any consideration is remitted to it within the usual time limits being those time limits which are acceptable market practice in the context of the particular transaction, and ensure that the income of the Fund is applied in accordance with the Articles and the UCITS Regulations. The Custodian will carry out the instructions of the Fund unless they conflict with the UCITS Regulations, the Articles of Association, the Prospectus or the Custodian Agreement. The Custodian is also obliged to enquire into the conduct of the Fund in each Accounting Period and report thereon to the Shareholders.

The Custodian has power to delegate the whole or any part of its custodial functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Central Bank considers that in order for the Custodian to discharge its responsibility under the UCITS Regulations, the Custodian must exercise care and diligence in the selection of sub-custodians as safekeeping agents so as to ensure they have and maintain the expertise, competence and standing appropriate to discharge their responsibilities as sub-custodians. The Custodian must maintain an appropriate level of supervision over sub-custodians and make appropriate enquiries, periodically, to confirm that their obligations continue to be competently discharged. This, however, does not purport to be a legal interpretation of the UCITS Regulations or the corresponding provisions of EC Council Directive 85/611/EEC of 20 December, 1985.

## **Bridge**

The Fund has appointed Bridge to provide services to assist the Directors in carrying out the management functions specified by the Central Bank.

Bridge is a private limited company incorporated in Ireland on 1 March, 2005, under registration number 398390. Its principal business is the provision of business advisory and governance services to collective investment schemes and investment management firms.

## **Paying Agents / Representatives / Distributors / Correspondent Banks**

Local laws / regulations in EEA Member States may require the appointment of paying agents / representatives / distributors / correspondent banks ("Paying Agents") and maintenance of accounts by such Paying Agents through which subscription and redemption monies or dividends may be paid. Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to the Custodian (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Custodian for the account of the Fund or the relevant Sub-Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder.

Fees and expenses of Paying Agents appointed by the Fund which will be at normal commercial rates will be borne by the Fund.

Country Supplements dealing with matters pertaining to Shareholders in jurisdictions in which Paying Agents are appointed may be prepared for circulation to such Shareholders and, if so, a summary of the material provisions of the agreements appointing the Paying Agents will be included in the relevant Country Supplements.

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

Details of the paying agents appointed are contained in one or more Country Supplements to this Prospectus which will be updated upon the appointment or termination of appointment of paying agents.

### **Conflicts of Interest**

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

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

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

- (a) certified valuation by a person approved by the Custodian as independent and competent; or



- (b) the relevant transaction is executed on best terms reasonably obtainable on an organised investment exchange or other regulated market in accordance with the rules of such exchange or market; or
- (c) where the conditions set out in (a) and (b) above are not practical, the relevant transaction is executed on terms which the Custodian is (or in the case of a transaction involving the Custodian, the Directors are) satisfied conform with normal commercial terms negotiated at arm's length.

Transactions must be consistent with the best interests of the Shareholders.

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

The Administrator may also consult the Investment Manager or a Sub-Investment Manager with respect to the valuation of certain investments. Whilst there is an inherent conflict of interest between the involvement of the Investment Manager or a Sub-Investment Manager in determining the valuation price of a Sub-Fund's investments and the Investment Manager or Sub-Investment Manager's other duties and responsibilities in relation to the Sub-Funds, the Investment Manager and Sub-Investment Manager have in place pricing procedures designed to ensure fair pricing of all unlisted investments, which follows industry standards for valuing such investments.

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

### **Soft Commissions**

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

A report will be included in the Fund's annual and semi-annual reports describing the Investment Managers soft commission practices.

### **Cash / Commission Rebates and Fee Sharing**

Where the Investment Manager or any of its delegates, successfully negotiates the recapture of a

portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities, financial derivative instruments or techniques and instruments for the Fund or a Sub-Fund, the rebated commission shall be paid to the Fund or the relevant Sub-Fund as the case may be. The Investment Manager or their delegates, may be reimbursed out of the assets of the Fund or the relevant Sub-Fund for reasonable properly vouched costs and expenses directly incurred by the Investment Manager or Sub-Investment Manager, or its delegates, in this regard.

#### **4. FEES AND EXPENSES**

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

The Fund will pay all the operating expenses and fees hereinafter described as being payable by the Fund. All or part of the fees and expenses of the Fund may be charged to the capital of the Fund.

Expenses paid by the Fund throughout the duration of the Fund, in addition to fees and expenses payable to the Directors, the Administrator, the Custodian, the Investment Manager, Bridge and any Paying Agents appointed by or on behalf of the Fund include, but are not limited to, brokerage and banking commissions and charges, company secretarial fees, Companies Registration Office filings and statutory fees, regulatory fees, auditing fees, all expenses in connection with registration of the Fund and the Shares issued or to be issued, and Directors' insurance premia, legal and other professional advisory fees, translation and accounting expenses, interest on borrowings, taxes and governmental expenses applicable to the Fund, costs of preparation, translation, printing and distribution of reports and notices, all marketing material and advertisements and periodic updating of this Prospectus, professional fees incurred in relation to the listing of the Fund or its Sub-Funds on any stock exchange, stock exchange listing fees and expenses, all expenses in connection with obtaining and maintaining a credit rating for any Sub-Funds or any Classes or Shares or a Sub-Fund, expenses of Shareholders meetings, expenses of the publication and distribution of the Net Asset Value, clerical costs of issue or redemption of Shares, postage, telephone, facsimile and telex expenses and any other expenses in each case together with any applicable value added tax.

Any such expenses may be deferred and amortised by the Fund, in accordance with standard accounting practice, at the discretion of the Directors. An estimated accrual for operating expenses of the Fund will be provided for in the calculation of the Net Asset Value of each Sub-Fund. Operating expenses and the fees and expenses of service providers which are payable by the Fund shall be borne by all Sub-Funds in proportion to the Net Asset Value of the relevant Sub-Fund or attributable to the relevant Class provided that fees and expenses directly or indirectly attributable to a particular Sub-Fund or Class shall be borne solely by the relevant Sub-Fund or Class.

##### **Management Fees and Expenses**

###### Administrator's Fees

The Fund shall pay the Administrator such fees as will be disclosed in the relevant Supplement.

###### Custodian's Fees

The Fund shall pay the Custodian such fees as will be disclosed in the relevant Supplement.

#### Investment Manager's Fees

The Fund shall pay the Investment Manager such fees as will be disclosed in the relevant Supplement.

#### Bridge's Fees

The Fund shall pay an annual fee of Euro 20,000 to Bridge, which shall include provisions of services to the Fund for up to 2 Sub-Funds.

Such fees will be subject to annual review and shall accrue and be payable quarterly in arrears.

The Fund may also be required to discharge any out-of-pocket expenses incurred by Bridge in the provision of services to the Fund, such as courier charges and travel costs and expenses. All fees and expenses shall be subject to VAT.

#### Paying Agents Fees

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

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

#### Sales Charge

Shareholders may be subject to a sales charge calculated as a percentage of subscription monies as specified in the relevant Supplement, subject to a maximum of 3% of the Net Asset Value per Share subscribed for by the Shareholders. Such sales charge, if levied, will be charged as a preliminary once off charge. Details of any such sales charge shall be specified in the relevant Supplement.

#### Redemption Fee

Shareholders may be subject to a redemption fee, up to a maximum of 3%, calculated as a percentage of redemption monies as specified in the relevant Supplement. In the event of a redemption fee being charged, Shareholders should view their investment as medium to long-term.

#### Anti-Dilution Levy

The Directors reserve the right to impose "an anti-dilution levy" to preserve the value of the underlying assets of the Sub-Fund not exceeding 3% of the Net Asset Value of the Shares being subscribed for or redeemed to cover dealing costs relating to the acquisition or disposal of assets in the event of receipt

for processing of net subscription or redemption requests exceeding 6% of the Net Asset Value of the Sub-Fund including subscriptions and/or redemptions which would be effected as a result of requests for conversion from one Sub-Fund into another Sub-Fund. Any such provision will be added to the price at which Shares will be issued in the case of net subscription requests exceeding 6% of the Net Asset Value of the Sub-Fund and deducted from the price at which Shares will be redeemed in the case of net redemption requests exceeding 6% of the Net Asset Value of the Sub-Fund. Any such sum will be paid into the account of the Sub-Fund.

#### Conversion Fee

The Articles of Association authorise the Directors to charge a fee on the conversion of Shares in any Sub-Fund to Shares in another Sub-Fund up to a maximum of 3% of Net Asset Value of Shares in the original Sub-Fund. Details of any such conversion fee, if levied, shall be specified in the relevant Supplement.

#### Directors' Fees

The Directors are authorised to charge a fee for their services at a rate determined by the Directors. The rate currently determined is a maximum fee per Director of Euro 25,000 per annum. The Directors may be entitled to special remuneration if called upon to perform any special or extra services for the Fund. In this regard, the permanent Chairperson shall be entitled to an additional fee of Euro 5,000.

Mr. Nicholas Langley and Mr Carl McGann have agreed to waive any fees due to them in their capacity as Directors of the Fund.

The fees of the Directors will be paid by the Fund, out of the assets of the Sub-Funds.

The Directors will be entitled to be reimbursed by the Fund, out of the assets of the Sub-Funds, for expenses properly incurred in connection with the business of the Fund or the discharge of their duties.

#### Allocation of Fees and Expenses

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

#### Fee Increases

The rates of fees for the provision of services to any Sub-Fund or Class may be increased within the maximum levels stated above so long as at least one month's written notice of the new rate(s) is given to Shareholders of the relevant Sub-Fund or Class.

## 5. THE SHARES

### General

Shares may be issued on any Dealing Day. Shares issued in a Sub-Fund or Class will be in registered form and denominated in the Base Currency specified in the relevant Supplement for the relevant Sub-Fund or a currency attributable to the particular Class. Shares will have no par value and will first be issued on the first Dealing Day after expiry of the Initial Offer Period specified in the relevant Supplement at the Initial Price as specified in the relevant Supplement. Thereafter Shares shall be issued at the Net Asset Value per Share. Title to Shares will be evidenced by the entering of the investor's name on the Fund's register of Shareholders and no certificates will be issued. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

The Directors may decline to accept any application for Shares without giving any reason and may restrict the ownership of Shares by any person, firm or corporation in certain circumstances including where such ownership would be in breach of any regulatory or legal requirement or might affect the tax status of the Fund or might result in the Fund suffering certain disadvantages which it might not otherwise suffer. Any restrictions applicable to a particular Sub-Fund or Class shall be specified in the relevant Supplement for such Sub-Fund or Class. Any person who holds Shares in contravention of restrictions imposed by the Directors or, by virtue of their holding, is in breach of the laws and regulations of any applicable jurisdiction or whose holding could, in the opinion of the Directors, cause the Fund to incur any liability to taxation or to suffer any pecuniary disadvantage which it or the Shareholders or any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the Fund, the Investment Manager, the Custodian, the Administrator and the Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the Fund.

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

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

None of the Fund, the Investment Manager, the Administrator or the Custodian or any of their respective

directors, officers, employees or agents will be responsible or liable for the authenticity of instructions from Shareholders reasonably believed to be genuine and shall not be liable for any losses, costs or expenses arising out of or in conjunction with any unauthorised or fraudulent instructions. The Administrator shall, however, employ reasonable procedures to confirm that instructions are genuine.

### **Abusive Trading Practices / Market Timing**

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

The Directors seek to deter and prevent abusive trading practices and to reduce these risks, through several methods, including the following:

- (i) to the extent that there is a delay between a change in the value of a Sub-Fund's portfolio holdings and the time when that change is reflected in the Net Asset Value per Share, a Sub-Fund is exposed to the risk that investors may seek to exploit this delay by purchasing or redeeming Shares at a Net Asset Value which does not reflect appropriate fair value prices. The Directors seek to deter and prevent this activity, sometimes referred to as "stale price arbitrage", by the appropriate use of their power to adjust the value of any investment having regard to relevant considerations in order to reflect the fair value of such investment.
- (ii) the Directors may monitor Shareholder account activities in order to detect and prevent excessive and disruptive trading practices and reserves the right to exercise its discretion to reject any subscription or conversion transaction without assigning any reason therefore and without payment of compensation if, in its judgement, the transaction may adversely affect the interest of a Sub-Fund or its Shareholders. The Directors may also monitor Shareholder account activities for any patterns of frequent purchases and sales that appear to be made in response to short-term fluctuations in the Net Asset Value per Share and may take such action as it deems appropriate to restrict such activities including, if it so determines, levying a redemption fee of up to 0.10% per cent of the Net Asset Value of Shares the subject of a redemption request.

There can be no assurances that abusive trading practices can be mitigated or eliminated. For example nominee accounts in which purchases and sales of Shares by multiple investors may be aggregated for dealing with the Fund on a net basis, conceal the identity of underlying investors in a Sub-Fund which makes it more difficult for the Directors and their delegates to identify abusive trading practices.

## **Application for Shares**

The terms and conditions applicable to an application for the issue of Shares in a Sub-Fund or Class and the Initial Price thereof together with subscription and settlement details and procedures and the time for receipt of applications will be specified in the Supplement for the relevant Sub-Fund. Application Forms may be obtained from the Administrator. The Minimum Subscription and Minimum Holding for Shares are set out in the Supplement for each Sub-Fund.

Any of the Directors or the Administrator on behalf of the Fund may reject any application in whole or in part without giving any reason for such rejection in which event the subscription monies or any balance thereof will be returned without interest, expenses or compensation to the applicant by transfer to the applicant's designated account or by post at the applicant's risk.

In accordance with the provisions of Article 9.03 of the Memorandum and Articles of Association of the Fund, the Fund may accept in specie applications for Shares provided that the nature of the assets to be transferred into the relevant Sub-Fund qualify as investments of the relevant Sub-Fund in accordance with its investment objectives, policies and restrictions. Assets so transferred shall be vested with the Custodian or arrangements shall be made to vest the assets with the Custodian. The number of Shares to be issued shall not exceed the amount that would be issued for the cash equivalent. The Custodian shall be satisfied that the terms of any exchange will not be such as are likely to result in any prejudice to the existing shareholders of the relevant Sub-Fund.

### Anti-Money Laundering Measures

Measures aimed at the prevention of money laundering may require a detailed verification of the investor's identity. Depending on the circumstances of each application, a detailed verification might not be required where (i) the investor makes payment from an account held in the investor's name at a recognised financial institution or (ii) the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is located within a country recognised in Ireland as having equivalent anti-money laundering regulations or satisfies other applicable conditions. By way of example an individual may be required to produce a copy of a passport or identification card together with evidence of his/her address such as a utility bill or bank statement and date of birth. In the case of corporate investors, such measures may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and resident and business address of all directors.

The Administrator and the Fund each reserves the right to request such information as is necessary to verify the identity of an investor. In the event of a delay or failure by an investor or applicant to produce any information required for verification purposes, the Administrator or the Fund shall refuse to accept the application and subscription monies.



### Data Protection Information

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

### **Redemption of Shares**

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

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

If the number of Shares to be redeemed on any Dealing Day equals one tenth or more of the total number of Shares of a Sub-Fund in issue on that day the Directors or their delegate may at their discretion refuse to redeem any Shares in excess of one tenth of the total number of Shares in issue as aforesaid and, if they so refuse, the requests for redemption on such Dealing Day shall be reduced pro rata and Shares which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all Shares to which the original request related have been redeemed. Redemption requests which have been carried forward from an earlier Dealing Day shall (subject always to the foregoing limits) be complied with in priority to later requests.

The Fund may, with the consent of the individual Shareholders and subject to the approval of the Custodian, satisfy any request for redemption of Shares by the transfer in specie to those Shareholders of assets of the relevant Sub-Fund having a value equal to the redemption price for the Shares redeemed as if the redemption proceeds were paid in cash less any redemption charge and other expenses of the transfer. The allocation of assets to any Shareholder shall be subject to the approval of

the Custodian. Any Shareholder requesting redemption shall be entitled to request the sale of any asset or assets proposed to be distributed in specie and the distribution to such Shareholder of the cash proceeds of such sale, the costs of which shall be borne by the relevant Shareholder.

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

Shareholders are required to notify the Administrator immediately if they become US Persons or persons who are otherwise subject to restrictions on ownership imposed by the Directors and such Shareholders may be required to redeem or transfer their Shares. The Fund may redeem any Shares which are or become owned, directly or indirectly, by or for the benefit of any person in breach of any restrictions on ownership from time to time specified by the Directors or if the holding of Shares by any person is unlawful or is likely to result or results in any tax, fiscal, legal, regulatory, pecuniary liability or disadvantage or material administrative disadvantage to any of the Fund, Shareholders or any Sub-Fund or by any person who holds less than the Minimum Holding or does not supply any information or declaration required by the Fund within seven days of a request to do so. Any such redemption will be effected on a Dealing Day at the Net Asset Value per Share calculated on or with respect to the relevant Dealing Day on which the Shares are to be redeemed. The Fund may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by a Shareholder including any interest or penalties payable thereon. The attention of investors in relation to the section of the prospectus entitled "Taxation" and in particular the section therein headed "Irish Taxation" which details circumstances in which the Fund shall be entitled to deduct from payments to Shareholders who are resident or ordinarily resident in Ireland amounts in respect of liability to Irish taxation including any penalties and interest thereon and/or compulsorily redeem Shares to discharge such liability. Relevant Shareholders will indemnify and keep the Fund indemnified against loss arising to the Fund by reason of the Fund becoming liable to account for tax on the happening of an event giving rise to a charge to taxation.

### **Total Redemption of Shares**

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

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

### **Conversion of Shares**

Subject to the Minimum Subscription, Minimum Holding and minimum transaction requirements of the relevant Sub-Fund or Classes, Shareholders may request conversion of some or all of their Shares in one Sub-Fund or Class (the "Original Sub-Fund") to Shares in another Sub-Fund or Class or another Class in the same Sub-Fund (the "New Sub-Fund") in accordance with the formula and procedures specified below. Requests for conversion of Shares should be made to the Administrator by facsimile or

written communication or by such other means as may be permitted by the Directors, and should include such information as may be specified from time to time by the Directors or their delegate. Requests for conversion should be received prior to the earlier of the Dealing Deadline for redemptions in the Original Sub-Fund and the Dealing Deadline for subscriptions in the New Sub-Fund. Any applications received after such time will be dealt with on the next Dealing Day which is a dealing day for the relevant Sub-Funds, unless the Directors in their absolute discretion otherwise determine. Conversion requests will only be accepted where cleared funds and completed documents are in place from original subscriptions.

Where a conversion request would result in a Shareholder holding a number of Shares of either the Original Sub-Fund or the New Sub-Fund which would be less than the Minimum Holding for the relevant Sub-Fund, the Fund or its delegate may, if it thinks fit, convert the whole of the holding in the Original Sub-Fund to Shares in the New Sub-Fund or refuse to effect any conversion from the Original Sub-Fund.

Fractions of Shares which shall not be less than 0.01 of a Share may be issued by the Fund on conversion where the value of Shares converted from the Original Sub-Fund are not sufficient to purchase an integral number of Shares in the New Sub-Fund and any balance representing less than 0.01 of a Share will be retained by the Fund in order to defray administration costs.

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

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

where

S is the number of Shares of the New Sub-Fund to be allotted.

R is the number of Shares in the Original Sub-Fund to be redeemed.

NAV is the Net Asset Value per Share of the Original Sub-Fund at the Valuation Point on the relevant Dealing Day.

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

SP is the Net Asset Value per Share of the New Sub-Fund at the Valuation Point on the relevant Dealing Day.

#### Conversion Fee

The Directors are empowered to charge a conversion fee of up to 3% of the Net Asset Value per Share

to be issued in the Fund into which conversion has been requested. Details of any such conversion fee, if levied, will be set out in the relevant Supplement.

#### Withdrawal of Conversion Requests

Conversion requests may not be withdrawn save with the written consent of the Fund or its authorised agent or in the event of a suspension of calculation of the Net Asset Value of the Sub-Funds in respect of which the conversion request was made.

#### **Application, Redemption, Conversion and Transfer via a Clearing System**

Applications for the subscription, redemption, conversion or transfer of Shares may be made through a Clearing System. Applicants should ensure that such applications are for whole Shares only, as such Clearing Systems will not accept instructions in relation to fractions.

#### Application for Shares

Initial or subsequent subscriptions for Shares may be made through a Clearing System, for onward transmission to the Administrator (the relevant Clearing System must ensure that subscriptions are received by the Administrator by the Dealing Deadline).

Different subscription procedures and time limits may apply if applications for Shares are made via a Clearing System although the Dealing Deadline remains unaffected. Applicants seeking to subscribe for Shares via a Clearing System may obtain information on the subscription procedure directly from the relevant Clearing System.

No Clearing System is permitted to withhold subscription applications in order to benefit itself by a price change.

Investors should note that they may be unable to purchase Shares via a Clearing System on days that any such Clearing System is not open for business.

In the case of subscriptions via a Clearing System, the Administrator may, in its discretion, waive measures aimed at the prevention of money laundering, as set out above, in the following circumstances or in such other circumstances which are regarded as sufficient under current Irish anti-money laundering rules:

- (a) if and when a subscription is made via a Clearing System which is supervised by a regulatory authority which imposes a client identification obligation equivalent to that required under Irish law for the prevention of money laundering and to which the relevant Clearing System is subject;
- (b) if and when a subscription is made via a Clearing System whose parent is supervised by a regulatory authority imposing a client identification obligation equivalent to that required under

Irish law for the prevention of money laundering and where the law applicable to the parent or the group policy imposes an equivalent obligation on its subsidiaries or branches.

The financial regulatory authorities of those countries, which have ratified the recommendations of the Financial Action Task Force, are generally deemed to impose on the professionals of the financial sector subject to their supervision a client identification obligation equivalent to that required under Irish law.

A Clearing System may provide nominee services for investors purchasing Shares through them. Such investors may, at their discretion, elect to make use of such service pursuant to which the nominee will hold Shares in its name for and on behalf of the investors and who, in order to empower the nominee to vote at any general meeting of Shareholders, shall provide the nominee with specific or general voting instructions to that effect. Notwithstanding the above, the investors retain the ability to invest directly in the Fund, without using such nominee services.

Shares may be issued to and registered in the name of a Clearing System (or its nominee) nominated by or on behalf of an investor. Accountholders may incur fees normally payable in respect of the maintenance and operation of accounts in such Clearing System (or nominee).

Shares may not be issued or sold by the Fund during any period when the calculation of the Net Asset Value of the relevant Sub-Fund is suspended. Applicants subscribing for Shares via a Clearing System should contact the relevant Clearing System for arrangements regarding application to be made or pending during such suspension period. Applications made or pending during such suspension period via a Clearing System will be considered as at the next Dealing Day following the end of such suspension.

#### Redemption of Shares

Different redemption procedures and time limits may apply to redemption requests made to a Clearing System, although the Dealing Deadline will remain unaffected. Applicants seeking to redeem Shares via a Clearing System may obtain information on the redemption procedure directly from the relevant Clearing System.

Shares may not be redeemed by the Fund during any period when the calculation of the Net Asset Value of the relevant Sub-Fund is suspended. Applicants redeeming Shares via a Clearing System should contact the relevant Clearing System for arrangements regarding redemptions to be made or pending during such suspension period. Applications made or pending during such suspension period via a Clearing System will be considered as at the next Dealing Day following the end of such suspension.

#### Conversion of Shares

Different conversion procedures and time limits may apply to requests for conversion made to a Clearing System, although the Dealing Deadline will remain unaffected. Applicants seeking to convert

Shares via a Clearing System may obtain information on the conversion procedure directly from the relevant Clearing System.

Shares or one Class may not be converted to Shares of a different Class during any period when the calculation of the Net Asset Value of the relevant Sub-Fund or Sub-Funds is suspended. Applicants seeking to convert Shares via a Clearing System should contact the relevant Clearing System for arrangements regarding conversions to be made or pending during such suspension period. Applications made or pending during such suspension period via a Clearing System will be considered as at the next Dealing Day following the end of such suspension.

#### Transfer of Shares

The transfer of interests in Shares registered in the name of a Clearing System may be arranged by the Accountholder directly with the relevant Clearing System. Transfers made by an Accountholder within any Clearing System may be made between Accountholders on the books of the Clearing System and will not be registered on the register as the relevant Clearing System (or its nominee) will remain the registered Shareholder.

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

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

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

In determining the Net Asset Value of the Fund and each Sub-Fund:-

- (a) Securities which are quoted, listed or traded on a Recognised Exchange save as hereinafter provided at (d), (e), (f), (g), (h) and (i) will be valued at last traded prices, or at closing mid-market prices where no trade occurs on that particular day. Where a security is listed or dealt in on more than one Recognised Exchange the relevant exchange or market shall be the

principal stock exchange or market on which the security is listed or dealt on or the exchange or market which the Directors determine provides the fairest criteria in determining a value for the relevant investment. Investments listed or traded on a Recognised Exchange, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount at the Valuation Point provided that the Custodian shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.

- (b) The value of any security which is not quoted, listed or dealt in on a Recognised Exchange or which is so quoted, listed or dealt but for which no such quotation or value is available or the available quotation or value is not representative of the fair market value shall be the probable realisation value as estimated with care and good faith by (i) the Directors or (ii) a competent person, firm or corporation (including the Investment Manager) selected by the Directors and approved for the purpose by the Custodian or (iii) any other means provided that the value is approved by the Custodian. Where reliable market quotations are not available for fixed income securities the value of such securities may be determined using matrix methodology compiled by the Directors whereby such securities are valued by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics.
- (c) Cash on hand or on deposit will be valued at its nominal value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.
- (d) Derivative contracts traded on a Recognised Exchange, including, without limitation, futures and options contracts and index futures, shall be valued at the settlement price as determined by the Recognised Exchange in question. If the settlement price is not available, or is, in the opinion of the Directors, unrepresentative, the value shall be the probable realisation value estimated with care and in good faith by (i) the Directors or (ii) a competent person firm or corporation (including the Investment Manager) selected by the Directors and approved for the purpose by the Custodian or (iii) any other means provided that the value is approved by the Custodian.
- (e) Derivative contracts which are not traded on a Recognised Exchange, including, without limitation, swap contracts (each an "OTC Derivative"), will be valued (a) on the basis of a quotation provided daily by the relevant counterparty, and verified or approved at least weekly by a party independent of the counterparty, including the Investment Manager, or another independent party, selected by the Directors, which is approved for such purpose by the Custodian; or (b) using an alternative valuation methodology, such as a daily valuation calculated by the Directors or their delegate, or the value of an independent pricing vendor. Where the Fund values an OTC Derivative in accordance with (b) the Fund will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as IOSCO or AIMA. The person or entity providing the alternative valuation must be appointed by the Fund and approved for the purpose by the Custodian. If the valuation is provided by any other entity, then the valuation must be approved by the Custodian. The alternative valuation must be reconciled to the counterparty valuation on a monthly basis.

Where significant differences arise these must be promptly investigated and explained.

- (f) Forward foreign exchange contracts shall be valued in the same manner as derivatives contracts which are not traded on a Recognised Exchange or by reference to the price at the Valuation Point at which a new forward foreign exchange contract of the same size and maturity could be undertaken.
- (g) Notwithstanding paragraph (a) above units in collective investment schemes shall be valued at the latest available net asset value per unit or bid price as published by the relevant collection investment scheme or, if traded on a Recognised Exchange, in accordance with (a) above.
- (h) In the case of a Sub-Fund which is a short-term money market fund as detailed in the UCITS Notices, the Directors may use the amortised cost method of valuation provided that a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the Central Bank's requirements.
- (i) In the case of a Sub-Fund which is a money market fund or a non-money market fund, the Directors may value money market instruments using the amortised cost method of valuation in accordance with the Central Bank's requirements.
- (j) The Directors may adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof.
- (k) Any value expressed otherwise than in the Base Currency of the relevant Sub-Fund shall be converted into the Base Currency of the relevant Sub-Fund at the exchange rate (whether official or otherwise) which the Directors shall determine to be appropriate.
- (l) Where the value of any investment is not ascertainable as described above, the value shall be the probable realisation value estimated by the Directors with care and in good faith or by a competent person approved by the Directors and approved for that purpose by the Custodian.
- (m) If the Directors deem it necessary a specific Investment may be valued under an alternative method of valuation that has been approved by the Directors in consultation with the Custodian.

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

- (a) every Share agreed to be issued by the Directors with respect to each Dealing Day shall be deemed to be in issue at the Valuation Point for the relevant Dealing Day and the assets of the relevant Sub-Fund shall be deemed to include not only cash and property in the hands of the Custodian but also the amount of any cash or other property to be received in respect of Shares agreed to be issued after deducting there from (in the case of Shares agreed to be issued for cash) or providing for preliminary charges;



- (b) where investments have been agreed to be purchased or sold but such purchase or sale has not been completed, such investments shall be included or excluded and the gross purchase or net sale consideration excluded or included as the case may require as if such purchase or sale had been duly completed;
- (c) there shall be added to the assets of the relevant Sub-Fund any actual or estimated amount of any taxation of a capital nature which may be recoverable by the Fund which is attributable to that Sub-Fund;
- (d) there shall be added to the assets of each relevant Sub-Fund a sum representing any interest, dividends or other income accrued but not received and a sum representing unamortised expenses;
- (e) there shall be added to the assets of each relevant Sub-Fund the total amount (whether actual or estimated by the Directors or their delegate) of any claims for repayment of any taxation levied on income or capital gains including claims in respect of double taxation relief; and
- (f) where notice of the redemption of Shares has been received by the Fund with respect to a Dealing Day and the cancellation of such Shares has not been completed, the Shares to be redeemed shall be deemed not to be in issue at the Valuation Point and the value of the assets of the relevant Sub-Fund shall be deemed to be reduced by the amount payable upon such redemption;
- (g) there shall be deducted from the assets of the relevant Sub-Fund:
  - (i) the total amount of any actual or estimated liabilities properly payable out of the assets of the relevant Sub-Fund including any and all outstanding borrowings of the Fund in respect of the relevant Sub-Fund, interest, fees and expenses payable on such borrowings and any estimated liability for tax and such amount in respect of contingent or projected expenses as the Directors consider fair and reasonable as of the relevant Valuation Point;
  - (ii) such sum in respect of tax (if any) on income or capital gains realised on the investments of the relevant Sub-Fund as in the estimate of the Directors will become payable;
  - (iii) the amount (if any) of any distribution declared but not distributed in respect thereof;
  - (iv) the remuneration of the Administrator, the Custodian, the Investment Manager, any Paying Agent and any other providers of services to the Fund accrued but remaining unpaid together with a sum equal to the value added tax chargeable thereon (if any);
  - (v) the total amount (whether actual or estimated by the Directors) of any other liabilities

properly payable out of the assets of the relevant Sub-Fund (including all establishment, operational and ongoing administrative fees, costs and expenses) as of the relevant Valuation Point; and

- (vi) any other liability which may properly be deducted.

The valuation policies selected and applied in order to value each class of asset of the relevant Sub-Fund shall be applied consistently with respect to the Fund, the individual Sub-Funds and across the different types of Investments, throughout the life of the Fund or the relevant Sub-Fund.

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

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

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

Any suspension of valuation shall be notified to the Central Bank , the Irish Stock Exchange (with respect to any Sub-Fund or Class which is listed) and the Custodian without delay and, in any event, within the same Dealing Day and shall be published and made available on the internet at [www.RAREinfrastructure.com/RAREinvestmentfunds](http://www.RAREinfrastructure.com/RAREinvestmentfunds). Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

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

### **Taxation on the Occurrence of Certain Events**

The attention of investors is drawn to the section of the Prospectus headed "Irish Taxation" and in particular the taxation liability arising on the occurrence of certain events such as the encashment, redemption or transfer of Shares by or payment of dividends to Shareholders who are resident or ordinarily resident in Ireland. If the Fund becomes liable to account for tax including any interest or penalties thereon if an event giving rise to a tax liability occurs, the Fund shall be entitled to deduct such amount from the payment arising on such event or to compulsorily redeem or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as have a value sufficient after the deduction of any redemption charges to discharge any such liability. The relevant Shareholder shall indemnify and keep the Fund indemnified against any loss arising to the Fund by reason of the Fund becoming liable to account for tax and any interest or penalties thereon on the happening of an event giving rise to a tax liability including if no such deduction, appropriation or cancellation has been made.

## **6. TAXATION**

### **General**

**The Sections below on Irish taxation are brief summaries of the tax advice received by the Directors relating to current law and practice which may be subject to change and interpretation.**

**The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the possible tax implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of their countries of citizenship, residence or domicile. No warranty is given or implied regarding the applicability or interpretation of the tax laws of any other jurisdiction.**

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

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

### **Irish Taxation**

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

### **The Fund**

The Fund will be regarded as resident in Ireland for tax purposes if the central management and control of its business is exercised in Ireland and the Fund is not regarded as resident elsewhere. It is the intention of the Directors that the business of the Fund will be conducted in such a manner as to ensure that it is Irish resident for tax purposes.

The Directors have been advised that the Fund qualifies as an investment undertaking as defined in Section 739B (1) of the Taxes Act. Under current Irish law and practice, the Fund is not chargeable to Irish tax on its income and gains.

However, tax can arise on the happening of a “chargeable event” in the Fund. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation,

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

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

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

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

### ***Stamp Duty***

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

No Irish stamp duty will be payable by the Fund on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or

marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B (1) of the Taxes Act or a “qualifying company” within the meaning of Section 110 of the Taxes Act) which is registered in Ireland.

## **Shareholders Tax**

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

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

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

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

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

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

Shareholders who are neither Irish Residents nor Ordinarily Resident in Ireland and either (i) the Fund

has satisfied and availed of the equivalent measures or (ii) such Shareholders have made Relevant Declarations in respect of which the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct, will not be liable to Irish tax in respect of income from their Shares and gains made on the disposal of their Shares. However, any corporate Shareholder which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from their Shares or gains made on disposals of the Shares.

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

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

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

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

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

less than that which arose on the preceding deemed disposal, the Fund will refund the Shareholder for the excess (subject to the paragraph headed “15% threshold” below).

#### 10% Threshold

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

#### 15 % Threshold

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

#### *Other*

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

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

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

#### *Equivalent Measures*



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

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

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

#### **Capital Acquisitions Tax**

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

With regard to Irish tax residency for Capital Acquisitions Tax purposes, special rules apply for non-Irish domiciled persons. A non-Irish domiciled donee or disponer will not be deemed to be resident or

ordinarily resident in Ireland at the relevant date unless;

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

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

Dividends and other distributions made by the Fund, together with payment of the proceeds of sale and/or redemption of Shares in the Fund, may (depending on the investment portfolio of the Fund and the location of the paying agent – the definition of a paying agent for the purposes of the Savings Directive is not necessarily the same person who may legally be regarded as the paying agent) be subject to the exchange of information regime or withholding tax imposed by EU Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments. If a payment is made to a Shareholder who is an individual resident in a Member State of the European Union (or a “residual entity” established in a Member State) by a paying agent resident in another Member State (or in certain circumstances the same Member State of the Shareholder) then the Directive may apply. The Directive applies to payments of “interest” (which may include distributions or redemption payments by collective investment funds) or other similar income made on or after 1 July 2005 and applicants for Shares in the Fund will be requested to provide certain information as required under the Directive. It should be noted that the imposition of exchange of information and/or withholding tax on payments made to certain individuals and residual entities resident in an EU Member State also applies to those resident or located in any of the following countries; Anguilla, Aruba, British Virgin Islands, Cayman Island, Guernsey, Isle of Man, Jersey, Montserrat, Netherlands Antilles and Turks and Caicos Islands.

For the purposes of the Directive, interest payments include income distributions made by certain collective investment funds (in the case of EU domiciled funds, the Directive currently only applies to UCITS), to the extent that the fund has invested more than 15% of its assets directly or indirectly in interest bearing securities and income realised upon the sale, repurchase or redemption of fund units to the extent that the fund has invested more than 25% of its assets directly or indirectly in interest bearing securities.

The following countries, Andorra, Liechtenstein, Monaco, San Marino and Switzerland, will not be participating in automatic exchange of information. To the extent that they will exchange information it will be on a request basis only. Their participation is confined to imposing a withholding tax.

On 24<sup>th</sup> March 2014 the European Commission formally adopted a directive amending the EU Savings Directive (2003/48/EC). The amendments will, inter alia, (i) extend the scope of the Directive to payments made through certain Non-EU intermediate structures for the ultimate benefit of an EU resident individual and (ii) include certain EU entities and legal arrangements which are not subject to effective taxation within the definition of a “residual entity” and (iii) expand the definition of interest to cover other income substantially equivalent to interest.

The Member States will have until January 2016 to adopt the national legislation necessary to comply

with the Directive and implementation is expected from 2017.

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

The foreign account tax compliance provisions (“**FATCA**”) of the Hiring Incentives to Restore Employment Act 2010 represent an expansive information reporting regime enacted by the United States (“**US**”) aimed at ensuring that Specified US Persons with financial assets outside the US are paying the correct amount of US tax. FATCA will generally impose a withholding tax of up to 30% with respect to certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends paid to a foreign financial institution (“**FFI**”) unless the FFI enters directly into a contract (“**FFI agreement**”) with the US Internal Revenue Service (“**IRS**”) or alternatively the FFI is located in a IGA country (please see below). An FFI agreement will impose obligations on the FFI including disclosure of certain information about US investors directly to the IRS and the imposition of withholding tax in the case of non-compliant investors. For these purposes the Fund would fall within the definition of a FFI for the purpose of FATCA.

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

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

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

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

## **7. GENERAL INFORMATION**

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

- (a) **The Fund was incorporated in Ireland on 24 January, 2007 as an investment company with variable capital and limited liability, under registration number 433526. The Fund has no subsidiaries.**
- (b) The registered office of the Fund is as stated in the Directory at the front of the Prospectus.
- (c) **Clause 3 of the Memorandum of Association of the Fund provides that the Fund's sole object is the collective investment in either of both transferable securities and other liquid financial assets referred to in Regulation 4(3) of the UCITS Regulations of capital raised from the public and the Fund operates on the principle of risk spreading.**
- (d) The initial authorised share capital of the Fund is Euro 300,000 divided into 300,000 redeemable non-participating shares of Euro 1 each and 500,000,000,000 participating shares of no par value. 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 Fund. The Directors have the power to allot shares in the capital of the Fund on such terms and in such manner as they may think fit.
- (e) No share capital of the Fund has been put under option nor has any share capital been agreed (conditionally or unconditionally) to be put under option.

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

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

### **3. Voting Rights**

The following rules relating to voting rights apply:-

- (a) Fractions of Shares do not carry voting rights.
- (b) Every Shareholder or holder of non-participating shares present in person or by proxy who votes on a show of hands shall be entitled to one vote.
- (c) The chairman of a general meeting of a Sub-Fund or Class or any Shareholder of a Sub-Fund or Class present in person or by proxy at a meeting of a Sub-Fund or Class may demand a poll. The chairman of a general meeting of the Sub-Fund or at least two members present in person or by proxy or any Shareholder or Shareholders present in person or by proxy representing at least one tenth of the Shares in issue having the right to vote at such meeting may demand a poll.
- (d) On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him and every holder of non-participating shares shall be entitled to one vote in respect of all non-participating shares held by him. A Shareholder entitled to more than one vote need not cast all his votes or cast all the votes he uses in the same way.
- (e) In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
- (f) Any person (whether a Shareholder or not) may be appointed to act as a proxy; a Shareholder may appoint more than one proxy to attend on the same occasion.
- (g) Any instrument appointing a proxy must be deposited at the registered office, not less than 48 hours before the meeting or 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 Fund send by post or otherwise to the Shareholders instruments of proxy (with or without prepaid postage for their return) and may either leave blank the appointment of the proxy or nominate one or more of the Directors or any other person to act as proxy.
- (h) To be passed, ordinary resolutions of the Fund or of the Shareholders of a particular Sub-Fund or Class will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed. Special resolutions of the Fund or of the Shareholders of a particular Sub-Fund or Class will require a majority of not less than 75% of the Shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Articles of Association.

#### **4. Meetings**

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

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

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

If a Sub-Fund or Class is listed, the annual report and half-yearly report will be circulated to the Irish Stock Exchange within 6 months' and 4 months' respectively of the end of the relevant financial period.

The reports, accounts and financial statements for the Fund shall be prepared in accordance with generally accepted accounting standards in Ireland or the United Kingdom, or in accordance with

IFRS.

## **6. Communications and Notices to Shareholders**

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

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

## **7. Transfer of Shares**

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

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

- (i) in consequence of such transfer the transferor or the transferee would hold a number of Shares less than the Minimum Holding;
- (ii) all applicable taxes and/or stamp duties have not been paid in respect of the instrument of transfer;
- (iii) the instrument of transfer is not deposited at the registered office of the Fund or such

other place as the Directors may reasonably require, accompanied by the certificate for the Shares to which it relates, such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, such relevant information and declarations as the Directors may reasonably require from the transferee including, without limitation, information and declarations of the type which may be requested from an applicant for Shares in the Fund and such fee as may from time to time be specified by the Directors for the registration of any instrument of transfer; or

- (iv) they are aware or reasonably believe the transfer would result in the beneficial ownership of such Shares by a person in contravention of any restrictions on ownership imposed by the Directors or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the relevant Sub-Fund or Class or Shareholders generally.
- (c) 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.

## **8. Directors**

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

- (a) Unless otherwise determined by an ordinary resolution of the Fund 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 Articles of Association contain no provisions requiring Directors to retire on attaining a particular age or to retire on rotation.
- (d) A Director may vote and be counted in the quorum at a meeting to consider the appointment or the fixing or variation of the terms of appointment of any Director to any office or employment with the Fund or any company in which the Fund is interested, but a Director may not vote or be counted in the quorum on a resolution concerning his own appointment.
- (e) The Directors of the Fund 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 Fund 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 Fund.
- (f) A Director may hold any other office or place of profit under the Fund, other than the office of Auditor, in conjunction with his office of Director on such terms as to tenure of office or otherwise



as the Directors may determine.

- (g) No Director shall be disqualified by his office from contracting with the Fund as vendor, purchaser or otherwise, nor shall any contract or arrangement entered into by or on behalf of the Fund 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 Fund for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, but the nature of his interest must be declared by him at the meeting of the Directors at which the proposal to enter into the contract or agreement is first considered or, if the Director in question was not at the date of that meeting interested in the proposed contract or arrangement, at the next Directors' meeting held after he becomes so interested. A general notice in writing given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or arrangement which may thereafter be made with that company or firm is deemed to be a sufficient declaration of interest in relation to any contract or arrangement so made.
- (h) A Director may not vote in respect of any contract or arrangement or any proposal whatsoever in which he has any material interest or a duty which conflicts with the interests of the Fund and shall not be counted in the quorum at a meeting in relation to any resolution upon which he is debarred from voting unless the Directors resolve otherwise. However, a Director may vote and be counted in quorum in respect of any proposal concerning any other company in which he is interested directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of 5 per cent or more of the issued shares of any class of such company or of the voting rights available to members of such company. A Director may also vote and be counted in the quorum in respect of any proposal concerning an offer of Shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Fund or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the Fund for which the Director has assumed responsibility in whole or in respect of the purchase of directors' and officers' liability insurance.
- (i) The office of a Director shall be vacated in any of the following events namely:-
  - (a) if he resigns his office by notice in writing signed by him and left at the registered office of the Fund;
  - (b) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (c) if he becomes of unsound mind;
  - (d) if he is absent from meetings of the Directors for six successive months without leave expressed by a resolution of the Directors and the Directors resolve that his office be vacated;

- (e) if he ceases to be a Director by virtue of, or becomes prohibited or restricted from being a Director by reason of, an order made under the provisions of any law or enactment;
- (f) if he is requested by a majority of the other Directors (not being less than two in number) to vacate office; or
- (g) if he is removed from office by ordinary resolution of the Fund.

## **9. Directors' Interests**

- (a) None of the Directors has or has had any direct interest in the promotion of the Fund or in any transaction effected by the Fund which is unusual in its nature or conditions or is significant to the business of the Fund up to the date of this Prospectus or in any contracts or arrangements of the Fund subsisting at the date hereof, other than:

Nicholas Langley is a director and shareholder of RARE Infrastructure Limited; and  
Carl McGann is the Chief Operating Officer of RARE Infrastructure Limited.

- (b) No present Director or any connected person has any interests beneficial or non-beneficial in the share capital of the Fund.
- (c) Save as set out above at (a), none of the Directors has a service contract with the Fund nor are any such service contracts proposed.

## **10. Winding Up / Termination**

- (a) The Fund may be wound up if:
  - (i) At any time after the first anniversary of the incorporation of the Fund, the Net Asset Value of the Fund falls below Euro 10,000,000 on each Dealing Day for a period of six consecutive weeks and the Shareholders resolve by ordinary resolution to wind up the Fund;
  - (ii) Within a period of three months from the date on which (a) the Custodian notifies the Fund of its desire to retire in accordance with the terms of the Custodian Agreement and has not withdrawn notice of its intention to so retire, (b) the appointment of the Custodian is terminated by the Fund in accordance with the terms of the Custodian Agreement, or (c) the Custodian ceases to be approved by the Central Bank to act as a custodian; no new Custodian has been appointed, the Directors shall instruct the Secretary to forthwith convene an extraordinary general meeting of the Fund at which there shall be proposed an Ordinary Resolution to wind up the Fund. Notwithstanding anything set out above, the Custodian's appointment shall only terminate on revocation of the Fund's authorisation by the Central Bank ;

- (iii) In the reasonable opinion of the Directors a change in the economical or political situation relating to the Fund would have material adverse consequences on the investments of the Fund;
  - (iv) The Shareholders resolve by ordinary resolution that the Fund by reason of its liabilities cannot continue its business and that it be wound up; or
  - (iv) The Shareholders resolve by special resolution to wind up the Fund.
- (b) In the event of a winding up, the liquidator shall apply the assets of each Sub-Fund in such manner and order as he thinks fit in satisfaction of creditors' claims.
- (c) The liquidator shall in relation to the assets available for distribution among Shareholders make such transfers thereof to and from the Sub-Funds and/or Classes as may be necessary in order that the effective burden of creditors' claims may be shared between the Shareholders of different Sub-Funds and / or Classes in such proportions as the liquidator in his discretion deems equitable.
- (d) The assets available for distribution among the Shareholders shall be applied in the following priority:-
- (i) firstly, in the payment to the Shareholders of each Class or Sub-Fund of a sum in the Base Currency (or in any other currency selected and at such rate of exchange as determined by the liquidator) as nearly as possible equal to the Net Asset Value of the Shares of the relevant Class or Sub-Fund held by such Shareholders respectively as at the date of commencement of winding up;
  - (ii) secondly, in the payment to the holders of non-participating shares of One Euro each per share out of the assets of the Fund not comprised within any Sub-Fund 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 any of the Sub-Funds;
  - (iii) thirdly, in the payment to the Shareholders of each Class or Sub-Fund of any balance then remaining in the relevant Fund, in proportion to the number of Shares held in the relevant Class or Sub-Fund; and
  - (iv) fourthly, any balance then remaining and not attributable to any Sub-Fund or Class shall be apportioned between the Sub-Funds and Classes pro-rata to the Net Asset Value of each Sub-Fund 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 Sub-Fund or Class held by them.
- (e) The liquidator may, with the authority of an ordinary resolution of the Fund, divide among the

Shareholders (pro rata to the value of their respective shareholdings in the Fund) in specie the whole or any part of the assets of the Fund and whether or not the assets shall consist of property of a single kind provided that any Shareholder shall be entitled to request the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such sale. The costs of any such sale shall be borne by the relevant Shareholder. The liquidator may, with like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator shall think fit and the liquidation of the Fund may be closed and the Fund dissolved, provided that no Shareholder shall be compelled to accept any asset in respect of which there is any liability. Furthermore, the liquidator may, on the passing of a special resolution of the Shareholders of the Fund, transfer the whole or part of the assets of the Fund to a company or collective investment scheme (the "Transferee Fund") on terms that Shareholders in the Fund shall receive from the Transferee Fund shares or units in the Transferee Fund of equivalent value to their shareholdings in the Fund.

- (f) Notwithstanding any other provision contained in the Memorandum and Articles of Association of the Fund, 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 Fund, the Secretary shall forthwith at the Directors' request convene an extraordinary general meeting of the Fund at which there shall be presented a proposal to appoint a liquidator to wind up the Fund and if so appointed, the liquidator shall distribute the assets of the Fund in accordance with the Memorandum and Articles of Association of the Fund.
- (a) A Sub-Fund may be terminated if:
  - (i) The Fund may terminate a Sub-Fund if, at any time after the first anniversary of the establishment of such Sub-Fund, the Net Asset Value of the Sub-Fund falls below EUR 10 million on each Dealing Day for a period of six consecutive weeks and the Shareholders of that Sub-Fund resolve by Ordinary Resolution to terminate the Sub-Fund.
  - (ii) The Fund may, by not less than four, nor more than twelve weeks' notice to Shareholders, expiring on a Dealing Day, redeem at the Redemption Price on such Dealing Day, all of the Shares in any Sub-Fund or Class or all Sub-Funds or Classes not previously redeemed.
  - (iii) The Fund shall redeem all of the Shares in any Sub-Fund or Class not previously redeemed if the holders of 75% in value of the Shares in issue of the relevant Sub-Fund or Class resolve at a meeting of the Shareholders of such Sub-Fund or Class, duly convened and held, that such Shares should be redeemed.

If all of the Shares in a particular Sub-Fund or Class are to be redeemed as aforesaid the Directors, with the sanction of an Ordinary Resolution of the relevant Sub-Fund or Class, may divide amongst the Shareholders in specie all or part of the assets of the relevant Sub-Fund or Class according to the Net Asset Value of the Shares then held by each Shareholder in the relevant Sub-Fund or Class provided that any Shareholder shall be entitled to request, at the expense of such Shareholder, 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.

## **11. Indemnities and Insurance**

The Directors (including alternates), Secretary and other officers of the Fund and its former directors and officers shall be indemnified by the Fund 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 Fund acting through the Directors is empowered under the Articles of Association to purchase and maintain for the benefit of persons who are or were at any time Directors or officers of the Fund insurance against any liability incurred by such persons in respect of any act or omission in the execution of their duties or exercise of their powers.

## **12. General**

- (a) As at the date of this Prospectus, the Fund has no loan capital (including term loans) outstanding or created but unissued nor any mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, finance leases, hire purchase commitments, guarantees, other commitments or contingent liabilities.
- (b) No share or loan capital of the Fund is subject to an option or is agreed, conditionally or unconditionally, to be made the subject of an option.
- (c) The Fund does not have, nor has it had since incorporation, any employees.
- (d) The Fund does not intend to purchase or acquire nor agree to purchase or acquire any property.
- (e) The rights conferred on Shareholders by virtue of their shareholdings are governed by the Articles of Association, the general law of Ireland and the Act.
- (f) The Fund is not engaged in any litigation or arbitration and no litigation or claim is known by the Directors to be pending or threatened against the Fund.
- (g) The Fund has no subsidiaries.
- (h) Dividends which remain unclaimed for six years from the date on which they become payable will be forfeited. On forfeiture such dividends will become part of the assets of the Fund to which they relate. No dividend or other amount payable to any Shareholder shall bear interest against the Fund.
- (i) No person has any preferential right to subscribe for any authorised but unissued capital of the Fund.

### 13. Material Contracts

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

- (a) **Administration Agreement** between the Fund and the Administrator dated 14 February, 2007, as same by a First Supplemental Administration Agreement dated 9<sup>th</sup> November 2012, under which the latter was appointed as Administrator to manage and administer the affairs of the Fund, subject to the terms and conditions of the Administration Agreement and subject to the overall supervision of the Fund. The Administration Agreement may be terminated by either party on 90 days written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. The Administrator has the power to delegate its duties with the prior approval of the Central Bank. The Agreement provides that the Fund shall, out of the Fund's assets, indemnify the Administrator against all actions, claims, costs, damages, liabilities and expenses (including, without limitation, attorneys' fees on a full indemnity basis and amounts reasonably paid in settlement) incurred by the Administrator, its directors, officers, shareholders, employees, servants or agents in the performance of any of its obligations or duties, without limitation, complying with any Proper Instructions otherwise than due to the fraud, bad faith, negligence, recklessness, or wilful default of the Administrator, its directors, officers, employees, servants or agents in the performance of any of its obligations or duties.
- (b) **Custodian Agreement** between the Fund and the Custodian dated 14 February, 2007, as same may be amended, under which the Custodian was appointed as custodian of the Fund's assets subject to the overall supervision of the Fund. The Custodian Agreement may be terminated by either party on 90 days written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice provided that the Custodian shall continue to act as custodian until a successor custodian approved by the Central Bank is appointed by the Fund or the Fund's authorisation by the Central Bank is revoked. The Custodian has the power to delegate its duties but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Custodian must exercise care and diligence in choosing and appointing any third party as a safekeeping agent so as to ensure that the third party has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned. The Custodian must maintain an appropriate level of supervision over the safe-keeping agent and make appropriate enquiries from time to time to confirm that the obligations of the agent continue to be competently discharged. The Custodian Agreement provides that the Custodian shall be indemnified by the Fund and held harmless from and against all or any losses, liabilities, demands, damages, costs, claims or expenses whatsoever and howsoever arising (including without limitation, reasonable legal fees on a full indemnity basis and other reasonable costs, charges and expenses incurred in enforcing or attempting to enforce this indemnity) which the Custodian may suffer or incur in acting as custodian (including, without limitation, acting on Proper Instructions or other directions under which it is authorised to act or rely pursuant to this Agreement) other than by reason of its fraud, as a result of its unjustifiable failure to perform its obligations or its improper performance of them

- (c) **Investment Management Agreement** between the Fund and the Investment Manager dated 28<sup>th</sup> June 2013, pursuant to which the Investment Manager was appointed as Investment Manager of the assets of the Fund and each of its Sub-Funds, subject to the overall supervision of the Directors. The Investment Management Agreement may be terminated by either party on 90 days written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. The Investment Manager has the power to delegate its duties in accordance with the Central Bank's requirements. The Investment Management Agreement provides that the Fund shall, out of the assets of the Fund and each of its Sub-Funds, indemnify the Investment Manager and its delegates, agents and employees against and hold it harmless from any actions, proceedings, damages, claims, costs, demands and expenses including legal and professional expenses brought against or suffered or incurred by the Investment Manager in the performance of its duties other than due to the negligence, fraud, bad faith or wilful default of the Investment Manager in the performance of its obligations.
- (d) **Global Distribution Agreement** between the Fund and the Global Distributor dated 28<sup>th</sup> June 2013, under which the Global Distributor was appointed as global distributor of the Fund's Shares subject to the overall supervision of the Fund. The Global Distribution Agreement may be terminated by either party on 90 days written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. The Global Distributor has the power to delegate its duties. The Global Distribution Agreement provides that the Fund shall out of the Fund's assets indemnify the Global Distributor against and hold it harmless from any actions, proceedings, damages, claims, costs, demands and expenses including legal and professional expenses brought against or suffered or incurred by the Global Distributor in the performance of its duties other than due to the negligence, fraud, bad faith or wilful default of the Global Distributor in the performance of its obligations.

Additional material contracts, where specific to a certain Sub-Fund or Sub-Funds, will be detailed in the relevant Supplements hereto.

#### **14. Documents Available**

Copies of the following documents, which are available for information only and do not form part of this document, may be obtained free of charge from the Administrator:-

- (a) The Articles of Association of the Fund.
- (b) Once published, the latest annual and half yearly reports of the Fund.

Copies of the Prospectus may also be obtained by Shareholders from the Administrator.

## APPENDIX I - INVESTMENT RESTRICTIONS

<b>1</b>	<b>Permitted Investments</b>
	Investments of each Sub-Fund are confined to:
<b>1.1</b>	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments, as defined in the UCITS Notices, other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of non-UCITS as set out in the Central Bank's Guidance Note 2/03.
<b>1.6</b>	Deposits with credit institutions as prescribed in the UCITS Notices.
<b>1.7</b>	Financial derivative instruments as prescribed in the UCITS Notices.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	Each Sub-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.
<b>2.2</b>	<p>Each Sub-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 each Sub-Fund in certain US securities known as Rule 144A securities provided that:</p> <ul style="list-style-type: none"> <li>- the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and</li> <li>- the securities are not illiquid securities i.e. they may be realised by the UCITS within seven days at the price, or approximately at the price, at which they are valued by the UCITS.</li> </ul>
<b>2.3</b>	Each Sub-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%.



<b>2.4</b>	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Sub-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 Sub-Fund. In order to avail of this provision, the prior approval of the Central Bank is required.
<b>2.5</b>	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
<b>2.6</b>	The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
<b>2.7</b>	<p>Each Sub-Fund may not invest more than 20% of net assets in deposits made with the same credit institution.</p> <p>Deposits with any one credit institution, other than:</p> <ul style="list-style-type: none"> <li>• a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein);</li> <li>• a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or</li> <li>• a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand</li> </ul> <p>held as ancillary liquidity, must not exceed 10% of net assets.</p> <p>This limit may be raised to 20% in the case of deposits made with the custodian.</p>
<b>2.8</b>	<p>The risk exposure of each Sub-Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.</p> <p>This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand</p>
<b>2.9</b>	<p>Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:</p> <ul style="list-style-type: none"> <li>- investments in transferable securities or money market instruments;</li> </ul>

	<ul style="list-style-type: none"> <li>- deposits, and/or</li> <li>- risk exposures arising from OTC derivatives transactions.</li> </ul>
<b>2.10</b>	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
<b>2.11</b>	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
<b>2.12</b>	<p>Each Sub-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.</p> <p>The individual issuers must be listed in the prospectus and may be drawn from the following list:</p> <p>OECD Member Country (provided the issues are of investment grade), 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 &amp; Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, Council of Europe, Eurofima, African Development Bank, The World Bank, The International Bank for Reconstruction &amp; Development, The Inter-American Development Bank, European Union, European Central Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Student Loan Marketing Association, Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority and Straight-A Funding LLC.</p> <p>Each Sub-Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
<b>3</b>	<b>Investment in Collective Investment Schemes ("CIS")</b>
<b>3.1</b>	Each Sub-Fund may not invest more than 20% of net assets in any one CIS.
<b>3.2</b>	Investment in non-UCITS may not, in aggregate, exceed 30% of net assets.
<b>3.3</b>	The CIS are prohibited from investing more than 10 per cent of net assets in other CIS.
<b>3.4</b>	When the Fund invests in the units of other CIS that are managed, directly or by delegation, by any company with which the Fund is linked by common management or control, or by a substantial direct or indirect holding, that other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS.
<b>3.5</b>	Where a commission (including a rebated commission) is received by the Fund/investment

	manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.
<b>4</b>	<b>General Provisions</b>
<b>4.1</b>	The Fund, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
<b>4.2</b>	<p>The Fund may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
<b>4.3</b>	<p>4.1 and 4.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> <li>(iv) shares held by the 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 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, 4.1, 4.2, 4.4, 4.5 and 4.6, and provided that where these limits are exceeded, paragraphs 4.5 and 4.6 below are observed.</li> <li>(v) Shares held by the Fund in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</li> </ul>
<b>4.4</b>	The 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.

<b>4.5</b>	The Central Bank may allow recently authorised Fund to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
<b>4.6</b>	If the limits laid down herein are exceeded for reasons beyond the control of the Fund, 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.
<b>4.7</b>	<p>The Fund may not carry out uncovered sales of:</p> <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- money market instruments;</li> <li>- units of CIS; or</li> <li>- financial derivative instruments.</li> </ul>
<b>4.8</b>	The Fund may hold ancillary liquid assets.
<b>5</b>	<b>Financial Derivative Instruments ('FDIs')</b>
<b>5.1</b>	The Fund's global exposure (as prescribed in the UCITS Notices) relating to FDI must not exceed its total net asset value.
<b>5.2</b>	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the UCITS Notices. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the UCITS Notices.)
<b>5.3</b>	The Fund may utilise FDI's dealt in over-the-counter (OTC) provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
<b>5.4</b>	Investment in FDI's are subject to the conditions and limits laid down by the Central Bank.
<b>6</b>	<b>Restrictions on Borrowing and Lending</b>
(a)	Each Sub-Fund may borrow up to 10% of its Net Asset Value provided such borrowing is on a temporary basis. Each Sub-Fund may charge its assets as security for such borrowings.
(b)	<p>Each Sub-Fund may acquire foreign currency by means of a "back to back" loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the borrowing restrictions set out at (a) above provided that the offsetting deposit:</p> <ul style="list-style-type: none"> <li>(i) is denominated in the base currency of the Sub-Fund; and</li> <li>(ii) equals or exceeds the value of the foreign currency loan outstanding.</li> </ul>

## APPENDIX II - RECOGNISED EXCHANGES

The following is a list of regulated stock exchanges and markets on which a Sub-Fund's investments in securities and financial derivative instruments other than permitted investment in unlisted securities and over the counter derivative instruments, will be listed or traded and is set out in accordance with the Central Bank 's requirements.

With the exception of permitted investments in unlisted securities and over the counter derivative instruments investment in securities and derivative instruments will be restricted to the stock exchanges and markets listed below.

The Central Bank does not issue a list of approved stock exchanges or markets.

(i) any stock exchange which is:-

- located in any Member State of the European Union; or
- located in any Member State of the European Economic Area (European Union, Norway and Iceland, but excluding Liechtenstein); or
- located in any of the following countries:-

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

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

Argentina	-	Bolsa de Comercio de Buenos Aires
Argentina	-	Bolsa de Comercio de Cordoba
Argentina	-	Bolsa de Comercio de Rosario
Bahrain	-	Bahrain Stock Exchange
Bangladesh	-	Dhaka Stock Exchange
Bangladesh	-	Chittagong Stock Exchange
Botswana	-	Botswana Stock Exchange
Brazil	-	Bolsa de Valores do Rio de Janeiro
Brazil	-	Bolsa de Valores de Sao Paulo
Bulgaria	-	First Bulgarian Stock Exchange
Chile	-	Bolsa de Comercio de Santiago
Chile	-	Bolsa Electronica de Chile
China		
(Peoples' Rep. of		

Shanghai)	-	Shanghai Securities Exchange
China		
(Peoples' Rep. of		
Shenzhen)	-	Shenzhen Stock Exchange
Colombia	-	Bolsa de Bogota
Colombia	-	Bolsa de Medellin
Colombia	-	Bolsa de Occidente
Dubai	-	Dubai Financial Market
Egypt	-	Alexandria Stock Exchange
Egypt	-	Cairo Stock Exchange
Ghana	-	Ghana Stock Exchange
India	-	Bangalore Stock Exchange
India	-	Delhi Stock Exchange
India	-	Mumbai Stock Exchange
India	-	National Stock Exchange of India
Indonesia	-	Jakarta Stock Exchange
Indonesia	-	Surabaya Stock Exchange
Israel	-	Tel-Aviv Stock Exchange
Jamaica	-	Jamaican Stock Exchange
Jordan	-	Amman Financial Market
Kazakhstan (Rep. of)	-	Central Asian Stock Exchange
Kazakhstan (Rep. of)	-	Kazakhstan Stock Exchange
Kenya	-	Nairobi Stock Exchange
Lebanon	-	Beirut Stock Exchange
Malaysia	-	Kuala Lumpur Stock Exchange
Mauritius	-	Stock Exchange of Mauritius
Mexico	-	Bolsa Mexicana de Valores
Morocco	-	Societe de la Bourse des Valeurs de Casablanca
Namibia	-	Namibian Stock Exchange
New Zealand	-	New Zealand Stock Exchange
Pakistan	-	Islamabad Stock Exchange
Pakistan	-	Karachi Stock Exchange
Pakistan	-	Lahore Stock Exchange
Peru	-	Bolsa de Valores de Lima
Philippines	-	Philippine Stock Exchange
Romania	-	Bucharest Stock Exchange
Russia	-	RTS Stock Exchange
Russia	-	Moscow Interbank Currency Exchange
Singapore	-	Singapore Stock Exchange
South Africa	-	Johannesburg Stock Exchange
South Korea	-	Korea Stock Exchange
South Korea	-	KOSDAQ Market
Sri Lanka	-	Colombo Stock Exchange
Taiwan		
(Republic of China)	-	Taiwan Stock Exchange Corporation
Thailand	-	Stock Exchange of Thailand

Tunisia	-	Bourse des Valeurs Mobilières de Tunis
Turkey	-	Istanbul Stock Exchange
Ukraine	-	Ukrainian Stock Exchange
United Arab Emirates	-	Abu Dhabi Securities Market
United Arab Emirates	-	Dubai Financial Market
United Arab Emirates	-	Dubai International Financial Exchange
Uruguay	-	Bolsa de Valores de Montevideo
Venezuela	-	Caracas Stock Exchange
Venezuela	-	Maracaibo Stock Exchange
Venezuela	-	Venezuela Electronic Stock Exchange
Vietnam	-	Securities Trading Center (STC), Ho Chi Minh City
Zimbabwe	-	Zimbabwe Stock Exchange

(iii) any of the following markets:

the market organised by the International Capital Market Association;

the market conducted by the "listed money market institutions", as described in the FCA publication "The Investment Business Interim Prudential Sourcebook (which replaces the "Grey Paper") as amended from time to time;

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

The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan.

NASDAQ in the United States;

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

The over-the-counter market in the United States regulated by the National Association of Securities Dealers Inc. (also described as the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

The French market for Titres de Créances Négociables (over-the-counter market in negotiable debt instruments);

NASDAQ Europe (is a recently formed market and the general level of liquidity may not compare favourably to that found on more established exchanges);

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

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

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

- in a Member State
- in a Member State in the European Economic Area (European Union, Norway and Iceland, but excluding Liechtenstein);
- in the United States of America, on the
  - American Stock Exchange;
  - International Securities Exchange;
  - Chicago Board of Trade;
  - Chicago Board Options Exchange;
  - Chicago Mercantile Exchange;
  - Eurex US;
  - New York Futures Exchange.
  - New York Board of Trade;
  - New York Mercantile Exchange;
  - Pacific Stock Exchange;
  - Philadelphia Stock Exchange;

in Canada on the Bourse de Montreal;

in Asia, on the

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



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

in Australia, on the

- Australian Stock Exchange;
- Sydney Futures Exchange;

in Brazil on the Bolsa de Mercadorias & Futuros;

in Israel on the Tel-Aviv Stock Exchange;

in South Africa on the South African Futures Exchange;

in Switzerland on Eurex (Zurich)

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

## **SUPPLEMENT 1 - RARE INFRASTRUCTURE VALUE FUND**

**Dated 18<sup>th</sup> December, 2015**

This Supplement contains information relating specifically to the RARE Infrastructure Value Fund (the "Sub-Fund"), a sub-fund of RARE Investment Funds Plc (the "Fund"), an open-ended umbrella type investment company, with segregated liability between each of its sub-funds, authorised by the Central Bank on 14 February, 2007 as a UCITS, pursuant to the UCITS Regulations.

As at the date of this Supplement the Fund has one other sub-fund for offer, namely:

- RARE Emerging Markets Fund.

details of which are set out in the relevant Supplement.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus.**

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

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

**Shareholders and prospective investors should note that all or part of the fees and expenses of the Sub-Fund may be charged to the capital of the Sub-Fund. If all or part of the fees and expenses of the Sub-Fund are charged to the capital of the Sub-Fund this would have the effect of lowering the capital value of an investment in the Sub-Fund. Thus, on redemptions of Shares, Shareholders may not receive back the full amount invested.**

**Profile of a Typical Investor:** The Sub-Fund is ideally suited to investors with a long-term investment horizon, whose investment objective is the achievement of growth in the value of their savings, and who are willing to accept an investment strategy involving a high level of volatility and risk in the management of their savings.

Investors should read and consider the section of the Prospectus entitled "Risk Factors" before investing in the Sub-Fund.

## 1. Interpretation

The expressions below shall have the following meanings:

"Business Day"	means any day (except Saturday or Sunday) on which banks in Dublin, London and Luxembourg are generally open for business or such other day or days as may be determined by the Directors and notified to Shareholders in advance.
"Dealing Day"	means each Business Day or such other day or days as may be determined by the Directors and notified to Shareholders in advance provided that there shall be at least two Dealing Days in each month.
"Dealing Deadline"	means 24:00 hours (Irish time), i.e. midnight, on the Business Day before any Dealing Day or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Dealing Deadline is no later than the Valuation Point.
"Global Distributor"	means RARE Infrastructure Limited, Level 13, 35 Clarence Street, Sydney, New South Wales 2000, Australia or such entity or entities as the Company may appoint from time to time to distribute Shares in the Company.
"Valuation Point"	<p>means 3.00pm (Irish time) on each Dealing Day, the time at which the NAV is calculated.</p> <p>In the context of accepting applications and/or redemption requests received after the Dealing Deadline but prior to the Valuation Point, such requests will only be accepted in exceptional circumstances, as determined and agreed by the Directors, having regard to the equitable treatment of Shareholders.</p>

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## 2. Base Currency

The Base Currency of the Sub-Fund shall be Euro.

### **3. Investment Objective**

The investment objective of the Sub-Fund is to provide investors with a stable return from a portfolio of income producing, global infrastructure investments.

### **4. Investment Policy**

The Sub-Fund intends to provide Shareholders with a practical means of gaining exposure to a portfolio of global infrastructure investments via a single investment.

The Sub-Fund intends to invest in assets which offer positive absolute returns, rather than selecting assets because they are included in a particular industry standard index.

The total return of the Sub-Fund will be generated from dividends or interest paid by companies held by the Sub-Fund and from the capital appreciation of the Sub-Fund's investments.

As a guideline, the Sub-Fund will usually hold between 30 and 60 different investments.

The main investments of the Sub-Fund will include:

- equity and equity related securities listed on stock exchanges in the G7 countries of the United States of America, United Kingdom, Japan, Germany, France, Italy and Canada;
- equity and equity related securities listed on exchanges of other developed and developing nations;
- cash (and cash equivalents such as other interest-bearing securities);
- financial derivative instruments, in the circumstances described below; and
- depository receipts or other such securities where the underlying securities are inaccessible or illiquid.

The Sub-Fund will invest in infrastructure assets that possess common investment features. Generally this will result in investment in the following sectors:

- essential services ( which may include electric, gas and water utilities and companies with similar characteristics)
- transport (which may include tollroads, bridges, tunnels, rail infrastructure, airports, ports and companies with similar characteristics)
- communications (satellite, wireless tower and other communication network related companies)
- community and social infrastructure (which may include education, public housing, prison, stadia and related facilities and infrastructure)

The Sub-Fund will, under normal market conditions, invest the majority of its total assets in a broad range of equity and equity related securities, and debt securities.

The equity and equity related securities in which the Sub-Fund will invest may include common stock, preferred stock and securities convertible into or exchangeable for such equity securities,

or which carry warrants to purchase such equity securities.

The Sub-Fund will invest in sovereign, supranational and corporate bond issues of fixed and / or floating rate with a rating of no less than BB by Standard and Poor's Corporation, or its equivalent by Moody's or another rating agency. Where no rating is available, the Investment Manager may assign its own rating, which it deems to be the equivalent of the previously mentioned Standard and Poor's rating, or the equivalent of a rating provided by Moody's or any other rating agency.

The Sub-Fund may invest in American, International, and Global Depository Receipts (ADR's / IDR's / GDR's) of companies which are listed on a Recognised Exchange as set out in Appendix II of the Prospectus. Such investments must be in accordance with the investment objective, investment policy and investment restrictions of the Sub-Fund.

The Sub-Fund may invest up to 10% of its Net Asset Value in closed ended collective investment schemes such as real estate investment trusts. Any real estate investment trust in which the Sub-Fund will invest shall be listed on a regulated stock exchange or market. Any investment in real estate investment trusts will not impact on the liquidity of the Sub-Fund.

The Sub-Fund may invest up to 10% of its Net Asset Value in other open ended collective investment schemes, including, but not limited to, exchange traded funds, regulated Collective Investment Schemes, and non-UCITS collective investment schemes, where the investment policies and liquidity provisions of these funds or schemes are consistent with that of the Sub-Fund and such funds or schemes are subject to a similar regulatory regime to that imposed by the Central Bank on collective investment schemes domiciled in Ireland, as set out in the Central Bank's Guidance Note 2/03.

The Sub-Fund may, within the limits laid down by the Central Bank, hold cash and / or ancillary liquid assets and may invest in money market instruments (as defined in the UCITS Notices and which may or may not be dealt on a regulated market), which are rated investment grade by an international rating agency. Such money market instruments may include but are not limited to non-government short term obligations (such as fixed or floating rate commercial paper), obligations of banks or other depository institutions (such as certificates of deposit and bankers acceptances), securities issued or otherwise backed by supranational organisations or by sovereign governments, their agencies, their instrumentalities and political sub divisions (such as fixed and / or floating bond issues).

The Sub-Fund may, within the limits laid down by the Central Bank, hold deposits with credit institutions as prescribed in the UCITS Notices.

THE SUB-FUND MAY, SUBJECT TO THE CONDITIONS AND WITHIN THE LIMITS LAID DOWN BY THE CENTRAL BANK, USE FINANCIAL DERIVATIVE INSTRUMENTS FOR INVESTMENT PURPOSES. SUCH INVESTMENTS WILL BE IN ACCORDANCE WITH THE INVESTMENT OBJECTIVE, INVESTMENT POLICY AND INVESTMENT RESTRICTIONS OF THE SUB-FUND. THE SUB-FUND MAY ALSO USE FINANCIAL DERIVATIVE INSTRUMENTS FOR THE PURPOSES OF HEDGING, TACTICAL ASSET ALLOCATION,

BETA AND DURATION MANAGEMENT, REVENUE GENERATION, CASH MANAGEMENT AND EFFICIENT INVESTING, AND MAINTAINING APPROPRIATE LEVELS OF EXPOSURE IN CONCENTRATED MARKETS AS SET OUT IN THE PROSPECTUS IN THE SECTION HEADED 'FINANCIAL DERIVATIVE INSTRUMENTS'.

The underlying exposure financial derivative instrument in each case may relate to transferable securities, money market instruments, other collective investment schemes, financial indices and interest and foreign exchange rates or currencies.

The Investment Manager may invest in transferable securities with embedded derivatives, such as equity warrants, convertible bonds, structured notes and hybrid securities to gain exposure to an underlying security as a more efficient and cheaper alternative to direct investment in that security.

The Sub-Fund may engage in forward foreign exchange contracts, including non-deliverable forwards, for hedging purposes, to alter the currency exposure of the underlying assets, in accordance with the limits set out by the Central Bank. The Sub-Fund may hedge currency exchange risk by entering into forward, futures and currency swap contracts and purchasing and selling put or call options on foreign currency and on foreign currency futures contracts within the limits set out by the Central Bank. Because currency positions held by the Sub-Fund may not correspond with the asset position held, the performance may be strongly influenced by movements in the FX exchange rates.

It is intended that hedged share classes will not be leveraged as a result of engaging in forward foreign exchange contracts, forward, futures and swap currency contracts, call options on foreign currency or foreign currency futures contracts. However, as a result of market movements, the use of hedging techniques and instruments may result in a hedged share class being over or under hedged and leverage which may be generated through the use of such techniques and instruments may be up to, but shall not exceed, 105% of the Net Asset Value attributable to the relevant hedged share class. Hedged positions will be kept under review by the Investment Manager to ensure that over-hedged positions do not exceed 105% of the Net Asset Value attributable to the relevant hedged share class and this review will also incorporate a procedure to ensure that positions in excess of 100% of the Net Asset Value attributable to the relevant hedged share class will not be carried forward from month to month.

The Sub-Fund may utilise futures, forwards, options (writing and purchasing), swaps (including credit default swaps) and contracts for differences for the purposes of hedging, tactical asset allocation, beta and duration management, revenue generation, cash management and efficient investing, and maintaining appropriate levels of exposure in concentrated markets, as set out in the Prospectus in the section headed "Financial Derivative Instruments". The Sub-Fund may also utilise repurchase and reverse repurchase agreements for efficient portfolio management purposes only and when issued and / or delayed delivery securities, as set out in the Prospectus.

The performance of the Sub-Fund's portfolio of investments will be measured against a benchmark comprised of the OECD G7 Consumer Price Index (the "Index") plus 5.5% per

annum. The Index is a consumer price index maintained and issued monthly by the Organisation for Economic Co-operation and Development for the G7 countries of the United States of America, United Kingdom, Japan, Germany, France, Italy and Canada. The totals for each country are based on chain linked Laspeyres indices and the weights for each of the 7 countries are based on the previous year's private final consumption expenditure and purchasing power parity.

The Investment Manager is entitled, at any time, to change the referenced index where, for reasons outside the Investment Manager's control, the Index has been replaced by another index or where another index may reasonably be considered by the Investment Manager to have become the industry standard in relation to the Sub-Fund's investments / assets. Shareholders will be advised of any change in the referenced index in the annual or half-yearly report of the Sub-Fund.

Any changes to the investment objective of the Sub-Fund and any material changes to the investment policy may not be made without approval on the basis of a majority of votes cast at a general meeting of Shareholders of the Sub-Fund. Any such changes may not be made without the approval of the Central Bank. In the event of a change in investment objective and/or a change to the investment policy, a reasonable notification period will be provided by the Fund to enable Shareholders to redeem their Shares prior to implementation of such change.

The Sub-Fund will be managed so as to be fully invested, other than during periods where the Investment Manager believes that a larger cash position is warranted. Under normal market conditions no more than 20% of the Sub-Fund's Net Asset Value will be held as cash, however, in exceptional market conditions the Sub-Fund may have higher levels of cash where, in the Investment Manager's opinion, more attractive investment opportunities cannot be found.

The Sub-Fund's investments are subject to the investment restrictions as set out in Appendix I of the Prospectus.

No assurance can be given that the Sub-Fund's investment objective will be achieved.

The Sub-Fund will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the investments.

A list of the stock exchanges and markets in which the Sub-Fund is permitted to invest, in accordance with the requirements of the Central Bank, is contained in Appendix II of the Prospectus and should be read in conjunction with, and subject to, the Sub-Fund's investment objective and investment policy, as detailed above. The Central Bank does not issue a list of approved markets. With the exception of permitted investments in unlisted securities, investment will be restricted to those stock exchanges and markets listed in Appendix II of the Prospectus.

## 5. Offer

The following Classes of Shares in the Sub-Fund are offered:

<u>Name</u>	<u>Denomination</u>
Class A	Euro
Class G	GBP
Class I	Euro
Class J	GBP
Class K	GBP
Class N	NOK
Class S	SEK
Class Z	USD

### *Initial Issue*

#### **Class A, J, K, N, S Shares**

Class A are being offered to investors from 21<sup>st</sup> December 2015 to 21<sup>st</sup> June 2016 (the "Initial Offer Period") at Euro 10 (the "Initial Offer Price"). Subject to acceptance of applications for Class A Shares by the Fund the Class A Shares and will be issued for the first time on the first Dealing Day after the expiry of the Initial Offer Period.

Class J and K Shares are being offered to investors from 21<sup>st</sup> December 2015 to 21<sup>st</sup> June 2016 (the "Initial Offer Period") at GBP 10 (the "Initial Offer Price"). Subject to acceptance of applications for Class J and/or K Shares by the Fund the Class J and/or K Class Shares and will be issued for the first time on the first Dealing Day after the expiry of the Initial Offer Period.

Class N and S Shares are being offered to investors from 21<sup>st</sup> December 2015 to 21<sup>st</sup> June 2016 (the "Initial Offer Period") at NOK 100 and SEK 100 respectively (the "Initial Offer Price"). Subject to acceptance of applications for Class N and/or S Shares by the Fund the Class N and/or S Class Shares and will be issued for the first time on the first Dealing Day after the expiry of the Initial Offer Period.

The Initial Offer Period may be shortened or extended by the Directors. The Central Bank will be notified in advance of any such shortening or extension if subscriptions for Shares have been received and otherwise on a quarterly basis.

After the closing of the Initial Offer Period, Class A, J, K, N, S Shares in the Sub-Fund will be issued at the Net Asset Value per Share (plus duties and charges, where relevant).

### *Subsequent Issue*

Class G, I and Z Shares in the Sub-Fund are being offered at the Net Asset Value per Share (plus duties and charges, where relevant):



## **6. Minimum Subscription and Minimum Holding**

The Minimum Subscription and Minimum Holding for each Class of Share in the Sub-Fund are as follows:

Class A	Euro 100,000
Class G	GBP 2,000,000
Class I	Euro 3,000,000
Class J	GBP 500,000
Class K	GBP 500,000
Class N	NOK 25,000,000
Class S	SEK 25,000,000
Class Z	USD 3,000,000

The Directors reserve the right to waive or reduce the Minimum Subscription and Minimum Holding requirements.

## **7. Application for Shares**

Applications for Shares may be made to the Administrator on behalf of the Fund. Applications accepted by the Administrator on behalf of the Fund and received prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day unless the Directors in their absolute discretion otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day.

Initial applications should be made using an Application Form obtained from the Administrator but may, if the Administrator so determines, be made by facsimile subject to prompt transmission to the Administrator of the original signed application form and such other papers (such as documentation relating to money laundering prevention checks) as may be required by the Directors or their delegate.

Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator by facsimile, written communication or, where permitted by the Directors, by electronic transmission (which, for the avoidance of doubt, excludes electronic email) without a requirement to submit original documentation and such applications should contain such information as may be specified from time to time by the Directors or their delegate.

Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

### Fractions

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than 0.01 of a Share.

Subscription monies, representing less than 0.01 of a Share will not be returned to the investor but will be retained by the Fund in order to defray administration costs.

#### Method of Payment

Subscription payments net of all bank charges should be paid by SWIFT or telegraphic or electronic transfer to the bank account specified in the Application Form enclosed with this Prospectus. Other methods of payment are subject to the prior approval of the Directors and the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

#### Currency of Payment

Subscription monies are payable in the currency of the Share Class.

However, the Sub-Fund may accept payment in such other currencies as the Directors and the Administrator may agree, at the prevailing exchange rate, as quoted by the Administrator. Where payment is accepted in a currency other than the Base Currency, the application will only be processed following receipt of cleared funds by the Administrator. All potential administrative delays, costs and risks associated with the conversion of subscription monies to the currency of the Share Class will be borne solely by the investor.

#### Timing of Payment

In relation to subscriptions for Class A Shares, credit in cleared funds must be received by the Administrator on or before the Dealing Deadline prior to the relevant Dealing Day.

In relation to subscriptions for Class G, Class I, Class J, Class K, Class N, Class S or Class Z Shares, payment must be received in cleared funds by the Administrator within three (3) Business Days of the relevant Dealing Day.

The Fund reserves the right to extend the settlement period if so required by market practice.

The Fund reserves the right to defer the issue of Shares until receipt of cleared subscription monies by the Administrator. If payment in cleared funds in respect of a subscription has not been received by the relevant time, the Sub-Fund or its delegate may (and in the event of non-clearance of funds, shall) cancel the allotment and / or charge the investor interest at the 7 day London Interbank Offer Rate as fixed by the British Banking Association (LIBOR) + 1%, which will be paid into the Sub-Fund together with an administration fee which shall be representative of the custody fees incurred as a result of the late payment (which shall be at

normal commercial rates). The Fund may waive either of such charges in whole or in part. In addition, the Fund has the right to sell all or part of the investor's holding of Shares in the Sub-Fund or any other sub-fund of the Fund in order to meet such charges.

#### Confirmation of Ownership

Written confirmation of each purchase of Shares and the entry of the investor's name on the Fund's register of Shareholders will be sent to Shareholders within 48 hours of the purchase being made. Title to Shares will be evidenced by the entering of the investor's name on the Fund's register of Shareholders and no certificates will be issued.

### **8. Redemption of Shares**

Requests for the redemption of Shares should be made to the Administrator on behalf of the Fund by facsimile, written communication or, where permitted by the Directors, by electronic transmission (which, for the avoidance of doubt, excludes electronic mail) and should include such information as may be specified from time to time by the Directors or their delegate.

Requests for redemption received prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any requests for redemption received after the Dealing Deadline for a Dealing Day will be processed on the next Dealing Day unless the Fund in its absolute discretion determines otherwise.

Redemption requests will only be accepted for processing where cleared funds and completed documents including documentation relating to money laundering prevention checks are in place from original subscriptions.

No redemption payment will be made from an investor holding until the original subscription application form and all original documentation required by or on behalf of the Fund (including any documents in connection with anti-money laundering procedures) has been furnished to, received, and accepted, by the Administrator, from the investor, and all anti-money laundering procedures have been completed. Redemption payments will only be made to the account detailed on the investors original application for Shares (or one so notified to the Administrator in writing) in the name of the investor.

In the event of a Shareholder requesting a redemption which would, if carried out, leave the Shareholder holding Shares having a Net Asset Value less than the Minimum Holding, the Fund may, if it thinks fit, redeem the whole of the Shareholder's holding.

The redemption price per Share shall be the Net Asset Value per Share (less any duties and charges, where relevant).

#### Method of Payment

Redemption payments will be made to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing. Redemption payments following processing of instruments received by facsimile or electronic transmission will only be made to

the account of record of a Shareholder.

#### Currency of Payment

Shareholders will normally be repaid in the currency of their Share Class. If, however, a Shareholder requests to be repaid in another currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) on behalf of and for the account, at the risk and expense of the Shareholder.

#### Timing of Payment

Redemption proceeds in respect of Shares will normally be paid within 3 Business Days and in any event no later than 10 Business Days after the Dealing Deadline for the relevant Dealing Day provided that the original subscription application form and all documentation required by or on behalf of the Fund (including any documents in connection with anti-money laundering procedures) have been furnished to, received, and accepted, by the Administrator.

#### Withdrawal of Redemption Requests

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

#### Compulsory / Total Redemption

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

### **9. Conversion of Shares**

Subject to the Minimum Subscription and Minimum Holding requirements of the relevant Sub-Fund or Class, Shareholders may request conversion of some or all of their Shares in one Sub-Fund or Class to Shares in another Sub-Fund or Class or another Class in the same Sub-Fund in accordance with the procedures specified in the Prospectus under the heading "Conversion of Shares".

### **10. Suspension of Dealing**

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Sub-Fund is suspended in the manner described in the Prospectus under the heading "Suspension of Valuation of Assets". Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

## 11. Fees and Expenses

The Sub-Fund shall bear its attributable portion of the fees and operating expenses of the Fund. The fees and operating expenses of the Fund are set out in detail under the heading "Fees and Expenses" in the Prospectus. All or part of the fees and expenses of the Sub-Fund may be charged to the capital of the Sub-Fund.

### Administrator's Fees

The Administrator shall be entitled to receive, out of the assets of the Sub-Fund an annual fee, accrued at each Valuation Point and payable monthly in arrears at a rate which shall not exceed 0.01% per annum of the Net Asset Value of the Sub-Fund, subject to a minimum annual fee of Euro 35,000 (plus VAT, if any thereon).

The Administrator will also receive registration fees, and transaction charges as agreed at normal commercial rates and shall also be entitled to be repaid out of the assets of the Sub-Fund all of its reasonable out-of-pocket expenses incurred on behalf of the Sub-Fund which shall include legal fees, couriers fees and telecommunication costs and expenses together with VAT, if any, thereon.

### Custodian's Fees

The Custodian shall be entitled to receive, out of the assets of the Sub-Fund an annual fee, accrued at each Valuation Point and payable monthly in arrears, which shall not exceed 0.095% per annum of the Net Asset Value of the Sub-Fund, calculated by reference to the market value of the investments that the Sub-Fund may make in the relevant market, subject to a minimum annual fee of Euro 25,000 (plus VAT, if any thereon).

The Custodian is also entitled to agreed upon transaction charges and to recover properly vouched out-of-pocket expenses out of the assets of the Sub-Fund (plus VAT thereon, if any), including legal fees, couriers' fees and telecommunication costs and expenses and out of pocket expenses of any sub-custodian appointed by it which shall be at normal commercial rates together with VAT, if any, thereon.

The Custodian shall pay, out of its own fee, the fees, transactions charges and expenses (excluding out of pocket expenses) of any sub-custodian appointed.

### Investment Manager's Fees

The Investment Manager shall be paid an annual fee, accrued at each Valuation Point and payable quarterly in arrears out of the Sub-Fund as a percentage of the Net Asset Value (before deduction of fees, expenses, borrowings and interest) of each Class of Share in the Sub-Fund at the following rates:

Class A	1.50%
Class G	0.85%
Class I	0.85%

Class J	0.85%
Class K	0.85%
Class N	0.85%
Class S	0.85%
Class Z	0.85%

The Investment Manager shall be entitled to be reimbursed by the Fund for reasonable out of pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

The Investment Manager shall pay, out of its own fee, the fees of the Global Distributor.

#### Anti-Dilution Levy

The Directors reserve the right to impose “an anti-dilution levy” to preserve the value of the underlying assets of the Sub-Fund not exceeding 3% of the Net Asset Value of the Shares being subscribed for or redeemed to cover dealing costs relating to the acquisition or disposal of assets in the event of receipt for processing of net subscription or redemption requests exceeding 6% of the Net Asset Value of the Sub-Fund including subscriptions and/or redemptions which would be effected as a result of requests for conversion from one Sub-Fund into another Sub-Fund. Any such provision will be added to the price at which Shares will be issued in the case of net subscription requests exceeding 6% of the Net Asset Value of the Sub-Fund and deducted from the price at which Shares will be redeemed in the case of net redemption requests exceeding 6% of the Net Asset Value of the Sub-Fund. Any such sum will be paid into the account of the Sub-Fund.

## **12. Dividends and Distributions**

Dividends will not be declared in relation to the Class A, Class I, Class J, Class N, Class S or Class Z Shares. The income, earnings and gains of the Sub-Fund attributable to the Class A, Class I, Class N, Class S and Class Z Shares will be accumulated and reinvested on behalf of the Class A, Class I, Class N, Class S and Class Z Shareholders.

Dividends may be paid in relation to Class G Shares on an annual basis and in relation to Class K Shares on a semi-annual basis. Dividends may be paid out of the net income of the Sub-Fund available for distribution by the Sub-Fund, being the income of the Sub-Fund from dividends, interest or otherwise, attributable to the Class G and Class K Shares, and the realised and unrealised gains (i.e. realised and unrealised capital gains net of all realised and unrealised losses), attributable to the Class G and Class K Shares. Dividends may be paid gross of fees and expenses. Where dividends are paid gross of fees and expenses, and such fees and expenses are paid out of the capital of the Sub-Fund, the capital of the Sub-Fund may be eroded and income will be achieved by foregoing the potential for future capital growth. Dividends will not be paid out of the capital of the Sub-Fund. Annual dividends in respect of Class G shares (if paid) shall normally be declared within 4 months of the Accounting Date, and shall be paid within 2 months of the date of declaration. Semi- Annual Dividends in respect of Class K shares (if paid) shall normally be declared within 4 months of 31 March and 30

September, and shall be paid within 2 months of the date of declaration.

Class G and Class K Shareholders may elect in their application for Shares either to receive dividends in cash or to reinvest the dividend amount in further Class G and Class K Shares, respectively. In the absence of the Class G or Class K Shareholder making the election as above, the Sub-Fund shall reinvest the dividend payment in Class G and Class K Shares, respectively, until otherwise directed in writing by the Class G or Class K Shareholder. If dividends are to be paid in cash, they will normally be paid by electronic transfer at the Class G and/or Class K Shareholder's risk and expense.

In the event that a Class G or Class K Shareholder has elected to receive cash payments of dividends, where the amount of any dividends payable to an individual Class G or Class K Shareholder is less than Euro 50 (or its equivalent in another currency), the Directors, at their sole discretion may elect not to make any such payment and, in lieu thereof, to issue and credit to the account of the relevant Class G and/or Class K Shareholder the number of Class G and/or Class K Shares in the Sub-Fund corresponding to the relevant Euro amount (or its equivalent in another currency) calculated at the Net Asset Value per Class G and/or Class K Share, pertaining on the relevant date of dividend payment.

All Class G and Class K Shares shall rank *pari passu* for distribution purposes.

All Classes of Shares in the Sub Fund have been accepted for entry in the Reporting Fund Regime by HM Revenue and Customs in the UK.

The Directors therefore intend to operate the Sub-Fund so that all Classes of Shares of the Sub-Fund will be Classes of Shares in a 'reporting fund', as set out by HM Revenue and Customs in the UK, during each Accounting Period.

All dividends unclaimed after a period of six years shall be forfeited and shall revert to the Sub-Fund.

The Directors may at any time determine to change the policy of the Sub-Fund with respect to distribution. If the Directors so determine full details of any such change will be disclosed in an updated prospectus or supplement and all Shareholders will be notified in advance of such change becoming effective

## SUPPLEMENT 2 - RARE EMERGING MARKETS FUND

Dated 18<sup>th</sup> December, 2015

This Supplement contains information relating specifically to the RARE Emerging Markets Fund (the "Sub-Fund"), a sub-fund of RARE Investment Funds Plc (the "Fund"), an open-ended umbrella type investment company, with segregated liability between each of its sub-funds, authorised by the Central Bank on 14 February, 2007 as a UCITS pursuant to the UCITS Regulations.

As at the date of this Supplement the Fund has one other sub-fund for offer, namely

- RARE Infrastructure Value Fund;

details of which are set out in the relevant Supplement.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus**

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

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

**Shareholders and prospective investors should note that all or part of the fees and expenses of the Sub-Fund may be charged to the capital of the Sub-Fund. If all or part of the fees and expenses of the Sub-Fund are charged to the capital of the Sub-Fund this would have the effect of lowering the capital value of an investment in the Sub-Fund. Thus, on redemptions of Shares, Shareholders may not receive back the full amount invested.**

**Profile of a Typical Investor:** The Sub-Fund is ideally suited to investors with a long-term investment horizon, whose investment objective is the achievement of growth in the value of their savings, and who are willing to accept an investment strategy involving a high level of volatility and risk in the management of their savings.

Investors should read and consider the section of the Prospectus entitled "Risk Factors" before investing in the Sub-Fund.

### **1. Interpretation**

The expressions below shall have the following meanings:



"Business Day"	means any day (except Saturday or Sunday) on which banks in Dublin, London and Luxembourg are generally open for business or such other day or days as may be determined by the Directors and notified to Shareholders in advance.
"Citigroup Index"	the Citigroup Global Emerging Market Sovereign Investment Grade Index includes brady bonds and US Dollar denominated emerging market sovereign debt issues in the Global, Yankee and Eurodollar markets, excluding loans. The Citigroup Index offers diversification benefits with respect to the geographical and asset class dimensions. It comprises debt in Africa, Asia, Europe and Latin America.
"Dealing Day"	means each Business Day or such other day or days as may be determined by the Directors and notified to Shareholders in advance provided that there shall be at least two Dealing Days in each month and which shall be at regular intervals.
"Dealing Deadline"	means 24:00 hours (Irish time), i.e. midnight, on the Business Day before any Dealing Day or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Dealing Deadline is no later than the Valuation Point.
"Global Distributor"	means RARE Infrastructure Limited, Level 13, 35 Clarence Street Sydney, New South Wales 2000, Australia or such entity or entities as the Company may appoint from time to time to distribute Shares in the Company, in accordance with the requirements of the Central Bank.
"Valuation Point"	means 3.00p.m (Irish time) on the relevant Dealing Day.  In the context of accepting applications and/or redemption requests received after the Dealing Deadline but prior to the Valuation Point, such requests will only be accepted in exceptional circumstances, as determined and agreed by the Directors, having regard to the equitable treatment of Shareholders.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## **2. Base Currency**

The Base Currency of the Sub-Fund shall be USD.

### **3. Investment Objective**

The investment objective of the Sub-Fund is to provide investors with a stable return from a portfolio of income producing, emerging markets infrastructure investments.

### **4. Investment Policy**

The Sub-Fund intends to provide Shareholders with a practical means of gaining exposure to a portfolio of emerging markets infrastructure investments via a single investment.

Emerging markets shall generally be taken to include those markets outside the European Union and OECD countries. However, the Investment Manager may include one or more of markets within the European Union and OECD Countries if they are generally considered to be “emerging” or “frontier” markets as detailed in the MSCI Emerging Markets Index (a US Dollar calculated, float-adjusted market capitalisation index designed to measure equity market performance in the global emerging markets). The Sub-Fund may invest in securities traded on Russian markets and investment in securities traded on Russian markets will only be made in equity securities which are listed and/or traded on the Russian Trading System (“RTS”) and Moscow Interbank Currency Exchange Stock Exchange (“MICEX”). It is intended that no single emerging markets country shall make up more than 40% of the Sub-Funds net asset value.

An investment in emerging market securities may cause the Sub-Fund to have a high volatility, however, the Investment Manager will strive to limit the volatility of the Sub-Fund.

The Sub-Fund intends to invest in assets which the Investment Manager considers offers returns above a benchmark comprised of an accumulation index, namely the Citigroup Index plus 5% per annum, rather than selecting assets because they are included in a particular industry standard index.

The total return of the Sub-Fund will be generated from dividends or interest paid by companies held by the Sub-Fund and from the capital appreciation of the Sub-Fund's investments.

As a guideline, the Sub-Fund will usually hold between 25 and 60 different investments.

The Sub-Fund will aim to invest in securities that derive at least 50% of their earnings before interest, tax, depreciation and amortisation from emerging markets located assets.

The investments of the Sub-Fund will include:

- Predominantly equity and equity related securities and debt securities of emerging markets, which are listed and/or traded on a Recognised Exchange, where the underlying business is substantially involved in infrastructure;
- cash (and cash equivalents such as investment grade interest-bearing securities and money market instruments) in the circumstances described below;
- derivatives, in the circumstances described below; and

- depository receipts, in the circumstances described below.

The Sub-Fund will invest in infrastructure assets that possess common investment features. Generally this will result in investment in the following sectors:

- essential services (which may include electric, gas and water utilities and companies with similar characteristics)
- transport (which may include tollroads, bridges, tunnels, rail infrastructure, airports, ports and companies with similar characteristics)
- communications (which may include satellite, wireless tower and other communication network related companies)
- community and social infrastructure (which may include education, public housing, prison, stadia and related facilities and infrastructure)

The Sub-Fund will, under normal market conditions, invest the majority of its total assets in a broad range of equity and equity related securities, and debt securities of emerging markets where the underlying business is substantially involved in infrastructure.

The equity and equity related securities in which the Sub-Fund will invest may include common stock, preferred stock and securities convertible into or exchangeable for such equity securities, or which carry warrants to purchase such equity securities.

The Sub-Fund will invest in sovereign, supranational and corporate bond emerging market issues of fixed and/or floating rate with a rating of no less than BB by Standard and Poor's Corporation, or its equivalent by Moody's or another rating agency. Where no rating is available, the Investment Manager may assign its own rating, which it deems to be the equivalent of the previously mentioned Standard and Poor's rating, or the equivalent of a rating provided by Moody's or any other rating agency.

The Sub-Fund may invest in American, International, and Global Depository Receipts (ADR's / IDR's / GDR's) of emerging market companies which are listed on a Recognised Exchange as set out in Appendix II of the Prospectus, for the purpose of gaining indirect exposure to the equity and/or equity related securities detailed above where the Investment Manager feels it is more efficient to do so.

The Sub-Fund may invest up to 10% of its Net Asset Value in closed ended collective investment schemes such as real estate investment trusts where the investment policies are consistent with the Sub-Fund's investment objective. Any real estate investment trust in which the Sub-Fund will invest shall be listed on a regulated stock exchange or market. Any investment in real estate investment trusts will not impact on the liquidity of the Sub-Fund.

The Sub-Fund may invest up to 10% of its Net Asset Value in other open ended collective investment schemes, including, but not limited to, exchange traded funds, regulated Collective Investment Schemes, and non-UCITS collective investment schemes, where the investment objective and liquidity provisions of these funds or schemes are consistent with that of the Sub-Fund and such funds or schemes are subject to a similar regulatory regime to that imposed

by the Central Bank on collective investment schemes domiciled in Ireland, as set out in the Central Bank's Guidance Note 2/03.

The Sub-Fund may, subject to the conditions and within the limits laid down by the Central Bank, use financial derivative instruments for investment purposes, hedging, efficient portfolio management, and to gain indirect exposure to emerging market equity and/or equity related securities where the Investment Manager feels that such use of financial derivative instruments is in the best interests of the Sub-Fund, as set out in the section of the Prospectus headed 'Financial Derivative Instruments'. Such investments will be in accordance with the investment objective, investment policy and investment restrictions of the Sub-Fund. The use of financial derivative instruments is expected to be minimal and any resultant leverage generated by such instruments is also expected to be minimal, but in any event will not exceed 100% of the Sub-Fund's Net Asset Value.

The financial derivative instruments which the Sub-Fund may utilise include futures, forwards, options (writing and purchasing), contracts for differences and transferable securities with embedded derivatives, as further detailed below.

Futures, forwards, options and contracts for difference may be used to hedge against downward movements in the value of the Sub-Fund's portfolio, either by reference to specific securities (i.e. equity and /or equity related securities) or markets to which the Sub-Fund may be exposed. These derivative instruments may also be used to gain or reduce the Sub-Fund's exposure to equity and/or equity related securities or markets on a short or medium term basis, or purely on a temporary basis where it is more efficient to use derivatives for this purpose, or to gain indirect exposure to equity and/or equity related securities where the Investment Manager feels that such use of financial derivative instruments is in the best interests of the Sub-Fund.

Transferable securities with embedded derivatives, such as equity warrants, convertible bonds, structured notes (which will be unleveraged) and hybrid securities (such as convertible notes, or convertible preference shares) may be used to gain exposure to underlying equity and/or equity related securities as a more efficient and cheaper alternative to direct investment in that security.

Forward foreign exchange contracts may be used for hedging purposes, to alter the currency exposure of the underlying assets, in accordance with the limits set out by the Central Bank. The Sub-Fund may hedge currency exchange risk by entering into forward, futures and currency swap contracts and purchasing and selling put or call options on foreign currency and on foreign currency futures contracts within the limits set out by the Central Bank. Because currency positions held by the Sub-Fund may not correspond with the asset position held, the performance may be strongly influenced by movements in the FX exchange rates. The Fund will not be leveraged as a result of engaging in forward foreign exchange contracts, forward, futures and swap currency contracts, call options on foreign currency or foreign currency futures contracts.

It is expected that the use of financial derivative instruments for efficient portfolio management purposes, hedging purposes and to indirectly gain exposure to underlying equity and/or equity

related securities where the Investment Manager feels it is more efficient to do so, will actively reduce the risk profile of the Sub-Fund.

The Sub-Fund may also utilise repurchase and reverse repurchase agreements for efficient portfolio management purposes only and when issued and / or delayed delivery securities, as set out in the Prospectus.

The Sub-Fund will be managed so as to be fully invested, other than during periods where the Investment Manager believes that a larger cash position is warranted. Under normal market conditions no more than 20% of the Net Asset Value of the Sub-Fund will be held as cash, however, in exceptional market conditions the Sub-Fund may have higher levels of cash where, in the Investment Manager's opinion, more attractive investment opportunities cannot be found.

The Sub-Fund may also, within the limits laid down by the Central Bank, hold ancillary liquid assets and may invest in money market instruments (as defined in the UCITS Notices, which may or may not (subject to a limit of 10% in unlisted securities) be dealt on a Recognised Exchange), which are rated investment grade by an international rating agency. Such money market instruments may include, but are not limited to, non-government short term obligations (such as fixed or floating rate commercial paper), obligations of banks or other depository institutions (such as certificates of deposit and bankers acceptances), securities issued or otherwise backed by supranational organisations or by sovereign governments, their agencies, their instrumentalities and political sub divisions (such as fixed and / or floating bond issues).

The Sub-Fund may also, within the limits laid down by the Central Bank, and where, in the Investment Manager's opinion, more attractive investment opportunities cannot be found, hold deposits with credit institutions as prescribed in the UCITS Notices.

As a result of market movements, the use of hedging techniques and instruments may result in a hedged share class being over or under hedged and leverage which may be generated through the use of such techniques and instruments may be up to, but shall not exceed, 105% of the Net Asset Value attributable to the relevant hedged share class. Hedged positions will be kept under review by the Investment Manager to ensure that over-hedged positions do not exceed 105% of the Net Asset Value attributable to the relevant hedged share class and this review will also incorporate a procedure to ensure that positions in excess of 100% of the Net Asset Value attributable to the relevant hedged share class will not be carried forward from month to month.

The performance of the Sub-Fund's portfolio of investments will be measured against a benchmark comprised of an accumulation index, namely the Citigroup Index plus 5.0% per annum. The Citigroup Index is calculated by Citigroup and downloaded from Bloomberg, code: SBI3B

The Investment Manager is entitled, at any time, to change the referenced index where, for reasons outside the Investment Manager's control, the Index has been replaced by another index or where another index may reasonably be considered by the Investment Manager to have become the industry standard in relation to the Sub-Fund's investments / assets.

Shareholders will be advised of any change in the referenced index in the annual or half-yearly report of the Sub-Fund.

Any changes to the investment objective of the Sub-Fund and any material changes to the investment policy may not be made without approval on the basis of a majority of votes cast at a general meeting of Shareholders of the Sub-Fund. Any such changes may not be made without the approval of the Central Bank. In the event of a change in investment objective and/or a change to the investment policy, a reasonable notification period will be provided by the Fund to enable Shareholders to redeem their Shares prior to implementation of such change.

The Sub-Fund's investments are subject to the investment restrictions as set out in Appendix I of the Prospectus.

No assurance can be given that the Sub-Fund's investment objective will be achieved.

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

A list of the stock exchanges and markets in which the Sub-Fund is permitted to invest, in accordance with the requirements of the Central Bank, is contained in Appendix II of the Prospectus and should be read in conjunction with, and subject to, the Sub-Fund's investment objective and investment policy, as detailed above. The Central Bank does not issue a list of approved markets. With the exception of permitted investments in unlisted securities, investment will be restricted to those stock exchanges and markets listed in Appendix II of the Prospectus.

## **5. Offer**

The following Classes of Share in the Sub-Fund are offered:

<u>Name</u>	<u>Denomination</u>
Class A Shares	USD
Class E Shares	EUR
Class G Shares	GBP
Class J Shares	GBP
Class K Shares	GBP
Class N Shares	NOK
Class S Shares	SEK

Class U Shares                      USD

*Initial Issue*

Class A Shares are being offered to investors from 21<sup>st</sup> December 2015 to 21<sup>st</sup> June 2016, (the "Initial Offer Period") at USD 10 (the "Initial Offer Price"). Subject to acceptance of applications for Class A Shares by the Fund the Class A Shares will be issued for the first time on the first Dealing Day after the expiry of the Initial Offer Period.

Class E Shares are being offered to investors from 21<sup>st</sup> December 2015 to 21<sup>st</sup> June 2016, (the "Initial Offer Period") at EUR 10 (the "Initial Offer Price"). Subject to acceptance of applications for Class E Shares by the Fund the Class E Shares will be issued for the first time on the first Dealing Day after the expiry of the Initial Offer Period.

Class J and Class K Shares are being offered to investors from 21<sup>st</sup> December 2015 to 21<sup>st</sup> June 2016, (the "Initial Offer Period") at GBP 10 (the "Initial Offer Price"). Subject to acceptance of applications for Class J and/or Class K Shares by the Fund the Class J and/or Class K Shares will be issued for the first time on the first Dealing Day after the expiry of the Initial Offer Period.

Class U Shares are being offered to investors from 21<sup>st</sup> December 2015 to 21<sup>st</sup> June 2016, (the "Initial Offer Period") at USD 10 (the "Initial Offer Price"). Subject to acceptance of applications for Class U Shares by the Fund the Class U Shares will be issued for the first time on the first Dealing Day after expiry of the Initial Offer Period.

Class N and S Shares are being offered to investors from 21<sup>st</sup> December 2015 to 21<sup>st</sup> June 2016 (the "Initial Offer Period") at NOK 100 and SEK 100 respectively (the "Initial Offer Price"). Subject to acceptance of applications for Class N and/or S Shares by the Fund the Class N and/or S Class Shares will be issued for the first time on the first Dealing Day after the expiry of the Initial Offer Period.

The Initial Offer Period may be shortened or extended by the Directors. The Central Bank will be notified in advance of any such shortening or extension if subscriptions for Shares have been received and otherwise on a quarterly basis.

After the closing of the Initial Offer Period, Shares in the Sub-Fund will be issued at the Net Asset Value per Share (plus duties and charges, where relevant).

*Subsequent Issue*

Class G Shares are being offered at the Net Asset Value per Share (plus duties and charges, where relevant).

**6. Minimum Subscription and Minimum Holding**

The Minimum Subscription and Minimum Holding for each Class of Share in the Sub-Fund are as follows:

Class A	USD 150,000
Class E	EUR 3,000,000
Class G	GBP 2,000,000
Class J	GBP 500,000
Class K	GBP 500,000
Class N	NOK 25,000,000
Class S	SEK 25,000,000
Class U	USD 3,000,000

The Directors reserve the right to waive or reduce the Minimum Subscription and Minimum Holding requirements.

## **7. Application for Shares**

Applications for Shares may be made to the Administrator on behalf of the Fund. Applications accepted by the Administrator on behalf of the Fund and received prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day unless the Directors in their absolute discretion otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day. Applications received after the Dealing Deadline but prior to the Valuation Point will only be accepted in exceptional circumstances, as determined and agreed by the Directors, having regard to the equitable treatment of Shareholders.

Initial applications should be made using an Application Form obtained from the Administrator but may, if the Administrator so determines, be made by facsimile subject to prompt transmission to the Administrator of the original signed application form and such other papers (such as documentation relating to money laundering prevention checks) as may be required by the Administrator.

Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator by facsimile, written communication or, where permitted by the Directors, by electronic transmission (which, for the avoidance of doubt, excludes electronic email) without a requirement to submit original documentation and such applications should contain such information as may be specified from time to time by the Directors or their delegate.

Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

### Fractions

Subscription monies representing less than the subscription price for a Share will not be



returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than 0.01 of a Share.

Subscription monies, representing less than 0.01 of a Share will not be returned to the investor but will be retained by the Fund in order to defray administration costs.

#### Method of Payment

Subscription payments net of all bank charges should be paid by SWIFT or telegraphic or electronic transfer to the bank account specified in the Application Form enclosed with this Prospectus. Other methods of payment are subject to the prior approval of the Directors and the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

#### Currency of Payment

Subscription monies are payable in the currency of the Share Class.

However, the Sub-Fund may accept payment in such other currencies as the Directors and the Administrator may agree, at the prevailing exchange rate, as quoted by the Administrator. Where payment is accepted in a currency other than the Base Currency, the application will only be processed following receipt of cleared funds by the Administrator. All potential administrative delays, costs and risks associated with the conversion of subscription monies to the currency of the Share Class will be borne solely by the investor.

#### Timing of Payment

In relation to subscriptions for Class A Shares, credit in cleared funds must be received by the Administrator on or before the Dealing Deadline prior to the relevant Dealing Day.

In relation to subscriptions for Class G, Class E, Class J, Class K, Class N, Class S or Class U Shares, payment must be received in cleared funds by the Administrator within three (3) Business Days of the relevant Dealing Day.

The Fund reserves the right to extend the settlement period if so required by market practice.

The Fund reserves the right to defer the issue of Shares until receipt of cleared subscription monies by the Administrator. If payment in cleared funds in respect of a subscription has not been received by the relevant time, the Sub-Fund or its delegate may (and in the event of non-clearance of funds, shall) cancel the allotment and / or charge the investor interest at the 7 day London Interbank Offer Rate as fixed by the British Banking Association (LIBOR) + 1%, which will be paid into the Sub-Fund together with an administration fee which shall be representative of the custody fees incurred as a result of the late payment (which shall be at normal commercial rates). The Fund may waive either of such charges in whole or in part. In

addition, the Fund has the right to sell all or part of the investor's holding of Shares in the Sub-Fund or any other sub-fund of the Fund in order to meet such charges.

#### Confirmation of Ownership

Written confirmation of each purchase of Shares and the entry of the investor's name on the Fund's register of Shareholders will be sent to Shareholders within 48 hours of the purchase being made. Title to Shares will be evidenced by the entering of the investor's name on the Fund's register of Shareholders and no certificates will be issued.

### **8. Redemption of Shares**

Requests for the redemption of Shares should be made to the Administrator on behalf of the Fund by facsimile, written communication or, where permitted by the Directors, by electronic transmission (which, for the avoidance of doubt, excludes electronic mail) and should include such information as may be specified from time to time by the Directors or their delegate.

Requests for redemption received prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any requests for redemption received after the Dealing Deadline for a Dealing Day will be processed on the next Dealing Day unless the Fund in its absolute discretion determines otherwise. Redemption requests received after the Dealing Deadline but prior to the Valuation Point will only be accepted in exceptional circumstances, as determined and agreed by the Directors, having regard to the equitable treatment of Shareholders.

Redemption requests will only be accepted for processing where cleared funds and completed documents including documentation relating to money laundering prevention checks are in place from original subscriptions.

No redemption payment will be made from an investor holding until the original subscription application form and all original documentation required by or on behalf of the Fund (including any documents in connection with anti-money laundering procedures) has been furnished to, received, and accepted, by the Administrator, from the investor, and all anti-money laundering procedures have been completed. Redemption payments will only be made to the account detailed on the investors original application for Shares (or one so notified to the Administrator in writing) in the name of the investor.

In the event of a Shareholder requesting a redemption which would, if carried out, leave the Shareholder holding Shares having a Net Asset Value less than the Minimum Holding, the Fund may, if it thinks fit, redeem the whole of the Shareholder's holding.

The redemption price per Share shall be the Net Asset Value per Share (less any duties and charges, where relevant).

#### Method of Payment

Redemption payments will be made to the bank account detailed on the Application Form or as

subsequently notified to the Administrator in writing. Redemption payments following processing of instruments received by facsimile or electronic transmission will only be made to the account of record of a Shareholder.

#### Currency of Payment

Shareholders will normally be repaid in the currency of their Share Class. If, however, a Shareholder requests to be repaid in another currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

#### Timing of Payment

Redemption proceeds in respect of Shares will normally be paid within 3 Business Days and in any event no later than 10 Business Days after the Dealing Deadline for the relevant Dealing Day provided that the original subscription application form and all documentation required by or on behalf of the Fund (including any documents in connection with anti-money laundering procedures) have been furnished to, received, and accepted, by the Administrator.

#### Withdrawal of Redemption Requests

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

#### Compulsory / Total Redemption

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

### **9. Conversion of Shares**

Subject to the Minimum Subscription and Minimum Holding requirements of the relevant Sub-Fund or Class, Shareholders may request conversion of some or all of their Shares in one Sub-Fund or Class to Shares in another Sub-Fund or Class or another Class in the same Sub-Fund in accordance with the procedures specified in the Prospectus under the heading "Conversion of Shares".

### **10. Suspension of Dealing**

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Sub-Fund is suspended in the manner described in the Prospectus under the heading "Suspension of Valuation of Assets". Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for

redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

## **11. Fees and Expenses**

The Sub-Fund shall bear its attributable portion of the fees and operating expenses of the Fund. The fees and operating expenses of the Fund are set out in detail under the heading "Fees and Expenses" in the Prospectus. All or part of the fees and expenses of the Sub-Fund may be charged to the capital of the Sub-Fund.

### Administrator's Fees

The Administrator shall be entitled to receive, out of the assets of the Sub-Fund an annual fee, accrued at each Valuation Point and payable monthly in arrears at a rate which shall not exceed 0.01% per annum of the Net Asset Value of the Sub-Fund, subject to a minimum annual fee of Euro 35,000 (plus VAT, if any thereon).

The Administrator will also receive registration fees, and transaction charges as agreed at normal commercial rates and shall also be entitled to be repaid out of the assets of the Sub-Fund all of its reasonable out-of-pocket expenses incurred on behalf of the Sub-Fund which shall include legal fees, couriers fees and telecommunication costs and expenses together with VAT, if any, thereon.

### Custodian's Fees

The Custodian shall be entitled to receive, out of the assets of the Sub-Fund an annual fee, accrued at each Valuation Point and payable monthly in arrears, which shall not exceed 0.20% per annum of the Net Asset Value of the Sub-Fund, calculated by reference to the market value of the investments that the Sub-Fund may make in the relevant market, subject to a minimum annual fee of Euro 25,000 (plus VAT, if any thereon).

The Custodian is also entitled to agreed upon transaction charges and to recover properly vouched out-of-pocket expenses out of the assets of the Sub-Fund (plus VAT thereon, if any), including legal fees, couriers' fees and telecommunication costs and expenses and out of pocket expenses of any sub-custodian appointed by it which shall be at normal commercial rates together with VAT, if any, thereon.

The Custodian shall pay, out of its own fee, the fees, transactions charges and expenses (excluding out of pocket expenses) of any sub custodian appointed.

### Investment Manager's Fees

The Investment Manager shall be paid an annual fee, accrued at each Valuation Point and payable quarterly in arrears out of the Sub-Fund as a percentage of the Net Asset Value (before deduction of fees, expenses, borrowings and interest) of each Class of Share in the Sub-Fund at the following rates:

Class A	1.65%
Class E	1.00%
Class G	1.00%
Class J	1.00%
Class K	1.00%
Class N	1.00%
Class S	1.00%
Class U	1.00%

The Investment Manager shall be entitled to be reimbursed by the Fund for reasonable out of pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

The Investment Manager shall pay, out of its own fee, the fees of the Global Distributor.

#### Anti-Dilution Levy

The Directors reserve the right to impose “an anti-dilution levy” to preserve the value of the underlying assets of the Sub-Fund not exceeding 3% of the Net Asset Value of the Shares being subscribed for or redeemed to cover dealing costs relating to the acquisition or disposal of assets in the event of receipt for processing of net subscription or redemption requests exceeding 6% of the Net Asset Value of the Sub-Fund including subscriptions and/or redemptions which would be effected as a result of requests for conversion from one Sub-Fund into another Sub-Fund. Any such provision will be added to the price at which Shares will be issued in the case of net subscription requests exceeding 6% of the Net Asset Value of the Sub-Fund and deducted from the price at which Shares will be redeemed in the case of net redemption requests exceeding 6% of the Net Asset Value of the Sub-Fund. Any such sum will be paid into the account of the Sub-Fund.

## **12. Dividends and Distributions**

Dividends will not be declared in relation to the Class A, Class E, Class G, Class J, Class N, Class S or Class U Shares. The income, earnings and gains of the Sub-Fund attributable to the Class A, Class E, Class G, Class J, Class N, Class S or Class U Shares will be accumulated and reinvested on behalf of the Class A, Class E, Class G, or Class J Shareholders.

Dividends may be paid in relation to Class K Shares. Dividends may be paid out of the net income of the Sub-Fund available for distribution by the Sub-Fund, being the income of the Sub-Fund from dividends, interest or otherwise, attributable to the Class K Shares, and the realised and unrealised gains (i.e. realised and unrealised capital gains net of all realised and unrealised losses), attributable to the Class K Shares. Dividends may be paid gross of fees and expenses. Where dividends are paid gross of fees and expenses, and such fees and expenses are paid out of the capital of the Sub-Fund, the capital of the Sub-Fund may be eroded and income will be achieved by foregoing the potential for future capital growth. Dividends will not be paid out of the capital of the Sub-Fund. Annual dividends (if paid) shall normally be declared

within 4 months of the Accounting Date, and shall be paid within 2 months of the date of declaration. Semi- Annual Dividends (if paid) shall normally be declared within 4 months of 31 March and 30 September, and shall be paid within 2 months of the date of declaration.

Class K Shareholders may elect in their application for Shares either to receive dividends in cash or to reinvest the dividend amount in further Class K Shares. In the absence of the Class K Shareholder making the election as above, the Sub-Fund shall reinvest the dividend payment in Class K Shares, until otherwise directed in writing by the Class K Shareholder. If dividends are to be paid in cash, they will normally be paid by electronic transfer at the Class K Shareholder's risk and expense.

In the event that a Class K Shareholder has elected to receive cash payments of dividends, where the amount of any dividends payable to an individual Class K Shareholder is less than USD 50 (or its equivalent in another currency), the Directors, at their sole discretion may elect not to make any such payment and, in lieu thereof, to issue and credit to the account of the relevant Class K Shareholder the number of Class K Shares in the Sub-Fund corresponding to the relevant USD amount (or its equivalent in another currency) calculated at the Net Asset Value per Class K Share, pertaining on the relevant date of dividend payment.

All Class K Shares shall rank *pari passu* for distribution purposes.

The Directors intend to operate the Sub-Fund so that certain Classes of Share of the Sub-Fund be Classes of Shares in a 'reporting fund', as set out by HM Revenue and Customs in the UK, during each Accounting Period. The Directors intend to take all practicable steps, consistent with applicable laws, regulatory requirements and the investment objective and investment policies of the Sub-Fund, to facilitate certification as a 'reporting fund' for such Classes of Shares. The exact conditions that must be fulfilled to obtain certification may be affected by changes in HM Revenue and Customs practice or by changes to the provisions of the relevant legislation.

The Directors may at any time determine to change the policy of the Sub-Fund with respect to distribution. If the Directors so determine full details of any such change will be disclosed in an updated prospectus or supplement and all Shareholders will be notified in advance of such change becoming effective.

In order to enable the Sub-Fund to pay a larger distribution amount the expenses which are attributable to the Sub-Fund may be charged to capital.

## **13. Risk Factors**

### **Investment in Russia**

Whilst fundamental reforms relating to securities investments and regulations have been initiated in recent years there may still be certain ambiguities in interpretation and

inconsistencies in their application. Monitoring and enforcement of applicable regulations remains uncertain.

Equity securities in Russia are dematerialised and the only evidence of ownership is entry of the shareholder's name on the share register of the issuer. The concept of fiduciary duty is not well established and shareholders may, therefore, suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy. Furthermore, the standard of corporate governance and investor protection in Russia may not be equivalent to that provided in other jurisdictions.