

If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser duly authorised in this regard. Shares are available for subscription on the basis of the information contained in this Prospectus and the documents referred to herein. Prices for Shares in the Company may fall as well as rise. This Prospectus and any Fund Particulars Supplements comprise Listing Particulars for the purpose of any Irish Stock Exchange application.

# **PROSPECTUS TRADITIONAL FUNDS plc**

*(an open-ended umbrella type investment company with variable capital incorporated with limited liability under the laws of Ireland, registered number 302305, authorised in Ireland as an investment company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011), with segregated liability between the Funds)*

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## **OFFERING OF SHARES**

of the

### **F&C HIGH INCOME BOND FUND**

and the

### **EASTERN EUROPEAN FUND**

and the

### **F&C GLOBAL EMERGING MARKETS FUND**

and the

### **F&C REAL ESTATE SECURITIES FUND**

and the

### **F&C REAL ESTATE EQUITY LONG/SHORT FUND**

and the

### **F&C MULTI STRATEGY GLOBAL EQUITY FUND**

and the

### **BMO US REAL ESTATE EQUITY LONG/SHORT FUND**

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

The Funds of the Company are referred to above. The Shares in issue and the status of any listing or application for listing to the Official List and to trading on the Global Exchange Market of the Irish Stock Exchange and other relevant exchanges is set out in the relevant Fund Particulars Supplement. The Directors do not anticipate that an active secondary market will develop in the Shares of any Fund. The Company issues a supplement to this Prospectus (a Fund Particulars Supplement) relating to each Fund of the Company. A separate Fund Particulars Supplement will be issued at the time of establishment of each Fund. Each Fund Particulars Supplement form part of, and should be read in the context of and together with, this Prospectus.

**13 July 2017**

## IMPORTANT INFORMATION

The Company is an open-ended umbrella type investment company with variable capital incorporated with limited liability under the laws of Ireland and authorised by the Central Bank as an investment company pursuant to the UCITS Regulations. There exists segregated liability between the Funds of the Company.

**Authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. The authorisation of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company.**

The Funds of the Company are referred to on the title page of the Prospectus. The Shares in issue and the status of any listing or application for listing to the Official List and for trading on the Global Exchange Market of the Irish Stock Exchange and other relevant exchanges is set out in the relevant Fund Particulars Supplement. The Directors do not anticipate that an active secondary market will develop in the Shares of any Fund.

The Company issues a supplement to this Prospectus (a Fund Particulars Supplement) relating to each Fund of the Company. A separate Fund Particulars Supplement will be issued at the time of establishment of each Fund. Each Fund Particulars Supplement shall form part of, and should be read in the context of and together with, this Prospectus.

This Prospectus and each Fund Particulars Supplement constitute the Listing Particulars in connection with the listing or application for listing on the Official List and to trading on the Global Exchange Market of the Irish Stock Exchange of the relevant Shares. The details of any significant new factor, material mistake or inaccuracy will be made available to existing and potential investors on a timely basis by way of announcement to be read in conjunction with the Listing Particulars. Neither the admission of Shares to the Official List and to trading on the Global Exchange Market of the Irish Stock Exchange nor the approval of the Listing Particulars pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange as to the competence of service providers to or any other party connected with the Company, the adequacy of the information contained in the Listing Particulars or the suitability of the Company or the Fund for investment by investors.

Distribution of this Prospectus is not authorised in any jurisdiction unless accompanied by the latest annual and/or, if more recent, semi-annual report of the Company. Such reports and this Prospectus together form the Prospectus for the subscription of Shares. All holders of Shares are entitled to the benefit of, are bound by and are deemed to have notice of the Memorandum and Articles of Association of the Company, copies of which are available as mentioned herein.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale or redemption of Shares other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Company. Neither the delivery of this Prospectus nor the offer, placement, allotment or issue of any of the Shares shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Prospectus comes are required to inform themselves about, and to observe, such restrictions.

The Company is a recognised collective investment scheme for the purposes of Section 264 of the Financial Services and Markets Act 2000 of the United Kingdom. This Prospectus is distributed in the United Kingdom by or on behalf of the Directors and is approved by Thames River Capital LLP and F&C Management Limited which are authorised and regulated by the Financial Conduct Authority.

The Company has not been, and will not be, registered under the United States Investment Company Act of 1940, as amended. The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or the securities laws of any state or political subdivision of the United States, and may not be offered, or sold, directly or indirectly, in the United States of America (including the States and the District of Columbia), its territories and possessions and other areas subject to its jurisdiction (the "United States"), or to, or for the account of, U.S. Persons except in certain transactions exempt from the registration requirements of the 1933 Act and such other securities laws. **Due to the legal and compliance burdens associated with permitting investments from U.S. residents and U.S. domiciled entities, the Company is not currently accepting applications for the purchase or subscription of Shares from any U.S. Person and is not currently accepting requests for transfer to any person that is a U.S. Person.**

Under the Memorandum and Articles of Association of the Company the Directors have the power to redeem or require the transfer of Shares held by or for the account of any person or entity in breach of the laws or requirements of any country or government authority or by any person or persons in circumstances where the holding of such Shares may, in the opinion of the Directors, result in legal, pecuniary, tax, regulatory or material administrative disadvantage for the Company or a Fund or their respective shareholders or to maintain such minimum holding of Shares as shall be prescribed from time to time by the Directors.

**Potential subscribers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of their country of citizenship, residence or domicile and which might be relevant to the subscription, holding or disposal of Shares. The value of investments and the income from them can go down as well as up and an investor may not get back the amount he invests. The difference at any one time between the Net Asset Value of Shares for the purposes of purchases and redemptions means that investment in the Fund should be viewed as medium to long term. The attention of potential subscribers is drawn to the "RISK FACTORS" below and the Fund Particulars Supplement for each Fund.**

## **Singapore**

The offer or invitation which is the subject of this document is not allowed to be made to the retail public. This document is not a prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore ("SFA"). Accordingly, statutory liability under that Act in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

## **Hong Kong**

No action has been taken in Hong Kong to permit the distribution of this document to the public. The investments may not be offered or sold in Hong Kong by means of this document or any other document except in circumstances which do not constitute an offer to the public for the purposes of the Hong Kong Companies Ordinance or the Hong Kong Securities and Futures Ordinance. This document is distributed on a confidential basis. No offer is being made to any person other than the person to whom the offering memorandum relating to the Fund has been sent and no person in Hong Kong other than the person to whom the copy of the offering memorandum of the Fund has been addressed may treat the same as constituting an invitation to him to invest. This document may not be reproduced in any form or transmitted to any person other than the person to whom it is addressed. The Manager and its connected persons may share any fees they receive with intermediaries, agents or other persons introducing investors or remunerate such persons out of their own resources.

### **WARNING**

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. Potential investors in Hong Kong are advised to exercise caution in relation to any offer of an investment. If potential investors are in any doubt about any of the contents of this document, they should obtain independent professional advice.

This Prospectus and any Fund Particulars 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 Fund Particulars Supplements. To the extent that there is any inconsistency between the English language Prospectus/Fund Particulars Supplements and the Prospectus/Fund Particulars Supplements in another language, the English language Prospectus/Fund Particulars 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/Fund Particulars Supplements on which such action is based shall prevail.

### **Investors' Reliance on U.S. Federal Tax Advice in this Prospectus**

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

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## GLOSSARY OF TERMS

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The following is a glossary of certain terms used frequently throughout this Prospectus (and the relevant Fund Particulars Supplement) including the **SUMMARY** below:

“Accounting Date”	the date by reference to which the annual accounts of the Company shall be prepared, being 31 March in each year or such other date as the Directors may from time to time decide;
“Accumulating Shares”	a class of accumulating Shares available in certain Funds of the Company which generally do not pay a dividend or other distribution as more particularly described in the relevant Fund Particulars Supplement;
“Administrator”	State Street Fund Services (Ireland) Limited or any successor company appointed by the Company in accordance with the requirements of the Central Bank as administrator of the Company’s affairs;
“Administration Agreement”	an agreement dated 30 March 2012, between the Company and the Administrator, effective from 11.59 p.m. on 31 March 2012;
“Application Form”	any application form to be completed by subscribers for Shares as prescribed by the Company from time to time;
“Articles”	the Memorandum and Articles of Association of the Company, as amended from time to time with the prior approval of the Central Bank;
“Base Currency”	the currency of account of a Fund as determined by the Directors at the time of the creation of the Fund;
“Business Day”	any day (excluding Saturdays, Sundays and public holidays) on which banks are open for business in both London and Dublin and/or such other or further places as the Directors may from time to time determine;
“Central Bank”	the Central Bank of Ireland;
“Central Bank UCITS Regulations”	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations) 2015 or such other amending or replacement regulations issued from time to time by the Central Bank.
“Company”	Traditional Funds plc;
“Company Secretary”	State Street Fund Services (Ireland) Limited or any successor company appointed by the Company in accordance with the requirements of the Central Bank as company secretary of the Company’s affairs;
“Dealing Day”	any Business Day on which the Directors have determined to give effect to applications for subscriptions and/or requests for redemptions of Shares of each Fund subject to there being not less than two Dealing Days in each calendar month. The Dealing Days in respect of Shares of each Fund are set out in the Fund Particulars Supplement to this Prospectus applicable to the relevant Fund;

“Declaration”	a valid declaration in a form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D TCA (as may be amended from time to time);
“Depositary”	State Street Custodial Services Ireland Limited or any successor entity appointed by the Company as depositary in accordance with the requirements of the Central Bank;
“Depositary Agreement”	the agreement dated 12 October 2016 between the Company and the Depositary;
“Directors”	the Board of Directors of the Company, including a duly authorised committee thereof;
“Distributing Shares”	a class of Shares available in each Fund of the Company which may distribute the net income (including interest and dividends) attributable to such Shares as more particularly described in the relevant Fund Particulars Supplement;
“EEA”	the countries for the time being comprising the European Economic Area (being at the date of this Prospectus, European Union Member States, Norway, Iceland, Liechtenstein);
“ESMA”	European Securities and Markets Authority;
“F&C Investment Management Agreement”	an agreement dated 20 December 2010 between the Company and F&C Management Limited, effective from 1 February 2011;
“Fund”	a separate portfolio of the Company established by the Directors from time to time with the prior approval of the Central Bank represented by one or more classes of Shares;
“Fund Particulars Supplement”	a document supplemental to this Prospectus which contains specific information in relation to a Fund;
“Initial Offer Period”	the initial offer period, if any, for Shares of each Fund as set out in the Fund Particulars Supplement to this document for the relevant Fund;
“Intermediary”	a person who:- <ul style="list-style-type: none"> <li>(a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or</li> <li>(b) holds shares in an investment undertaking on behalf of other persons;</li> </ul>
“Ireland”	the Republic of Ireland;
“Irish Stock Exchange”	The Irish Stock Exchange plc;
“Initial Issue Date”	the Business Day following the last day of the Initial Offer Period, if any, in respect of particular Shares of a Fund class and thereafter each Dealing Day or such other day or days in relation as the Directors of the Company may determine;

“Investment Manager”	the entity specified in the relevant Fund Particulars Supplement for each Fund (in the Prospectus the term Investment Manager shall include each of the entities specified in each Fund Particulars Supplement unless otherwise indicated);
“Management Share”	a management share in the capital of the Company;
“Member State”	a member state of the European Union;
“Net Asset Value of the Company”	the aggregate Net Asset Value of all the Company’s Funds;
“Net Asset Value of a Fund”	the net asset value of a Fund calculated in accordance with the provisions of the Articles, as described under “CALCULATION OF NET ASSET VALUE AND SUBSCRIPTION AND REDEMPTION PRICES - Calculation of Net Asset Value” below;
“Net Asset Value per Share”	the net asset value per Share in respect of Shares of each Fund class calculated in accordance with the provisions of the Articles, as described under “CALCULATION OF NET ASSET VALUE AND SUBSCRIPTION AND REDEMPTION PRICES – Calculation of Net Asset Value per Share” below;
“OECD”	the Organisation for Economic Co-operation and Development, which includes each of Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Republic of Ireland, Israel, Italy, Japan, Republic of Korea, Latvia, Slovak Republic, Luxembourg, Mexico, The Netherlands, New Zealand, Norway, Poland, Portugal, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom, the United States and any other country which may from time to time become a member;
"Paying Agent"	one or more paying agents appointed by the Company in certain jurisdictions in accordance with the requirements of the Central Bank;
“Recognised Clearing System”	Bank One NA, Depository and Clearing Centre, Clearstream Banking AG, Clearstream Banking SA, CREST, Depository Trust Company of New York, Euroclear, National Securities Clearing System, Sicovam SA, SIS Sega Intersettle AG or any other system for clearing units 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;
“Recognised Exchange”	any regulated stock exchange or market on which a Fund may invest. A list of these stock exchanges and markets is set out under “RECOGNISED EXCHANGES” below;
“Relevant Institution”	a credit institution authorised in the European Economic Area (EEA) (European Union Member States, Norway, Iceland, Liechtenstein), a credit institution authorised within a signatory state, other than a Member State of EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States) or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;



“Shares”	participating shares of no par value in the capital of the Company, which may be designated in different classes with reference to one or more Funds. Shares of a Fund class may be denominated in currencies other than the Base Currency of the Fund;
“Shareholders”	holders of Shares;
“Specified US Person”	(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; excluding (1) a corporation the stock of which is regularly traded on one or more established securities markets; (2) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i); (3) the United States or any wholly owned agency or instrumentality thereof; (4) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (5) any organization exempt from taxation under section 501(a) or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code; (6) any bank as defined in section 581 of the U.S. Internal Revenue Code; (7) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code; (8) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the Securities Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (9) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code; (10) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code; (11) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; or (12) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code. This definition shall be interpreted in accordance with the US Internal Revenue Code.
“TCA”	the Taxes Consolidation Act 1997 (of Ireland), as amended;
“Thames River Capital Investment Management Agreement”	an agreement dated 30 December 2005, as from time to time amended, between the Company and Thames River Capital LLP;
“UCITS”	an undertaking for collective investment in transferable securities, the sole object of which is the collective investment in transferable securities and/or other liquid financial assets referred to in Regulation 45 of the UCITS Regulations, of capital raised from the public, which operates on the principle of risk spreading, and the shares or units of which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of the undertaking’s assets;

“UCITS Regulations”	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) (as amended consolidated or substituted from time to time) and any regulations or notices issued by the Central Bank pursuant thereto for the time being in force;
“UK Facilities Agent”	Thames River Capital LLP;
“Umbrella Cash Account”	(a) a cash account opened in the name of the Company on behalf of all Funds into which (i) subscription monies received from investors who have subscribed for Shares are deposited and held until Shares are issued as of the relevant Dealing Day; or (ii) redemption monies due to investors who have redeemed Shares are deposited and held until paid to the relevant investors; or (iii) dividend payments owing to Shareholders are deposited and held until paid to such Shareholders.
“United States”	the United States of America, its territories and possessions, any State of United States and the District of Columbia;
“US Person”	is defined under “GENERAL INFORMATION – Definition of US Person” below; and
“Valuation Point”	the point in time by reference to which the Net Asset Value of a Fund and the Net Asset Value per Share of the relevant class is calculated. The Valuation Point in respect of Shares of each Fund is set out in the Fund Particulars Supplement to this document for each Fund.

In this Prospectus, unless otherwise specified, all references to “billion” are to one thousand million, to “US Dollars”, “US\$” or “cents” are to United States Dollars or cents, “C\$” or “Canadian Dollars” are to the Canadian Dollar, “£”, “Pounds Sterling” or “Sterling” are to pounds sterling of the United Kingdom, “Euro” or “Euros” are to the European Euro, “NK” or Krone are to Norwegian Krone and “¥” or “Yen” are to Japanese Yen.

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## SUMMARY

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The following is a summary of the key information concerning the Company, each of its Funds and the offering of Shares of each Fund. It is derived from, and should be read in conjunction with, the full text of this Prospectus, the Fund Particulars Supplement for the relevant Fund and with the documents available for inspection referred to under “GENERAL INFORMATION - Documents For Inspection” below.

### **The Company**

Traditional Funds plc is an open-ended umbrella type investment company with variable capital and limited liability incorporated in Ireland and authorised as a UCITS by the Central Bank. There exists segregated liability between the Funds of the Company.

### **The Company’s Funds**

As the Company is an umbrella fund, the Directors are empowered to issue and redeem Shares divided into different classes representing one or more Funds. Each Fund represents a separate portfolio of the Company with its own distinct investment objective and policy and is not a separate legal entity.

### **Share classes**

The rights of Shareholders in the Company’s Funds will be represented by separate classes of Share. Each Fund will have a single currency of account (the Base Currency of the Fund). However, one or more classes of Share may be created representing different currencies and/or representing different charging structures or other rights in a Fund.

Share classes, current and pending listing and trading on the Global Exchange Market of the Irish Stock Exchange and other exchanges and further detailed information relating to each Fund is contained in the relevant Fund Particulars Supplement.

### **Investment Objectives and Policies**

The investment objective and policy and investment powers and restrictions in respect of each Fund appear in the Fund Particulars Supplement for the relevant Fund.

### **Dividends and Distribution Dates**

The distribution policy and distribution dates for each Fund are set out in the Fund Particulars Supplement for the relevant Fund. Unless a Shareholder elects otherwise, any distributions will be applied in the purchase of further Shares of the relevant Fund.

### **Investment Manager**

Details of the Investment Manager for each Fund are set out in the Fund Particulars Supplement for the relevant Fund.

### **Depository**

The Company has appointed State Street Custodial Services (Ireland) Limited to act as depository to the Company and in respect of the assets of each Fund.

<b>Administrator</b>	The Company has appointed State Street Fund Services (Ireland) Limited to act as administrator and company secretary of the Company's affairs.
<b>Taxation</b>	The attention of prospective Shareholders is drawn to the section entitled "COMPANY AND SHAREHOLDER TAXATION CONSIDERATIONS" in this Prospectus.
<b>Portfolio Valuations</b>	<p>The portfolio attributable to each Fund will be valued for the purpose of calculating subscription and redemption prices of Shares of each Fund as of the Valuation Point for the relevant Dealing Day. The Valuation Point for Shares of each Fund is set out in the Fund Particulars Supplement to this document for each Fund.</p> <p>The method of calculation of the Net Asset Value of each Fund and the Net Asset Value per Share of each Fund is explained under "CALCULATION OF NET ASSET VALUE AND SUBSCRIPTION AND REDEMPTION PRICES" below.</p>
<b>Initial Offers</b>	Initial subscriptions for Shares of each Fund will be effected on the Initial Issue Date following the termination of the Initial Offer Period, if any, in respect of Shares of the relevant Fund. The Initial Offer Period for Shares of each Fund is set out in the Fund Particulars Supplement for each Fund.
<b>Subscriptions</b>	<p>Thereafter investors may apply on each subscription Dealing Day to purchase Shares of the relevant Fund at subscription prices calculated with reference to the Net Asset Value per Share of the relevant Fund as of the Valuation Point for the relevant Dealing Day. The Directors may limit or close subscriptions for Shares of a Fund at their discretion.</p> <p>Details of the subscription Dealing Days and Valuation Points in respect of Shares of each Fund are set out in the Fund Particulars Supplement for each Fund.</p>
<b>Minimum Investment</b>	<p>The minimum initial investment and minimum additional investment in Shares of each Fund is set out in the Fund Particulars Supplement for the relevant Fund. The Directors may at their discretion specify different minimum subscriptions amounts for Shares of each Fund and in respect of different classes of Shares issued in respect of a Fund.</p> <p>These minimums may be lowered, increased or waived at the discretion of the Directors either generally or in specific cases.</p>
<b>Redemptions</b>	Redemptions of Shares of each Fund may be effected on each redemption Dealing Day at prices calculated with

reference to the Net Asset Value per Share of the relevant Fund as of the Valuation Point for the relevant Dealing Day.

Details of the redemption Dealing Days and Valuation Points in respect of Shares of each Fund and any limitations on redemption are set out in the Fund Particulars Supplement for each Fund.

### **Minimum Redemptions and Holdings**

The minimum redemption amount and the minimum residual holding of Shares of each Fund is set out in the Fund Particulars Supplement for each Fund.

### **Publication of Prices**

The most up-to-date Net Asset Value per Share of each Fund is published following calculation on [www.bmogam.com](http://www.bmogam.com) and in the case of listed Funds notified to the Irish Stock Exchange immediately following calculation. In addition, the most up-to-date Net Asset Value per Share of each Fund may be obtained from the Administrator during normal business hours and in respect of the Base Currency class of each Fund may be published in such newspaper or journal as the Directors in their sole discretion may determine.

### **Switching**

Shareholders are entitled to switch their investment in Shares of a class of a particular Fund into Shares of another class of the same Fund or of another Fund, subject to the switching terms outlined under “SUBSCRIPTIONS, REDEMPTIONS AND SWITCHING” below and in the Fund Particulars Supplement for the relevant Fund.

### **Eligible Investors**

Shares of each Fund may currently be purchased only by investors who are not “US Persons” or any other “Restricted Persons” as defined below under “SUBSCRIPTIONS, REDEMPTIONS AND SWITCHING - Subscriptions: *Eligible Investors*” below.

### **Subscription and Redemption Charges**

An initial charge of up to five per cent of the Net Asset Value per Share is payable on subscription of Shares of each Fund class. This charge, which is payable to the Investment Manager, may be waived at the discretion of the Investment Manager. The Investment Manager is entitled to authorise the payment of the whole or part of such charge to sub-distributors, intermediaries and introducing agents.

The Company does not impose any redemption charges.

### **Investment Management Charges**

The Investment Manager is entitled to receive in respect of each Fund a monthly investment management fee (the “Investment Management Fee”) and, if so determined by the Directors in respect of a Fund, a performance fee as more particularly described under “CHARGES AND EXPENSES - Investment Management Charges” below.

The level of Investment Management Fee and/or performance fees payable in respect of Shares of each Fund class is set out in the Fund Particulars Supplement to this Prospectus for the relevant Fund.

**Other Charges and Expenses**

Other charges and expenses are detailed under “CHARGES AND EXPENSES” below.

**Annual and half yearly Accounting Period**

The annual accounting period of the Company ends on 31 March in each year.

The Company’s annual report incorporating audited financial statements will be published and available to Shareholders at [www.bmogam.com](http://www.bmogam.com) (or such other website as may be notified to Shareholders) within 4 months of the end of the annual accounting period (with a hard copy sent upon request) and at least 3 weeks before the Annual General Meeting of Shareholders. The Company’s semi-annual report will be published and available to Shareholders at [www.bmogam.com](http://www.bmogam.com) (or such other website as may be notified to Shareholders) within two months of the end of the half-year period to which it relates (with a hard copy sent upon request).

The audited financial statements for the Company for the period ended 31 March 2016 form part of this Prospectus for the purpose of the application to have Shares admitted to listing on the Official List and traded on the Global Exchange Market of the Irish Stock Exchange.

**Reporting Currencies**

For the purposes of the completion of the semi-annual report and annual report and accounts of the Company, the reporting currency of each Fund will be its Base Currency of account.

**RISK FACTORS**

**There are risks associated with investment in the Company and in each of its Funds. These include risks which are Company specific i.e. they apply in respect of all classes of Shares of the Company and all Funds in which investors may invest; and which are Fund specific i.e. they are specific to the Shares of the Fund in which the investor may wish to invest and arise from the investment strategy which is adopted in relation to the Fund and from the underlying investments in which it invests. Investment in certain securities and markets may involve a greater degree of risk than is associated with investment in other securities and markets. Each prospective investor should carefully review this Prospectus and carefully consider the risks associated with an investment in Shares of the relevant Fund before deciding to invest. The attention of prospective investors is drawn to “RISK FACTORS” and “CONFLICTS OF INTEREST” below and to any relevant disclosures in the Fund Particulars Supplement for the relevant Fund.**

## DIRECTORY

<b>Company's Registered Office</b>	78 Sir John Rogerson's Quay, Dublin 2, Ireland.
<b>Directors</b>	Michael Gerald Moloney David James Hammond John Fitzpatrick Charles Porter Stuart Woodyatt
<b>Promoter</b>	Thames River Capital LLP, Exchange House, Primrose Street, London EC2A 2NY, United Kingdom.
<b>Investment Manager/ Distributor /</b>	Details of the Investment Manager and Distributor for each Fund are contained in each Fund Particulars Supplement.
<b>Administrator, Registrar and Company Secretary</b>	State Street Fund Services (Ireland) Limited, 78 Sir John Rogerson's Quay, Dublin 2, Ireland
<b>Depository</b>	State Street Custodial Services (Ireland) Limited, 78 Sir John Rogerson's Quay, Dublin 2, Ireland.
<b>Listing Sponsor at The Irish Stock Exchange</b>	J&E Davy, Davy House, 49 Dawson Street, Dublin 2, Ireland.
<b>Auditors</b>	PricewaterhouseCoopers, Chartered Accountants & Registered Auditors, 1 Spencer Dock, North Wall Quay, Dublin 1, Ireland.
<b>Legal Advisors</b>	Matheson, 70 Sir John Rogerson's Quay, Dublin 2, Ireland.

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## THE COMPANY

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### Establishment and Structure

The Company was incorporated on 25 February 1999 under the laws of Ireland as an open-ended umbrella type investment company with variable capital and limited liability in which different Funds may be created from time to time. There exists segregated liability between the Funds of the Company. The Company is empowered to issue and redeem Shares divided into different classes representing one or more Funds. Each Fund represents a separate portfolio of the Company and is not a separate legal entity. Overall responsibility for the management of the Company is vested in the Directors.

The Company is authorised in Ireland by the Central Bank as an investment company pursuant to the UCITS Regulations.

### The Company's Funds

At the date of this Prospectus the following Funds of the Company have been established by the Directors with the approval of the Central Bank and are available for investment:

<i>Fund</i>	<i>Base Currency of Fund</i>	<i>Currency of denomination of Shares</i>
<b>F&amp;C High Income Bond Fund</b>	US Dollar	Euro, Sterling, US Dollar and Norwegian Krone
<b>Eastern European Fund</b>	US Dollar	US Dollar, Euro and Sterling
<b>F&amp;C Global Emerging Markets Fund</b>	US Dollar	US Dollar, Euro and Sterling
<b>F&amp;C Real Estate Securities Fund</b>	Sterling	Sterling, Euro, Norwegian Krone, US Dollar
<b>F&amp;C Real Estate Equity Long/Short Fund</b>	Euro	Euro, Sterling, US Dollar, Norwegian Krone, Swiss Franc, Swedish Krona
<b>F&amp;C Multi Strategy Global Equity Fund</b>	Euro	Euro, Sterling and US Dollar
<b>BMO US Real Estate Equity Long/Short Fund</b>	US Dollar	Euro, Sterling, US Dollar, Norwegian Krone, Swiss Franc, Swedish Krona, Canadian Dollar

The rights of Shareholders in each Fund are represented by a separate class of Share. Each Fund will have a single currency of account (the Base Currency of the Fund) and a separate portfolio of the Company will be established by the Directors in respect of the Fund. However, the Directors may at their discretion, with advance notice to the Central Bank, create one or more classes of Share of a Fund representing different currencies, charging structures or other terms and conditions of issue. Such Share classes will not be represented by separate portfolios of assets but will represent different interests in the separate portfolio of assets represented by a Fund.

Additional Funds may, with the prior approval of the Central Bank, be added by the Directors.

### Terminating Funds

The following Funds are closed to new investment and all shares in the Funds have been redeemed.



- F&C Emerging Asia Fund
- F&C Macro Global Bond Fund (£)
- F&C Macro Global Bond Fund (\$)
- F&C Macro Global Bond Fund (€)
- F&C Global Unconstrained Equities Fund

The Directors of the Company have applied for the authorisation of the Funds to be revoked in due course.

### **Fund Particulars Supplements**

This Prospectus may only be issued with the relevant Fund Particulars Supplement containing specific information relating to a particular Fund. This Prospectus and the relevant Fund Particulars Supplement should be read and construed as one document. Fund Particulars Supplements may be added to or removed from this Prospectus from time to time as Funds are added to the Company or closed, as the case may be.

It is the intention of the Directors to register some or all Funds in overseas jurisdictions. The cost of such registration will be borne by the appropriate Fund or Funds. Such registration may necessitate the production of documentation for a particular Fund in foreign languages and may necessitate further changes to the Prospectus and/or a Fund Particulars Supplement. The Directors will not consult with Shareholders prior to registering in any country or jurisdiction.

This Prospectus and any Fund Particulars 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 Fund Particulars Supplements. To the extent that there is any inconsistency between the English language Prospectus/Fund Particulars Supplements and the Prospectus/Fund Particulars Supplements in another language, the English language Prospectus/Fund Particulars 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/Fund Particulars Supplements on which such action is based shall prevail.

### **Investment Objectives and Policies**

The assets of each Fund will be invested separately in accordance with the investment objectives and policies of the Fund which are set out in the Fund Particulars Supplement to this Prospectus for the relevant Fund.

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

It is the policy of the Directors that each Fund will be predominantly fully invested although the Investment Manager is permitted the flexibility to increase the percentage of the portfolio of each Fund held in cash and/or money market investments for ancillary liquid asset purposes and non-government and government debt securities (“liquid assets”) where this is considered to be in the best interests of Shareholders of the relevant Fund; for example, during periods of market uncertainty where such investment is deemed to be important for defensive purposes.

The Investment Manager is also generally permitted to use financial derivative instruments to more effectively manage the level of investment risk and to facilitate efficient investment and management of cash and liquidity in each Fund, as set out in more detail under “Further Detail on the Use of Financial Derivative Instruments” below. Using derivatives in this way may increase the degree of

leverage in a Fund relative to the market, or by taking synthetic short positions, reduce a Fund's overall exposure to particular markets, individual securities or specific market factors, such as currency and interest rates. Where permitted by the investment objective and policy for a particular Fund, the Investment Manager may also use synthetic short positions in derivatives to create negative exposures to certain securities or market factors, so as to benefit from falling prices, without the Fund having any corresponding or related long position.

In using derivatives, the Investment Manager's intention will be to improve the level of return generated from the level of investment risk incurred, while maintaining consistency with each Fund's investment objective. The Investment Manager's use of derivatives will, however, be restricted by the need to provide cover for each derivatives position taken, and by the limits on leverage and exposure set out below under paragraphs 2.8 and 2.9 and paragraphs 6.1 to 6.4 under "Investment Powers and Restrictions" below.

Pending full investment of the assets attributable to a Fund after its Initial Offering Period or a substantial new subscription, a greater proportion of the assets attributable to the relevant Fund than may be anticipated by its investment objective and/or policy may for a time be held in liquid assets pending full investment of its portfolio.

#### *Cross Investment*

Subject to the requirements of the Central Bank and the limits set below under "Investment Powers and Restrictions", a Fund may invest in other funds and/or other collective investment schemes provided that such other funds and/or other collective investment schemes do not themselves invest more than 10% of their net asset value in other funds and/or other collective investment schemes. As an investor in such other collective investment schemes, a Fund will bear, along with other investors in the underlying schemes, its portion of the expenses of the underlying scheme, including management, investment management, and administration and other expenses. Such investment in collective investment schemes includes investing in other Funds. However, a Fund may not invest in another Fund which itself holds Shares in other Funds.

Where a Fund invests in another Fund (a "Receiving Fund"), the investment management fee which the investors in the investing Fund are charged in respect of that portion of the investing Funds assets invested in a Receiving Fund (whether such fee is paid directly at investing Fund level, indirectly at the level of the Receiving Fund or a combination of both) shall not exceed the rate of the maximum investment management fee which investors in the investing Fund may be charged in respect of the balance of the investing Funds assets, such that there shall be no double-charging of the annual investment management fee to the investing Fund as a result of its investments in the Receiving Fund. If a Fund invests in the units or shares of a collective investment scheme managed by the Investment Manager or by an associated or related company of the Investment Manager, the Investment Manager or the associated or related company must waive the entry charge, exit charge or conversion charge payable, if any. Where a commission (including a rebated commission) is received by the Investment Manager by virtue of an investment in the units or shares of a collective investment scheme managed by the Investment Manager or by an associated or related company of the Investment Manager, the commission must be paid into a property of the relevant Fund.

#### *Amendments to Investment Objectives and Policies*

The Directors are responsible for the formulation of each Fund's investment objectives and investment policies and any subsequent changes to those objectives or policies in the light of political and/or economic conditions.

The investment objective of a Fund may not be altered and material changes in the investment policy of a Fund may not be made without the approval of Shareholders of that Fund on the basis of a

majority of votes cast at a general meeting of the Shareholders of that particular Fund duly convened and held.

Subject thereto, the policy of a Fund may be amended from time to time by the Directors, if they shall deem it to be in the best interests of the relevant Fund to do so. In the event of a change of investment objective and/or a material change of investment policies, a reasonable notification period shall be provided by the Directors to enable Shareholders of a particular Fund to seek to repurchase their Shares prior to implementation of such changes.

In accordance with the requirements of the Central Bank, material changes to the content of the Prospectus and non-material amendments to the investment policy of a Fund shall be notified to Shareholders in the next set of periodic accounts.

#### *Further Detail on the Use of Financial Derivative Instruments*

The Investment Manager may use futures, forwards (including forward rate agreements), options (both writing and purchasing), swaps (including credit default swaps) and contracts for difference, including both exchange traded and over the counter derivative instruments for any Fund.

**Futures** – a Fund makes a contract to buy or sell a specified asset at a fixed price by a specified date in the future. A future differs from an option in that there is no up-front payment for the contract, apart from a nominal transaction fee, and that once the contract is made, both parties are obliged to complete it unless the contract is closed out before expiry. The effect of buying or selling a future is the same as a contract for difference but futures are always traded on exchanges and in minimum transaction sizes.

**Forwards** – a forward contract is exactly the same as a futures contract, but is not traded on an exchange. Forwards are one of the main derivatives used on the foreign exchange markets.

**Options** – for a relatively small up-front payment, a Fund obtains the right, but not the obligation, to buy or sell a specified asset at a fixed price by a specified date in the future. The Fund can use options in the same way as a swap or other derivative to replicate the effect of acquiring an asset, but the one-way nature of options also means that if the Fund takes out an option to buy an asset, it can get the benefit of an increase in value in the asset without any risk of loss if it falls in value, apart from the cost of the initial payment if the option expires worthless.

A barrier option is a type of financial option where the option to exercise rights under the relevant contract depends on whether or not the underlying asset has reached or exceeded a predetermined price. Such instruments may be used in circumstances where, for example, the Investment Manager is of the view that the probability of the price a specific asset moving through a threshold is likely to be different from the current price of assets in the market

A Fund can also sell options to buy assets it already holds, which means the Fund benefits from the up-front payment for issuing the option, while giving up the benefit of any increase in value of the asset above the fixed price set for the option during the period before the option expires. It may also issue an option giving someone else the right to sell an asset to the Fund, which means the Fund gets the immediate benefit of the payment for issuing the option, at the risk the Fund could be forced to buy the asset if it falls in value.

The Fund will not issue options on their own (so called naked options) but may do as part of a combination of purchased options or other assets, using the payment received for options sold to subsidise or offset the cost of options purchased.

Options can also be issued with a range of additional conditions attached which make it more likely the option will expire without being exercised, and which then reduce the amount that has to be paid to acquire the option, making it cheaper for the Fund to acquire them.

Options can also be combined with each of the other derivative types described here, so that the Fund can acquire an option to enter into a total return swap, a future or a forward contract. Such options operate in the same way as an option on any other kind of asset, and have the same costs and benefits for the Fund.

Swaps – a Fund may enter into swap agreements for the exchange of financial instruments to potentially benefit from returns of an equity security or index without the need to own shares of the security or, for example, an exchange-traded fund or a mutual fund that tracks an index. Where a Fund uses total return swaps, the Fund receives a periodic return based on the return that would be generated by holding the underlying asset in exchange for a payment typically based on prevailing interbank interest rates plus a margin. Swaps can be used to replicate the effect of holding any of the assets within the Fund's permitted universe and are funded by the returns on the Fund's other income producing assets.

To mitigate the counterparty risk resulting from swap transactions, Funds will only enter into swap transactions with highly rated financial institutions specialised in this type of transaction and in accordance with the standard terms laid down by the International Securities Dealers Association. Subject to compliance with those conditions, the Investment Manager has full discretion as to the appointment of counterparties when entering into total return swaps in furtherance of the Fund's investment objective and policies. It is not possible to comprehensively list all the counterparties as they may not have been, as of the date of issue of this Prospectus, selected and they may change from time to time. The counterparty to any swap entered into by a Fund will not assume any discretion over the composition or management of the investment portfolio of the Fund or of the underlying of the swap.

Contracts for difference – a Fund enters into a contract which gives the Fund the return on a specified asset from any change in value of the asset from the value at the time of the contract – both positive and negative. The effect is similar to that of a total return swap or future (see above) but the payment flows are structured differently and contracts for difference are generally used for contracts based on equity assets.

The assets or indices underlying such instruments may consist of any one or more of the following: transferable securities, money market instruments, other collective investment schemes, financial indices, interest and foreign exchange rates and currencies. A feature of derivatives is that they may also be based not on specific assets but on baskets of assets, market indices and market rates that are generally representative of all or part of the general market for the types of asset that may be held by a Fund. The Fund may use this feature of the derivatives listed above to take exposure to baskets of securities, market indices or currency rates, which are representative of assets it may invest in directly, as an alternative to acquiring the asset itself. Details of any financial indices used by the Funds will be provided to Shareholders by the Investment Manager on request and will be set out in the Company's semi-annual and annual accounts. Any such indices will be cleared by the Central Bank or will meet its requirements. In any event, however, the financial indices to which the Funds may gain exposure will typically be rebalanced on a monthly, quarterly, semi-annual or annual basis. The costs associated with gaining exposure to a financial index will be impacted by the frequency with which the relevant financial index is rebalanced. Where the weighting of a particular constituent in a financial index exceeds the UCITS investment restrictions, the Investment Manager will as a priority objective look to remedy the situation taking into account the interests of Shareholders and the relevant Fund.

The Investment Manager operates a risk management process on behalf of the Company in relation to its use of derivatives, which is intended to ensure that each Fund's derivatives exposure remains

within the limits described below and which enables the Company to accurately measure, monitor and manage the various risks associated with the use of such derivatives. This risk management process will also take into account any exposure created through derivatives embedded in transferable securities which the Investment Manager may acquire for a Fund in accordance with its investment objective and policies.

The risk management process is described in a statement, a copy of which has been filed with the Central Bank, and which will be updated from time to time to include any additional financial derivative instruments which the Investment Manager proposes to employ on behalf of the Funds. Until such time as the risk management statement has been updated, however, the Investment Manager will not use any financial derivative instrument which is not for the time being included in the risk management statement.

Information on financial derivatives used for each Fund will be included in the Company's semi-annual and annual reports and accounts. The Company will also provide information to Shareholders on request on the risk management process employed by the Investment Manager on the Company's behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investments held on behalf of each Fund.

Financial derivative instruments may be used by the Investment Manager either for investment or hedging purposes. Examples of the way in which they may be used, which should not be taken as being exhaustive, or mutually exclusive, include:

#### *Hedging*

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

Forward foreign exchange contracts are also used more specifically to hedge the value of certain classes of Shares in the Company's Funds against changes in the exchange rate between the currency of denomination of the class of Shares and the base currency of the Fund. Hedged classes are identified in the relevant Supplements for each Fund.

#### *State Street Bank Europe Limited*

State Street Bank Europe Limited has been appointed to provide share class currency hedging transaction services. State Street Bank Europe Limited shall be entitled, for such services, to transactional fees which shall be at normal commercial rates and shall be paid out of the assets of the relevant Fund as attributable to the relevant Class of Shares being hedged.

#### *Tactical asset allocation*

Futures, forwards, options, swaps (including credit default swaps) and contracts for difference may be used to gain or reduce a Fund's exposure to credit spreads or a particular security or market on a short or medium term basis, either in advance of a longer term allocation or reappraisal of the 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 interest rate duration management*

The Investment Manager may use futures, forwards, options, swaps (including credit default swaps) and contracts for difference to increase or reduce the beta, interest rate duration or spread duration of

all or a part of a Fund's portfolio to take account of changing levels of volatility in the market while at the same time maintaining exposure to the market.

By using derivatives in this way, the value of the Fund's portfolio may be made more or less responsive to general changes in market values than a corresponding portfolio that does not include derivatives. The Investment Manager may use this ability to effectively leverage a Fund, subject to the requirements above under "Investment Powers and Restrictions", to take advantage of conditions in relation to particular markets or securities which the Investment Manager believes offer especially favourable prospects.

Alternatively, the Investment Manager may de-leverage a Fund by taking synthetic short positions to protect the Fund against potentially adverse market conditions or to reduce exposure to securities or markets which the Investment Manager's analysis suggests are overvalued and prone to being sold off, without having to resort to holding cash.

#### *Taking views on the pricing or likely direction of markets*

Each Fund benefits from unhedged positive movements in market prices and upwards revaluations of assets through the securities positions and long exposures in its portfolio. The Investment Manager may also use futures, forwards, options, swaps and contracts for difference to increase a Fund's ability to benefit from long positions by employing leverage or to position a Fund to benefit from anticipated corrections in the overpricing of securities or of market risks or downwards movements in market prices by taking synthetic short or negative positions in relation to particular securities, markets or market factors.

#### *Revenue generation*

The Investment Manager may generate additional revenue or subsidise the cost of options purchased for a Fund by writing put options and call options on securities held in the Fund.

#### *Currency management*

Currency forwards, futures, options and swaps may be used in relation to the Company's bond funds to actively implement the Investment Manager's views on likely currency movements.

#### *Cash management and efficient investing*

The Investment Manager may also use futures, forwards, options, swaps (including credit default swaps) and contracts for difference as an alternative to acquiring the underlying or the 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 or reduce exposure to the market while managing the cashflows from subscriptions and redemptions into and out of each Fund more efficiently than by buying and selling transferable securities.

#### *Market concentrations*

Certain markets within the investment universe of the Funds may be highly concentrated due to the presence of a number of disproportionately highly capitalised issuers in those markets, with the result that a Fund may have difficulty in maintaining adequate exposure to that market by purchasing transferable securities without breaching its investment limits. The Investment Manager may use index futures to maintain a desired level of exposure to such markets.

#### *Sub-underwriting Agreements*

The Company may from time to time enter into sub-underwriting agreements with an investment bank, whereby the investment bank may underwrite a share issue and in the event that the share issue is undersubscribed by third party investors, the Company will be obliged to buy the under-subscribed shares at the applicable offer price or at a discount thereto. In the event that the share issue is fully subscribed, the Company will receive a sub-underwriting fee from the relevant investment bank. The aim of entering into such sub-underwriting agreements is to acquire securities in which the Company is permitted to invest in and/or to generate additional income for the Company. However, the acquisition of any underlying securities pursuant to such sub-underwriting agreements will not at any time breach the Company's investment restrictions policy, as detailed at the section entitled "Investment Powers and Restrictions" below. Any obligations of the Company under the terms of the sub-underwriting agreements will at all times be covered by liquid assets.

### **Portfolio Investment Techniques**

The Company may employ investment techniques and instruments relating to transferable securities and money market instruments for efficient portfolio management of the assets of any Fund ("**Portfolio Investment Techniques**"). These Portfolio Investment Techniques may include hedging against market movements, currency exchange or interest rate risks under the conditions and within the limits stipulated by the Central Bank under the UCITS Regulations, as described below.

Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management, including financial derivative instruments which are not used for direct investment purposes, shall be understood as a reference to techniques and instruments which fulfil the following criteria:

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

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

The Company shall ensure that all revenues arising from Portfolio Investment Techniques, net of direct and indirect costs, are returned to the relevant Fund.

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

The annual report of the Company will contain details of (i) the counterparty exposure obtained through Portfolio Investment Techniques, (ii) counterparties to the Portfolio Investment Techniques, (iii) the type and amount of collateral received by the Funds to reduce counterparty exposure and (iv) revenues arising from Portfolio Investment Techniques for the reporting period, together with direct and indirect costs and fees incurred.

The Company may enter into Portfolio Investment Techniques with certain brokers, stock lending agents, derivative counterparties and financial institutions. There may be direct and indirect operational costs or fees arising from such transactions, but these will at all times be paid at normal commercial rates and there will be no hidden fees or revenue payable to any of these entities. The Company does not envisage any other direct or indirect operational costs or fees payable by the Company as a result of its Portfolio Investment Techniques and, to the extent there are any additional direct or indirect operational costs or fees payable by the Company, this will be disclosed in the annual report of the Company. The Company shall not enter into Portfolio Investment Techniques with any entities related to the Investment Manager and no such entity shall derive any direct or indirect fees from the Company's use of Portfolio Investment Techniques. All counterparties to Portfolio Investment Techniques shall be disclosed in the annual report of the Company in accordance with the ESMA Guidelines for Competent Authorities and UCITS Management Companies on ETFs and other UCITS issues.

#### *Use of Repurchase / Reverse Repurchase Agreements and Stock Lending Arrangements*

A Fund may enter into repurchase agreements, reverse repurchase agreements ("repo contracts") and stock lending arrangements only for the purposes of efficient portfolio management subject to the conditions and limits set out in the Central Bank UCITS Regulations. Under a repurchase agreement, the Fund acquires securities from a seller (for example, a bank or securities dealer) who agrees, at the time of sale, to repurchase the securities at a mutually agreed-upon date (usually not more than seven days from the date of purchase) and price, thereby determining the yield to the relevant Fund during the term of the repurchase agreement. The resale price reflects the purchase price plus an agreed upon market rate of interest which is unrelated to the coupon rate or maturity of the purchased security. A Fund may enter into reverse repurchase agreements under which it sells a security and agrees to repurchase it at a mutually agreed upon date and price. A Fund may lend its securities to brokers, dealers and other financial institutions.

#### *Management of Collateral*

Subject to the UCITS Regulations, a Fund may enter into Portfolio Investment Techniques provided that collateral obtained under the relevant Portfolio Investment Techniques complies at all times with the following criteria:

- (i) Liquidity: collateral (other than cash) should be transferable securities or money market instruments (of any maturity) which must be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a robust price that is close to its pre-sale valuation. Collateral should comply with the provisions of Regulation 74 of the UCITS Regulations;
- (ii) Valuation: collateral must be capable of being valued on a daily basis and assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place. Collateral may be marked to market daily by the counterparty using its



procedures, subject to any agreed haircuts, reflecting market values and liquidity risk and may be subject to variation margin requirements;

- (iii) Issuer credit quality: collateral must be of high quality. In making such a determination (i) where the issuer is subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account in the credit assessment process; and (ii) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in (i) this shall result in a new credit assessment of the issuer being conducted without delay;
- (iv) Correlation: collateral must be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (v) Diversification: subject to the below, collateral must be sufficiently diversified in terms of country, markets and issuers. Non-cash collateral will be considered to be sufficiently diversified if the Fund receives from a counterparty a basket of collateral with a maximum exposure to any one issuer of 20% of the Fund's Net Asset Value. When the Fund is exposed to a variety of different counterparties, the various baskets of collateral are aggregated to ensure exposure to a single issuer does not exceed 20% of Net Asset Value.

A Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Any such Fund shall receive securities from at least 6 different issues, but securities from any single issue should not account for more than 30 per cent of the Fund's Net Asset Value. A Fund may be fully collateralised in securities issued or guaranteed by any of the issuers listed in section 2.12 of the section of the Prospectus headed "Investment Powers and Restrictions".

All assets received in respect of a Fund in the context of Portfolio Investment Techniques will be considered as collateral for the purposes of the UCITS Regulations and will comply with the criteria above. Risks linked to the management of collateral, including operational and legal risks, are identified and mitigated by risk management procedures employed by the Company.

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

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

#### *Permitted types of collateral*

In accordance with the above criteria, it is proposed that a Fund will accept the following types of collateral in respect of Portfolio Investment Techniques:

- (i) cash;
- (ii) government or other public securities;
- (iii) certificates of deposit issued by Relevant Institutions;
- (iv) bonds/commercial paper issued by Relevant Institutions or by non-bank issuers where the issue or the issuer are rated A1 or equivalent;

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

*Reinvestment of Collateral*

Cash received as collateral in respect of Portfolio Investment Techniques may not be invested or used other than as set out below:

- (i) placed on deposit with Relevant Institutions;

- (ii) invested in high quality government bonds;
- (iii) used for the purpose of reverse repurchase agreements provided that the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on an accrued basis; or
- (iv) invested in short term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds (as defined in ESMA/2012/832EL).

Re-invested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the counterparty or a related entity. Where cash collateral is re-invested it will be subject to the same risks as direct investment as set out in this Prospectus and the relevant Fund Particulars Supplement.

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

Without prejudice to the requirements set out above with respect to non-cash and cash collateral, a Fund may be permitted to undertake repos pursuant to which additional leverage is generated through the re-investment of collateral. In which case the repo transaction will be taken into consideration for the determination of global exposure as required by the UCITS Regulations. Any global exposure generated shall be added to the global exposure created through the use of derivatives and the total of these shall not be greater than 100% of the Fund's Net Asset Value. Where collateral is re-invested in financial assets that provide a return in excess of the risk-free return the Fund shall include, in the calculation of global exposure: (i) the amount received if cash collateral is held; (ii) the market value of the instrument concerned if non-cash collateral is held.

#### *Stress testing policy*

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

#### *Haircut policy*

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

#### *Acceptable counterparties*

A Fund may only enter into OTC derivatives, repo contracts and stock lending arrangements with counterparties in accordance with the requirements of the Central Bank UCITS Regulations where a credit assessment has been undertaken. Such counterparties will be entities with legal personality typically located in OECD jurisdictions. Where the counterparty is subject to a credit rating by any agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment. Where a counterparty is downgraded to A2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken without delay.

#### *Other provisions in relation to repo contracts and stock lending*

The Company will have the right to terminate a stock lending arrangement at any time and demand the return of any or all of the securities loaned. The agreement must provide that, once such notice is

given, the borrower is obligated to redeliver the securities within five business days or other period as normal market practice dictates. Stock lending arrangements will typically include provisions to protect the counterparty, or any agent through which securities are lent, against any losses incurred by them that are caused by any default by the Company.

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

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

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

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

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

#### *Securities Financing Transaction Regulations*

Each Fund's exposure to securities financing transactions (total return swaps, repo contracts and stock lending arrangements) will be outlined in detail in the relevant supplement and disclosed in the Company's periodic financial reports. For the avoidance of doubt, subject to further Central Bank and ESMA guidance, securities financing transactions do not include contracts for difference but if this position changes the Prospectus and Supplements will be updated accordingly.

To the extent that a Fund engages in total return swaps, repo contracts or stock lending arrangements, any permitted investments of a Fund may be subject to such transactions.

#### *When-Issued and Forward-Commitment Securities*

A Fund may purchase securities on a "when-issued" basis and may purchase or sell securities on a "forward-commitment" basis. The price, which is generally expressed in yield terms, is fixed at the time the commitment is made, but delivery and payment for the securities take place at a later date. When-issued securities and forward-commitments may be sold prior to the settlement date, but a Fund will usually enter into when-issued and forward commitments only with the intention of actually receiving or delivering the securities or to avoid currency risk, as the case may be. No income accrues on securities that have been purchased pursuant to a forward commitment or on a when-issued basis prior to delivery of the securities. If the Fund disposes of the right to acquire a when-issued security prior to its acquisition or disposes of its right to deliver or receive against a forward commitment, the Fund may incur a gain or loss. There is a risk that the securities may not be delivered and that the Fund may incur a loss. "When-issued" and "forward-commitment" securities are taken into account when calculating the limits set out in the restrictions under the section of the Prospectus headed "Investment Powers and Restrictions".

### **Investment Powers and Restrictions**

The permitted investments and investment restrictions applying to the Company, in accordance with the qualifications and exemptions contained in the UCITS Regulations, and in the Central Bank UCITS Regulations issued by the Central Bank, are set out below. The Directors of the Company may

from time to time impose such further investment restrictions as shall be compatible with or in the interest of the Shareholders, in order to comply with the laws and regulations of the countries where Shares of the Company are available for subscription. Any such further restrictions shall be in accordance with the requirements of the Central Bank UCITS Regulations.

## **General**

### **1 Permitted Investments**

Investments of the Company are confined to:

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

### **2 Investment Restrictions**

- 2.1 Each Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1.
- 2.2 Each Fund may invest no more than 10% of its Net Asset Value in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.2) within a year. This restriction will not apply in relation to investment by each Fund in certain US securities known as rule 144A securities provided that:
  - the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and
  - the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.
- 2.3 Each Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4 Subject to the prior approval of the Central Bank, the limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-

holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Fund.

- 2.5 The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 2.6 The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
- 2.7 Each Fund may not invest more than 20% of its Net Asset Value in deposits made with the same credit institution.

Deposits with any one credit institution, other than a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein), 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 a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand, held as ancillary liquidity, must not exceed 10% of net assets.

This limit may be raised to 20% in the case of deposits made with the Depositary.

- 2.8 The risk exposure of each Fund to a counterparty to an OTC derivative may not exceed 5% of its Net Asset Value.

This limit is raised to 10% in the case of a credit institution authorised in the EEA, a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

- 2.9 Notwithstanding paragraphs 2.3, 2.7 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:

- investments in transferable securities or money market instruments;
- deposits; and/or
- risk exposures arising from OTC derivatives transactions.

- 2.10 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 Asset Value.

- 2.11 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 Asset Value may be applied to investment in transferable securities and money market instruments within the same group.

- 2.12 Each Fund may invest up to 100% of its Net Asset Value in transferable securities and money market instruments issued by or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members. The individual issuers must be listed in the prospectus and may be drawn from OECD Governments (provided the relevant issues are investment grade), the European Investment Bank, the European Bank for Reconstruction and Development, the International Finance Corporation, the International Monetary Fund, Euratom, the Asian Development Bank, the European Central Bank, the Council of Europe, Eurofima, the African Development Bank, International Bank for Reconstruction and Development (The World Bank), the Inter American Development Bank, the European Union, Federal National Mortgage Association

(Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), the Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank and Tennessee Valley Authority Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, Straight-A Funding LLC.

However, a Fund must hold securities from at least six different issues, with securities from any one issue not exceeding 30% of the Net Asset Value of that Fund.

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

- 3.1 Each Fund may invest no more than 20% of its Net Asset Value in any one CIS.
- 3.2 Investment in non-UCITS CIS may not, in aggregate, exceed 30% of its Net Asset Value.
- 3.3 The CIS which each Fund may invest in are prohibited from investing more than 10 per cent of their own net asset value in other CIS.
- 3.4 When a Fund invests in the shares/units of other CIS that are managed, directly or by delegation, by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding ("a substantial direct or indirect holding" may be defined as more than 10% of the capital or voting rights), the Investment Manager or other company may not charge management, subscription, conversion or redemption fees on account of the a Fund's investment in the shares/units of such other CIS.
- 3.5 Where a commission (including a rebated commission) is received by the Investment Manager by virtue of an investment in the units/shares of another CIS, this commission must be paid into the property of the relevant Fund.

### **4 Index Tracking UCITS**

- 4.1 A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank
- 4.2 The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

### **5 General Provisions**

- 5.1 Each Fund may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 5.2 Each Fund may acquire no more than:
  - (i) 10% of the non-voting shares of any single issuing body;
  - (ii) 10% of the debt securities of any single issuing body;
  - (iii) 25% of the shares/units of any single CIS;
  - (iv) 10% of the money market instruments of any single issuing body.

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

5.3 5.1 and 5.2 shall not be applicable to:

- (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;
- (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
- (iv) shares held by any 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, 5.1 and 5.2, and provided that where these limits are exceeded, 5.5 and 5.6 are observed;
- (v) shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares / units at shareholders / unitholders' request exclusively on their behalf.

5.4 Each Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

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

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

5.7 Neither the Investment Manager, nor any of the Funds, may carry out uncovered sales of:

- transferable securities;
- money market instruments;
- units of CIS; or
- financial derivative instruments.

In addition, for sales of financial derivative instruments, each Fund must comply with the coverage requirements of the Central Bank UCITS Regulations, as may be amended from time to time, and the Company's risk management process.

5.8 Each Fund may hold ancillary liquid assets.

## **6 Financial Derivative Instruments ("FDIs")**



- 6.1 Each Fund's global exposure (as prescribed in the Central Bank UCITS Regulations) relating to FDI must not exceed its total net asset value.
- 6.2 Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations/Guidance (this provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations/Guidance.)
- 6.3 Each Fund may invest in FDIs dealt in over-the-counter ("OTCs") provided that the counterparties to OTCs are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- 6.4 Investment in FDIs is subject to the conditions and limits laid down by the Central Bank.

It is intended that any Fund should have power to avail itself of any change in the investment restrictions laid down in the UCITS Regulations which would permit investment by the Funds in securities, derivative instruments or in any other forms of investment in which investment is as at the date of this Prospectus, restricted or prohibited under the UCITS Regulations.

#### **Restrictions on Borrowing, Lending and Dealing**

- (1) Each Fund may only borrow an amount which in the aggregate does not exceed 10% of the Net Asset Value of the Fund. Such borrowings may, however, only be made on a temporary basis. Each Fund may give a charge over the assets of the Fund in order to secure borrowings. Further, each Fund may not invest more than 10% of its Net Asset Value in partly paid securities.
- (2) Each Fund may acquire foreign currency by means of a "back-to-back" loan. Foreign currency obtained in this manner is not classed as borrowings for the purposes of the borrowing restrictions contained in the UCITS Regulations and (1) above, provided that the offsetting deposit:-
  - (i) is denominated in the base currency of the Fund;
  - (ii) equals or exceeds the value of the foreign currency loan outstanding.

However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purpose of Regulation 103 of the UCITS Regulations and (1) above.

- (3) Each Fund may not, save as set out in (1) above, mortgage, hypothecate or in any manner transfer as security for indebtedness, any securities owned or held by the Fund provided that the purchase or sale of securities on a when-issued or delayed-delivery basis, and margin paid with respect to the writing of options or the purchase or sale of financial derivative instruments, are not deemed to be the pledge of the assets.
- (4) Without prejudice to the powers of each Fund to invest in transferable securities, each Fund may not lend or act as guarantor on behalf of third parties.
- (5) Each Fund may engage in stocklending and use repurchase and reverse repurchase agreements for the purpose of efficient portfolio management, in accordance with the requirements of the Central Bank.

The investment restrictions apply to any investment at the time that investment is made. The

Investment Manager will be responsible for ensuring that the investment restrictions applicable to each Fund are complied with and will report to the Directors accordingly.

With the exception of permitted investment in unlisted securities or in units of open-ended collective investment schemes, investment by a Fund will be restricted to those Recognised Exchanges referred to under “RECOGNISED EXCHANGES” below.

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

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

### **Non-Member State Companies**

The Company intends to invest the assets attributable to each Fund directly in investments purchased and held as part of the relevant Fund’s investment objective and policy. The Company nonetheless has the power subject to 5.3(iv) of the above section of the Prospectus entitled “Investment Powers and Restrictions” to invest in companies incorporated in non-Member States with the prior approval of the Central Bank through which any such investment may be made where investment through such a company represents the only way in which the Fund can invest in the securities of issuers in that country. The Company reserves the right to utilise this power where this is considered by the Directors to be in the interests of the Company or conducive to achieving the investment objective and policy of any one or more Funds. In the event of the Company investing in such companies, details will be set out in the relevant Fund Particulars Supplement to the Prospectus.

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## DIVIDEND AND REINVESTMENT POLICY

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The amount available for distribution (if any) will vary between the classes of the Funds of the Company. Accumulating Shares, New Accumulating Shares, Distributing and New Distributing Shares are available for subscription in certain Funds of the Company.

### *Distributing Shares and New Distributing Shares*

The distribution policy of each Fund is set out in the Fund Particulars Supplement for each Fund.

The Company will maintain an equalisation account with a view to ensuring that the level of dividends payable on Shares is not affected by the issue and redemption of such Shares during an accounting period. The subscription price of such Shares will therefore be deemed to include an equalisation payment calculated by reference to the accrued income of the Fund and the first distribution in respect of any Share will include a payment of capital usually equal to the amount of such equalisation payment. The redemption price of each Share will also include an equalisation payment in respect of the accrued income of the Company up to the date of redemption. No dividend is payable to holders of Management Shares. Any dividends payable will be paid by telegraphic transfer at the Shareholder's risk, the cost of which will normally be borne by the Fund. Payment of dividends may be withheld, without payment of interest, where the identity of the recipient has not been sufficiently established for anti-money laundering purposes in accordance with the procedures set out under "Subscriptions, Redemptions and Switching" below.

Pending payment to the relevant Shareholder, dividend payments will be held in the Umbrella Cash Account) and will be treated as an asset of the Fund until paid to that Shareholder and will not benefit from the protections afforded by the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 (the "IMR") for Fund Service Providers (as defined in the IMR). Please see the "Operation of Subscription Cash Accounts in the name of the Company" subsection of the "Subscriptions, Redemption and Switching" section for further details in this respect.

### *Accumulating and New Accumulating Shares*

The Directors do not anticipate that any dividends or other distributions will be paid to the holders of classes of Accumulating and New Accumulating Shares of the Funds of the Company out of the earnings and profits of the Funds attributable to such classes of Accumulating and New Accumulating Shares. The amount of income attributable to a class of Accumulating or New Accumulating Shares at an Allocation Date shall become part of the capital property of that class and, if Shares of any other class of a particular Fund were in issue at the relevant Allocation Date, the interests of the holders of Accumulating or New Accumulating Shares in that amount will be satisfied by an adjustment, as at the relevant Allocation Date, in the proportion of the value of the property of the relevant Fund to which the price of an Accumulating or New Accumulating Share of the relevant class is related. This adjustment will ensure that the price of an Accumulating or New Accumulating Share remains unchanged despite the transfer of income to the capital property.

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## MANAGEMENT

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### Directors of the Company

The Directors have overall responsibility for the management and administration of the Company and for determining the investment objectives, policy and restrictions applicable to each Fund. The Directors of the Company are currently as follows:-

**Michael Gerald Moloney** (Irish national and resident) has over thirty years working experience in Fund Management and Investment Banking. He is Principal of Gerald Moloney Associates which specialises in providing investment related consultancy services. He is also a director of a number of other Dublin based investment funds. He was an executive director of AIB Capital Markets plc, and Investment Director of Enterprise Ireland. He is a Chartered Financial Analyst, and a Fellow of the Institute of Chartered Secretaries and Administrators.

**David James Hammond** (Irish national and resident) retired from Bridge Consulting Limited (“Bridge”), a financial services consultancy and business advisory firm, in August 2014 having served 9 years as managing director. Before setting up Bridge in 2005, Mr. Hammond was Chief Operating Officer of Sanlam Asset Management (Ireland) Limited, part of the Sanlam group of South Africa, which he joined at the start of 2003.

Between 1994 and the end of 2002, Mr. Hammond worked with International Fund Managers (Ireland) Limited, the Irish fund administration subsidiary of Baring Asset Management and which is now part of Northern Trust. While at IFMI, Mr. Hammond was responsible for legal affairs and business development, becoming a director in 1996. He is also a solicitor, and practised for a number of years in the area of banking and financial services with the Irish firm of A&L Goodbody. Mr. Hammond is a CFA Charterholder and holds a law degree from Trinity College, Dublin and a MBA from Smurfit Graduate School of Business, University College, Dublin.

**John Fitzpatrick** (Irish national and resident) has over 25 years' experience in the management of mutual funds and currently acts as an independent director and consultant in relation to a number of management companies and investment funds. Mr. Fitzpatrick was an Executive Director and Head of Product Development and Technical Sales at Northern Trust Investor Services (Ireland) Limited between 1990 and 2005. In this role, he was responsible for consulting with clients regarding fund structures, regulatory issues and industry developments and was responsible for business development in the Dublin office, representing Northern Trust's Fund Services business globally.

Mr. Fitzpatrick has served as Chairman of the Board for the Dublin Funds Industry Association, and from 2002 to 2005 was Vice Chairman of the European Funds and Asset Managers Association.

Prior to joining Northern Trust, Mr. Fitzpatrick worked for PricewaterhouseCoopers and KPMG, where he specialised in Company Law and Tax Planning. He has worked at the senior level in all aspects of the mutual fund industry since 1978.

### Charles Porter

Mr Porter has held a position as a non-executive director with F&C Asset Management plc since 2013. Mr Porter was Head of the Funds and Investment Trusts business at F&C Asset Management plc until October 2012. Mr Porter co-founded the Thames River Capital Group in 1998 and was its Chief Executive arranging the sale of the business to the F&C group in September 2010. He was also

Chief Executive of Nevsky Capital LLP from 2006 to 2012 and joined the board of F&C Asset Management plc as a non-executive director in 2013. Charlie joined Baring Asset Management in 1987 and was responsible for Barings' UK and International mutual fund businesses and had extensive funds experience in Asia, the Middle East, North America, and Africa. Prior to 1987, Charlie spent five years at a London based investment manager, where he was responsible for their private client investment service.

### **Stuart Woodyatt**

Mr. Stuart Woodyatt is the Global Head of Business Risk at BMO Global Asset Management and a member of the Group Management team. Mr. Woodyatt joined the BMO Group in December 2014. Mr. Woodyatt is responsible for the management of the Business Risk function, which includes Operational Risk and Counterparty Credit Risk, and will ensure that an effective risk management framework is in place for the business. Mr. Woodyatt has worked in financial services for over 25 years and held senior roles within the Risk departments of a number of financial services companies, including Aviva, Morley Fund Management (now Aviva Investors), Royal London Asset Management and Hermes Fund Managers. Mr. Woodyatt is a member of the CFA Society United Kingdom.

### **Investment Manager**

#### **(i) Thames River Capital LLP**

Thames River Capital LLP, a limited liability partnership, has been appointed as investment manager for certain of the Company's Funds, as disclosed in the relevant Fund Particulars Supplements, pursuant to the Thames River Capital Investment Management Agreement. Thames River Capital LLP was incorporated on 10 January 2005, with registered number OC310934 under the laws of England and Wales. It is authorised and regulated by the Financial Conduct Authority in the United Kingdom in the conduct of its designated investment business. Its principal business is to provide investment management and advisory services to clients in the United Kingdom and other parts of the world.

Thames River Capital LLP is a subsidiary undertaking of Thames River Capital (UK) Limited which became a wholly owned subsidiary of F&C Asset Management plc ("F&C") with effect from 1 September 2010. The Thames River Capital group has been operating since 1998 and its senior fund management staff are members of Thames River Capital LLP. As at 31 December 2013 the Manager, and its affiliate Thames River Multi-Capital LLP, had approximately £3.1 billion of funds under discretionary management. The F&C group had approximately £82.1 billion of funds under management as at 31 December 2013.

Under the terms of the Thames River Capital Investment Management Agreement, Thames River Capital LLP is responsible, subject to the overall supervision and control of the Directors, for the day to day investment management of the portfolio attributable to each Fund for which it is investment manager.

The fees payable to Thames River Capital LLP are described under "CHARGES AND EXPENSES - Investment Management Charges" below.

The appointment of Thames River Capital LLP as investment manager may be terminated by either party upon not less than 6 months' written notice and may be terminated by either party at any time in certain other circumstances. The Thames River Capital Investment Management Agreement contains indemnities from the Company in favour of Thames River Capital LLP and provides limitations on Thames River Capital LLP's liability to the Company. The Thames River Capital Investment Management Agreement is more particularly described under "GENERAL INFORMATION - Material Contracts" below.

Under the terms of the Thames River Capital Investment Management Agreement, Thames River Capital LLP will also act as non-exclusive distributor for the purposes of distributing Shares in such Funds as may be agreed between the Company and the Thames River Capital LLP from time to time. Thames River Capital LLP may delegate some or all of its duties as distributor to sub-distributors in accordance with the requirements of the Central Bank.

Thames River Capital LLP acts as manager of and/or adviser to other funds or clients or may act as manager of and/or adviser to other funds or clients in the future any of which may be competing with the Company in the same markets.

Thames River Capital LLP also acts as promoter of the Company.

## **(ii) F&C Management Limited**

F&C Management Limited is a United Kingdom incorporated company, which is a wholly owned subsidiary of F&C Asset Management plc. F&C Management Limited's primary activity involves the provision of investment management services to investment trusts, offshore open and closed ended funds and accounts of institutional clients. The F&C group had approximately £82 billion of funds under management as at 31 December 2013. On 7 May 2014, F&C Asset Management plc was acquired by Bank of Montreal through its wholly owned subsidiary, BMO Global Asset Management (Europe) Limited. BMO Global Asset Management is part of BMO Financial Group, a highly diversified financial services provider based in North America with total assets of C\$593 billion and approximately 45,500 employees as at 31 January 2015.

Under the terms of the F&C Investment Management Agreement, F&C Management Limited is responsible, subject to the overall supervision and control of the Directors, for the day to day investment management of the portfolio attributable to each Fund for which it is investment manager.

The fees payable to F&C Management Limited are described under "CHARGES AND EXPENSES - Investment Management Charges" below.

The appointment of F&C Management Limited as investment manager may be terminated by either party upon not less than 6 months' written notice and may be terminated by either party at any time in certain other circumstances. The F&C Investment Management Agreement contains indemnities from the Company in favour of F&C Management Limited and provides limitations on F&C Management Limited's liability to the Company. The F&C Investment Management Agreement is more particularly described under "GENERAL INFORMATION - Material Contracts" below.

F&C Management Limited acts as manager of and/or adviser to other funds or clients or may act as manager of and/or adviser to other funds or clients in the future any of which may be competing with the Company in the same markets.

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

Local laws/regulations in the EEA may require the appointment of Paying Agents/representatives/distributors/sub-distributors/correspondent banks ("Agents") and maintenance of accounts by such 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 Depositary (e.g. a Paying Agent or a sub-distributor 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 Depositary for the account of the Company or the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder. Fees and expenses of Agents appointed by the Company or a Fund which will be at normal commercial rates will be borne by the

Company or the Fund in respect of which an Agent has been appointed. All Shareholders of the Company or the Fund on whose behalf an Agent is appointed may avail of the services provided by the Agents appointed by or on behalf of the Company.

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.

The Company has appointed Thames River Capital LLP, the UK Facilities Agent, to maintain facilities in the United Kingdom required of the operator of a recognised scheme pursuant to the rules contained in the Collective Investment Schemes Sourcebook published by the Financial Conduct Authority of the United Kingdom (the “FCA”) as part of the FCA’s Handbook of Rules and Guidance. Such facilities are located at Exchange House, Primrose Street, London EC2A 2NY, United Kingdom.

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## ADMINISTRATION AND CUSTODY

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### Administrator and Registrar

State Street Fund Services (Ireland) Limited has been appointed to provide administration services to the Company pursuant to the Administration Agreement. The Administrator is a limited liability company incorporated in Ireland on 23 March 1992 and is ultimately a wholly-owned subsidiary of the State Street Corporation. The authorised share capital of State Street Fund Services (Ireland) Limited is £5,000,000 with an issued and paid up capital of £350,000. State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street Corporation is headquartered in Boston, Massachusetts, U.S.A., and trades on the New York Stock Exchange under the symbol (“STT”).

The fees and expenses payable to the Administrator are described under “CHARGES AND EXPENSES - Administration, Depositary and Registrar Charges” below.

The Administration Agreement is described in more detail under “GENERAL INFORMATION - Material Contracts” below.

### Depositary

The Company has appointed State Street Custodial Services (Ireland) Limited to act as Depositary of all of the Company’s assets, pursuant to the Depositary Agreement. The principal activity of the Depositary is to act as trustee/depositary of the assets of collective investment schemes. The Depositary is regulated by the Central Bank. As at 30 April 2017, the Depositary had assets in excess of U.S.\$ \$749.3 billion under custody. The Depositary is a private limited company incorporated in Ireland on 22nd May 1991. The Depositary is ultimately owned by State Street Corporation. Its authorised share capital is Stg£5,000,000 and its issued and paid up capital is Stg£200,000. State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street is headquartered in Boston, Massachusetts, USA, and trades on the New York Stock Exchange under the symbol “STT”.

The Depositary Agreement contains provisions governing the responsibilities of the Depositary, including its primary responsibilities which are acting as depositary and ensuring the safekeeping of the cash and assets of the Company, oversight duties and cash flow monitoring pursuant to the Depositary Agreement. The Depositary is obliged to enquire into the conduct of the Company and each Fund (including by way of having access to the books of the Company or by way of on-site visits) in each annual accounting period and to report thereon to the Shareholders. The Depositary’s report will be delivered to the Company in good time to enable the Company to include a copy of the report in its annual report. Such report should state whether, in the Depositary’s opinion, the Company and each Fund has been managed in that period (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company and each Fund and the Depositary by the Articles, the Central Bank UCITS Regulations and the UCITS Regulations and (ii) otherwise in accordance with the Articles, the Central Bank UCITS Regulations and the UCITS Regulations. If the Company has not been managed in accordance with (i) or (ii) above, the Depositary must state why this is the case and outline the steps which the Depositary has taken to rectify the situation.

The Depositary has been entrusted with following main functions:

- (1) holding in custody all financial instruments capable of being registered or held in a financial



instruments account opened in the Depositary's books and all financial instruments capable of being physically delivered to the Depositary;

- (2) verifying the Company's ownership of all assets (other than those referred to at (1) above) and maintaining and keeping up-to-date a record of such assets it is satisfied are owned by the Company;
- (3) ensuring effective and proper monitoring of the Company's cash flows;
- (4) being responsible for certain oversight obligations in respect of the Company, which include:
  - (a) ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the Articles and all necessary information in this regard is exchanged between it and the Company;
  - (b) ensuring that the value of the Shares is calculated in accordance with applicable law and the Articles;
  - (c) carrying out the instructions of the Company unless the Depositary considers in its reasonable opinion that such instructions conflict with applicable law and the Articles. In the event that the Depositary determines that any instruction conflicts with applicable law and the Articles, it will immediately notify the Company and the Investment Manager;
  - (d) ensuring that in transactions involving the assets of the Company, any consideration is remitted within the usual time limits which are acceptable market practice in the context of the particular transaction;
  - (e) ensuring that the net income of the Company is applied in accordance with applicable law and the Articles and checking the completeness and accuracy of dividend payments, every time income is to be distributed;
  - (f) ensuring that the Company's cash flows are properly monitored and in particular ensuring that (i) all payments for subscription for Shares and (ii) all cash of the Company are booked in cash accounts opened in the name of the Company or the Company on behalf of the relevant Fund or in the name of the Depositary acting on behalf of the Company at a central bank or credit institution authorised in accordance with points (a), (b) or (c) of Article 18(1) of Commission Directive 2006/73/EC (the "MiFID Implementing Directive") and mentioned in accordance with the principles set out in Article 16 of the MiFID Implementing Directive;
  - (g) safe-keeping of the Company's assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets;
  - (h) notifying the Central Bank promptly of any material breach of the UCITS Regulations, conditions imposed by the Central Bank or provisions of the Prospectus and notifying the Central Bank of any non-material breach which is not resolved within 4 weeks of the Depositary becoming aware of thereof, by the Company or by the Depositary of any requirement, obligation or document to which regulation 114(2) of the Central Bank UCITS Regulations relates. In the event that the Depositary notifies or intends to notify the Central Bank of a breach of the aforementioned, it will make reasonable endeavours to coordinate any such notification with the Company and it shall also promptly notify the Company of the relevant breach;

- (i) ensuring that valuation policies are effectively implemented and reviewed by verifying on an ongoing basis that adequate procedures are established and applied;
- (j) sending to the Central Bank any information and returns which the Central Bank requires or advises it that it considers necessary to receive from the Depositary;
- (k) setting up and implementing an escalation procedure for situations where an anomaly is detected including notification to the Company and to the Central Bank if the situation cannot be clarified or, as the case may be, corrected;
- (l) verifying the calculation by the Administrator of any performance fees payable by the Company; and
- (m) implementing and maintaining effective and transparent procedures for the reasonable and prompt handling of any complaints received from investors in the Company. The Depositary will deal with complaints from investors in the Company in accordance with the Company's Complaints Policy (a copy of which has been notified by the Company to the Depositary). All complaints received by the Depositary from an investor in the Company are reported by the Depositary (i) promptly to the designated individual at the Company (as notified to the Depositary) and (ii) on a quarterly basis to the Directors. The Depositary maintains a file of all written complaints received relating to the Company, including a record of the responses and the actions if any taken as a result of the complaints. Where a complainant is not satisfied with the outcome of an investigation into a complaint, the complainant shall be notified by the Depositary of its right to refer the matter to the Central Bank.

The oversight duties of the Depositary referred to in (a) to (m) above may not be delegated by the Depositary and shall be carried out in Ireland.

#### The Depositary's liability

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company and its Shareholders.

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Directive, and in particular Article 18 of the UCITS Regulations, the Depositary shall return financial instruments of identical type or the corresponding amount to the Company without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UCITS Directive.

In case of a loss of financial instruments held in custody, the Shareholders may invoke the liability of the Depositary directly or indirectly through the Fund depending on the legal nature of the relationship between the Depositary, the Company and Shareholders and provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders. The Depositary will be liable to the Company for all other losses suffered by the Company as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

## Delegation

The Depositary has full power to delegate the whole or any part of its safe-keeping functions in accordance with the UCITS Regulations 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 Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement. The Depositary may not delegate its fiduciary or oversight duties.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are contained in Schedule I to the Prospectus, and is available on the website of the Depositary. Such list may be updated from time-to-time. A complete list of all relevant delegates and sub-delegates may be obtained free of charge and upon request, from the Depositary.

As the Company may invest in emerging markets where custodial and/or settlement systems are not fully developed, the assets of the Company which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances where the Depositary will have no liability.

Pursuant to the Depositary Agreement, the Company undertakes to hold harmless and indemnify the Depositary against all actions, proceedings and claims (including claims of any person purporting to be the beneficial owner of any part of the assets of the Fund) and against all reasonable costs, demands and expenses (including reasonable legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Depositary by reason of the performance of the Depositary's duties under the terms of the Depositary Agreement save where any such actions, proceedings, claims, costs, demands or expenses arise as a result of the Depositary's negligent or intentional failure to properly fulfil its duties or the loss of financial instruments held in custody pursuant to clause 12.01 of the Depositary Agreement, in which case the Depositary will indemnify the Company for any loss that the Company suffers.

Either party may terminate the Depositary Agreement on ninety (90) days' prior written notice to the other party. Either party may also terminate the Depositary Agreement by notice in writing to the other party if at any time: (a) the party notified is unable to pay its debts as they fall due or goes into liquidation or receivership or an examiner shall be appointed pursuant to the Act, (b) the party notified commits any material breach of the provisions of the Depositary Agreement if it has not remedied that breach within thirty (30) days after the service of written notice requiring it to be remedied; (c) if any of the representations, warranties, covenants or undertakings contained in the Depositary Agreement cease to be true or accurate in any material respect in relation to the party notified; or (d) the Central Bank replaces the Depositary with another Depositary. The Depositary Agreement may also be terminated by the Company if the Depositary is no longer permitted to act as a depositary by the Central Bank.

Pursuant to the Depositary Agreement, the Company may not terminate the appointment of the Depositary and the Depositary may not retire from such appointment unless and until a successor depositary has been appointed in accordance with the Articles and approved by the Central Bank and, provided such appointment and successor depositary is approved in advance by the Central Bank.

If the Depositary shall have given to the Company notice of its desire to retire from its appointment or the appointment of the Depositary is terminated pursuant to the terms of the Depositary Agreement and no successor shall have been appointed in accordance with the Articles within ninety (90) days from the giving of such notice, an extraordinary general meeting shall be convened at which an ordinary resolution to wind-up the Company shall be considered, so that Shares in the Company may be re-purchased and / or appoint a liquidator who shall wind-up the Company and thereafter the Company shall apply to the Central Bank to revoke the Company's authorisation whereupon the Depositary's appointment shall terminate.

The Depositary and its delegates may from time to time act as manager, registrar, administrator, transfer agent, trustee, depositary, investment manager or advisor or distributor in relation to, or be otherwise involved in, other funds or collective investment schemes which have similar investment objectives to those of the Company or any Fund. Please refer to the conflicts of interest section below.

### Conflicts of Interest

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the depositary agreement or under separate contractual or other arrangements.

Such activities may include:

- (1) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Company;
- (2) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Company either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

- (1) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Company, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (2) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- (3) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Company;
- (4) may provide the same or similar services to other clients including competitors of the Company; and
- (5) may be granted creditors' rights by the Company which it may exercise.

The Directors, officers, agents and Shareholders of the Company are or may be interested in the Depositary as directors, officers, or shareholders or otherwise. Conversely, directors, officers, shareholders and agents of the Depositary are or may be interested in the Company as Directors, officers, Shareholders or otherwise. Pursuant to the Depositary Agreement, no person so interested shall be liable to account for any benefit to any other party by reason solely of such interest. In the case of any conflict of interest arising, the Depositary and the Company shall have regard to their respective obligations to each other under the Depositary Agreement and both parties shall use all reasonable endeavours to ensure that any conflict is resolved fairly.

The Company may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Company. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Company. The affiliate will seek to

profit from these transactions and is entitled to retain and not disclose any profit to the Company. The affiliate shall enter into such transactions on the terms and conditions agreed with the Company.

Where cash belonging to the Company is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

***Prospective investors are referred to the section headed “RISK FACTORS” below.***

The fees and expenses payable to the Depositary are described under “CHARGES AND EXPENSES - Administration, Custody and Registrar Charges” below.

The Depositary Agreement is described in more detail under “GENERAL INFORMATION - Material Contracts” below.

Up-to-date information on the identity of the Depositary, a description of any safekeeping duties delegated by the Depositary, the list of delegates and any sub-delegates and any conflicts of interest that may arise from such delegation will be made available to investors on request.

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## CONFLICTS OF INTEREST

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The Investment Manager, the Administrator and their respective affiliates, officers and shareholders, employees and agents, the Depositary and any delegates or sub-delegates of the Depositary and any associated or group company of the Depositary including their respective affiliates, officers, shareholder employees and agents (collectively the “Parties”) are or may be involved in other financial, investment and professional activities which may on occasion cause conflict of interest with the management of the Company. These include the management of other funds, purchases and sales of securities, investment management advice, brokerage services, administration services and custody services and serving as directors, officers, advisers or agents of other funds or other companies, including companies and/or funds in which the Company may invest. The Parties will use reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement that they might have.

In particular, it is envisaged that the Investment Manager may be involved in advising or managing other investment funds which may have similar or overlapping investment objectives to or with the Company. Each of the parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they may have and that any conflicts which may arise will be resolved fairly.

The Directors shall ensure that any conflict of interest involving any such party shall be resolved fairly and in the interests of Shareholders.

When allocating investment opportunities, the Investment Manager will ensure that all such investments will be allocated in a fair and equitable manner.

There is no prohibition on dealings in the assets of the Company by the Investment Manager, the Administrator, the Depositary or entities related to the Investment Manager, to the Administrator or to the Depositary provided the transaction is carried out as if negotiated at arm’s length and consistent with the best interests of Shareholders and:-

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

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

A report of such transactions entered into during a reporting period shall be provided in the annual and semi-annual reports, and will list all such transactions, by type, name of the related party and, where relevant, fees paid to that party in connection with the transaction.

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## USE OF DEALING COMMISSIONS

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It is the normal policy of the Investment Manager to use full service brokerage houses, both UK and foreign, which will, in addition to routine order execution, provide a range of other services the nature of which is such that the benefits provided under the arrangement must be those which assist in the provision of investment services to the Company and may contribute to an improvement in a Fund's performance. In any event, the execution of transactions will be consistent with best execution standards and brokerage rates will not be in excess of customary institutional full-service brokerage rates. Details of such arrangements shall be disclosed in the periodic reports of the Company. The precise services will vary, but where the Investment Manager executes orders on behalf of the Company through such a broker or other person, passes on that person's charges to the Company, and receives in return goods or services additional to that execution service, it will satisfy itself on reasonable grounds that such additional goods and services (i) are related to the execution of trades on behalf of its customers or comprise the provision of research; (ii) will reasonably assist the Investment Manager in the provision of its services to the Company and (iii) do not, and are not likely to, impair the Investment Manager's compliance with its duty to act in the best interests of the Company. Such goods and services might include, by way of example, research in the form of periodic and one-off newsletters, reports and market analyses, and execution facilities such as access to particular markets or trading forums, execution software, market-making, block trading and stock-lending facilities, trade confirmation and settlement services, and execution-related information and advice.

The reasons for selecting of individual brokers will vary, but will include factors such as the quality of research, financial security, quality and range of execution services, charges, and reliability and responsiveness to client demands. In some cases the value of the services provided may depend upon a minimum threshold of broker commissions or a percentage of such commissions. The receipt of these benefits assists the Investment Manager in providing a better service to its clients but also assists it in containing its costs and ultimately its charges to clients. The Investment Manager is able to enter into such arrangements and obtain such benefits, inter alia, due to its ability to deal collectively and aggregate transactions on behalf of clients and obtain benefits which would not be available to an individual investor.

The Investment Manager will provide the Company with periodic disclosure in accordance with the FCA Rules of the arrangements entered into, including details of the goods and services relating to execution and to research respectively.



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## CHARGES AND EXPENSES

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### **Investment Management Charges**

The Investment Manager will be entitled to receive out of the assets of each Fund a periodic investment management fee (the “Investment Management Fee”) which accrues daily and is payable monthly in arrears based on the specified annual Investment Management Fee percentage of the Net Asset Value of the Shares of the relevant Fund. The specified annual Investment Management Fee percentage is set out in relation to each Fund in the Fund Particulars Supplement for each Fund.

The Investment Manager shall not receive a separate fee for acting as distributor to the Company.

If so provided in the Fund Particulars Supplement relating to a Fund, the Investment Manager shall in addition be entitled to receive a performance fee relating to the performance of the Net Asset Value per Share in respect of each Fund on such terms as may be set out in the relevant Supplement.

The Investment Manager shall also be entitled to recover the out of pocket expenses reasonably incurred in the performance of its functions under the relevant investment management agreement.

The Directors reserve the right to issue Shares of a particular Fund to which different levels of initial, Investment Management Fee or performance related fees or other charges apply.

### *Stocklending Fees*

Where the Company or any of its Funds have entered into securities lending arrangements, after deduction of such other relevant amounts as may be payable under any such agreement, all proceeds collected on investment of cash collateral or any fee income arising from such securities lending programme shall be allocated between the relevant Fund and the securities lending agent in such proportions (plus VAT, if any) as may be agreed in writing from time to time and disclosed in the annual report of the Company. In the interests of clarity, all costs or expenses arising in connection with the securities lending arrangements, including the fees of the Depositary, should be borne by the respective parties in the same proportions as agreed in respect of the income above.

Transaction costs may be incurred in respect of other efficient portfolio management techniques in respect of a Fund. Efficient portfolio management transactions will only be entered into on the basis that there will be full disclosure by any counterparty or agent acting for the relevant Fund of the sources of revenue from the transaction. In addition, all proceeds of the transaction will be paid into the relevant Fund, less any operational costs it may be reasonable for an agent to retain and which will be disclosed in the financial statements of the Company. The disclosure will indicate if any agent involved is related to the Depositary.

### **Initial, Redemption and Switching Charges**

#### *Initial Charge*

The Company may levy an initial charge of up to 5 per cent of the Net Asset Value per Share in connection with the purchase of Shares of each Fund. This fee will be retained for the benefit of the Investment Manager.

The Investment Manager may, in its sole discretion, where permitted by applicable law and regulation, pay commission to financial intermediaries including but not limited to sub-distributors,

intermediaries and introducing agents who refer prospective investors out of the initial charge and the Investment Management Fee. The Investment Manager may waive the initial charge for certain prospective investors based on factors deemed appropriate by the Investment Manager including, but not limited to, the amount of the proposed investment by a prospective investor.

In addition, the Investment Manager may enter into agreements with placement agents in relation to the distribution of the Shares of each Fund.

#### *Redemption Charges*

The Company does not impose any redemption charges.

#### *Switching Charges*

The Company does not currently propose to charge a switching fee although it reserves the right to levy such a charge generally or in respect of specific Funds or Share classes which will be disclosed in the relevant Fund Particulars Supplement. An initial charge may however be made as described above in relation to a transaction which the Company is instructed by Shareholders or their authorised agents to treat as a separate redemption and subscription.

### **Administration, Depositary and Registrar Charges**

#### *The Administrator*

The Administrator is entitled to receive out of the assets of the Company an annual fee accrued daily, and payable monthly in arrears of up to 0.088% of the total net average monthly assets of the Net Asset Value of the Company. The administration fee will be exclusive of value added tax (if any).

The fees shall be payable in Sterling at the spot exchange rate agreed between the Administrator and the Company on the date of payment.

In addition there are certain other transaction charges for some fund accounting, company secretarial and transfer agency services. The Administrator shall also be entitled to be repaid out of the assets of the Company all its reasonable out-of-pocket expenses incurred on behalf of the Company.

#### *The Depositary*

The Depositary will be entitled to receive a depositary fee payable out of the assets of each Fund accruing daily and payable monthly in arrears at a rate of up to 0.07% per annum of the Net Asset Value of each Fund. The Depositary will also be entitled to be reimbursed out of the assets of each Fund for reasonable out-of-pocket expenses incurred by it in respect of each Fund. These fees will cover costs and expenses such as printing, translation, mailing and other sundry expenses. The Depositary shall also be reimbursed out of the assets of each Fund for the fees and transaction charges and reasonable out-of-pocket expenses of any sub-custodian which shall be at normal commercial rates.

The fees in respect of each Fund shall be calculated and payable in the Base Currency of the Fund.

#### *State Street Bank Europe Limited*

State Street Bank Europe Limited has been appointed to provide share class currency hedging transaction services. State Street Bank Europe Limited shall be entitled, for such services, to transactional fees which shall be at normal commercial rates and shall be paid out of the assets of the relevant Fund as attributable to the relevant Class of Shares being hedged.

## **Remuneration Policy of the Company**

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

Details of the up-to-date Remuneration Policy, including a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits are available on [www.bmogam.com](http://www.bmogam.com). The Remuneration Policy summary will be made available for inspection and a paper copy may be obtained, free of charge, at the registered office of the Company.

## **Directors’ Remuneration**

The Company shall pay to the Directors such annual remuneration for acting as Directors of the Company as the Directors may from time to time agree, provided however that the annual aggregate remuneration of the Directors shall not exceed €400,000. Such fees shall be paid quarterly in arrears and shall be apportioned equally among the Funds. No other remuneration will be payable by the Company to the Directors except for out-of-pocket expenses reasonably incurred by them.

## **General Expenses**

In addition, each Fund will pay the costs and expenses incurred in its operation, including, without limitation, taxes, duties, expenses for legal, auditing, consulting, printing and other professional services, promotional expenses, registration fees, to include all fees in connection with obtaining advance treaty clearances from tax authorities in any jurisdiction for a Fund and other expenses due to supervisory authorities in various jurisdictions, insurance, interest, brokerage costs and all professional fees and expenses incurred in connection therewith and the cost of the publication of the Net Asset Value and Net Asset Value per Share of each Fund. Each Fund will also pay the issue costs, charges and expenses (including the fees of the legal advisers), in relation to the preparation of the Prospectus, relevant Fund Particulars Supplement and all other documents and matters relating to or concerning the issue and any other fees, charges and expenses on the creation and issue of Shares. In the event that such a listing is sought, a Fund will pay the cost of obtaining and maintaining a listing of its Shares on any stock exchange.

The preliminary expenses incurred in the formation of the Company, including the cost of admission to listing on the Official List and to trading on the Global Exchange Market of the Irish Stock Exchange and the cost of qualifying the Company for sale of its Shares in various jurisdictions, of all documents relating to the Company, marketing costs have been amortised. The costs of launching each Fund of the Company or new share class thereof will be charged to the respective Fund as provided in the Fund Particulars Supplement for the relevant Fund.

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## SUBSCRIPTIONS, REDEMPTIONS AND SWITCHING

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### Subscriptions

#### *Initial Offer of Shares*

Shares of each Fund may be purchased on the Initial Issue Date at the termination of the Initial Offer Period, if any, in respect of the Shares of the relevant Fund. The Initial Offer Period, if any, in respect of Shares of each Fund and the subscription price for Shares is set out in the Fund Particulars Supplement for the relevant Fund.

#### *Further Subscriptions of Shares*

Following the Initial Offer Period, if any, in respect of Shares of a Fund class, application may be made to purchase Shares of the Fund class on each subscription Dealing Day at subscription prices calculated with reference to the Net Asset Value per Share of the relevant class calculated as at the Valuation Point for that subscription Dealing Day. The subscription price per Share of the relevant Fund is calculated in accordance with the procedures referred to under "CALCULATION OF NET ASSET VALUE AND SUBSCRIPTION AND REDEMPTION PRICES" below.

The Directors may limit or close subscriptions for Shares of a Fund class at their discretion.

Details of the subscription Dealing Days and Valuation Points in respect of Shares of each Fund and any limitations on subscriptions are set out in the Fund Particulars Supplement for each Fund.

#### *Adjustment in Basis of Pricing*

In calculating the subscription price, the Directors may, on the advice of the Investment Manager, require the Administrator to adjust the Net Asset Value per Share to reflect the value of the Company's investments as calculated in the manner set out in "CALCULATION OF NET ASSET VALUE AND SUBSCRIPTION AND REDEMPTION PRICES - Calculation of Net Asset Value" below assuming its investments were valued using the highest market dealing offer price on the relevant market at the relevant time. The Directors only intend to use this discretion to preserve the value of the holdings of existing or continuing Shareholders in the event of substantial or recurring net subscription of Shares or other market factors affecting the Fund concerned.

#### *Minimum Investments*

The minimum initial subscription for Shares and the minimum additional subscription for Shares of each Fund is set out in the Fund Particulars Supplement for each Fund. The Directors may at their discretion specify different minimum subscription amounts for Shares of each Fund and in respect of different classes of Shares of a Fund.

These minimums may be lowered, increased or waived at the discretion of the Directors either generally or in specific cases.

#### *Application Procedure*

Applications for Shares of each Fund should be made by written application using the Application Form available from the Administrator. Applicants should subscribe for Shares of the relevant Fund in accordance with the instructions contained in the Application Form. Application Forms, duly

completed, should be sent to the Company care of the Administrator in accordance with the instructions contained in the Application Form.

Applicants are required to obtain a copy of the Key Investor Information Document for the Fund and its Share Classes prior to subscribing to the relevant Fund. Applicants will be required to represent (which representation will form part of the Application Form) that they have received and read a copy of the relevant Key Investor Information Document in paper or electronic form. The Key Investor Information Document(s) will be available at [www.bmogam.com](http://www.bmogam.com) (or such other website as may be notified to Shareholders).

The Company is under no obligation to consider the allotment and issue of Shares of a Fund class to an applicant in respect of its Initial Offer Period unless and until it has received a completed Application Form and value in cleared funds by the date and time specified in the Fund Particulars Supplement for the relevant Fund.

Thereafter, in respect of subsequent subscriptions, instructions must be received (by letter or by facsimile or by such other electronic means as may be prescribed by the Directors with the prior approval of the Central Bank) by the deadline outlined in the relevant Fund Particulars Supplement on the relevant subscription Dealing Day and subject to the Shareholder having obtained and read a copy of the relevant Key Investor Information Document in paper or electronic form. Any application received after that time will be dealt with on the next succeeding subscription Dealing Day.

The Directors reserve the right to reject any application in whole or in part, in which event the application monies or any balance thereof will be returned to the applicant without interest at its own risk within a reasonable period following the expiry of the relevant Initial Offer Period or subscription Dealing Day. Notification of the allotment and issue of Shares will be sent as soon as is possible after the expiry of the Initial Offer Period in respect of the initial offering and following the relevant subscription Dealing Day for subsequent issues.

Shares of each Fund class will be issued in registered form. Fractions of not less than one-thousandth of a Share may be used. Application moneys representing smaller fractions of a Share will not be returned to the applicant but will be retained as part of the relevant Fund's assets. Contract notes will normally be issued as soon as possible and no later than the first Business Day following execution. Share certificates will not be issued. If a share certificate is not requested written notification of ownership will be issued to Shareholders. In either case ownership will be evidenced by entry in the Company's register of Shareholders.

#### *Anti-Money Laundering Procedures and Data Protection*

Measures aimed at the prevention of money laundering and terrorist financing require a detailed verification of the investor's identity and where applicable the beneficial owner on a risk sensitive basis. The identity of a Politically exposed person ("PEP"), an individual who is or has, at any time in the preceding year, been entrusted with a prominent public function, and investors who are immediate family members of PEPs, or persons known to be close associates of such persons, require additional verification.

By way of example, an individual may be required to produce a copy of a passport or identification card duly certified by a public authority such as a notary public, the police or the ambassador in their country of residence together with two original or certified pieces of evidence of his/her address such as a utility bill or bank statement not less than three months old and disclose his/her occupation 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), and of the names, dates of birth and residential and business addresses of all directors and beneficial owners and of the authorised signatories of the investor, which must be certified. Amendment to any investor records will only be effected by the Administrator upon receipt

of original evidencing documentation.

Depending on the circumstances of each application, a detailed verification might not be required where for example, the application is made through a relevant third party as such term is defined in the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (as amended). This exception will only apply if the relevant third party referred to above is located within certain countries listed in S.I No. 347 of 2012.

The details above are given by way of example only and in that regard the Company reserves the right to request any such information as is necessary at the time of application for Shares in a Fund to verify the identity of an investor and where applicable the beneficial owner of an investor. In particular, the Company reserves the right to carry out additional procedures in relation to both new and existing investors who are classed as PEP. Verification of the investor's identity is required to take place before the establishment of the business relationship. In any event, evidence of identity is required for all investors as soon as is reasonably practicable after the initial contact. In the event of delay or failure by an investor or applicant to produce any information required for verification purposes, the Company may refuse to accept the application and subscription monies and/or return all subscription monies or compulsorily repurchase such Shareholder's Shares and/or payment of repurchase proceeds may be delayed (no repurchase proceeds will be paid if the Shareholder fails to produce such information). None of the Company, the Directors or the Administrator shall be liable to the subscriber or Shareholder where an application for Shares is not processed or Shares are compulsorily repurchased or payment of repurchase proceeds is delayed in such circumstances. If an application is rejected, the Company will return application monies or the balance thereof in accordance with any applicable laws to the account from which it was paid at the cost and risk of the applicant.

The Company may refuse to pay or delay payment of redemption proceeds where the requisite information for verification purposes has not been produced by a Shareholder. In circumstances where a redemption request is received, the Company will process any redemption request received by a Shareholder. However the proceeds of that redemption will be held in the Umbrella Cash Account and therefore shall remain an asset of the relevant Fund. The redeeming Shareholder will rank as a general creditor of the relevant Fund until such time as the Company is satisfied that its anti-money laundering and terrorist financing procedures have been fully complied with, following which redemption proceeds will be released. Please see the "*Operation of Subscription Cash Accounts in the name of the Company*" sub-section below for further details in this respect.

The Company reserves the right to obtain any additional information from investors so that it can monitor the ongoing business relationship with such investors.

The Company also reserves the right to obtain any additional information from investors to keep its customer due diligence records up to date.

Prospective investors should note that by completing an application form they are providing personal information to the Company, 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 Common Reporting Standards or FATCA, delegates, advisers and service providers of the Company and their or the Company'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 Company on payment of a fee and the right to rectify any inaccuracies in personal data held by the Company.

### *Eligible Investors*

Each prospective investor is required to certify that the Shares of the relevant Fund are not being acquired directly or indirectly for the account or benefit of a “Restricted Person” and such applicants will not sell or offer to transfer or sell Shares of the relevant Fund to a Restricted Person unless the Company gives its prior approval. “Restricted Person” as used in this Prospectus currently means any (i) US Person (as defined under “GENERAL INFORMATION” below) and (ii) any person whose holding of Shares might result in legal, pecuniary, tax, regulatory or material administrative disadvantage to the Company or Fund or their respective Shareholders.

### *Restrictions on Investments by and Transfers to U.S. Persons*

The Company has not been, and will not be, registered under the United States Investment Company Act of 1940, as amended. The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “1933 Act”), or the securities laws of any state or political subdivision of the United States, and may not be offered or sold, directly or indirectly, in the United States of America (including the States and the District of Columbia), its territories and possessions and other areas subject to its jurisdiction (the “United States”), or to, or for the account of, U.S. persons (as defined in Regulation D under the 1933 Act) except in certain transactions exempt from the registration requirements of the 1933 Act and such other securities laws. **Due to the legal and compliance burdens associated with permitting investments from U.S. residents and U.S. domiciled entities, the Company is not currently accepting applications for the purchase or subscription of Shares from any U.S. Person and is not currently accepting requests for transfer to any person that is a U.S. Person.**

Investors must notify the Administrator if they have moved to the United States or have otherwise become U.S. Persons. Upon such notification, or if the Administrator or the Directors determine that there is a reasonable basis for believing that the investor has become a U.S. Person, the investor’s account may be frozen and further investments or switches between Funds will not be accepted. Other rights attaching to the Shares previously purchased will not be affected.

### *Payment of Subscription Price*

In cases where subscription moneys are not enclosed with the application for Shares, settlement is due immediately. If payment in full is not received by the Company within three (3) Business Days of the relevant subscription Dealing Day, the application may be refused and the allotment or transfer of Shares cancelled, or, alternatively, the Company may treat the application as an application for such number of Shares as may be purchased or subscribed with such payment received. It is the responsibility of the investor or his agent to ensure that Application Forms are correctly completed and moneys submitted in accordance with the terms of the Prospectus. Applications not in accordance with the terms of the Prospectus may be rejected without notice.

Payment is normally due in the currency of denomination of the Shares of the relevant Fund subscribed. The Company may accept payment in other currencies, but payments will be converted into the relevant currency of denomination at rates available to the Company through its bankers and only the proceeds of such conversion applied towards the subscription moneys.

The Company has standing arrangements in place for subscription moneys to be paid by telegraphic transfer (“TT”) as specified in the Application Form available from the Administrator;

Payments by TT should quote the applicant’s name, bank, bank account number, Fund name and Contract Note number (if one has already been issued). Any charges incurred in making the TT will be payable by the applicant.

### *Operation of Subscription / Redemption Cash Accounts in the name of the Company*

The Company has established the Umbrella Cash Account at umbrella level in the name of the Company and has not established cash collection accounts at Fund level. All subscriptions into and redemptions and distributions due from the Funds will be paid into the Umbrella Cash Account.

Monies in the Umbrella Cash Account, including early subscription monies received in respect of a Fund, will not qualify for the protections afforded by the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 (the “**IMR**”) for Fund Service Providers (as defined in the IMR).

Pending issue of the Shares and / or payment of subscription proceeds to an account in the name of the relevant Fund and pending payment of redemption proceeds, dividends or distributions, monies in the Umbrella Cash Account are assets of the relevant Funds to which they are attributable and the relevant investor will be an unsecured creditor of the relevant Fund in respect of amounts paid by or due to it.

All subscriptions (including subscriptions received in advance of the issue of Shares) attributable to, and all redemptions, dividends or cash distributions payable from, a Fund will be channelled and managed through the Umbrella Cash Account. Subscriptions amounts paid into the Umbrella Cash Account will be paid into the account in the name of the relevant Fund on the contractual settlement date. Redemptions and distributions, including blocked redemptions or distributions, will be held in the Umbrella Cash Account until payment due date (or such later date as blocked payments are permitted to be paid), and will then be paid to the relevant or redeeming Shareholder.

The Umbrella Cash Account has been opened in the name of the Company. The Depositary will be responsible for safe-keeping and oversight of the monies in the Umbrella Cash Account and for ensuring that relevant amounts in the Umbrella Cash Account are attributable to the appropriate Funds. Monies in the Umbrella Cash Account will be taken into account in the calculation of the NAV of, and assessing compliance with investment restrictions by, the relevant Fund to which they are attributable.

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

Where subscription monies are received in the Umbrella Cash Account without sufficient documentation to identify the investor or the relevant Fund, such monies shall be returned to the relevant investor within the timescales and as specified in the operating procedure in respect of the Umbrella Cash Account.

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

### *In Specie Subscriptions*

The Directors may at their discretion accept securities falling within the objectives and policies of the relevant Fund in payment in part or in whole of the subscription price of Shares of a particular Fund. Such securities shall be vested in the Depositary and valued in accordance with the procedures for calculating the Net Asset Value of the relevant Fund set out under “**CALCULATION OF NET**



ASSET VALUE AND SUBSCRIPTION AND REDEMPTION PRICES - Calculation of Net Asset Value” below. All taxes, duties, custody, brokerage or other charges or expenses incurred in connection with the transfer of the securities to the Company will be for the account of the subscriber.

## **Redemptions**

### *Redemption of Shares*

Shares of each Fund may be redeemed on each redemption Dealing Day at redemption prices calculated with reference to the Net Asset Value per Share of the relevant Fund calculated as at the Valuation Point in respect of that redemption Dealing Day. The redemption price per Share of the relevant Fund is calculated in accordance with the procedures referred to under “CALCULATION OF NET ASSET VALUE AND SUBSCRIPTION AND REDEMPTION PRICES” below.

Since the redemption price of Shares of each Fund is tied to the Net Asset Value of the underlying assets of a Fund attributable to the Shares of the relevant class, it should be noted that the price at which an investor might redeem his Shares may be more or less than the price at which he subscribed for them depending on whether the value of the underlying net assets of each Fund attributable to the Shares of the relevant class has appreciated or depreciated between the date of subscription and the date of redemption and subject also to dividends declared and paid on the Shares.

### *Minimum Redemptions and Holdings*

The minimum redemption amount and the minimum residual holding of Shares of each Fund is set out in the Fund Particulars Supplement for each Fund. The Directors may at their discretion specify different minimum redemption amounts and holdings for Shares of each Fund and in respect of different classes of Share of a Fund.

These minimums may be lowered, increased or waived at the discretion of the Directors either generally or in specific cases.

Partial redemptions of Shares of a particular Fund may be effected. If applicable, a balancing certificate will be sent for the Shares of the relevant Fund retained, normally within twenty one days. The Company will have the right compulsorily to redeem any Shareholding where the Net Asset Value of that holding is less than the minimum residual holding of Shares of that Fund or class.

### *Redemption Procedure*

To redeem all or part of his holding in Shares of a relevant Fund a Shareholder should complete a redemption request form available from the Administrator and send the same to the Company care of the Administrator in accordance with the instructions contained in the form. For Shareholders in the United Kingdom, instructions to redeem Shares of a relevant Fund may also be given by sending a completed redemption request form to the UK Facilities Agent.

To be effective, requests for redemption of Shares of each Fund class must be received by the deadline outlined in the relevant Supplement on the relevant redemption Dealing Day. Any requests for redemptions received after that time will be dealt with on the next succeeding redemption Dealing Day provided that, at the Directors’ sole discretion and in exceptional circumstances, requests for redemption received after that time may be accepted for the relevant redemption Dealing Day, subject always to such requests being received prior to the Valuation Point for that Dealing Day.

Unless the number of Shares of the relevant Fund or class to be redeemed is specified in a redemption request, it will be taken as applying to all the Shares of the relevant Fund or class held by the Shareholder. Requests for redemption once made may not be withdrawn.

Redemption requests may be made by facsimile, electronic means or other written request. Where a facsimile request is received, a provisional redemption will be made but the proceeds of redemption will not be released until duly signed instructions have been received. No interest is payable in respect of such moneys.

#### *Deferral of Redemption Requests*

If the number of Shares of a Fund falling to be redeemed on any redemption Dealing Day is equal to one-tenth or more of the total number of Shares in issue or deemed to be in issue of that Fund on such redemption Dealing Day, then the Directors may in their absolute discretion refuse to redeem any Shares in excess of one-tenth of the total number of such Shares in that Fund. If they so refuse, the requests for redemption on such redemption Dealing Day shall be reduced rateably and the Shares to which each request relates which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent redemption Dealing Day until all the Shares to which the original request related have been redeemed.

#### *Adjustment in basis of pricing*

In calculating the redemption price the Directors may, on the advice of the Investment Manager, require the Administrator to adjust the Net Asset Value per Share to reflect the value of the Company's investments as calculated in the manner set out in "CALCULATION OF NET ASSET VALUE AND SUBSCRIPTION AND REDEMPTION PRICES - Calculation of Net Asset Value" below assuming its investments were valued using the lowest market dealing offer or bid price on the relevant market at the relevant time. The Directors only intend to use this discretion to preserve the value of the holdings of existing or continuing Shareholders in the event of significant or recurring net redemption of Shares or other market factors affecting the Fund concerned.

#### *Payment of Redemption Price*

Payment of the redemption price will be made in the currency of denomination of the Shares redeemed by cheque sent to the registered address of the Shareholder (at his or her own risk). Payment will normally be made within five (5) Business Days after receipt of the requisite documentation by the Company, including any documentation requested by the Administrator for the purposes of verification of identity or source of funds as part of the Company's anti-money laundering procedures. The Administrator has the right to delay payment of the redemption price (without payment of interest) until it is satisfied as to the identity or source of funds of the requesting person in accordance with the Company's anti-money laundering procedures. Arrangements can be made for the redemption price to be paid in currencies other than the currency of denomination of the Shares redeemed. In such circumstances the cost of currency conversion and other administration expenses will be charged to the Shareholder. Requests for redemption payments to be made by telegraphic transfer will be subject to the charges specified in the Redemption Form available from the Administrator. Such charges will normally be payable by the Shareholder, although the Directors have the discretion to determine that these charges should be borne by the relevant Fund.

#### *In Specie Redemptions*

If the number of Shares of a Fund falling to be redeemed on any redemption Dealing Day is equal to one tenth or more of the total number of Shares in issue, the Directors may in their absolute discretion elect to satisfy the redemption in whole or in part by way of the transfer in specie of assets of the Company attributable to the relevant Fund. The costs of such transfer shall be borne by the relevant Shareholder which may elect instead for the sale of the assets proposed to be transferred and the receipt of the net proceeds of sale in relation thereto.

## *Compulsory Redemption*

At any time, the Company may by giving not less than two (2) and not more than twelve (12) weeks' notice (expiring on a redemption Dealing Day) to all Shareholders of the Company or a Fund or of a class of a Fund, redeem at the ruling redemption price on such redemption Dealing Day, some or all of the Shares not previously repurchased.

The Directors may, in their absolute discretion, effect the compulsory redemption of some or all of the Shares registered in the name of a Shareholder at the ruling redemption price per Share of the relevant Fund if, in the opinion of the Directors, Shares are (i) held or being acquired directly or indirectly for the account of a "Restricted Person" (as referred to under "Subscriptions: *Eligible Investors*") or (2) the subscription for or holding of Shares by such holder might result in legal, pecuniary, tax, regulatory or material administrative disadvantages to the Company or the Fund or their respective Shareholders.

## **Dealing Days and Valuation Points**

Subscription Dealing Days may, and redemption Dealing Days will, together with related Valuation Points, be specified for Shares of each Fund. The Directors have the discretion under the Articles to declare other and/or additional days and/or times to be Dealing Days and Valuation Points in respect of Shares of each Fund. In such event details will be included in the relevant Fund Particulars Supplement. The subscription and redemption Dealing Days and Valuation Points currently in force in respect of Shares of each Fund are set out in the Fund Particulars Supplement to this document for each Fund.

## **Switching**

Subject to the minimum subscription, minimum holding and minimum transaction requirements of the relevant Fund or class thereof, Shareholders are entitled to switch some or all of their investment in Shares of one Fund or Class into Shares of another Fund or class in accordance with the formula and procedures specified below. Switches by Restricted Persons, however, are subject to the approval of the Directors or their agents.

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

$$S = \frac{(R \times RP \times ER) - F}{SP}$$

where

S is the number of Shares of the new Fund or class to be issued;

R is the number of Shares in the original Fund or class to be converted;

RP is the Redemption price per Share of the original Fund or class calculated as at the relevant Valuation Point following receipt of the switching request;

ER is the currency conversion factor (if any) determined by the Directors on the relevant Dealing Day as representing the effective rate of exchange applicable to the transfer of assets between relevant Funds or classes after adjusting such rate as may be necessary to reflect the effective costs of making such re-investment;

F is the switching fee (if any) of up to 5% of the Net Asset Value of the Shares to be issued in the new Fund or class; and

SP is the subscription price per Share of the new Fund or class calculated as at the next Valuation Point of the new Fund or class following receipt of the conversion request.

The number of Shares will be calculated to at least two decimal places. Fractional Shares shall not carry any voting rights.

The Company does not currently propose to charge a switching fee although it reserves the right to levy such a charge generally or in respect of specific Funds or Share classes. In such event, details will be incorporated in the relevant Fund Particulars Supplement. An initial charge may however be made as described above in relation to a transaction which the Company is instructed by shareholders or their authorised agents to treat as a separate redemption and subscription.

#### *Switching procedure*

Shareholders may apply in writing to switch Shares of one Fund or class to Shares of another Fund or class using a switching form which is available from the Administrator. Applicants should apply to switch Shares of the relevant Fund or class in accordance with the instructions outlined in the switching form. Switching forms, duly completed, should be sent to the Company care of the Administrator in accordance with the instructions contained in the switching form.

Application may be made to switch Shares of one Fund or class to Shares of another Fund or class on each subscription Dealing Day at subscription prices calculated with reference to the Net Asset Value per Share of the relevant class calculated as at the Valuation Point for that subscription Dealing Day. The subscription price per Share of the relevant class is calculated in accordance with the procedures referred to under "CALCULATION OF NET ASSET VALUE AND SUBSCRIPTION AND REDEMPTION PRICES" below.

Switching applications will be processed on the relevant Dealing Day with the relevant redemption and subscription occurring simultaneously, and will be effected within three (3) Business Days after receipt of the requisite documentation by the Company, including any documentation requested by the Administrator for the purposes of verification of identity or source of funds as part of the Company's anti-money laundering procedures. Switching requests should be received prior to the earlier of the Dealing Deadline for redemptions in the original Fund and the Dealing Deadline for subscriptions in the new Fund. Any applications received after such time will be dealt with on the next Dealing Day which is a dealing day for the relevant Funds, unless in exceptional circumstances the Directors in their absolute discretion otherwise determines, such discretion not to be exercised after the Valuation Point. Switching requests will only be accepted where completed documents are in place from original subscriptions.

The Directors may limit or close subscriptions for Shares of a Fund or class at their discretion. Applications may only be made to switch to Shares of a class that is available for subscription.

Details of the subscription Dealing Days and Valuation Points in respect of Shares of each Fund and any limitations on subscriptions are set out in the Fund Particulars Supplement for each Fund.

#### **Transfer of Shares**

Shares may be transferred by instrument in writing. The instrument of transfer must be accompanied by a certificate from the transferee that it is not, nor is it acquiring such Shares on behalf of or for the benefit of, a Restricted Person. In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Company as having any title to or interest in the Shares registered in the names of such joint Shareholders.

In the case of a transfer or redemption of shares of the estate of a deceased Shareholder, the

Administrator will require an Irish grant of probate to pay the proceeds of the estate and may require any other documents it deems necessary.

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## ALLOCATION OF ASSETS AND LIABILITIES

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

- (a) for each Fund, the Company shall keep separate books and records in which all transactions relating to the relevant Fund shall be recorded and, in particular, the proceeds from the issue of Shares of each Fund shall be applied in the books of the Company relating to that Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions below;
- (b) any asset derived from another asset of a Fund shall be applied in the books and records of the relevant Fund as the asset from which it was derived and on each valuation of an asset, the increase or diminution in value thereof shall be applied to the relevant Fund;
- (c) where the Company incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset attributable to a particular Fund, such liability shall be allocated to the relevant Fund;
- (d) in the case where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, the Directors shall have the discretion to determine the basis upon which such asset or liability shall be allocated between the Funds and the Directors shall have power at any time and from time to time to vary such basis;

provided that all liabilities, shall (in the event of a winding up of the Company or a repurchase of all of the Shares of the Fund), unless otherwise agreed upon with the creditors, be binding only on the relevant Fund to which they are attributable.

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## CALCULATION OF NET ASSET VALUE AND SUBSCRIPTION AND REDEMPTION PRICES

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### Calculation of Net Asset Value

The Articles provide for the Directors to calculate the Net Asset Value of each Fund and the Net Asset Value per Share of each Fund as at the Valuation Point in respect of each Dealing Day. The Directors have delegated the calculation of the Net Asset Value of each Fund and the Net Asset Value per Share of each Fund to the Administrator.

The Administrator will calculate the Net Asset Value of a Fund and the Net Asset Value per Share of each Fund as at the Valuation Point in respect of each Dealing Day. The Net Asset Value of a Fund is calculated by deducting the Fund's liabilities from the value of the Fund's assets as at the relevant Valuation Point. The Net Asset Value per Share of each Fund class is calculated as at the relevant Valuation Point by dividing the Net Asset Value of the Fund by the number of Shares in that Fund in issue and rounding the result to two decimal places.

Notwithstanding subscription monies, redemption monies and dividend amounts will be held in cash accounts in the name of the Company (herein defined as an Umbrella Cash Account) and treated as assets of and attributable to a Fund:-

- (a) any subscription monies received from an investor prior to the Dealing Day of a Fund in respect of which an application for Shares has been, or is expected to be, received will not be taken into account as an asset of the Fund for the purpose of determining the Net Asset Value of that Fund until subsequent to the Valuation Point in respect of the Dealing Day as of which Shares of the Fund are agreed to be issued to that investor;
- (b) any redemption monies payable to an investor subsequent to the Dealing Day of a Fund as of which Shares of that investor were redeemed will not be taken into account as an asset of the Fund for the purpose of determining the Net Asset Value of that Fund; and
- (c) any dividend amount payable to a Shareholder will not be taken into account as an asset of the Fund for the purpose of determining the Net Asset Value of that Fund.

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

- (a) assets listed and regularly traded on a Recognised Exchange and for which market quotations are readily available or traded on over-the-counter markets shall be valued at their last available traded price on the principal exchange or the market for such investment as at the relevant Valuation Point (or, if no last traded price is available, at mid market prices) provided that the value of any investment listed on a Recognised Exchange but acquired or traded at a premium or at a discount outside or off the relevant stock exchange or on an over-the-counter market may be valued taking into account the level of premium or discount as at the date of valuation of the investment.

The Directors, in consultation with the Investment Manager, and with the approval of the Depositary, may adjust or may instruct the Administrator to adjust the value of any such assets if, in relation to currency, marketability and such other considerations as they deem relevant, they consider that such adjustment is required to reflect the fair value thereof.

If for specific assets the latest available prices do not in the opinion of the Directors, in

consultation with the Investment Manager, reflect their fair value, the value shall be calculated with care and in good faith by the Directors or their delegate, approved for such purpose by the Depositary, in consultation with the Investment Manager with a view to establishing the probable realisation value for such assets as at the relevant Valuation Point.

- (b) if the assets are listed on several Recognised Exchanges, the last available traded price or, if not applicable, mid market price, on the Recognised Exchange which, in the opinion of the Directors, in consultation with the Investment Manager, constitutes the main market for such assets, will be used. The Directors, in consultation with the Investment Manager, may as an alternative use the lowest market dealing offer or bid price on the relevant market or exchange. It is the Directors' current intention only to exercise this discretion to preserve the value of the holdings of existing or continuing Shareholders in the event of significant or recurring net subscriptions or redemptions or other market factors affecting the Fund concerned.
- (c) in all cases other than (a) and (b) above the competent person responsible for valuing the assets, which for the Company is the Directors or their delegate (being competent people), in consultation with the Investment Manager, acting in good faith and in accordance with the procedures described below, shall be approved for that purpose by the Depositary.
- (d) in the event that any of the assets as at the relevant Valuation Point are not listed or dealt on any Recognised Exchange, such assets shall be valued by the Directors or their delegate (being competent people) with care and in good faith and in consultation with the Investment Manager at the probable realisation value. Such probable realisation value may be determined by using a bid quotation from a broker. Alternatively, the Directors, in consultation with the Investment Manager may use such probable realisation value as the Investment Manager or other competent professional appointed by the Directors for such purposes, may recommend. Due to the nature of such unquoted assets and the difficulty in obtaining a valuation from other sources, such competent professional may be related to the Investment Manager.
- (e) cash and other liquid assets will be valued at their face value with interest accrued, where applicable, as at the relevant Valuation Point.
- (f) units or shares in collective investment schemes (other than those valued pursuant to paragraph (a) or (b) above) will be valued at the latest available net asset value of the relevant collective investment scheme.
- (g) any value expressed otherwise than in the Base Currency of the relevant Fund (whether of an investment or cash) and any borrowing in a currency other than the Base Currency of the relevant Fund will be converted at the rate (whether official or otherwise) which the Administrator deems appropriate in the circumstances.
- (h) The value of any derivative contracts, futures contracts, share price index futures contracts and options which are dealt in on a Market shall be the settlement price as determined by the Market in question as at a Valuation Point, provided that where it is not the practice for the relevant Market to quote a settlement price or such settlement price is not available for any reason as at a Valuation Point, such value shall be the probable realisation value estimated with care and in good faith by the Directors or by a competent person appointed by the Directors and approved for such purpose by the Depositary. Derivative contracts which are not traded on a Market may be valued on a daily basis using either a valuation provided by the relevant counterparty or an alternative valuation such as a valuation calculated by the Company or its delegate or by an independent pricing agent. Where the Company does use a valuation other than one provided by the relevant counterparty for derivative contracts which are not traded on a Market,



- it shall adhere to the principles on valuation of over-the-counter instruments established by bodies such as the International Organisation of Securities Commissions or the Alternative Investment Management Association; the valuation shall be provided by a competent person appointed by the Manager, or Directors and approved for the purpose by the Depositary; and
- the valuation must be reconciled to a valuation provided by the counterparty on a monthly basis and if significant differences arise the Company shall arrange for these to be reviewed and seek explanations from the relevant parties.

Where the Company uses a valuation provided by the relevant counterparty for derivative contracts which are not traded on a market,

- the valuation must be approved or verified by a party who is approved for the purpose by the Depositary and who is independent of the counterparty; and
  - the independent verification must be carried out at least weekly.
- (i) Forward foreign exchange contracts and interest rate swap contracts shall be valued in the same manner as derivative contracts which are not traded on a regulated market or, alternatively, by reference to freely available market quotations. If the latter is used, there is no requirement to have such prices independently verified or reconciled to the counterparty valuation.
- (j) In the case of a Fund which is a money market fund, the Directors may use the amortised cost method of valuation whereby the securities are valued at their acquisition cost, adjusted for amortisation of premium or accretion of discount on the securities. provided; (A) the money market fund is restricted to securities which comply with the following criteria:- (i) have a maturity at issuance of up to and including 397 days; (ii) have a residual maturity of up to and including 397 days; (iii) undergo regular yield adjustments in line with money market conditions at least every 397 days; and/or (iv) the risk profile, including credit and interest rate risks, corresponds to that of financial instruments which have a maturity of up to and including 397 days or are subject to a yield adjustment at least every 397 days and which in the case of (iii) and (iv) also meet with the final maturity requirements of the relevant rating agency; (B) the weighted average maturity of the portfolio does not exceed 60 days. The Directors or their delegates shall review or cause a review to be carried out weekly of discrepancies between the market value and the amortised value of the money market instruments and ensure escalation procedures in accordance with the requirements of the Central Bank are put in place to address material discrepancies.
- (k) In the case of a Fund which is not a money market fund, the Directors may value securities having a residual maturity not exceeding three months using the amortised cost method of valuation where such securities have no specific sensitivity to market parameters, including credit risk.

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

In calculating the Net Asset Value of a Fund, appropriate provisions will be made to account for the charges and fees charged to the Fund as well as accrued income on the Fund's investments.

In calculating the Net Asset Value of a Fund or the Company, neither the Directors nor the Administrator shall be liable for any loss suffered by the Company or any Shareholder by reason of any error in the calculation of the subscription or redemption prices resulting from any inaccuracy in

the information provided by any pricing service. Similarly, where the Administrator is directed by the Directors or the Investment Manager with the approval of the Directors to use particular pricing services, brokers, market makers or other intermediaries, the Administrator shall not be liable for any loss suffered by the Company or any Shareholder by reason of any error in the calculation of the subscription or redemption prices resulting from any inaccuracy in the information provided by such pricing services, brokers, market makers or other intermediaries not appointed or selected by the Administrator. The Administrator shall use reasonable endeavours to verify any pricing information supplied by the Investment Manager, or any connected person thereof (including a connected person who is a broker, market maker or other intermediary). However, the Company acknowledges that in certain circumstances it may not be possible or practicable for the Administrator to verify such information and, in such circumstances, the Administrator shall not be liable for any loss suffered by the Company or any Shareholder by reason of any error in the calculation of the subscription or redemption prices resulting from any inaccuracy in the information provided by any such person.

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

The Net Asset Value per Share of each Fund on each applicable Dealing Day is determined by dividing the Net Asset Value of the assets of the Fund attributable to the Shares of the relevant Fund class on that day by the number of Shares of the relevant Fund in issue on the relevant Dealing Day.

Where more than one class of Shares is in issue in respect of a Fund, the Net Asset Value of the relevant Fund calculated as provided under “Calculation of Net Asset Value” above, shall be allocated between each class in accordance with the respective values in the Base Currency of the Fund represented by subscriptions and redemptions of Shares of each class of the Fund received or made from time to time. Where different entitlements, costs or liabilities apply in respect of different classes, these are excluded from the initial calculation of the Net Asset Value of the Fund and applied separately to the Net Asset Value allocated to the relevant class. The portion of the Net Asset Value of each Fund attributable to each class shall then be converted into the relevant currency of denomination of the class at prevailing exchange rates applied by the Administrator and shall be divided by the number of Shares of the relevant class in issue on the relevant Dealing Day in order to calculate the Net Asset Value per Share of the relevant class.

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

The most up-to-date Net Asset Value per Share of each Fund is published following calculation on [www.bmogam.com](http://www.bmogam.com) and in the case of listed Funds notified to the Irish Stock Exchange immediately following calculation. In addition, the most up-to-date Net Asset Value per Share of each Fund may be obtained from the Administrator during normal business hours and in respect of the Base Currency class of each Fund may be published in such newspaper or journal as the Directors in their sole discretion may determine. In addition any person may obtain information (in English) about any Fund and the most recently published prices relating to its Shares from the UK Facilities Agent at Exchange House, Primrose Street, London EC2A 2NY, United Kingdom.

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

#### *Subscription Prices*

The subscription price at which Shares of each class of a Fund may be subscribed is the Net Asset Value per Share of the relevant Fund class calculated as at the Valuation Point for the relevant Dealing Day plus any initial charge payable to the Investment Manager (see “CHARGES AND EXPENSES - Initial Redemption and Switching Charges: *Initial Charge*” above).

#### *Redemption prices*

The price at which Shares of each class of a Fund may be redeemed on a Dealing Day is the Net Asset

Value per Share of the relevant Fund class calculated as at the Valuation Point in respect of the relevant Dealing Day.

### **Suspension of Subscriptions, Redemptions and Switching**

The Directors may, with the consent of the Depositary, at any time and from time to time temporarily suspend the calculation of the Net Asset Value of a particular Fund and the issue, redemption and switching of Shares of each class of a Fund in any of the following instances:-

- (a) during any period (other than ordinary holiday or customary weekend closings) when any market or Recognised Exchange is closed and which is the main market or exchange for a significant part of the investments attributable to the relevant Fund, or in which trading thereon is restricted or suspended;
- (b) during any period when disposal of investments which constitute a substantial portion of the assets attributable to the Fund is not practically feasible; or it is not possible to transfer monies involved in the acquisition or disposition of investments at normal rates of exchange; or it is not practically feasible for the Administrator fairly to determine the value of any investments attributable to the relevant Fund;
- (c) during any breakdown in the means of communication normally employed in determining the price of any of the investments attributable to the relevant Fund or of current prices on any market or Recognised Exchange;
- (d) when for any reason the prices of any investments attributable to the relevant Fund cannot be reasonably, promptly or accurately ascertained; or
- (e) during any period when remittance of monies which will or may be involved in the realisation of or in the payment for any of the investments attributable to the relevant Fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange.

Notice of any such suspension and notice of the termination of any such suspension shall be given immediately to the Central Bank and the Irish Stock Exchange and shall be notified to Shareholders of the relevant Fund if in the opinion of the Directors it is likely to exceed fourteen (14) days and will be notified to applicants for Shares of the relevant Fund or to Shareholders requesting the repurchase of Shares of the relevant Fund at the time of application or filing of the written request for such repurchase. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

No Shares of a Fund may be issued (other than those which have already been allotted) nor may Shares of a Fund be redeemed during a period of suspension. In the event of suspension, a Shareholder of the relevant Fund may withdraw his redemption request provided that such withdrawal is actually received before the termination of the period of suspension. Where the request is not so withdrawn, the day with reference to which the redemption of the Shares of the relevant Fund will be effected will (if later than the day in which the redemption would otherwise have been effected if there had been no suspension) be the applicable redemption Dealing Day next following the end of the suspension.

### **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. Furthermore, if the Company becomes liable to account for tax, in any jurisdiction, including any interest or penalties thereon if an event giving rise to a tax liability occurs,

the Company 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 to discharge any such liability. The relevant Shareholder shall indemnify and keep the Company indemnified against any loss arising to the Company by reason of the Company 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.

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## MEETINGS AND REPORTS TO SHAREHOLDERS

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All general meetings of the Company shall be held in Ireland. In each year, the Company shall hold a general meeting as its annual general meeting. 21 days' notice (excluding the day of sending and the day of the meeting) shall be given in respect of each general meeting of the Company. The notice shall specify the venue and time of the meeting and business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder.

Each Shareholder shall have one vote in relation to any matter relating to the Company which is submitted to Shareholders for a vote by show of hands. Each Share gives the holder one vote in relation to any matter relating to the Company which is submitted to Shareholders for a vote by poll. All Shares have equal voting rights. Every holder of a Management Share who is/are present in person or by proxy shall have one vote in respect of all the Management Shares.

The accounting date of the Company is 31 March in each year. The half yearly accounting date shall be 30 September in each year.

The Company's annual report incorporating audited financial statements will be published within four months after the end of the annual accounting period. For the purpose of the compilation of the semi-annual and annual report and accounts, the reporting currency of each Fund shall be its Base Currency.

The Company will publish a semi-annual unaudited financial report made up to 30 September in each year, containing a list of the Fund's holdings and their market values, within two months of the date to which it is made up.

All correspondence to Shareholders will be sent at their own risk. The annual and semi-annual reports will be available to Shareholders at [www.bmogam.com](http://www.bmogam.com) (or such other website as may be notified to Shareholders), with a hard copy sent upon request, and sent to the Irish Stock Exchange and the Central Bank within four months and two months respectively of the end of the period to which they relate. The most recent audited annual and unaudited semi-annual reports will be sent to any Shareholder and any potential investor upon request.

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## TERMINATION OF FUND

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In addition to the circumstances set out under “SUBSCRIPTION REDEMPTIONS AND SWITCHING - Redemptions: *Compulsory Redemption*” above, the Company may, upon no less than two nor more than twelve weeks’ notice to all Shareholders, redeem on a Business Day at the Net Asset Value per Share all of the Shares in issue in respect of the Company or any Fund or any class on such date in the following instances:-

- if the Company is no longer an authorised UCITS; or
- if any law is passed which renders it illegal, or in the reasonable opinion of the Directors it is impracticable or inadvisable, to continue the Company or any Fund; or
- if within a period of 120 days from the date on which the Depositary notifies the Company of its desire to retire in accordance with the terms of the Depositary Agreement, or from the date on which the appointment of the Depositary is terminated by the Company in accordance with the terms of the Depositary Agreement, or from the date on which the Depositary ceases to be approved by the Central Bank, no new Depositary shall have been appointed.

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## RISK FACTORS

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There are risks associated with investment in the Company and in the Shares of each Fund.

The risks which an investor should take into account include risks which are Company specific i.e. they apply in respect of all classes of Shares of the Company and all Funds of the Company in which investors may invest; and which are Fund specific i.e. they are specific to the Shares of the Fund in which the investor may wish to invest and arise from the investment objective, policy and strategy which is adopted in relation to the Fund and from the underlying investments in which it invests. Each prospective investor should carefully consider these risks before investing in the Company and in the Shares of any of its Funds.

In addition to those Risk Factors referred to in the Fund Particulars Supplement applicable to a particular Fund and its Shares, investors should take into account the following factors when considering the risks associated with investment in the Company and in Shares of any particular Fund or class:-

### General

**Potential investors should note that the investments of each Fund are subject to market fluctuations and other risks inherent in investing in securities of the kind and nature in which the Fund invests and there can be no assurance that any appreciation in value will occur. The value of investments and the income from them, and therefore the value of, and income from, Shares of a Fund can go down as well as up and an investor may not get back the amount he invests. Changes in exchange rates between currencies may also cause the value of the investments to diminish or increase. An investor who realises Shares of a Fund after a short period may, in addition, not realise the amount originally invested in view of any initial charge made on the issue of the Shares. The difference at any one time between the Net Asset Value of Shares for the purposes of purchases and redemptions means that investment in the Fund should be viewed as medium to long term.**

### Valuation

In the event that investments are held which are not listed or dealt on any Recognised Exchange, such investments may be valued by “competent people” who are connected with the Investment Manager and who may have a conflict of interest in relation to any such valuation. The Directors have stated under “CONFLICTS OF INTEREST” above that they will ensure any conflict of interest which arises will be resolved fairly and in the interests of Shareholders. When valuing securities of this nature the competent person has a duty to act with care and in good faith in valuing the relevant investment.

### Political and/or Regulatory Risks

The value of the assets attributable to a Fund may be affected by uncertainties such as national, regional or 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.

## **Breaches in Information Technology Security**

The Investment Manager, Administrator and Depositary (and their respective groups) each maintain information technology systems. However, like any other system, these systems could be subject to cyber security attacks or similar threats resulting in data security breaches, theft, a disruption in the Investment Manager's, Administrator's and/or Depositary's service or ability to close out positions and the disclosure or corruption of sensitive and confidential information. Security breaches may potentially also result in loss of assets and could create significant financial and or legal exposure for the Company.

## **Legal Risk**

Transactions in general and the use of OTC derivatives in particular will expose a Fund to the risk that the legal documentation of the contract may not accurately reflect the intention of the parties. Separately, the Company, the Directors, the Investment Manager, the Administrator and other related entities may be subject to lawsuits or proceedings by government entities or private persons. Besides the risk of interfering with the service provider's ability to perform its duties to the Company, such litigation or proceedings could require the Company to assume the costs incurred by the service provider in its defence.

## **Portfolio Management Risk**

The Investment Manager may engage in various portfolio strategies on behalf of a Fund by the use of futures and options. Due to the nature of futures, cash to meet initial and future margin deposits may be held by a broker with whom the Fund has an open position. On execution of the option the Fund may pay a premium to a counterparty. In the event of bankruptcy of the counterparty the option premium may be lost in addition to any unrealised gains where the contract is "in the money".

## **Foreign Exchange/Currency Risk and Hedged Classes**

Although Shares of a Fund may be denominated in one or more currencies these may be different from the Base Currency of account of the Fund and the Fund may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The Net Asset Value of the Fund and the Net Asset Value of different denominations of Shares of a Fund will fluctuate in accordance with the changes in the foreign exchange rate between the relevant currencies. A Fund and its Shares may therefore be exposed to a foreign exchange/currency risk.

The Company may (but is not obliged to) enter into certain currency related transactions in order to hedge the currency exposure of the assets of a Fund attributable to a particular Class into the currency of denomination of the relevant Class for the purposes of efficient portfolio management. In addition, a Class designated in a currency other than the Base Currency may be hedged against exchange rate fluctuation risks between the designated currency of the Class and the Base Currency. Any financial instruments used to implement such strategies with respect to one or more Classes shall be assets/liabilities of a Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Where a Class of Shares is to be hedged this will be disclosed in the Fund Particulars Supplement for the Fund in which such Class is issued. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. Where the Manager seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However over-hedged positions will not exceed 105% of the Net Asset Value and hedged positions will be kept under review to ensure that positions materially in excess of 100% of Net Asset Value will not be carried forward from month to month. To the extent that hedging is successful for a particular Class the performance of the Class is likely to move in line with the performance of the underlying assets with the result that



investors in that Class will not gain if the Class currency falls against the Base Currency and/or the currency in which the assets of the particular Fund are denominated.

### **Premium Risk**

Where a Fund acquires or values securities in the over-the-counter market there is no guarantee that the Fund will be able to realise such securities at a premium due to the nature of the over-the-counter market.

### **Counterparty and Settlement Considerations**

A Fund will be exposed to credit risk on the counterparties with which it trades in relation to options, futures, contracts and other derivative financial instruments that are not traded on a Recognised Exchange. Such instruments are not afforded the same protections as may apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. A Fund will be subject to the possibility of the insolvency, bankruptcy or default of a counterparty with which the Company trades such instruments, which could result in substantial losses to the Company and the relevant Fund.

The Company will be obliged to pay margin deposits and option premiums to brokers in relation to futures and option contracts entered into for each Fund. While exchange traded contracts are generally guaranteed by the relevant exchange, the 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.

A Fund will also be exposed to a credit risk on parties with whom the Company trades securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments. Shareholders should also note that settlement mechanisms in emerging markets are generally less developed and reliable than those in more developed countries and that this therefore increases the risk of settlement default, which could result in substantial losses for the Company and the relevant Fund in respect to investments in emerging markets. Shareholders should also note that the securities of small capitalisation companies as well as the securities of companies domiciled in emerging markets are less liquid and more volatile than more developed stock markets and this may result in fluctuations in the price of the Shares of the relevant Fund.

### **Registration Risk**

In some emerging market countries evidence of legal title to shares is maintained in “book-entry” form. In order to be recognised as the registered owner of the shares of a company, a purchaser or purchasers’ representative must physically travel to a registrar and open an account with the registrar (which, in certain cases, requires the payment of an account opening fee). Thereafter, each time that the purchaser purchases additional shares of the company, the purchasers’ representative must present to the registrar powers of attorney from the purchaser and the seller of such shares, along with evidence of such purchase, at which time the registrar will debit such purchased shares from the seller’s account maintained on the register and credit such purchased shares to the purchaser’s account to be maintained on the register.

The role of the registrar in such custodial and registration processes is crucial. Registrars may not be subject to effective government supervision and it is possible for the Company to lose its registration through fraud, negligence or mere oversight on the part of the registrar. Furthermore, while companies in certain emerging market countries may be required to maintain independent registrars that meet certain statutory criteria, in practice, there can be no guarantee that this regulation has been strictly enforced. Because of this possible lack of independence, management of companies in such emerging market countries can potentially exert significant influence over the shareholding in such

companies. If the company register were to be destroyed or mutilated, the Company's holding in respect of a Fund of the relevant shares of the company could be substantially impaired, or in certain cases, deleted. Registrars often do not maintain insurance against such occurrences, nor are they likely to have assets sufficient to compensate the Company and, therefore, a Fund as a result thereof. While the registrar and the company may be legally obliged to remedy such loss, there is no guarantee that either of them would do so, nor is there any guarantee that the Company would be able to bring successfully a claim in respect of a Fund against them as a result of such loss. Furthermore, the registrar or the relevant company could wilfully refuse to recognise the Company as the registered holder of shares previously purchased by or in respect of a Fund due to the destruction of the company's register.

### **Cross Liability of Funds**

The Company is an umbrella fund with segregated liability between Funds. As a result, as a matter of Irish law, any liability attributable to a particular Fund may only be discharged out of the assets of that Fund and the assets of other Funds may not be used to satisfy any such liability. In addition, any contract entered into by the Company will by operation of law include an implied term to the effect that the counterparty to the contract may not have any recourse to assets of any of the Funds other than the Fund in respect of which the contract was entered into. These provisions are binding both on creditors and in any insolvency.

These provisions, while binding in an Irish court which would be the primary venue for an action to enforce a debt against the Company, have not been tested in other jurisdictions, and there remains a possibility that a creditor might seek to attach or seize assets of one Fund in satisfaction of an obligation owed in relation to another Fund in a jurisdiction which would not recognise the principle of segregation of liability between sub-funds.

### **Emerging Markets Risk**

Certain Funds may invest in securities of issuers in emerging markets. Such securities may involve a high degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscation, taxation, nationalisation, and social, political and economic instability; (ii) the smaller markets for securities of emerging markets issuers and lower volumes of trading, resulting in lack of liquidity and in greater price volatility, (iii) certain national policies which may restrict the investment opportunities available in respect of a Fund, including restrictions on investing in issuers or industries deemed sensitive to relevant national interests and on the realisation or repatriation of foreign investment; (iv) currency instability and hyper-inflation; and (v) the absence of developed legal structures governing private or foreign investment and private property.

The accounting, auditing and financial reporting standards of countries in which the Company may invest in respect of a Fund are likely to be less extensive than those applicable to United States or United Kingdom companies, particularly in emerging markets.

### **Derivatives' Risk**

The prices of 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 derivatives for hedging purposes also involves certain special risks, including (1) 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 Fund's securities and (4) possible impediments to effective portfolio management or the ability to meet redemption.

### **Use of Leverage**

The use of derivatives to increase the exposure of a Fund to the market or to leverage the Fund, whether by taking positive or short positions, will make the value of the Fund's investments change more quickly in response to increases or decreases in general market prices than would be the case with an unleveraged fund.

If the market recognises the fundamental value the Investment Manager ascribes to a security, or the Investment Manager correctly anticipates the direction in which the market or the specific security price will move, the result will be improved Fund performance by a greater extent than would be possible with an unleveraged fund. Where the Investment Manager takes short positions, the Fund may even profit when security prices fall.

Conversely, if the Investment Manager's assessment of fundamental value or market direction proves to be incorrect, the Fund may be adversely affected to a much greater extent than the actual change in security prices might suggest due to the multiplier effect of using leverage.

### **High Yielding Bonds**

Certain Funds of the Company may invest in high yielding bonds from time to time. Investors should note that investments in higher yielding bonds issued by borrowers with lower credit ratings may result in a greater risk of default and have a negative impact on income and capital value. Income payments may constitute a return of capital in whole or in part. Income may be achieved by foregoing future capital growth.

The market value of corporate debt securities rated below investment grade and comparable unrated securities also tends to be more sensitive to company-specific developments and changes in economic conditions than higher rated securities. Issuers of these securities are often highly leveraged, so that their ability to service debt obligations during an economic downturn may be impaired. In addition, such issuers may not have more traditional methods of financing available to them, and may be unable to repay debt at maturity by refinancing. The risk of loss due to default in payment of interest or principal by such issuers is significantly greater than in the case of investment grade securities because such securities frequently are subordinated to the prior payment of senior indebtedness.

### **Liquidity of Futures Contracts**

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Fund from liquidating unfavourable positions.

### **Forward Trading**

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised; 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.

## **Securities Lending Risk**

As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. The value of the collateral will be maintained to equal or exceed the value of the securities transferred. However there is a risk that the value of the collateral may fall below the value of the securities transferred. In addition, as a Fund may invest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, a Fund investing collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

## **Repurchase and Reverse Repurchase Agreements Risk**

If the seller of a repurchase agreement fails to fulfil its commitment to repurchase the security in accordance with the terms of the agreement, the relevant Fund may incur a loss to the extent that the proceeds realised on the sale of the securities are less than the repurchase price. If the seller becomes insolvent, a bankruptcy court may determine that the securities do not belong to the Fund and order that the securities be sold to pay off the seller's debts. The relevant Fund may experience both delays in liquidating the underlying securities and losses during the period while it seeks to enforce its rights thereto, including possible sub-normal levels of income and lack of access to income during the period and expenses in enforcing its rights.

Reverse repurchase agreements involve the risk that the market value of the securities sold by the Fund may decline below the prices at which the Fund is obliged to repurchase such securities under the agreement. In the event that the buyer of securities under a reverse repurchase agreement files for bankruptcy or proves insolvent, the Fund's use of proceeds from the agreement may be restricted pending the determination by the other party or its trustee or receiver whether to enforce the obligation to repurchase the securities.

## **Collateral Reinvestment Risk**

The risk that that cash collateral reinvestment could result in a reduction of the value of the collateral capital (because the investment declines in value). This, in turn may causes losses to the Company and the relevant Fund because it is obliged to return collateral to the counterparty. In order to manage this risk, the Company reinvests cash collateral in accordance with the guidelines set out in the section of the Prospectus headed "Portfolio Investment Techniques".

## **Loss of Favourable Performance**

The use of derivatives 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.

## **Market Risk**

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

## **Eurozone Crisis**

As a result of the crisis of confidence in the markets which has caused bond yield spreads (the cost of borrowing in the debt capital markets) and credit default spreads (the cost of purchasing credit

protection) to increase, most notably in relation to certain Eurozone countries, certain countries in the European Union ("EU") have had to accept "bailouts" from banks and lines of credit from supra-governmental agencies such as the International Monetary Fund and the recently created European Financial Stability Facility. The European Central Bank has also been intervening to purchase Eurozone debt in an attempt to stabilise markets and reduce borrowing costs. Notwithstanding the measures which leaders of countries in the Eurozone have agreed, and future measures which may be introduced, it is possible that a country may leave the Eurozone and return to a national currency, and as a result may leave the EU and/or that the euro, the European single currency, will cease to exist in its current form and/or lose its legal status in one or more countries in which it currently has such status. The effect of such potential events on the Company and/or one or more classes of share is impossible to predict. Such events could result in significant exchange rate volatility and could have an adverse impact on the financial markets, not only within Europe but globally and could have an adverse impact on the value of the Company's investments.

### **Operation of Umbrella Cash Accounts**

Subscriptions monies received in respect of a Fund in advance of the issue of Shares will be held in the Umbrella Cash Account (see the "Purchase and Sale Information" section herein for further detail in this regard) in the name of the Company and will be an asset of the relevant Fund. Investors will be unsecured creditors of such Fund with respect to the amount subscribed until such Shares are issued and will not benefit from any appreciation in the NAV of the Fund or any other shareholder rights (including dividend entitlement) until such time as Shares are issued. In the event of an insolvency of the Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full.

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

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

### **Taxation**

Potential investors' attention is drawn to the taxation risks associated with investing in a Fund. Further details are given under the heading "COMPANY AND SHAREHOLDER TAXATION CONSIDERATIONS" below.

Furthermore, as countries can change tax rules and apply them to previous periods any provisions made by the Company in respect of the potential taxation of and returns from investments held at any

time may prove to be excessive or inadequate to meet any eventual tax liabilities. Consequently, investors in the Company may be advantaged or disadvantaged depending on the position of any relevant tax authorities in the future and the level of tax provisions proving to be either excessive or inadequate either when they subscribed or redeemed their Shares.

if the Company becomes liable to account for tax, in any jurisdiction, including any interest or penalties thereon if an event giving rise to a tax liability occurs, the Company 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 Company indemnified against any loss arising to the Company by reason of the Company 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.

### **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.

### **Risks associated with the UK leaving the European Union**

On 23 June 2016, the UK voted in a referendum to leave the European Union. As at the date of this Prospectus, the UK Parliament has not commenced the formal process for leaving required by Article 50 of the Lisbon Treaty.

The political, economic and legal consequences of the referendum vote are not yet known and the mechanics of the UK leaving the European Union are unclear.

In the short term, it is likely there will be volatility in the financial markets, particularly those in the UK and Europe but possibly also in the US and Asia. The UK may be less stable than it has been in recent years and investments in the UK may be difficult to value, to assess for suitability or risk, harder to buy or sell or subject to greater or more frequent rises and falls in value. Changes in currency exchange rates may make it more expensive for a Fund to buy investments that are not denominated in Sterling. Funds may see higher levels of redemption. In the event that the Investment Manager is unable to accurately value the assets of a Fund, or in the event of high levels of redemption, the Investment Manager may use certain liquidity management tools permitted by the Central Bank of Ireland, including deferred redemptions, the implementation of fair value pricing or suspension of a Fund.

In the longer term, there is likely to be a period of significant political, regulatory and commercial uncertainty as the UK seeks to negotiate its exit from the European Union. The UK’s laws and regulations concerning funds may in the future diverge from those of the European Union. Depending on the terms of the agreement reached with the European Union, it may or may not be possible for Irish funds to be sold to investors in the UK in the future.

*The above should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in any of the Funds. Potential investors should be aware that an investment in a Fund may be exposed to other risks of an exceptional nature from time to time.*

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## COMPANY AND SHAREHOLDER TAXATION CONSIDERATIONS

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The statements on taxation below are intended to be a general summary of certain Irish and UK tax consequences that may result to the Company and Shareholders. The information given is not exhaustive and does not constitute legal or tax advice. The statements relate to Shareholders holding shares as an investment (as opposed to an acquisition by a dealer) and are based on the law and practice in force in the relevant jurisdiction at the date of this document. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely.

**Prospective Shareholders should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and realisation of, Shares in the places of their citizenship, residence and domicile. The tax consequences for each Shareholder of acquiring, holding, redeeming or disposing of Shares will depend upon the relevant laws of any jurisdiction to which the Shareholder is subject. Investors and prospective investors should seek their own professional advice as to this, as well as to any relevant exchange control or other laws and regulations.**

### Irish Taxation

#### General

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

*The summary is based on Irish tax laws and the practice of the Irish Revenue Commissioners in effect on the date of this Prospectus (and is subject to any prospective or retroactive change). The following tax summary is not a guarantee to any investor of the tax results of investing in the Funds. Potential investors in Shares should consult their own advisers as to the Irish or other tax consequences of the purchase, ownership and disposal of Shares.*

#### Taxation of the Company

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

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

#### Taxation of Non-Irish Shareholders

Where a Shareholder is not resident (or ordinarily resident) in Ireland for Irish tax purposes, the Company will not deduct any Irish tax in respect of the Shareholder’s Shares once the Declaration has been received by the Company confirming the Shareholder’s non-resident status. The Declaration



may be provided by an Intermediary who holds Shares on behalf of investors who are not resident (or ordinarily resident) in Ireland, provided that, to the best of the Intermediary's knowledge, the investors are not resident (or ordinarily resident) in Ireland. An explanation of the term '*Intermediary*' is set out at the end of this summary.

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

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

### **Taxation of Exempt Investors**

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and falls within any of the categories listed in section 739D(6) Taxes Consolidation Act of Ireland ("**TCA**"), the Company will not deduct Irish tax in respect of the Shareholder's Shares once the Declaration has been received by the Company confirming the Shareholder's exempt status.

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

1. Pension schemes (within the meaning of section 774, section 784 or section 785 TCA).
2. Companies carrying on life assurance business (within the meaning of section 706 TCA).
3. Investment undertakings (within the meaning of section 739B TCA).
4. Investment limited partnerships (within the meaning of section 739J TCA).
5. Special investment schemes (within the meaning of section 737 TCA).
6. Unauthorised unit trust schemes (to which section 731(5)(a) TCA applies).
7. Charities (within the meaning of section 739D(6)(f)(i) TCA).
8. Qualifying managing companies (within the meaning of section 734(1) TCA).
9. Specified companies (within the meaning of section 734(1) TCA).
10. Qualifying fund and savings managers (within the meaning of section 739D(6)(h) A).
11. Personal Retirement Savings Account (PRSA) administrators (within the meaning of section 739D(6)(i) TCA).
12. Irish credit unions (within the meaning of section 2 of the Credit Union Act 1997).
13. The National Asset Management Agency.
14. The National Pensions Reserve Fund Commission or a Commission investment vehicle.

15. Qualifying companies (within the meaning of section 110 TCA).
16. Any other person resident in Ireland who is permitted (whether by legislation or by the express concession of the Irish Revenue Commissioners) to hold Shares in the Company without requiring the Company to deduct or account for Irish tax.

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

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

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

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

#### *Distributions by the Company*

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

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

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

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

#### *Redemptions and Transfers of Shares*

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

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

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

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

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

#### *'Eighth Anniversary' Events*

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

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

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

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

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

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

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

#### *Share Exchanges*

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

#### **Stamp Duty**

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

## **Gift and Inheritance Tax**

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

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

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

## **Meaning of Terms**

### *Meaning of “Residence” for Companies*

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

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

### *Meaning of “Residence” for Individuals*

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

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

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

### *Meaning of “Ordinary Residence” for Individuals*

The term “ordinary residence” (as distinct from ‘residence’) relates to a person’s normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2015 and

departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2018.

#### *Meaning of 'Intermediary'*

An 'intermediary' means a person who:

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

### **United Kingdom Taxation**

#### **The Company**

The Directors intend that the affairs of the Company should be managed and conducted so that it does not become resident in the United Kingdom for United Kingdom taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom through a permanent establishment situated therein for United Kingdom corporation tax purposes, or through a branch or agency situated in the United Kingdom within the charge to income tax, the Company will not be subject to United Kingdom income or corporation tax on income and capital gains arising to it save as noted below in relation to possible withholding tax on certain United Kingdom source income. The Directors intend that the affairs of the Company are conducted so that no such permanent establishment, branch or agency will arise insofar as this is within their control, but it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment, branch or agency coming into being will at all times be satisfied.

Interest and other income received by the Company which has a United Kingdom source may be subject to withholding taxes in the United Kingdom.

#### *Shareholders - General*

Subject to their personal circumstances, individual Shareholders resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax in respect of any dividends or other distributions of income by the Company (which may include reportable income in the case of Classes with reporting fund status), whether or not such distributions are reinvested. A dividend tax credit of 1/9<sup>th</sup> of any dividend may be available to such investors on dividends received from the Company. However, as a result of anti-avoidance rules such credit will not be available to individual investors in any Class where the market value of the Class's investments in debt instruments, securities and certain other offshore funds which invest in similar assets exceeds 60 per cent. of the market value of all of the assets of the Class at any relevant time. Investors in these Classes (if any) will be treated as receiving an interest payment which will not carry the tax credit.

Companies within the charge to United Kingdom corporation tax should generally be exempt from United Kingdom corporation tax on distributions made by the Company although it should be noted that this exemption is subject to certain exclusions (particularly in the case of "small companies" as defined in section 931S of the Corporation Tax Act 2009 ("CTA 2009") and specific anti-avoidance rules.

Part 9A of the Taxation (International and Other Provisions) Act 2010 ("TIOPA 2010") subjects United Kingdom resident companies to tax on the profits of companies not so resident in which they have an interest. The provisions, broadly, affect United Kingdom resident companies which hold, alone or together with certain other associated persons shares which confer a right to at least 25 per cent. of the profits of a non-resident company (a "25 per cent. Interest") where that non-resident company is controlled by persons who are resident in the United Kingdom and is subject to a lower level of taxation in its territory of residence. The legislation is not directed towards the taxation of

capital gains. In addition, these provisions will not apply if the Shareholder reasonably believes that it does not hold a 25 per cent. interest in the Company throughout the relevant accounting period.

The attention of persons resident in the United Kingdom for taxation purposes is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 (“section 13”). Section 13 applies to a “participator” for United Kingdom taxation purposes (which term includes a shareholder) if at any time when any gain accrues to the Company which constitutes a chargeable gain for those purposes and, at the same time, the Company is itself controlled by a sufficiently small number of persons so as to render the Company a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a “close” company for those purposes. The provisions of section 13 could, if applied, result in any such person who is a “participator” in the Company being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds on a just and reasonable basis to that person’s proportionate interest in the Company as a “participator”. No liability under section 13 could be incurred by such a person however, where such proportion does not exceed 1/4 of the gain. In addition, exemptions also apply where none of the acquisition, holding or disposal of the assets had a tax avoidance main purpose or where the relevant gains arise on the disposal of assets used only for the purposes of genuine, economically significant business activities carried on outside the United Kingdom.

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

Chapter 3 of Part 6 of the CTA 2009 provides that, if at any time in an accounting period a corporate investor within the charge to United Kingdom corporation tax holds an interest in an offshore fund and there is a time in that period when that fund fails to satisfy the “non-qualifying investments test”, the interest held by such a corporate investor will be treated for the accounting period as if it were rights under a creditor relationship for the purposes of the rules relating to the taxation of most corporate debt contained in CTA 2009 (the “Corporate Debt Regime”). The Shares will (as explained below) constitute interests in an offshore fund. In circumstances where the test is not so satisfied (for example where a Class invests in cash, securities, debt instruments or offshore funds or open-ended companies that themselves do not satisfy the “non-qualifying investments test” and the market value of such investments exceeds 60% of the market value of all its investments) the Shares in the relevant Class will be treated for corporation tax purposes as within the Corporate Debt Regime. As a consequence, where the test is not met at any time, all returns on the Shares in the relevant Class in respect of each corporate investor’s accounting period during which the test is not met (including gains, profits and deficits and, exchange gains and losses) will be taxed or relieved as an income receipt or expense on a fair value accounting basis. Accordingly, a corporate investor in the Company may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares). The provisions relating to non-reporting funds (outlined below) would not then apply to such corporate Shareholders and the effect of the provisions relating to holdings in controlled foreign companies (outlined above) would then be substantially mitigated.

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

1. it would not be reasonable to draw the conclusion from all the circumstances of the case, that the purpose of avoiding liability to taxation was the purpose, or one of the purposes, for which the relevant transactions or any of them were effected;

2. all the relevant transactions are genuine commercial transactions and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of the transactions was more than incidentally designed for the purpose of avoiding liability to taxation; or
3. all the relevant transactions were genuine, arm's length transactions and if the Shareholder were liable to tax under Chapter 2 of Part 13 in respect of such transactions such liability would constitute an unjustified and disproportionate restriction on a freedom protected by Title II or IV of Part Three of the Treaty on the Functioning of the European Union or Part II or III of the EEA Agreement.

Special tax rules apply to investments made in an offshore fund within the meaning of TIOPA 2010. Individual classes of shares within the same fund are treated as separate offshore funds for these purposes. The tax treatment of Shareholders in a Class with reporting fund status differs in various respects from those in Classes without reporting fund status and the tax treatment of each is set out separately below. The Directors intend to apply for approval of each Class of Distributing Shares of the Company as a reporting fund but no guarantee can be given that such approval will be obtained or maintained. The Directors reserve the right to seek approval of any Class of Accumulating Shares as a reporting fund. Prospective investors are referred to HM Revenue & Customs' published list of approved reporting funds for up to date information regarding those Classes with reporting fund status.

#### *Shareholders owning Shares in Classes with Reporting Fund Status*

Each of the Share Classes will be deemed to constitute an "offshore fund" for the purposes of the offshore fund legislation contained in TIOPA 2010. Under this legislation, any gain arising on the sale, disposal or redemption of shares in an offshore fund held by persons who are resident in the United Kingdom for tax purposes will be taxed at the time of such sale, disposal or redemption as income and not as a capital gain. This does not apply, however, where a fund is certified by HM Revenue & Customs as a "reporting fund" throughout the period during which the shares have been held.

In order for a Class to qualify as a reporting fund, the Company must apply to HM Revenue & Customs for entry of the Class into the regime. For each accounting period, it must then report to investors 100 per cent. of the income attributable to the relevant Class, that report being made within six months of the end of the relevant accounting period. United Kingdom resident individual investors will be taxable on such reported income, whether or not the income is actually distributed. Income for these purposes is computed by reference to income for accounting purposes as adjusted for capital and other items. In particular, Shareholders should note that any profit derived from trading activities (as distinct from investment activities) will be regarded as reportable income, unless the exemption described in the following paragraph applies.

Chapter 6 of Part 3 of the Offshore Funds (Tax) Regulations 2009 (the "Regulations") provides that specified transactions carried out by a regulated fund, such as the Company, will not generally be treated as trading transactions for the purposes of calculating the reportable income of reporting funds that meet a genuine diversity of ownership condition. In this regard, the Directors confirm that all Classes are primarily intended for and marketed to the categories of retail and institutional investors. For the purposes of the Regulations, the Directors undertake that these interests in the Company will be widely available and will be marketed and made available sufficiently widely to reach the intended categories of investors and in a manner appropriate to attract those kinds of investors.

Subject to the regulations mentioned below, under the reporting fund regime reportable income is attributed only to those investors who remain as Shareholders at the end of the relevant accounting period. This means that, particularly where actual dividends are not declared in relation to all the income of a Class with reporting fund status, Shareholders could receive a greater or lesser share of dividend income than anticipated in certain circumstances such as when, respectively, class size is

shrinking or expanding. Regulations enable (but do not oblige) a reporting fund to operate dividend equalisation or to make income adjustments, which should minimise this effect. The Directors reserve the right to operate dividend equalisation or to make income adjustments in respect of any Class.

Shareholders resident in the United Kingdom that subsequent to subscription wish to switch Shares in a Class with reporting fund status to Shares of another Class (whether with reporting fund status or not) should note that such switching may give rise to a disposal triggering a potential liability to capital gains tax or corporation tax on capital gains depending upon the value of the shareholding on switching. A switching between different currency classes which are otherwise identical is less likely to give rise to a disposal for these purposes.

#### *Shareholders owning Shares in Classes without Reporting Fund Status*

Each Class will be deemed to constitute an “offshore fund” for the purposes of the offshore fund legislation contained in TIOPA 2010. Under this legislation, any gain arising on the sale, disposal or redemption of shares in an offshore fund held by persons who are resident in the United Kingdom for tax purposes will be taxed at the time of such sale, disposal or redemption as income and not as a capital gain. This does not apply, however, where a fund is certified by HM Revenue & Customs as a reporting fund.

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

Shareholders resident in the United Kingdom that subsequent to subscription wish to switch Shares in a Class without reporting fund status into shares of another class (whether with reporting fund status or not) should note that such a switching may give rise to a disposal triggering a potential liability to income tax or corporation tax on income depending upon the value of the shareholding on switching. A switching between different currency classes which are otherwise identical is less likely to give rise to a disposal for these purposes.

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

The automatic exchange of information regime known as the “Common Reporting Standard” developed by the Organisation for Economic Co-operation and Development applies in Ireland. Under this regime, the Company is required to report information to the Irish Revenue Commissioners relating to all Shareholders, including the identity, residence and tax identification number of Shareholders and details as to the amount of income and sale or redemption proceeds received by Shareholders in respect of the Shares. This information may then be shared by the Irish Revenue Commissioners with tax authorities in other EU member states and other jurisdictions which implement the OECD Common Reporting Standard.

The OECD Common Reporting Standard replaces the previous European information reporting regime in respect of savings income under Directive 2003/48/EC (commonly known as the EU Savings Directive regime).

#### **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 Company 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 provisions were included in Finance Act 2013 for the implementation of the Irish IGA and also to permit 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 Revenue Commissioners (in conjunction with the Department of Finance) have issued Regulations – S.I. No. 292 of 2014 which is effective from 1 July 2014. Supporting Guidance Notes (which will be updated on an ad-hoc basis) were issued by the Irish Revenue Commissioners on 1 October 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 Company 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 Company 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.

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## RECOGNISED EXCHANGES

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

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

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

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

(ii) without restriction in any of the following: -

Argentina	Bolsa de Comercio de Buenos Aires;
Argentina	Bolsa de Comercio de Cordoba;
Argentina	Mercado Abierto Electronico S.A.;
Bahrain	Bahrain Stock Exchange;
Bangladesh	Dhaka Stock Exchange;
Bermuda	Bermuda Stock Exchange;
Botswana	Botswana Stock Exchange;
Brazil	Bolsa de Valores do Rio de Janeiro;
Brazil	Bolsa de Valores de Sao Paulo;
Chile	Bolsa de Comercio de Santiago;
Chile	Bolsa Electronica de Chile;
China, Peoples' Republic of	Shanghai Securities Exchange;
China, Peoples' Republic of	Shenzhen Stock Exchange;
Colombia	Bolsa de Valores de Colombia;
Egypt	Cairo and Alexandria Stock Exchange;
Ghana	Ghana Stock Exchange;
India	Bangalore Stock Exchange;
India	Calcutta Stock Exchange;
India	Delhi Stock Exchange;

India	The Stock Exchange, Mumbai;
India	National Stock Exchange of India;
Indonesia	Jakarta Stock Exchange;
Israel	Tel-Aviv Stock Exchange;
Jamaica	Jamaican Stock Exchange;
Jordan	Amman Stock Exchange;
Kazakhstan (Rep. Of)	Kazakhstan Stock Exchange;
Kenya	Nairobi Stock Exchange;
Korea	Korea Stock Exchange;
Korea	KOSDAQ;
Lebanon	Bourse de Beyrouth;
Malaysia	Bursa Malaysia;
Mauritius	Stock Exchange of Mauritius;
Mexico	Bolsa Mexicana de Valores;
Morocco	Societe de la Bourse des Valeurs de Casablanca;
Namibia	Namibian Stock Exchange;
Nigeria	Nigerian Stock Exchange;
Oman	Muscat Securities Market;
Pakistan	Islamabad Stock Exchange;
Pakistan	Karachi Stock Exchange;
Pakistan	Lahore Stock Exchange;
Palestine	Palestine Stock Exchange;
Peru	Bolsa de Valores de Lima;
Philippines	Philippine Stock Exchange;
Qatar	Doha Securities Market;
Russian Federation	Moscow Stock Exchange;
Saudi Arabia	Saudi Stock Exchange;
Serbia	Belgrade Stock Exchange;
Singapore	Singapore Exchange;
South Africa	JSE Securities Exchange;
Sri Lanka	Colombo Stock Exchange;
Taiwan (Republic of China)	Taiwan Stock Exchange Corporation;
Taiwan (Republic of China)	Gre Tai Securities Market;
Thailand	Stock Exchange of Thailand;
Trinidad & Tobago	Trinidad & Tobago Stock Exchange;
Tunisia	Bourse des Valeurs Mobilieres de Tunis;
Turkey	Istanbul Stock Exchange;
Ukraine	Ukrainian Stock Exchange;
United Arab Emirates	Abu Dhabi Stock Exchange;
UAE	Dubai International Financial Exchange;
Uruguay	Bolsa de Valores de Montevideo;
Venezuela	Venezuela Electronic Stock Exchange;
Venezuela	Caracas Stock Exchange;
Venezuela	Maracaibo Stock Exchange;
Vietnam	Ho Chi Minh City Securities Trading Centre;
Zambia	Lusaka Stock Exchange; and
Zimbabwe	Zimbabwe Stock Exchange.

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

Moscow Exchange

- (iv) without restriction in any of the following:

the market organised by the International Securities Market Association;

the market conducted by the “listed money market institutions”, as described in the Bank of England publication “The Regulation of the Wholesale Cash and OTC Derivatives Markets in Sterling, Foreign Exchange and Bullion” dated April 1988 (as amended from time to time);

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

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

the Over-the-Counter market in the United States of America regulated by the National Association of Securities Dealers Inc.;

NASDAQ in the United States of America;

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

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

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

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

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

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

in Asia, on the

- Bursa Malaysia Derivatives Berhad;
- Hong Kong Exchanges & Clearing;
- Jakarta Futures Exchange;
- Korea Futures Exchange;
- Korea Stock Exchange;

- Kuala Lumpur Options and Financial Futures Exchange;
- National Stock Exchange of India;
- Osaka Mercantile Exchange;
- Osaka Securities Exchange;
- Shanghai Futures Exchange (SHFE);
- Singapore Commodity Exchange;
- Singapore Exchange;
- Stock Exchange of Thailand;
- Taiwan Futures Exchange;
- Taiwan Stock Exchange;
- The Stock Exchange, Mumbai;
- Tokyo International Financial Futures Exchange; and
- Tokyo Stock Exchange;

in Australia, on the

- Australian Stock Exchange; and
- Sydney Futures Exchange;

in Brazil on the Bolsa de Mercadorias & Futuros (BM&F);

in Israel on the Tel-Aviv Stock Exchange;

in Mexico on the Mexican Derivatives Exchange (MEXDER)

in South Africa on the South African Futures Exchange (Safex);

in Switzerland on Eurex (Zurich);

in the United States of America, on the

- American Stock Exchange;
- Chicago Board of Trade;
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;
- Eurex US;
- International Securities Exchange;
- New York Futures Exchange;
- New York Board of Trade;
- New York Mercantile Exchange;
- Pacific Stock Exchange; and
- Philadelphia Stock Exchange; and

in Canada on the

- Bourse de Montreal; and
- Winnipeg Commodity Exchange (WCE).

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

regularly traded.

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## GENERAL INFORMATION

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### **Incorporation and Share Capital**

The Company was incorporated under the laws of Ireland on 25 February 1999, as an umbrella type open-ended investment company with variable capital, with registered number 302305.

As at the date hereof:

- (i) the authorised share capital of the Company is EUR38,092.14 divided into 30,000 Management Shares of EUR1.269738 each and 500,000,000 participating shares of no par value initially designated as unclassified shares.
- (ii) the initial issued share capital of the Company was IR£30,000 represented by 30,000 Management Shares of IR£1 each. Following the introduction of the Euro the authorised share capital of the Company is EUR 38,092.14 divided into 30,000 Management Shares of EUR1.269738. The Management Shares were originally issued to Thames River Capital (UK) Limited and its nominees and on which IR£7,500, i.e. a quarter, was paid up. All but seven of the Management Shares were redeemed by the Company for the amount paid up on those shares on 27 November 2009.

Management shares do not entitle the holders to any dividend and on a winding-up entitle the holder to receive the amount paid up thereon but not otherwise to participate in the assets of the Company.

### **Memorandum and Articles of Association**

Clause 3 of the Memorandum of Association of the Company provides that the Company's sole object is the collective investment in either or both transferable securities and other liquid financial assets referred to in Regulation 68 of the UCITS Regulations of capital raised from the public and the Company operates on the principle of risk spreading. The Company may take any measures and carry out any operations which it may deem useful to the accomplishment and development of its purpose to the full extent permitted by the UCITS Regulations and the Central Bank UCITS Regulations.

The following section is a summary of the principal provisions of the Articles of Association of the Company. Defined terms in this section bear the same meanings as defined in the Company's Articles.

#### *(i) Variation of Class Rights*

The rights attached to any class may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of the class. The provisions of the Articles relating to general meetings shall apply to every such separate general meeting except that the necessary quorum at any such meeting shall be two persons holding or

representing by proxy at least one-third of the issued Shares of the class in question or, at an adjourned meeting, one person holding Shares of the class in question or his proxy. Those entitled to demand a poll are specified as being the chairperson, at least three Members present in person or by proxy. Any Member or Members representing not less than 10% of the total voting rights of all the Members of the Company having the right to vote at meetings, and any Member or Members holding Shares conferring the right to vote at the meeting being Shares in which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on the Shares conferring that right. The right to demand a poll may be withdrawn. If a poll is demanded it is to be taken in such a manner as the chairperson directs (however a poll demanded with regard to the election of a chairperson or on a question of adjournment must be taken forthwith). On a poll a Member, whether present in person or in by proxy, who is entitled to more than one vote need not, if he or she votes, use all of his or her votes or cast them in the same way.

(ii) *Voting rights*

On a show of hands every Shareholder who is present in person or by proxy shall have one vote and every management shareholder present in person or by proxy shall have one vote in respect of all Management Shares. 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 management shareholder present in person or by proxy shall be entitled to one vote in respect of all Management Shares held by him. Fractional Shares shall not carry any voting rights.

(iii) *Change in Share Capital*

The Company may from time to time by ordinary resolution increase its capital by such amount as the resolution shall prescribe.

The Company may, by ordinary resolution, alter its authorised capital by consolidating and dividing its share capital into shares of larger amount than its existing shares, by subdividing its shares into shares of smaller amount than that fixed by the Memorandum of Association of the Company, or by cancelling any shares which, at the date of the ordinary resolution, in that behalf have not been taken, or agreed to be taken, by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

The Company may by special resolution from time to time reduce its share capital.

(iv) *Directors' Interests*

A Director or intending Director may enter into any contract with the Company and such contract or arrangement shall not be liable to be avoided and the Director concerned shall not be liable to account to the Company for any profit realised by any such contract or arrangement by reason of his holding of that office or the fiduciary relationship so established and may hold any other office or place of profit with the Company in conjunction with the office of Director on such terms as to tenure of office and otherwise as the Directors may determine.

A Director shall not vote or be counted in the quorum present on any resolution in respect of his appointment (or the arrangement of the terms of appointment) to hold any office or



place of profit with the Company or in respect of any contract or arrangement in which is materially interested. The prohibition does not apply (in the absence of some other material interest than is indicated below), *inter alia*, to:

- (a) the giving of any security or indemnity to him in respect of money lent or obligation incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
- (b) any contract or arrangement by a Director to guarantee or underwrite shares or debentures of the Company;
- (c) any proposals concerning any other company in which he is directly or indirectly interested and whether as an officer, shareholder, creditor or otherwise.

The Company may by ordinary resolution suspend or relax the provisions described above to any extent or ratify any transaction not duly authorised by reason of a contravention thereof.

(v) *Borrowing Powers*

The Directors may exercise all powers of the Company to borrow money, to mortgage or charge its undertaking, property, or any part thereof and to issue bonds, notes, debentures, debenture stock and other securities whether outright or as a security for any debts.

(vi) *Retirement of Directors*

There is no provision for the retirement of Directors on their attaining a certain age.

(vii) *Transfer of Shares*

The Directors may at their absolute discretion in the circumstances outlined in “SUBSCRIPTION REDEMPTIONS AND SWITCHING - Transfer of Shares” above refuse to register a transfer of Shares unless all applicable taxes and/or stamp duties have been paid in respect of the instrument of transfer and the instrument of transfer is deposited at the office or other such place as the Directors may reasonably require, accompanied by the certificate for the Shares to which it relates, and such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and such relevant information as the Directors may reasonably require from the transferee.

(viii) *Unclaimed Dividend*

Subject to the Companies Act 2014, any dividend unclaimed after a period of 6 years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund.

(ix) *Winding Up*

If the Directors decide that it is in the best interests of Shareholders to wind up the Company, the Company Secretary shall forthwith at the Directors’ request, convene an extraordinary general meeting of the Company to consider a proposal to appoint a

liquidator to wind up the Company. The liquidator, on appointment, will firstly apply the assets of the Company in satisfaction of creditors' claims as he deems appropriate. The assets of the Company will then be distributed amongst the Shareholders. The assets available for distribution amongst the Shareholders shall be applied as follows:

- (i) firstly those assets attributable to a particular class of Shares shall be paid to the holders of Shares in that class;
- (ii) secondly, any balance then remaining and not attributable to any class of Share shall be apportioned between the classes of Shares pro-rata to the Net Asset Value of each class of Share 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 class held by them; and
- (iii) thirdly in the payment to holders of Management Shares of sums up to the nominal amount paid thereon. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to any of the other assets of the Company.

The rights attached to the Shares may, whether or not the Company or any Fund is being wound up, be varied with the consent in writing of holders of three-quarters of the issued Shares of the Company or of the relevant Fund or, with the sanction of a resolution passed at a separate general meeting of the holders of the Shares of the Company or of the relevant Fund, by a majority of three-quarters of the votes cast at such meeting.

The rights attaching to Shares of each class shall not be deemed to be varied by any of the following: -

- (i) the creation, allotment or issue of any further Shares of each class ranking *pari passu* with Shares already in issue;
- (ii) by the liquidation of the Company or of any Fund and distribution of its assets to its members in accordance with their rights or the vesting of assets in trustees for its members in specie.

## **Material Contracts**

The following contracts, not being contracts entered into the ordinary course of business, have been entered into since the incorporation of the Company and are, or may be, material:

### **1. *Investment Management Agreements***

- (i) *Thames River Capital Investment Management Agreement*
  - (a) By an agreement (the "Thames River Capital Investment Management Agreement") dated 30 December 2005 (as amended) between the Company and Thames River Capital LLP, Thames River Capital LLP has agreed to act as investment manager for certain of the Company's Funds. It has also agreed to act as non exclusive distributor of the Shares of certain of the Company's Funds.

- (b) Details of the fees payable to Thames River Capital LLP, are set out in “CHARGES AND EXPENSES - Investment Management Charges” above.
  - (c) The Thames River Capital Investment Management Agreement may be terminated by either party on not less than six months’ notice in writing. The Agreement may be terminated by either party at any time in certain other circumstances.
  - (d) Thames River Capital LLP and its officers, personnel and members are indemnified from and against all costs, charges, liabilities and expenses incurred pursuant to or in connection with the Thames River Capital Investment Management Agreement or directly or indirectly from any act or omission in the course of or in connection with the services provided by the Investment Manager or from any breach of the Thames River Capital Investment Management Agreement by the Company provided that such cost, charge, liability or expense is not due to the fraud, wilful default or negligence of Thames River Capital LLP.
- (ii) *F&C Investment Management Agreement*
- (a) By an agreement (the “F&C Investment Management Agreement”) dated 20 December 2010 (as amended) between the Company and F&C Management Limited, F&C Management Limited has agreed to act as investment manager for certain of the Company’s Funds with effect from 1 February 2011.
  - (b) Details of the fees payable to F&C Management Limited, are set out in “CHARGES AND EXPENSES - Investment Management Charges” above.
  - (c) The F&C Investment Management Agreement may be terminated by either party on not less than six months’ notice in writing. The Agreement may be terminated by either party at any time in certain other circumstances.
  - (d) F&C Management Limited and its officers, personnel and members are indemnified from and against all costs, charges, liabilities and expenses incurred pursuant to or in connection with the F&C Investment Management Agreement or directly or indirectly from any act or omission in the course of or in connection with the services provided by the Investment Manager or from any breach of the F&C Investment Management Agreement by the Company provided that such cost, charge, liability or expense is not due to the fraud, wilful default or negligence of F&C Management Limited.

## 2. *Depository Agreement*

- (a) By an agreement (the “Depository Agreement”) dated 11 October 2016 between the Company and the Depository pursuant to which the Depository was appointed as Depository of the Company’s assets subject to the overall supervision of the Company. The Depository Agreement may be terminated by either party on 90 days written notice or forthwith by notice in writing in certain circumstances such as an unremedied breach after service of written notice provided that the Depository shall continue to act as Depository until a successor Depository approved by the Central Bank is appointed by the Company or the Company’s authorisation by the Central Bank is revoked. The Depository 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.

- (b) The Depositary Agreement provides that the Depositary shall be indemnified by the Company 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 costs, charges and expenses incurred in enforcing or attempting to enforce this indemnity) which the Depositary may suffer or incur in acting as depositary (including, without limitation, acting on proper instructions) other than by reason of (i) loss of financial instruments held in custody (unless the loss has arisen as a result of an external event beyond the control of the Depositary) and/or (ii) the Depositary's negligent or intentional failure to properly fulfil its obligations under the Regulations.

### 3. *Administration Agreement*

- (a) By an agreement (the "Administration Agreement") dated 30 March 2012, effective from 11.59 p.m. on 31 March 2012 between the Company and the Administrator, the Administrator will act as Administrator and Registrar to the Company.
- (b) Details of the fees payable to the Administrator are set out under "CHARGES AND EXPENSES - Administration, Depositary and Registrar Charges: *Administrator*" above.
- (c) The Administration Agreement may be terminated by either party on not less than 90 days' notice, or earlier in certain circumstances specified in the Agreement.
- (d) The Administrator is indemnified and held harmless against actions, proceedings, claims, costs, demands and expenses which may be brought against, suffered or incurred by the Administrator by reason of its performance of its obligations and duties under the terms of this Agreement otherwise than as a result of its fraud, wilful default, negligence bad faith or recklessness.

Material contracts which relate to specific Funds only may be disclosed in the relevant Fund Particulars Supplement.

#### **Definition of "U.S. Person"**

Each investor will be required to represent that the investor is not a "U.S. Person" and the Shares are not being acquired for the benefit or account of, directly or indirectly, any U.S. Person.

A "U.S. Person" for purposes of this Prospectus is a person who is in either of the following two categories: (a) a person included in the definition of "U.S. person" under Rule 902 of Regulation S under the 1933 Act or (b) a person excluded from the definition of a "Non-United States person" as used in Commodity Futures Trading Commission ("CFTC") Rule 4.7. For the avoidance of doubt, a person is excluded from this definition of US Person only if he or it does not satisfy any of the definitions of "U.S. person" in Rule 902 and qualifies as a "Non-United

States person” under CFTC Rule 4.7.

“U.S. person” under Rule 902 generally includes the following:

- (a) any natural person resident in the United States;
- (b) any partnership or corporation organised or incorporated under the laws of the United States;
- (c) any estate of which any executor or administrator is a U.S. person;
- (d) any trust of which any trustee is a U.S. person;
- (e) any agency or branch of a non-U.S. entity located in the United States;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States; and
- (h) any partnership or corporation if:
  - (i) organised or incorporated under the laws of any non-U.S. jurisdiction; and
  - (ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are not natural persons, estates or trusts.

Notwithstanding the preceding paragraph, “U.S. person” under Rule 902 does not include: (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States; (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person, if (A) an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate, and (B) the estate is governed by non-United States law; (iii) any trust of which any professional fiduciary acting as trustee is a U.S. person, if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person; (iv) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; (v) any agency or branch of a U.S. person located outside the United States if (A) the agency or branch operates for valid business reasons, and (B) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and (vi) certain international organisations as specified in Rule 902(k)(2)(vi) of Regulation S under the 1933 Act.

CFTC Rule 4.7 currently provides in relevant part that the following persons are considered “Non-United States persons”:

- (a) a natural person who is not a resident of the United States;
- (b) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-U.S. jurisdiction and which has its principal place of business in a non-U.S. jurisdiction;
- (c) an estate or trust, the income of which is not subject to United States income tax regardless of source;
- (d) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided, that units of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons (as defined in CFTC Rule 4.7(a)(2) or (3)) represent in the aggregate less than ten per cent of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being Non-United States persons; or
- (e) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States.

### **Litigation and Arbitration**

The Company is not engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the Company.

### **Miscellaneous**

- (i) There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed.
- (ii) Save as described in this Prospectus, no Director is interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company.
- (iii) As at 30 June 2017, none of the Directors their spouses or their infant children or any connected person have any other interest in the share capital of the Company or any options in respect of such capital. Any Director shareholdings will be declared in the annual accounts of the Company.
- (iv) No share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.
- (v) Save as disclosed in this Prospectus and under "GENERAL INFORMATION - Incorporation and Share Capital", no share or loan capital of the Company has been issued and no such share or loan capital is proposed to be issued.
- (vi) Save as disclosed in this Prospectus, no commission, discounts, brokerage or other

special terms have been granted by the Company in relation to Shares issued or to be issued by the Company, on any issue or sale of Shares. The Investment Manager may, out of its own funds or out of the initial or management charges and where permitted by applicable law and regulation, pay commissions on applications received through brokers and other professional agents or grant discounts.

- (vii) As at the date of this document there has been no significant change in the financial or trading position of the Company since 31 March 2015 (the date of the most recent audited accounts).
- (viii) As at the date of this document the Company has no loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges, debentures or other borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.
- (ix) The Company does not have, nor has it had since its incorporation, any employees. The Company does not have a place of business in the United Kingdom.
- (x) A United Kingdom investor who enters into an investment agreement to acquire Shares in a Fund in response to this Prospectus will not have the right to cancel the agreement under any cancellation rules made by the Financial Conduct Authority in the United Kingdom. The agreement will be binding upon acceptance of the application by the Fund.
- (xi) Most, if not all, of the protections provided by the United Kingdom regulatory structure will not apply. The rights of Shareholders in the Fund may not be protected by the investors' compensation scheme established in the United Kingdom.
- (xii) Any investor wishing to make a complaint regarding any aspect of the Fund or its operation may do so directly to the Company or to the UK Facilities Agent which complaint the UK Facilities Agent will transmit to the Company.
- (xiii) No Director has:
  - (a) had any unspent convictions in relation to indictable offences; or
  - (b) been a director of any company or partnership which, while he was a director with an executive function or partner at the time of or within the 12 months preceding such events, been declared bankrupt, went into receivership, liquidation, administration or voluntary arrangements; or
  - (c) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of affairs of any company.

### **Documents for Inspection**

The following documents are available for inspection free of charge during normal business hours

on weekdays (Saturdays and public holidays excepted) at the registered office of the Company:

- (a) Certificate of Incorporation of the Company and Memorandum and Articles of Association of the Company;
- (b) the material contracts referred to under “GENERAL INFORMATION - Material Contracts”;
- (c) the latest available annual and semi-annual reports (if any);
- (d) the UCITS Regulations and Central Bank UCITS Regulations; and
- (e) the Irish Companies Act 2014;

Copies of the Articles of Association of the Company may be obtained from the office of the Administrator where copies of the Annual Reports, the subsequent semi-annual reports (if published thereafter), the Prospectus and any Fund Particulars Supplement thereto and the purchase and redemption price of Shares may be obtained free of charge.

In the United Kingdom, copies of the following documents may be inspected free of charge during normal business hours on any Business Day at the registered office of the UK Facilities Agent at Exchange House, Primrose Street, London EC2A 2NY, United Kingdom:

- (a) the latest Prospectus and any Fund Particulars Supplement thereto;
- (b) the key investor information document;
- (c) the Memorandum and Articles of Association of the Company and any instrument amending the Company’s Memorandum and Articles of Association; and
- (c) the latest annual and semi-annual reports of the Company.

Copies of these documents may also be obtained from the UK Facilities Agent. Copies of the latest Prospectus and any Fund Particulars Supplement thereto and the key investor information document will be supplied free of charge. The UK Facilities Agent reserves the right to make a reasonable charge for copies of the Memorandum and Articles of Association, any instrument amending the Company’s Memorandum and Articles of Association and the latest annual and semi-annual reports of the Company.



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## SCHEDULE I – LIST OF SUB-CUSTODIANS

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The Depositary, as global sub-custodian, has appointed local sub-custodians within the State Street Global Custody Network as listed below, as at the date of this Prospectus. The latest version of this list can be consulted on the website [www.mystatestreet.com](http://www.mystatestreet.com).

<b>MARKET</b>	<b>SUBCUSTODIAN</b>
<b>Albania</b>	Raiffeisen Bank sh.a.
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Austria</b>	Deutsche Bank AG
	UniCredit Bank Austria AG
<b>Bahrain</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Bangladesh</b>	Standard Chartered Bank
<b>Belgium</b>	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Brussels branch)
<b>Benin</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Bermuda</b>	HSBC Bank Bermuda Limited
<b>Federation of Bosnia and Herzegovina</b>	UniCredit Bank d.d.
<b>Botswana</b>	Standard Chartered Bank Botswana Limited
<b>Brazil</b>	Citibank, N.A.
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch
	UniCredit Bulbank AD
<b>Burkina Faso</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Canada</b>	State Street Trust Company Canada
<b>Chile</b>	Banco Itaú Chile S.A.
<b>People's Republic of China</b>	HSBC Bank (China) Company Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
	China Construction Bank Corporation (for A-share market only)
	Citibank N.A. (for Shanghai – Hong Kong Stock Connect market only)
	The Hongkong and Shanghai Banking Corporation Limited (for Shanghai – Hong Kong Stock Connect market only)

	Standard Chartered Bank (Hong Kong) Limited (for Shanghai – Hong Kong Stock Connect market)
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria
<b>Costa Rica</b>	Banco BCT S.A.
<b>Croatia</b>	Privredna Banka Zagreb d.d.
	Zagrebacka Banka d.d.
<b>Cyprus</b>	BNP Paribas Securities Services, S.C.A., Greece (operating through its Athens branch)
<b>Czech Republic</b>	Československá obchodní banka, a.s.
	UniCredit Bank Czech Republic and Slovakia, a.s.
<b>Denmark</b>	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Danmark A/S)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Copenhagen branch)
<b>Egypt</b>	HSBC Bank Egypt S.A.E. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Estonia</b>	AS SEB Pank
<b>Finland</b>	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Finland Plc.)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Helsinki branch)
<b>France</b>	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Paris branch)
<b>Republic of Georgia</b>	JSC Bank of Georgia
<b>Germany</b>	State Street Bank GmbH
	Deutsche Bank AG
<b>Ghana</b>	Standard Chartered Bank Ghana Limited
<b>Greece</b>	BNP Paribas Securities Services, S.C.A.
<b>Guinea-Bissau</b>	via Standard Chartered Bank Côte d’Ivoire S.A., Abidjan, Ivory Coast
<b>Hong Kong</b>	Standard Chartered Bank (Hong Kong) Limited
<b>Hungary</b>	Citibank Europe plc Magyarországi Fióktelepe
	UniCredit Bank Hungary Zrt.
<b>Iceland</b>	Landsbankinn hf.
<b>India</b>	Deutsche Bank AG

	The Hongkong and Shanghai Banking Corporation Limited
<b>Indonesia</b>	Deutsche Bank AG
<b>Ireland</b>	State Street Bank and Trust Company, United Kingdom branch
<b>Israel</b>	Bank Hapoalim B.M.
<b>Italy</b>	Deutsche Bank S.p.A.
<b>Ivory Coast</b>	Standard Chartered Bank Côte d’Ivoire S.A.
<b>Japan</b>	Mizuho Bank, Limited
	The Hongkong and Shanghai Banking Corporation Limited
<b>Jordan</b>	Standard Chartered Bank
<b>Kazakhstan</b>	JSC Citibank Kazakhstan
<b>Kenya</b>	Standard Chartered Bank Kenya Limited
<b>Republic of Korea</b>	Deutsche Bank AG
	The Hongkong and Shanghai Banking Corporation Limited
<b>Kuwait</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Latvia</b>	AS SEB banka
<b>Lebanon</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Lithuania</b>	AB SEB bankas
<b>Malawi</b>	Standard Bank Limited
<b>Malaysia</b>	Deutsche Bank (Malaysia) Berhad
	Standard Chartered Bank Malaysia Berhad
<b>Mali</b>	via Standard Chartered Bank Côte d’Ivoire S.A., Abidjan, Ivory Coast
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Mexico</b>	Banco Nacional de México, S.A.
<b>Morocco</b>	Citibank Maghreb
<b>Namibia</b>	Standard Bank Namibia Limited
<b>Netherlands</b>	Deutsche Bank AG
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Niger</b>	via Standard Chartered Bank Côte d’Ivoire S.A., Abidjan, Ivory Coast
<b>Nigeria</b>	Stanbic IBTC Bank Plc.
<b>Norway</b>	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Norge ASA)

	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Oslo branch)
<b>Oman</b>	HSBC Bank Oman S.A.O.G. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Pakistan</b>	Deutsche Bank AG
<b>Panama</b>	Citibank, N.A.
<b>Peru</b>	Citibank del Perú, S.A.
<b>Philippines</b>	Deutsche Bank AG
<b>Poland</b>	Bank Handlowy w Warszawie S.A.
	Bank Polska Kasa Opieki S.A
<b>Portugal</b>	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Lisbon branch)
<b>Puerto Rico</b>	Citibank N.A.
<b>Qatar</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Romania</b>	Citibank Europe plc, Dublin – Romania Branch
<b>Russia</b>	Limited Liability Company Deutsche Bank
<b>Saudi Arabia</b>	HSBC Saudi Arabia Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Senegal</b>	via Standard Chartered Bank Côte d’Ivoire S.A., Abidjan, Ivory Coast
<b>Serbia</b>	UniCredit Bank Serbia JSC
<b>Singapore</b>	Citibank N.A.
	United Overseas Bank Limited
<b>Slovak Republic</b>	UniCredit Bank Czech Republic and Slovakia, a.s.
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.
<b>South Africa</b>	FirstRand Bank Limited
	Standard Bank of South Africa Limited
<b>Spain</b>	Deutsche Bank S.A.E.
<b>Sri Lanka</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Republic of Srpska</b>	UniCredit Bank d.d.
<b>Swaziland</b>	Standard Bank Swaziland Limited
<b>Sweden</b>	Nordea Bank AB (publ)
	Skandinaviska Enskilda Banken AB (publ)

<b>Switzerland</b>	Credit Suisse AG
	UBS Switzerland AG
<b>Taiwan - R.O.C.</b>	Deutsche Bank AG
	Standard Chartered Bank (Taiwan) Limited
<b>Tanzania</b>	Standard Chartered Bank (Tanzania) Limited
<b>Thailand</b>	Standard Chartered Bank (Thai) Public Company Limited
<b>Togo</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Tunisia</b>	Banque Internationale Arabe de Tunisie
<b>Turkey</b>	Citibank, A.Ş.
	Deutsche Bank A.Ş.
<b>Uganda</b>	Standard Chartered Bank Uganda Limited
<b>Ukraine</b>	PJSC Citibank
<b>United Arab Emirates Dubai Financial Market</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>United Arab Emirates Dubai International Financial Center</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>United Arab Emirates Abu Dhabi</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>United Kingdom</b>	State Street Bank and Trust Company, United Kingdom branch
<b>Uruguay</b>	Banco Itaú Uruguay S.A.
<b>Venezuela</b>	Citibank, N.A.
<b>Vietnam</b>	HSBC Bank (Vietnam) Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Zambia</b>	Standard Chartered Bank Zambia Plc.
<b>Zimbabwe</b>	Stanbic Bank Zimbabwe Limited (as delegate of Standard Bank of South Africa Limited)