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**SHARES IN THE COMPANY MAY NOT BE SOLD OR OTHERWISE TRANSFERRED TO, OR BE HELD BY, US PERSONS (AS DEFINED HEREIN).**

If you are in any doubt about the contents of this prospectus (the "Prospectus") you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

The Directors of the Company, whose names appear under the section "Directory" of this Prospectus are the persons responsible for the information contained in this Prospectus and accept responsibility accordingly. 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 at the date hereof in accordance with the facts and does not omit anything likely to affect the importance of the information.

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## **BARCLAYS PORTFOLIOS SICAV**

*(A société d'investissement à capital variable incorporated in Luxembourg)*

### **PROSPECTUS**

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**The date of this Prospectus is March 2019.**

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## BARCLAYS PORTFOLIOS SICAV

### IMPORTANT INFORMATION

The main part of the Prospectus describes the nature of Barclays Portfolios SICAV (the "Company"), presents its general terms and conditions and sets out the management and investment parameters which apply to the Company as well as to the different Funds that comprise the Company.

For further information, please refer to the Table of Contents of this Prospectus.

**The Key Investor Information Documents of the Funds, the latest annual report of the Company and any subsequent half-yearly reports are available at the registered office of the Company and will be sent free of charge to investors upon request. Such reports shall be deemed to form part of the Prospectus.**

Statements made in this Prospectus are, except where otherwise stated, based on the law and practice currently in force in Luxembourg and are subject to changes therein.

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.

It should be remembered that the price of Shares and the income from them can go down as well as up and that investors may not receive, on redemption of their Shares, the amount that they invested.

The Board of Directors has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects at the date hereof and that there are no other material facts, the omission of which would make misleading any statement herein whether of fact or opinion. All the members of the Board of Directors accept responsibility accordingly.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Articles, copies of which are available upon request.

**Prospective investors (which may include investors subscribing in their capacity as nominees, intermediaries, authorised participants or in other such capacities) should note that, by virtue of making an investment in the Company and the associated interactions with the Company and its affiliates and delegates (including completing the Application Form, and including the recording of electronic communications or phone calls where applicable), or by virtue of providing the Company with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such investors will be providing the Company and its affiliates and delegates with certain personal information related to individuals which constitutes personal data within the meaning of the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the "GDPR").**

Shareholders are advised to refer to the relevant sections of the Application Forms for further information regarding the following matters in relation to data protection:

- details on the personal information which constitutes personal data within the meaning of the GDPR which the investors may need to provide the Company or its delegates acting on its behalf with (the "Personal Data");
- identification of the entities which may act as data controller or processor in respect of this Personal Data;
- description of the lawful purposes for which the Personal Data may be used, namely (i) where this is necessary for the performance of the contract to purchase Shares in the Company; (ii) where this is necessary for compliance with a legal obligation to which the Company is subject; and/or (iii) where this is necessary for the purposes of the legitimate interests of the

Company or a third party and such legitimate interests are not overridden by the individual's interests, fundamental rights or freedoms;

- details on the transmission of Personal Data, including (if applicable) to entities located outside the European Economic Area;
- details of data protection measures taken by the Company;
- an outline of the various data protection rights of individuals as data subjects under the GDPR;
- information on the Company's policy for retention of Personal Data;
- contact details for further information on data protection matters.

Shares may be available in different Classes, and may be available as Accumulation Shares and/or Distribution Shares. Details of the Funds and Share Classes on offer are set out in Appendix 2. Certain Funds and/or Share Classes may be offered in certain jurisdictions only. Investors should consult the Administrator, their relevant Intermediary or professional adviser as to availability of any Share in their jurisdictions.

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

The Directors have full discretion in deciding whether any Class of Shares will be listed on the Luxembourg Stock Exchange.

No person has been authorised to give any information or to make any representation in connection with the offering or placing of Shares other than those contained in this Prospectus and the reports referred to above and, if given or made, such information or representation must not be relied upon as having been authorised by the Company. The delivery of this Prospectus (whether or not accompanied by the reports) or any issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date of this Prospectus.

The distribution of this Prospectus and the offering and placing of Shares in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe such restrictions.

This Prospectus does not constitute 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.

Potential investors should inform themselves as to:

- (a) the legal requirements within the countries of their nationality, residence, ordinary residence or domicile for the acquisition of Shares;
- (b) any foreign exchange restrictions or exchange control requirements which they might encounter on the acquisition or sale of Shares; and
- (c) the income tax and other taxation consequences which might be relevant to the acquisition, holding or disposal of Shares.

### United Kingdom

The Company is a recognised collective investment scheme within the meaning of Section 264 of the UK Financial Services and Markets Act 2000 ("FSMA"), and certain Funds and/or Shares Classes may be promoted to the UK public by persons authorised to carry on investment business in the UK. This Prospectus constitutes a financial promotion under Section 21 of the FSMA, and has been approved by Barclays Investment Solutions Limited. Barclays Investment Solutions Limited (the "Investment Manager") is registered in the United Kingdom and regulated by the Financial Conduct Authority and provides investment management and advisory services to the Company.

Any advice or recommendation which may be given or offered by this Prospectus does not relate to products and services of the Management Company or the Investment Manager, but to those of the Company.

The Company does not carry on investment business in the UK, so as to require the conduct of its business to be regulated under the FSMA. Shareholders will therefore not benefit from the protections provided by the UK regulatory system.

Potential investors in the United Kingdom should note that the rules made under FSMA for the protection of private customers may not apply, and the Financial Services Compensation Scheme established under Section 213 of FSMA may not be available, in relation to an investment in the Shares.

Any investor wishing to make a complaint regarding any aspect of the Company or its operations may do so by contacting directly the Administrator.

#### ***Additional information for UK investors***

The Company will maintain facilities at the offices of the Investment Manager, 1 Churchill Place, Canary Wharf, London E14 5HP pursuant to Chapter 9 of the FCA's Collective Investment Schemes Sourcebook of the United Kingdom, at which Shareholders may:

- (1) inspect, free of charge, and obtain, at no more than a reasonable charge, copies in English of:
  - (a) the Articles; and
  - (b) any instrument amending the Articles;
- (2) inspect, free of charge, and obtain free of charge, copies in English of:
  - (a) the latest Prospectus;
  - (b) the latest Key Investor Information Documents; and
  - (c) the latest annual and half-yearly reports;
- (3) obtain information in English about prices of Shares in the Company;
- (4) redeem or arrange for redemption of Shares in the Company and obtain payment; and
- (5) submit a written complaint to the Company.

The prior consent of the Directors is required in respect of each application for Shares and the granting of such consent does not confer on investors a right to acquire Shares in respect of any future or subsequent application.

#### **United States**

The Shares have not been, and will not be, registered under the 1933 Act (see "Definitions") or the securities laws of any of the states of the United States. The Company is not and will not be registered as an investment company under the 1940 Act (see "Definitions"). Investment in Shares by or on behalf of US Persons (see "Definitions") is not permitted. Shares may not at any time be offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, a US Person. Any issue, sale or transfer in violation of this restriction will not be binding upon the Company and may constitute a violation of US law.

Shares may not be issued or transferred other than to a person who, in writing to the Company, shall, among other things, (A) represent that such person is not a US Person and is not purchasing such Shares for the account or benefit of a US Person, (B) shall agree to notify the Company promptly if, at any time while they remain a holder of any Share, such person should become a US Person or shall hold any

Shares for the account or benefit of a US Person, and (C) shall agree to indemnify the Company from and against any losses, damages, costs or expenses arising in connection with a breach of the representations and agreement set forth above.

If, at any time, a Shareholder shall become a US Person or shall hold any Shares on behalf of a US Person, that Shareholder shall notify the Company immediately.

Shares may not be acquired or owned by, or acquired with the assets of:

- (i) any retirement plan subject to Title I of the United States Employee Retirement Income Security Act 1974, as amended ("ERISA"); or
- (ii) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended;
- (iii) any entity, including a fund of funds or other collective investment vehicle, a master trust established for one or more pension plans, or an insurance company pooled separate account whose underlying assets constitute plan assets by reason of the level of investment in the entity by plans described in clause (i) or (ii) above, and
- (iv) the general account of an insurance company to the extent that such account would be deemed a "benefit plan investor" within the meaning of ERISA;

which are hereinafter collectively referred to as "ERISA plans".

A prospective investor will be required at the time of acquiring Shares to represent that such an investor is not acquiring the Shares with the assets of an ERISA plan (as defined above).

Where the Company becomes aware that any Shares are directly or beneficially owned by any person in breach of the above restrictions, the Company may compulsorily redeem such Shares as set out in the Articles.

### Cyprus

The Company is authorised for sale of certain of the Funds and/or Share Classes in Cyprus under the provisions of the Directive.

### France

The Company is authorised for sale of certain of the Funds and/or Share Classes in France under the provisions of the Directive.

### Gibraltar

The Company is a recognised fund under the Provisions of the Section 35 of the Financial Services (Collective Investment Scheme) Act 2011. TSN of Burns House, 19 Town Range, Gibraltar GX111AA, is the representative in Gibraltar.

### Guernsey

The Shares in the Company may only be promoted within the Bailiwick of Guernsey by persons licensed under the Protection of Investors (Bailiwick of Guernsey) Law 1987. Barclays Bank Plc, Jersey Branch and Barclays Bank Plc, Guernsey Branch are responsible for promotion within the Bailiwick of Guernsey and hold licences under such law.

## Ireland

The Company is approved by the Central Bank of Ireland to market its Shares to the public in Ireland under the provisions of the Directive.

Barclays Bank Ireland PLC, Wealth division, will perform the services of facility agent in Ireland and will maintain facilities at Two Hatch Place, Hatch Street, Dublin 2, Ireland during normal business hours where:

- (a) a Shareholder may redeem its, his or her Shares and from which payment of the redemption proceeds may be obtained;
- (b) information can be obtained about each Fund's most recently published price per Share; and
- (c) copies of the latest Prospectus, the latest Key Investor Information Documents and the annual and semi-annual reports of the Company will be made available to investors.

Barclays Bank Ireland PLC will also forward any dividend payment requests or any complaints relating to the Company to the Administrator.

## Isle of Man

The Company is a recognised scheme in the Isle of Man under paragraph 1 of Schedule 4 to the Collective Investments Schemes Act 2008. This Prospectus is the Isle of Man offering document prepared in accordance with the Collective Investment Schemes (Recognised Schemes) Regulations 2015 and contains the information as specified in Appendix 2 of the Schedule to the Authorised Collective Investment Schemes Regulations 2010. The Isle of Man investors in the Company are not protected by any statutory arrangements. The address in the Isle of Man at which facilities for participants and the public, and facilities for submitting complaints will be maintained is:- Barclays Bank PLC, Isle of Man Branch, Barclays House, Victoria Street, Douglas, Isle of Man, IM99 1AJ. Attn: the Country Manager. This is also the name and address of the representative of the Company in the Isle of Man who can accept service of notices and other documents on the Company's behalf.

## Japan

The Company is authorised for sale of certain of the Funds and/or Share Classes in Japan.

## Jersey

The consent of the Jersey Financial Services Commission under the Control of Borrowing (Jersey) Order, 1958 (as amended) has been obtained for the circulation of this Prospectus in Jersey. The Jersey Financial Services Commission is protected by the Borrowing (Control) (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that law. A licence has been granted to Barclays Bank Plc, Jersey Branch to act as distributor in Jersey in respect of the Company. Barclays Bank Plc, Jersey Branch is regulated by the Jersey Financial Services Commission for the conduct of Fund Services Business under the Financial Services (Jersey) Law 1998.

## Malta

The Company is authorised for sale of certain of the Funds and/or Share Classes in Malta under the provisions of the Directive.

## Portugal

The Company is authorised for sale of certain of the Funds and/or Share Classes in Portugal under the provisions of the Directive.

## Spain

The Company is authorised for sale of certain of the Funds and/or Share Classes in Spain under the provisions of the Directive.

It is intended that application may be made in other jurisdictions to enable the Shares of the Company to be marketed freely in these jurisdictions.

**Persons who receive this Prospectus must inform themselves of, and observe, all applicable restrictions with respect to the acquisition or disposition of securities under applicable securities legislation. Investors are urged to consult with independent legal and tax advisers prior to soliciting an offer to buy the securities described hereunder.**

### **Generally**

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

Investors should read and consider the risk discussion under "Risk Factors" before investing in the Company.

**Potential investors should note that all or part of a Fund's fees and expenses may be charged to the capital of the Fund. Where such a policy is applied, it will have the effect of lowering the capital value of a Shareholder's investment (see "Fees and Expenses").**

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

The value of investments and income derived therefrom and the price of Shares may fall as well as rise and investors may not recoup the original amount invested in a Fund.

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## DEFINITIONS

"Accumulation Shares", "Acc Shares" and "Accum Shares"	shares of the Company which do not distribute dividends to Shareholders.
"Administrator"	Northern Trust Global Services SE, , and/or such other person as may be appointed, in accordance with the requirements of the CSSF, to provide administration services to the Company.
"Auditors"	PricewaterhouseCoopers, <i>société coopérative, réviseur d'entreprises agréé</i> , Luxembourg.
"Articles"	the articles of incorporation of the Company, as amended from time to time.
"Barclays Group"	the Investment Manager and other members of the same group of companies for the purposes of section 262 Companies Act 1985 of the United Kingdom.
"Base Currency"	in relation to a Fund, means the currency in which the Fund is valued, as the same may be amended from time to time by the Directors.
"Board of Directors"	the board of directors of the Company.
"Board of Directors of the Management Company"	the board of directors of the Management Company.
"Business Day"	a full day (excluding Saturdays, Sundays and public holidays) on which banks in Luxembourg and England are open for business, and such other day or days as the Directors may from time to time determine.
"Class" or "Share Class"	a class of Shares in the Company.
"Class A Shares"	Class A Distribution Shares and/or Class A Accumulation Shares.
"Class C Shares"	Class C Distribution Shares and/or Class C Accumulation Shares.
"Class I Shares"	Class I Distribution Shares and/or Class I Accumulation Shares.
"Class R Shares"	Class R Distribution Shares and/or Class R Accumulation Shares.
"Class Y Shares"	Class Y Distribution Shares and/or Class Y Accumulation Shares.
"CSSF"	Commission de Surveillance du Secteur Financier.
"Company"	Barclays Portfolios SICAV.
"Currency Hedging Manager"	the Investment Manager and/or such other person as may be appointed, in accordance with the requirements of the CSSF, to provide currency hedging services to the Company or any of the Funds.
"Dealing Cut-off Time"	specific time on a day for a Fund as detailed in Appendix 3.

<i>"Dealing Day"</i>	any Business Day unless otherwise specified in the Appendix 3 for a Fund.
<i>"Depository"</i>	Northern Trust Global Services SE, or such other person as may be appointed, with the prior approval of the CSSF, to act as depository to the Company.
<i>"Directive"</i>	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as may be amended from time to time.
<i>"Direct Investments"</i>	Investments by a Fund which are not shares/units of a collective investment scheme.
<i>"Directors"</i>	the directors of the Company.
<i>Distributor</i>	Any person or entity as may be appointed by the Lead Distributor (as defined below) to distribute or arrange for the distribution of Shares.
<i>"Distribution Shares" and "Dist Shares"</i>	Shares of the Company which distribute dividends to Shareholders.
<i>"Duties and Charges"</i>	in relation to any Fund, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, interest, depository or sub-custodian charges (relating to sales and purchases), transfer fees, registration fees and other duties, costs and charges whether in connection with the original acquisition, increase or decrease of the assets of the relevant Fund or the creation, issue, sale, conversion or repurchase of Shares or the sale or purchase of Investments but shall not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or other costs which may have been taken into account in ascertaining the Net Asset Value of Shares in the relevant Fund.
<i>"Eligible State"</i>	includes any EU Member State, any member state of the OECD, any member state of the European Economic Area, and any other state which the Board of Directors deems appropriate with regard to the investment objective of each Fund.
<i>"EU"</i>	European Union.
<i>"EU Member State"</i>	means a member state of the EU, at any given time. The states that are contracting parties to the agreement creating the European Economic Area other than the member states of the EU, within the limits set forth by this agreement and related acts, are considered as equivalent to the member states of the European Union.
<i>"Euro", "EUR" and "€"</i>	the single European currency unit referred to in Council Regulation (EC) No. 974/98 on 3 May 1998 on the introduction of the Euro.
<i>"Exchange Traded Funds"</i>	listed collective investment undertakings that seek to reflect the performance of a chosen index and which trade on one or more major stock exchanges.

<i>"FCA"</i>	the Financial Conduct Authority or its successor authority in the United Kingdom.
<i>"FCA Rules"</i>	the rules of the FCA, as may be amended from time to time.
<i>"Fund"</i>	a portfolio of assets established (with the prior approval of the CSSF) for one or more Classes which is invested in accordance with the investment objectives applicable to such portfolio. The current Funds of the Company are set out in Appendix 2.
<i>"Hedged Share Classes"</i>	such Class or Classes of Shares of a Fund denominated in any currency other than the Base Currency of that Fund.
<i>"Institutional Investors"</i>	institutional investors within the meaning of article 174 of the 2010 Law as interpreted from time to time by the CSSF.
<i>"Intermediary"</i>	a Distributor and/or any sales agent and/or intermediary appointed by it.
<i>"Investment"</i>	any investment which is permitted by the Regulations and the Articles.
<i>"Investment Manager"</i>	Barclays Investment Solutions Limited and/or such other person as may be appointed by the Management Company, with the consent of the Company and in accordance with the requirements of the CSSF, to provide investment management services to the Company or any of the Funds.
<i>"Investment Restrictions"</i>	the general investment restrictions applicable to all Funds as set out in Appendix 1.
<i>"Key Investor Information Documents"</i>	the key investor information document(s) in respect of any Share Class.
<i>"Lead Distributor"</i>	Barclays Investment Solutions Limited and/or such other person as may be appointed by the Management Company, with the consent of the Company and in accordance with the requirements of the CSSF, to provide distribution services to the Company
<i>"Management Company"</i>	FundRock Management Company S.A.
<i>"MiFID 2"</i>	the EU's re-cast Markets in Financial Instruments Directive (2014/65/EU) (the "MiFID 2 Directive"), delegated and implementing EU regulations made thereunder, laws and regulations introduced by Member States of the EU to implement the MiFID 2 Directive, and the EU's Markets in Financial Instruments Regulation (600/2014).
<i>"Minimum Holding"</i>	a holding of Shares of any Class having an aggregate value of such minimum amount as set out herein.
<i>"Minimum Redemption"</i>	a minimum redemption (whether initial or subsequent) for Shares of any Class as set out herein.
<i>"Minimum Subscription"</i>	a minimum subscription (whether initial or subsequent) for Shares of any

	Class as set out herein.
<i>"Net Asset Value"</i>	the net asset value of the Company, a Fund or a Class (as the context may require) determined in accordance with the Articles.
<i>"Net Asset Value Per Share"</i>	the Net Asset Value divided by the number of Shares of the relevant Fund. Where there is more than one Class per Fund, the Net Asset Value per Share per Class will be the Net Asset Value attributable to each Class divided by the number of Shares in issue in that Class.
<i>"Net Redemption Position"</i>	the position on any Dealing Day when total redemptions exceed total subscriptions.
<i>"Net Subscription Position"</i>	the position on any Dealing Day when total subscriptions exceed total redemptions.
<i>"OECD"</i>	the Organisation for Economic Co-operation and Development.
<i>"Permitted Non-UCITS Fund"</i>	a collective investment undertaking which does not qualify as a UCITS, but in which a Luxembourg UCITS is authorised to invest pursuant to the Regulations.
<i>"Price"</i>	as defined in the section headed "Single Swinging Pricing" in this Prospectus.
<i>"Qualified Holder"</i>	(A) any person, corporation or entity other than (i) a US Person; (ii) an ERISA plan; (iii) any person, corporation or entity which cannot acquire or hold Shares without breaching the law or requirement of any country or governmental authority; (iv) any person, corporation or entity who is precluded from holding Shares or whom the Directors reasonably believe to be precluded from holding Shares (for example because such person, corporation or entity does not confirm or up-date its recorded address in spite of specific request(s) to this effect) or whose acquisition or holding of Shares, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise have incurred or suffered; or (v) a depositary, nominee, or trustee for any person, corporation or entity described in (i), (ii), (iii) and (iv) above; and (B) in the case of Class I Shares, Institutional Investors.
<i>"Reference Currency"</i>	in relation to a Share Class, means the currency in which the Share Class is denominated, as the same may be amended from time to time by the Directors.
<i>"Regulated Market"</i>	a market defined in Article 4, item 1.14 of Directive 2004/39/EC or any other market which is regulated, operates regularly and is recognised and open to the public in an Eligible State.
<i>"Regulations"</i>	the 2010 Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions.
<i>"Share"</i>	a share of no par value in the Company issued in respect of any Fund.

<i>"Shareholder"</i>	the registered holder of a Share.
<i>"Sterling" "£" and "GBP"</i>	the lawful currency of the United Kingdom.
<i>"Sub-Investment Manager"</i>	BlackRock Investment Management (UK) Limited and/or such other person as may be appointed by the Investment Manager to provide investment management services in respect of some or all of the assets of a Fund.
<i>"UCI"</i>	another "undertaking for collective investment" within the meaning of Article 1, paragraph (2), points a) and b) of the Directive.
<i>"UCITS"</i>	an Undertaking for Collective Investment in Transferable Securities established pursuant to the Directive.
<i>"United Kingdom" and "UK"</i>	The United Kingdom of Great Britain and Northern Ireland.
<i>"United States" and "US"</i>	The United States of America, including its states, commonwealths, territories, possessions and the District of Columbia.
<i>"US Dollars", "US\$" and "USD"</i>	the lawful currency of the United States.
<i>"US Person"</i>	<p>shall have the following definition:</p> <p>(a) a citizen or resident (including a "green card" holder) of the United States; (b) a partnership, corporation, limited liability company or similar entity, organised or incorporated under the laws of the United States or having its principal place of business in the United States, or an entity taxed as such or subject to filing a tax return as such under the United States federal income tax laws; (c) any estate or trust the executor, administrator or trustee of which is a US Person unless, (1) in the case of trusts of which any professional fiduciary acting as trustee is a US Person, a trustee who is not a US Person has sole or shared investment discretion with respect of trust assets and no beneficiary of the trust (and no settler if the trust is revocable) is a US Person; (2) in the case of estates of which any professional fiduciary acting as executor or administrator is a US Person, an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate and the estate is governed by foreign law; (d) any estate the income of which arises from sources outside of the United States, is not effectively connected to a US trade or business and is includible in gross income for purposes of computing United States income tax payable by it; (e) any agency or branch of a foreign entity located in the United States; (f) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust, and one or more US Persons have the authority to control all substantial decisions of the trust; (g) any discretionary account or non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary located within or outside the United States for the benefit or account of a US Person; (h) any discretionary account or similar account (other than an</p>

estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States, except that any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated (or if an individual) resident in the United States shall not be deemed a US Person; (i) any firm, corporation or other entity, regardless of citizenship, domicile, situs or residence if, under the income tax laws of the United States from time to time in effect, any proportion of the income thereof would be taxable to a US Person even if not distributed, other than a passive foreign investment company; (j) any partnership, corporation or other entity if (A) organised or incorporated under the laws of any foreign jurisdiction; and (B) owned or formed by a US Person or Persons principally for the purpose of investing in securities not registered under the US Securities Act of 1933 (including but not limited to Shares of the Fund), unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts; (k) any employee benefit plan unless such employee benefit plan is established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; (l) a pension plan unless such pension plan is for the employees, officers or principals of an entity organised and with its principal place of business outside the United States and (m) any entity organised principally for passive investment such as a commodity pool, investment company or other similar entity (other than a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States) (1) in which United States persons who are not qualified eligible persons (as defined in Regulation 4.7 under the US Commodity Exchange Act) hold units of participation representing in the aggregate 10% or more of the beneficial interest in the entity; or (2) which has as a principal purpose the facilitating of investment by a United States person in a commodity pool with respect to which the operator is exempt from certain requirements of Part 4 of the US Commodity Futures Trading Commission's regulations by virtue of its participants being non-United States persons; and (n) any other person or entity whose ownership of shares or solicitation for ownership of shares the Company, acting through their officers or directors, shall determine may violate any securities law of the United States or any state or other jurisdiction thereof.

"US Person" shall not include any person or entity, notwithstanding the fact that such person or entity may come within any of the categories referred to above, as to whom the Company, acting through its officers or directors, shall determine that ownership of shares or solicitation for ownership of shares shall not violate any securities law of the United States or any state or other jurisdiction thereof.

*"Valuation Point"*

specific time on each Dealing Day for a Fund as detailed in Appendix 3.

*"YEN"*

the lawful currency of Japan.

*"1933 Act"*

the United States Securities Act of 1933, as amended.

<i>"1940 Act"</i>	the United States Investment Company Act of 1940, as amended.
<i>"2010 Law"</i>	the amended Luxembourg law of 17 December 2010 relating to undertakings for collective investment.

**All references to the singular shall include the plural and vice versa.**

## DIRECTORY

<b>Registered Office:</b>	6, rue Lou Hemmer, L-1748 Senningerberg Luxembourg								
<b>Directors of the Company</b> whose business address is at: 6, rue Lou Hemmer, L-1748 Senningerberg Luxembourg	<p>Patrick Zurstrassen Director of companies</p> <p>Claude Kremer Partner, Arendt &amp; Medernach S.A., <i>société anonyme</i></p> <p>Nick O'Donoghue, Director, Barclays Bank UK PLC</p>								
<b>Management Company</b>	FundRock Management Company S.A. 33, rue de Gasperich, L-5826 Hesperange, Luxembourg								
<b>Board of directors of the Management Company</b>	<table border="0"> <tr> <td>Michel Vareika</td><td>Eric May</td></tr> <tr> <td>Romain Denis</td><td>Tracey McDermott</td></tr> <tr> <td>Gregory Nicolas</td><td>Ross Thomson</td></tr> <tr> <td>Serge Ragozin</td><td></td></tr> </table>	Michel Vareika	Eric May	Romain Denis	Tracey McDermott	Gregory Nicolas	Ross Thomson	Serge Ragozin	
Michel Vareika	Eric May								
Romain Denis	Tracey McDermott								
Gregory Nicolas	Ross Thomson								
Serge Ragozin									
<b>Depository and Paying Agent</b>	Northern Trust Global Services SE 6, rue Lou Hemmer, L-1748 Senningerberg, Luxembourg								
<b>Administrator, Registrar, Domiciliary and Transfer Agent</b>	Northern Trust Global Services SE 6, rue Lou Hemmer, L-1748 Senningerberg, Luxembourg								
<b>Listing Agent</b>	Banque et Caisse d'Epargne de l'Etat, LUXEMBOURG, 1, place de Metz, L-2954 Luxembourg								
<b>Investment Manager</b>	Barclays Investment Solutions Limited 1 Churchill Place, London E14 5HP, United Kingdom								
<b>Sub-Investment Manager</b>	BlackRock Investment Management (UK) Limited 12 Throgmorton Avenue, London EC2N 2DL, United Kingdom								
<b>Lead Distributor</b>	Barclays Investment Solutions Limited 1 Churchill Place, London E14 5HP, United Kingdom								
<b>Auditors of the Company</b>	PricewaterhouseCoopers, <i>société coopérative</i> 2, rue Gerhard Mercator, L-2182 Luxembourg								
<b>Legal Advisers</b>	<p>As to Luxembourg Law: Arendt &amp; Medernach S.A., <i>société anonyme</i> 41A, avenue J.F. Kennedy, L-2082, Luxembourg, Luxembourg</p> <p>As to English Law: Simmons &amp; Simmons LLP, One Ropemaker Street, London EC2Y 9SS, United Kingdom</p>								



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# BARCLAYS PORTFOLIOS SICAV

## INTRODUCTION

Barclays Portfolios SICAV is an open-ended investment company with multiple compartments or Funds ("société d'investissement à capital variable" (SICAV) à *compartiments multiples*) (referred to as "Funds") governed by Luxembourg law, and, in particular, the provisions of Part I of the 2010 Law. The Company has appointed FundRock Management Company S.A. as its management company.

The Company was incorporated for an indefinite period on 13 October 2006. The Articles were published in the official gazette "*Mémorial C, Recueil des Sociétés et Associations du Grand-Duché de Luxembourg*" on 25 October 2006. The Company is registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B120390. The Articles were amended for the last time with effect from 28 February 2015 at an extraordinary general meeting on 12 February 2015. Such an amendment is published in the *Mémorial* of 18 February 2015. The Company's capital shall at all times be equal to the value of its total net assets. The minimum capital required by law is €1,250,000 or its equivalent. The Company has been authorised by the CSSF as a UCITS.

The Company is structured as an umbrella fund in that different Funds thereof may be established with the prior approval of the CSSF. The Funds established as at the date of this Prospectus are listed in Appendix 2.

In addition, each Fund may have more than one Share Class allocated to it. The Shares of each Class allocated to a Fund will rank *pari passu* with each other in all respects except as to all or any of the following:

- currency of denomination of the Class (and hedging policy applicable to that currency);
- dividend policy;
- the level of fees and expenses to be charged;
- the Minimum Subscription, Minimum Holding and Minimum Redemption applicable; and
- any other element(s) and/or characteristic(s) to be decided by the Directors from time to time in accordance with the Regulations.

The assets of each Fund will be separate from one another and will be invested in accordance with the investment objectives and policies applicable to each such Fund.

Details of all Classes on offer for each Fund are set out in Appendix 2.

Any investor wishing to make a complaint regarding any aspect of the Company or its operation may file complaints free of charge with the Management Company in an official language of its home country.

Investors can access the complaints handling procedure on the Management Company's website at: <https://www.fundrock.com/complaints-policy/>

## INVESTMENT OBJECTIVES, INVESTMENT POLICIES AND INVESTOR AND RISK PROFILES

### General

Each Fund will invest predominantly, although not exclusively, in units or shares of collective investment undertakings and will therefore be a "fund of funds". Each Fund may also make Direct Investments. Details of the specific investment objective, investment policy and investor and risk profile of each Fund are set out in Appendix 3.

The principal advantages of a "fund of funds" structure as compared to the structure of traditional funds are as follows:

- investment in a diversified portfolio of collective investment undertakings which pursue different investment strategies and objectives provides for the diversification of risks as compared with investments in a vehicle with a single investment objective or policy;
- investment in a diversified portfolio of collective investment undertakings managed by different investment managers provides for the diversification of risks as compared to the management of all assets by the same investment manager;
- collective investment undertakings such as the Company allow investors to invest indirectly in other collective investment undertakings into which the investors would not normally be able to invest directly due to high minimum subscription levels.

The main disadvantage of a "fund of funds" structure as compared to the structure of traditional funds is that each underlying collective investment undertaking has its own fee structure in addition to the fees of the Funds.

The Funds may, when not invested in collective investment undertakings, invest in any other eligible Investment.

For the avoidance of doubt, it is hereby confirmed that any of the "collective investment undertakings" in which the Funds will invest shall, unless provided otherwise, comply with paragraph 1(A) (iv) of Appendix 1.

The Base Currency of the Funds is Sterling and the Funds are valued in Sterling. The Funds may, however, invest in assets denominated in currencies other than Sterling. The Investment Manager may, but is not obliged, to seek to hedge the exposure of the Fund to currencies other than Sterling to provide an element of protection against currency fluctuation.

The Company may offer within a Fund, several Classes with the same characteristics but denominated in different currencies than the Fund's Base Currency. The Reference Currencies of the Share Classes may be Sterling, Euro, US Dollar or YEN. Euro, US Dollar and YEN denominated Shares are hedged against the Base Currency. Investor should refer to the section "Risk Factors" for specific risk considerations applicable to Euro, US Dollar and YEN denominated Shares. Details of all Classes on offer for each Fund are set out in Appendix 2.

### Past Performance

Information on the past performance of each Class or Fund (if any), as updated on an annual basis, is contained in the Key Investor Information Documents.

### Use of Derivatives for Investment Purposes

In order to achieve each Fund's investment objective as stated above, the Company is permitted to use a wide range of derivatives for investment purposes, including, but not limited to the following:

- Futures

- FX Forward contracts
- Options
- Swaps
- Credit default swaps
- Contracts for difference
- Swaptions

The Company may also invest in structured notes which contain embedded derivatives and in the latter case, a prudent approach will be undertaken whereby the whole exposure to the structured note is deemed to be derivative exposure.

Financial derivative instruments used by a Fund will be subject to the conditions of, and within the limits laid down by, the Regulations and will only be used in conjunction with a risk management process as notified to the CSSF. Only financial derivative instruments provided for in such risk management process will be utilised. The Company intends to use derivative instruments for non-complex strategies.

### Efficient Portfolio Management

The Company may, on behalf of each Fund and subject to the conditions and within the limits laid down in the Regulations, employ techniques and instruments relating to transferable securities and money market instruments provided that such techniques and instruments are used for efficient portfolio management purposes or to provide protection against exchange risk. Such techniques and instruments are set out in Appendix 1 and may include, but are not limited to, engaging in transactions in financial derivative instruments such as futures, forwards, options, swaps, swaptions as well as securities lending and repurchase transactions. New techniques and instruments may be developed which may be suitable for use by the Company and the Company (subject as aforesaid) may employ such techniques and instruments in accordance with the Regulations.

### Currency Hedging

The Funds may issue Classes of Shares denominated in different currencies. With respect to the Hedged Share Classes, the Currency Hedging Manager will employ techniques and instruments, including financial derivative instruments intended to provide protection against exposure to currency fluctuation risk, in particular against movements of the currency in which the Hedged Share Classes are denominated against movements in the Base Currency of the relevant Fund. While the Currency Hedging Manager will attempt to hedge against this currency exposure, there can be no guarantee that the value of the Hedged Share Classes will not be affected by the value of their relevant Reference Currency relative to the Base Currency of the relevant Fund. The hedging strategy will aim to protect the holders of these Reference Currency Classes in circumstances where the value of these Reference Currencies increases relative to the Base Currency of the relevant Fund but will limit the extent to which holders of these Reference Currency Classes may benefit as a result of a decline in the value of these Reference Currencies relative to the Base Currency of the relevant Fund.

All gains/losses which may be made by the Hedged Share Classes as a result of such hedging transactions together with the costs of such transactions will accrue to the relevant Class or Classes. The Reference Currency of the Class will be hedged to the Base Currency of the Fund to the extent that the notional value of the hedges in each Hedged Share Class shall not exceed 105% of the Net Asset Value of the relevant Hedged Share Class. All such transactions will be clearly attributable to the relevant Hedged Share Class and the currency exposures of the different Hedged Share Classes will not be combined or offset. The Currency Hedging Manager does not intend to have under-hedged or over-hedged positions, however due to market movements and factors outside the control of the Currency Hedging Manager, under-hedged and over-hedged positions may arise from time to time. The Currency Hedging Manager will limit hedging to the extent of the relevant Hedged Share Class Reference Currency exposure and shall monitor such hedging on an ongoing basis to ensure that such hedging shall not be below 95% of the Net Asset Value of the relevant Hedged Share Class or exceed 105% of the Net Asset Value of the relevant Hedged Share Class and to review hedged positions when they come near to any of these limits so as to increase/reduce such hedging appropriately.

### Investment Restrictions

Investment of the assets of each Fund must comply with the general investment restrictions applicable to all Funds as set out in Appendix 1.

The Directors may also, from time to time, impose such further investment restrictions as may be compatible with or be in the interests of the Shareholders in order to comply with the laws and regulations of the countries where Shareholders of the Company are located or the Shares are marketed.

The Company will not take legal or management control of any of the entities in which its underlying investments are made.

### Dividend Policy

Shares in the Company may be available as Distribution Shares or Accumulation Shares. However, both types of Share are not offered in every jurisdiction. Prospective investors/Shareholders should consult their relevant Intermediary for more information and investors should consider their own tax position as to whether Distribution or Accumulation Shares are most suitable for them. The Share Classes which are currently available for each Fund are listed in Appendix 2.

### Distribution Shares

The Directors are empowered to declare and pay dividends on the Distribution Shares in the Company within the limits established by the 2010 Law.

It is intended that the Funds will declare and pay dividends to Shareholders holding Distribution Shares on the basis and frequency set out in Appendix 3.

The Directors may change the frequency with which the Funds declare or pay dividends.

The Directors may elect to make distributions out of net income and net realised capital gains if circumstances so warrant. Dividends payable to Shareholders will be paid to the Shareholder's nominated bank account by way of electronic transfer or such other means as the Directors may determine.

Any dividend paid on a Share that is not being claimed will not earn interest and, if not claimed within five years of the payment date, shall be forfeited to the benefit of the relevant Fund.

### Equalisation in relation to Distribution Shares

The purchase price of the Shares contains two elements: capital – which reflects the value of the underlying investments of the Fund, and income – which reflects the income being earned by the Fund from those investments. This means that investors buying Shares, buy a percentage of income and the corresponding portion of the purchase price (the equalisation payment) will be notionally credited to an equalisation account.

When the first dividend is paid to holders of Shares on which an equalisation payment has been made on purchase, such dividend will contain an equalisation element, which is averaged for the period and which will be quoted on the distribution statement referred to below.

Depending upon the tax situation of each Shareholder, the portion of a dividend distribution made out of the equalisation account may, for tax purposes, be treated as a repayment of capital and therefore not be assessable for income tax. It may, however, depending upon the relevant Shareholder's residence and circumstances, be deducted from the cost of his holding for any capital gains tax purposes.

The amount paid to each Shareholder out of the relevant equalisation account shall be calculated by dividing the aggregate of all equalisation payments standing to the credit of the relevant equalisation account by the number of outstanding Shares of the relevant Fund in respect of which first distribution payments are made ("Group 2" Shares).

Immediately after the period end in respect of which the first distribution payment is made, the Group 2 Shares become Group 1 Shares (being all Shares of the relevant class except Group 2 Shares), and all future dividend payments in respect of these Group 1 Shares will be in the form of income, without any equalisation. Shares bought after this period end will then again be designated as Group 2 Shares as described above. The Group 1 Shares and the Group 2 Shares do not constitute different classes of Shares but are merely used for differentiation for equalisation purposes.

In order to enable Shareholders to optimise their tax situation, registered Shareholders will be sent a distribution statement indicating the part of the distribution received by the Shareholder out of the equalisation account.

### **Accumulation Shares**

Investment income and profits, if any, earned with respect to Accumulation Shares will be retained and will be reinvested on behalf of Shareholders and reflected in each Accumulation Share.

### **Equalisation in relation to Accumulation Shares**

The Funds do not account for equalisation in relation to Accumulation Shares with "reporting fund" status (which is discussed below) but they do so in relation to Distribution Shares with "reporting fund" status. However, in order to maintain some parity of UK tax treatment for UK Shareholders, the Funds calculate equalisation, in respect of Shares acquired during each accounting year of the Company, and publish the equalisation amount in the reports required to be made to investors under the Offshore Funds Regulations discussed further below.

## RISK FACTORS

### General

Potential investors should consider the following risk factors before investing in the Company. These risk factors do not purport to be an exhaustive list of the risks involved in investing in the Company.

1. A prospective investor should be aware that Investments are subject to normal market fluctuations and other risks inherent in investing in securities. There is no assurance that any appreciation in the value of Investments will occur or that the investment objectives of any Fund will actually be achieved. **The value of Investments and the income derived therefrom and the price of Shares may fall as well as rise and therefore investors may not recoup the original amount invested in a Fund. Any investment should be viewed as medium to long term. An investment should only be made by those persons who are able to sustain a loss on their investment.**
2. Depending on an investor's currency of reference, currency fluctuations between an investor's currency of reference and the Base Currency of the relevant Fund may adversely affect the value of an investment in the Fund.
3. Prospective investors are reminded that in certain circumstances their right to redeem Shares may be suspended (see under the heading "Temporary Suspensions" in this Prospectus).
4. A Fund will be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default. In the event of a bankruptcy or other default, the relevant Fund could experience both delays in liquidating the underlying securities and losses, including a possible decline in value of the underlying securities during the period when the relevant Fund seeks to enforce its rights thereto. This will have the effect of reducing levels of capital and income in the Fund and may give rise to a lack of access to income during this period together with the expense of enforcing the Fund's rights.
5. Listing on the Luxembourg Stock Exchange will not necessarily increase liquidity to investors.
6. The assets of each Fund are segregated. As a matter of Luxembourg law, the assets of one Fund will not be available to meet the liabilities of another. However, the Company is a single legal entity which may operate or have assets held on behalf of or be subject to claims in other jurisdictions (such as the United Kingdom) which may not necessarily recognise such segregation and, in such circumstances, the assets of one Fund may be exposed to the liabilities of another.
7. The attention of potential investors is drawn to the taxation risks associated with investing in the Company below. Please also see the heading "Taxation" in this Prospectus.

8. Each of the Company and any collective investment undertakings in which it invests (each, for the purposes of this paragraph 8, a "relevant entity") may be subject to withholding, capital gains or other taxes on income and/or gains arising from its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by the relevant entity is incorporated, established or resident for tax purposes. A relevant entity may also incur or bear transaction or other similar taxes in respect of the actual or notional amount of any acquisition, disposal or transaction relating to its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by a relevant entity or the counterparty to a transaction involving a relevant entity is incorporated, established or resident for tax purposes. Where a relevant entity invests in securities or enters into transactions that are not subject to withholding, capital gains, transaction or other taxes at the time of acquisition, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The relevant entity will not be able to recover such tax and so any change would have an adverse effect on the Net Asset Value of the Shares.

Where a relevant entity chooses or is required to pay taxation liabilities and/or account for reserves in respect of taxes that are or may be payable in respect of current or prior periods by the relevant entity (whether in accordance with current or future accounting standards), this would have an adverse effect on the Net Asset Value of the Shares. This could cause benefits or detriments to certain Shareholders, depending on the timing of their entry to and exit from the Fund.

9. The levels and bases of, and reliefs from, taxation are those that currently apply and may change in the future. The value of current tax reliefs depends on individual circumstances. Each investor or prospective investor should seek independent professional tax advice. The attention of potential investors is drawn to the taxation risks associated with investing in the Company (see under the heading "Taxation" in this Prospectus).
10. Potential investors should note that in respect of a Fund, all or part of that Fund's fees and expenses may be charged to the capital of the Fund. Where such a policy is applied, it will have the effect of lowering the capital value of a Shareholder's investment.
11. Shares may not at any time be offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, a US Person. Any issue, sale or transfer in violation of this restriction will not be binding upon the Company and may constitute a violation of US law.

Shares may not be issued or transferred other than to a person who, in writing to the Company, shall, among other things, (A) represent that such person is not a US Person and is not purchasing such Share for the account or benefit of a US Person, (B) shall agree to notify the Company promptly if, at any time while it remains a holder of any Share, such person should become a US Person or shall hold any Share for the account or benefit of a US Person, and (C) shall agree to indemnify the Company from and against any losses, damages, costs or expenses arising in connection with a breach of the representations and agreement set forth above.

If, at any time, a Shareholder shall become a US Person or shall hold any Share on behalf of a US Person, that Shareholder shall notify the Company immediately and the Company shall have the right to direct the Shareholder to either (i) apply for the transfer of the Shares to a non US Person in accordance with the procedures described under "Transfer of Shares" or (ii) redeem the Shares as provided under "Redemptions", failing which such Shareholder, on the date specified in the notice referred to above, shall be compulsorily redeemed.

12. The Company may from time to time purchase investments that will subject the Company to withholding taxes or exchange controls in various jurisdictions. In the event that withholding



taxes or exchange controls are imposed with respect to any of the Company's investments, the effect generally reduces the income received by the Company on its investments.

13. Each Fund may use financial derivative instruments subject to the limits and conditions set out in the Investment Restrictions and its investment objective and investment policy. Forward and futures contracts tend to have a greater volatility than the securities to which they relate and they bear a correspondingly greater degree of risk. Investors should familiarise themselves with the specific risks linked to the use of derivative instruments provided in Appendix 1.
14. Each Fund may enter into securities lending and repurchase transactions subject to the limits and conditions set out in the Investment Restrictions and its investment objective and investment policy. Investors should familiarise themselves with the specific risks linked to the use of such transactions provided in Appendix 1.
15. For Funds investing in warrants there may be a higher degree of risk so that a relatively small movement in the price of the underlying security may result in a disproportionately large movement in the price of the warrant. Although the Funds' exposure to warrants may be strictly controlled, the value of Shares in the Funds investing in warrants may be subject to significant fluctuations.

### Currency Hedging

16. The Currency Hedging Manager will employ techniques and instruments, including financial derivative instruments, intended to provide protection so far as possible against movements of the Reference Currency in which the Hedged Share Classes are denominated against movements in the Base Currency of the relevant Fund. All costs and gains/losses of such hedging transactions are borne separately by the respective Share Classes. It should be noted that the hedging strategy employed by a Fund will not completely eliminate the exposure of the Hedged Share Classes to currency movements. This may be for a number of reasons including, without limitation, (i) hedging transactions may be effected sometime after subscription proceeds are credited to the relevant Fund, (ii) hedging transactions may be effected by reference to a benchmark selected by the relevant Fund and not by reference to the actual currency composition of the Fund, and (iii) constructing a hedging strategy that ensures ongoing compliance with limits in this Prospectus and/or under applicable law and regulation relating to the use of hedging instruments can result in a strategy that is unlikely to result in a perfect hedge of currency exposures at all times. While the Currency Hedging Manager will attempt to hedge this risk in relation to Hedged Share Classes, there can be no guarantee that it will be successful in doing so. The use of hedging strategies may substantially limit Shareholders in the relevant Hedged Share Classes from benefiting if the currency of denomination of the Hedged Share Classes falls against the base currency of the relevant Fund and/or the currency in which some or all of the assets of a Fund are denominated. Given that there is no segregation of liabilities between Share Classes, there may be a remote risk that, under certain circumstances, currency hedging transactions in relation to one Share Class could result in liabilities which might affect the Net Asset Value of the other Share Classes of the same Fund. An up-to-date list of the share classes which employ currency hedging is available upon request at the registered office of the Management Company.

## Fund of Funds

17. The Investment Manager seeks to monitor investments and trading activities of the collective investment undertakings in which the Funds may invest. However, investment decisions are normally made independently at the level of the underlying collective investment undertaking and are solely subject to the restrictions applicable to those underlying collective investment undertakings. None of the Company, the Investment Manager or the Depositary are liable for compliance with such restrictions.

It is possible that some investment managers of the underlying collective investment undertakings will take positions in the same security or in issues of the same industry or country or in the same currency or commodity at the same time. Consequently, it is possible that one collective investment undertaking may purchase an instrument at the same time as another collective investment undertaking decides to sell it. There is no guarantee that the selection of the underlying collective investment undertaking will actually result in diversification of investment styles and that the positions taken by the underlying collective investment undertakings will always be consistent.

18. Investments in other UCITS and other collective investment undertakings do usually entail a duplication of entrance, management, administration, depositary charges and taxes. However, such duplication is expected to be partly reduced by obtaining waiver of, or re-allowances on, sales commission by the UCITS and other collective investment undertakings in which investments will be made or by investing in UCITS and other collective investment undertakings or classes of UCITS or other collective investment undertakings shares exempt of sales commission.

No duplication of subscription and redemption charges will be incurred by a Fund in the case of investments in UCITS and other collective investment undertakings managed by the Investment Manager or its subsidiaries. See also the Investment Restrictions.

19. Where a Fund is investing all or part of its assets in UCITS or other collective investment undertakings denominated in a currency other than the Base Currency of a Fund, the Fund may enter into forward foreign exchange transactions in order to manage the foreign exchange risks arising from holding such instruments and in order to protect the value of its Investments against short-term market volatility. These techniques may not always be possible or effective in limiting losses.

## Emerging Markets

20. Emerging markets tend to have a greater level of risk and volatility associated with them and to be less liquid than more established markets. Investors should consider whether or not investment in any Fund which may invest in or have an exposure to emerging markets is either suitable or should constitute a substantial part of the investors' portfolio.
21. The Net Asset Value, the marketability and the returns derived from a particular Fund's investments may be affected by uncertainties such as political or diplomatic developments, social and religious instability, changes in government policies, taxation and interest rates, currency conversion and repatriation, and other political and economic developments in law or regulations in emerging markets and, in particular, the risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership. All of these facts may adversely affect the overall investment climate and, in particular investment opportunities for a Fund.

22. Companies in emerging markets may not be subject to:
- (a) accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in major markets; and
  - (b) the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets.

Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions.

23. The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments.
24. Lack of liquidity and efficiency in some of the stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the Investment Manager may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market.
25. There may be no obligation on the part of registration and tax authorities to make official copies of records available to third parties. In addition, there may be no reliable commercial firms who at present could undertake a comprehensive credit analysis or who could search the records of notary publics to determine whether the assets of an enterprise have been pledged or are otherwise subject to a pledge or other security interest. Accordingly, the extent of due diligence of prospective companies in which a Fund may invest must in some cases be significantly limited as compared with the standards for due diligence in more developed markets.
26. The emerging markets in which a Fund may invest are considerably less regulated than many of the world's leading stock markets. In addition, market practices in relation to settlement of securities transactions and custody of assets in such markets can provide a material risk to a Fund. Furthermore, due to the local postal and banking systems, no guarantee can be given that all entitlements attaching to securities acquired by a Fund (including in relation to dividends), can be realised. None of the Company, the Depositary, the Investment Manager, the Administrator, or any of their agents makes any representation or warranty about, or any guarantee of the operation, performance or settlement, clearing and registration of transactions dealing in emerging markets.

Prospective investors should be aware that safe custody of securities in emerging markets involves risk and considerations which do not normally apply when settling transactions and providing safe custody services in more developed countries. In circumstances such as the insolvency of a sub-custodian or registrar, or retro-active application of legislation, the Company may not be able to establish title to investments made and may suffer losses as a result. The Company may find it impossible to enforce its rights against third parties.

27. Custody services are very often undeveloped and, although the Company will endeavour to put into place control mechanisms, including the selection of agents to register emerging markets securities on behalf of a Fund, there is a significant transaction and custody risk of dealing in securities of emerging markets.
28. The value of the assets of the Company will be affected by fluctuations in the value of the currencies in which the Company's investments are quoted or denominated relative to the Base Currency of the relevant Fund. Currency exchange rates in emerging markets may fluctuate significantly over short periods of time, in addition causing, together with other factors, the fluctuation of the Net Asset Value. Currency exchange rates may be affected by market perception of the relative merits of investment in emerging markets, actual and anticipated changes in interest rates, intervention by governments and certain banks or political

developments. The Company may incur costs in connection with conversion between various currencies.

## MiFID 2

29. MiFID 2 imposes new regulatory obligations on the Investment Manager. These regulatory obligations may lead to increased compliance obligations upon and accrued expenses for the Investment Manager, the Company and/or any Fund. In particular, MiFID 2 is increasing price transparency across a range of markets, requiring certain OTC derivatives to be executed on regulated trading venues, introducing commodity position limits and commodity position reporting requirements where applicable, imposing certain requirements in respect of direct market access (“DMA”) services and imposing restrictions relating to the allocation of IPOs and other allocations.

The foregoing risk factors do not purport to be a complete list of the risks involved in investing in the Company. Prospective investors should read the entire Prospectus and fully evaluate all other information that they deem to be necessary to determine whether or not to invest in the Company. Prospective investors should ensure that they fully understand the content of this Prospectus and should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser for advice.

## MANAGEMENT AND ADMINISTRATION

### The Directors

The Directors are responsible for the overall management and control of the Company in accordance with the Articles. The Directors are further responsible for the implementation of each Fund's investment objective and policies as well as for oversight of the administration and operation of each Fund.

The Directors shall have the broadest powers to act in any circumstances on behalf of the Company, subject to the powers reserved by law to the Shareholders.

The Company shall be managed by the Management Company subject to the overall supervision and control of the Board of Directors whose details and countries of residence are set out below. The Directors are all non-executive directors of the Company.

#### Patrick Zurstrassen

Patrick Zurstrassen has more than 30 years' experience of banking and fund management with Crédit Agricole Indosuez Group and is a director of several investment funds and other companies. Mr Zurstrassen is a founder of "The Directors' Office" an organisation providing the services of directors to companies primarily in the asset management sector. Mr Zurstrassen lectures on finance at the Catholic University of Louvain, Belgium. His country of residence is Luxembourg.

#### Claude Kremer

Claude Kremer is a Partner of Arendt & Medernach. His whole professional career has been devoted to the global fund and asset management industry. He sits on the board of a number of investment funds as director and lectures on fund law matters at Luxembourg University. He has been Chairman of ALFI and President of EFAMA. His country of residence is Luxembourg.

#### Nick O'Donoghue

Nick O'Donoghue is a director at Barclays Bank UK PLC, and is the Head of Funds. He has over 16 years' experience in the financial services industry, encompassing wealth management and investment banking. His country of residence is England.

### Management Company

The Company has appointed FundRock Management Company S.A., to serve as its management company within the meaning of the 2010 Law, pursuant to a management company agreement, as amended from time to time, between the Company and the Management Company (the "Management Company Agreement").

The Management Company is organised under the laws of the Grand-Duchy of Luxembourg as a public limited company. It is authorised by the CSSF to act as chapter 15 Management Company pursuant to the 2010 Law.

The Management Company is registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B 104.196. The share capital (all fully subscribed and paid-up) of the Management Company currently amounts to ten million Euro (EUR 10,000,000.).

As of the date of this Prospectus, the board of directors of the Management Company consists of the following members:

Mr Romain Denis, Executive Director - IT Projects, Data Management & Strategic Projects

Mr Eric May, Non-Executive Director, Founding Partner BlackFin Capital Partners

Mr Serge Ragozin – Executive Director, Chief Operating Officer

Mr Gregory Nicolas – Executive Director, Legal, Compliance & Corporate

Mrs Tracey McDermott, Independent Non-Executive Director

Mr Ross Thomson, Executive Director – Managing Director Luxembourg

Mr Michel Vareika (Chairman), Independent Non-Executive Director

The following persons have been appointed as conducting officers (*dirigeants*) of the Management Company, as referred to in Article 102 of the 2010 Law and CSSF Circular 18/698:

Mr Romain Denis, Executive Director - IT Projects, Data Management & Strategic Projects

Mr Enda Fahy, Director - Alternative Investments

Mr Gregory Nicolas, Executive Director - Legal, Compliance & Corporate

The Management Company is responsible, subject to the overall responsibility and supervision of the Board of Directors, for the provision of portfolio and risk management services, administrative services and marketing services to the Company, and more generally for the day-to-day management of the affairs of the Company as further described in the Management Company Agreement.

The Management Company shall be entitled to delegate all or part of the above duties to any person or entity, which it will consider appropriate, as further detailed below.

The Management Company will monitor the activities of the third parties to which it has delegated functions on a continued basis. The agreements entered between the Management Company and the relevant third parties provide that the Management Company can give further instructions to such third parties, and that it can withdraw their mandate with immediate effect if this is in the interest of the Shareholders at any time. The Management Company's liability towards the Fund is not affected by the fact that it has delegated certain functions to third parties.

The Management Company also acts as management company for other investment funds. The names of these other funds are available upon request at the registered office of the Management Company.

The Management Company has established and applies a remuneration policy in accordance with principles laid out under the Directive and any related legal and regulatory provisions applicable in Luxembourg.

The remuneration policy is aligned with the business strategy, objectives, values and interests of the Management Company and the UCITS that it manages and of the investors in such UCITS, and which includes, inter alia, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS that the Management Company manages.

As an independent management company relying on a full-delegation model (i.e. delegation of the collective portfolio management function), the Management Company ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that the Management Company's employees who are identified as risk-takers under the Directive are not remunerated based on the performance of the UCITS under management.

The Management Company's remuneration policy, in a multi-year framework, ensures a balanced regime where remuneration both drives and rewards the performance of its employees in a measured, fair and well-thought-out fashion, which relies on the following principles\* :

- Identification of the persons responsible for awarding remuneration and benefits (under the supervision of the remuneration committee and subject to the control of an independent internal audit committee);
- Identification of the functions performed within the Management Company which may impact the performance of the entities under management;
- Calculation of remuneration and benefits based on the combination of individual and company's performance assessment;
- Determination of a balanced remuneration (fixed and variable);
- Implementation of an appropriate retention policy with regards to financial instruments

used as variable remuneration;

- Deferral of variable remuneration over 3-year periods; and
- Implementation of control procedures/adequate contractual arrangements on the remuneration guidelines set up by the Management Company's respective portfolio management delegates.

\*It should be noted that, upon issuance of regulatory guidelines, this remuneration policy may be subject to certain amendments and/or adjustments.

The up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, where such committee exists, are available at: <https://www.fundrock.com/remuneration-policy/> and a paper copy will be made available free of charge upon request at the Management Company's registered office.

### The Investment Manager

Upon recommendation and with the consent of the Company, the Management Company has appointed Barclays Investment Solutions Limited as the Company's investment manager pursuant to an investment management agreement, as amended from time to time, between the Management Company and the Investment Manager (the "Investment Management Agreement"). The Investment Manager will be responsible for the management of the investment of the assets of the Company, subject always to the supervision and direction of the Management Company and the Directors.

The Investment Manager is a private limited company registered in England with registered number 02752982 on 5 October 1992. The ultimate holding company of the Investment Manager is Barclays Bank UK PLC, incorporated in England and Wales. Details of the Investment Manager's registered office are set out in the Directory. The principal activity of the Investment Manager is the provision of financial services. The Investment Manager is authorised and regulated by the FCA.

The Investment Manager may, with consent of the Management Company and in accordance with the FCA Rules, appoint sub-investment managers to whom it may delegate all or part of the day to day conduct of its investment management responsibilities in respect of any Fund. If more than one sub-investment manager is appointed to a Fund; the Investment Manager shall allocate the assets of the Fund between the sub-investment managers in such proportions as it shall, at its discretion, determine. In all cases, such delegation will be subject to the prior approval of the CSSF.

### The Sub-Investment Manager

The Investment Manager has delegated its investment management functions, in relation to the following Funds (the "GlobalBeta Funds"), to BlackRock Investment Management (UK) Limited:

Barclays GlobalBeta Portfolio 1

Barclays GlobalBeta Portfolio 2

Barclays GlobalBeta Portfolio 3

Barclays GlobalBeta Portfolio 4

Barclays GlobalBeta Portfolio 5

BlackRock Investment Management (UK) Limited shall manage the investments of these Funds in accordance with stated investment objectives, policies and restrictions and, on a discretionary basis, acquire and dispose of assets of the Funds.

BlackRock Investment Management (UK) Limited is a private limited company registered in England with registered number 2020394. Its head office is at 12 Throgmorton Avenue London EC2N 2DL, United Kingdom. It is authorised and regulated by the FCA. The terms of the appointment of BlackRock

Investment Management (UK) Limited are specified in the sub-investment management agreement, as amended from time to time.

### The Lead Distributor

Upon recommendation and with the consent of the Company, the Management Company has appointed a Lead Distributor pursuant to a lead distribution agreement as amended from time to time, between the Company, the Management Company and such Lead Distributor. The Lead Distributor has power under the lead distribution agreement to appoint Distributor(s), sales agents and /or intermediaries

### The Administrator

Upon recommendation and with the consent of the Company, the Management Company has appointed Northern Trust Global Services SE as administrator, registrar, transfer agent and domiciliary, pursuant to a central administration services agreement (the "Administration Agreement"), as amended from time to time, between the Company, the Management Company and the Administrator. The Administrator will have the responsibility for the administration of the Company's affairs including the calculation of the Net Asset Value and preparation of the accounts of the Company, subject to the overall supervision of the Management Company.

Northern Trust Global Services SE, is a credit institution constituted as European company (*Societas Europaea*), authorised in Luxembourg under Chapter 1 of Part 1 of the Luxembourg law of 5 April 1993 on the financial sector, subject to the supervision by the European Central Bank and the CSSF registered with the Luxembourg Business Registers ("LBR") under number B 232281.

Its registered office is at 6, rue Lou Hemmer, L-1748 Senningerberg Luxembourg and its ultimate holding company is Northern Trust Corporation which is incorporated in the United States of America.

### The Depositary

The Company has appointed Northern Trust Global Services SE, as depositary of its assets pursuant to a depositary agreement between the Company the Management Company and the Depositary, as amended from time to time, (the "Depositary Agreement").

The Depositary, Northern Trust Global Services SE, is a credit institution constituted as European company (*Societas Europaea*), authorised in Luxembourg under Chapter 1 of Part 1 of the Luxembourg law of 5 April 1993 on the financial sector, subject to the supervision by the European Central Bank and the CSSF and registered with the LBR under number B 232281. Its registered office is at 6, rue Lou Hemmer, L-1748 Senningerberg Luxembourg. The Depositary's ultimate holding company is Northern Trust Corporation, a company which is incorporated in the State of Illinois, United States of America.

### Duties of the Depositary

The Depositary is entrusted with the safekeeping of the Company's assets. All financial instruments that can be held in custody are registered in the Depositary's books within segregated accounts, opened in the name of the Company, in respect of each Fund, as the case may be. For other assets than financial instruments and cash, the Depositary must verify the ownership of such assets by the Company in respect of each Fund, as the case may be. Furthermore, the Depositary shall ensure that the Company's cash flows are properly monitored.

The Depositary will also, in accordance with the Luxembourg laws and the Depositary Agreement:

- (i) ensure that the sale, issue, conversion, repurchase, redemption and cancellation of the shares of the Company are carried out in accordance with Luxembourg laws and the Articles;
- (ii) ensure that the value of the shares of the Company is calculated in accordance with Luxembourg laws and the Articles;
- (iii) carry out the instructions of the Company and the Management Company, unless they conflict with Luxembourg laws or the Articles;



- (iv) ensure that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits; and
- (v) ensure that the Company's income is applied in accordance with Luxembourg laws and the Articles.

### **Delegation of functions**

Under the terms of the Depositary Agreement, the Depositary may delegate its safekeeping obligations provided that (i) the services are not delegated with the intention of avoiding the requirements of the Directive and all laws, regulations and guidelines applicable in Luxembourg, as may be amended from time to time ("UCITS Regulations") (ii) the Depositary can demonstrate that there is an objective reason for the delegation and (iii) it has exercised all due, skill, care and diligence in the selection and appointment of any third party to whom it wants to delegate parts of its services, and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated parts of its safekeeping services and of the arrangements of the third party in respect of the matters delegated to it. The liability of the Depositary will not be affected by virtue of any such delegation. An up-to-date list of third-party delegates appointed by the Depositary and of the delegates of these third-party delegates is available at [www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing](http://www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing)

The Depositary Agreement provides that the Depositary shall be liable, (i) in respect of a loss of a financial instrument held in its custody (or that of its duly appointed delegate) unless it can prove that the loss has arisen as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable measures to the contrary, and (ii) in respect of all other losses as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Regulations.

### **Conflicts of interest**

The Depositary and its affiliate companies provide a variety of services to their clients including those clients for whom the Depositary acts as depositary. As an example, the Management Company has appointed Northern Trust Global Services SE to provide certain administrative functions, including fund accounting, valuation, calculation and registrar and transfer agency services to the Company.

Accordingly, potential conflicts of interests may arise which must be appropriately identified, managed and disclosed. In order to meet such regulatory requirements in relation to such conflicts of interests, the Depositary has in place procedures which ensure that it is acting in the best interests of the Shareholders. A key element of ensuring the Depositary acts in the best interests of investors is the operational and organisational separation between the depositary function and the other services provided by the Depositary's affiliates. In particular, where Northern Trust Global Services SE provides administrative or management company services, these functions operate from separate legal entities with little or no cross-directorships and with separate risk, business and compliance resources.

The Depositary has delegated custody services to either an affiliate company or third-party sub-custodians in certain eligible markets in which the Company may invest, listed on [www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing](http://www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing).

It is therefore possible that the Depositary (or any of its affiliates) and/or its sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with those of the Company and/or other entities for which the Depositary (or any of its affiliates) acts.

Notwithstanding whether an affiliate company or a third-party sub-custodian has been appointed, the Depositary has undertaken and shall undertake regular due diligence reviews on such sub-custodians utilising identical standard questionnaires and checklists allowing it to manage any conflicts of interests that may potentially arise.

The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to any of the sub-delegates listed on [www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing](http://www.atlasmarketinteractive.com/GlobalMarketsandSubcustodiansListing).

If however a conflict of interests arises, the Depositary will have regard in such event to its obligations under the Depositary Agreement and the UCITS Regulations and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of the Shareholders collectively so far as practicable, having regard to its obligations to other clients.

Where the arrangements under the conflicts of interest policies are not sufficient to manage a particular conflict, the Depositary will inform the Company of the nature of the conflict so the Company can choose whether to continue to do business with the Depositary.

### **Miscellaneous**

The Depositary Agreement provides that the appointment of the Depositary will continue unless and until terminated by the Company or the Depositary giving to the other parties not less than 6 months' written notice although in certain circumstances the Depositary Agreement may be terminated immediately by the Company or the Depositary provided that the appointment of the Depositary shall continue in force until a replacement Depositary approved by the CSSF has been appointed and provided further that if within a period of 90 days' from the date on which the Depositary notifies the Company of its desire to retire or from the date on which the Company notifies the Depositary of its intention to remove the Depositary, no replacement Depositary shall have been appointed, the Company shall apply to the CSSF for an order to wind up the Company. The Depositary Agreement contains certain indemnities in favour of the Depositary (and each of its officers, employees and delegates) which are restricted to exclude matters arising by reason of the negligent or intentional failure of the Depositary in the performance of its duties.

The Management Company is party to the Depositary Agreement also regulates the flow of information deemed necessary to allow the Depositary to perform its functions as depositary of the Company. The Depositary Agreement describes, in particular, the Depositary's obligations and procedures with respect to the Company's assets, including for the custody and safekeeping of each type of asset of the Company, the procedures applicable in case of modification to the Articles, this Prospectus and other documents relating to the Company, the exchange of information between the Management Company and the Depositary regarding the Company (notably, with respect to delegations and the subscription/redemption of Shares), the Company's compliance with applicable laws and regulations in relation to anti-money laundering and combating the financing of terrorism and the treatment of confidential information.

Any of the information disclosed with regard to the Depositary may be updated from time to time and such up-to-date information is available to investors upon request in writing from the Depositary.

### **Conflicts of Interest**

Due to the widespread operations undertaken by the Directors, the Management Company, the Investment Manager, the Administrator and the Depositary and (where applicable) their respective holding companies, subsidiaries and affiliates (each an "Interested Party") conflicts of interest may arise. Subject to the provisions below, the Interested Parties may effect transactions where those conflicts arise and shall not (subject as below) be liable to account for any profit, commission or other remuneration arising therefrom. Transactions must be in the best interests of Shareholders.

In the event that a conflict of interest does arise the Directors will endeavour, so far as they are reasonably able, to ensure that it is resolved fairly and that investment opportunities are allocated on a fair and equitable basis.

Without prejudice to the generality of the foregoing the following conflicts of interest may arise.

- (i) An Interested Party may acquire or dispose of any Investment notwithstanding that the same or similar investments may be owned by or for the account of or otherwise connected with the Company.

- (ii) An Interested Party may acquire, hold or dispose of Investments notwithstanding that such Investments had been acquired or disposed of by or on behalf of the Company by virtue of a transaction effected by the Company in which the Interested Party was concerned provided that the acquisition by an Interested Party of such Investments is effected on normal commercial terms negotiated on an arm's length basis and such Investments held by the Company are acquired on the best terms reasonably obtainable having regard to the interests of the Company.
- (iii) The persons or entities involved in managing the UCITS and other collective investment undertakings in which a Fund invests may manage assets of other clients that make investments similar to those made on behalf of those undertakings. Such clients could thus compete for the same trades or investments and whilst available investments or opportunities for each client are generally allocated in a manner believed to be equitable to each, some of those allocation procedures may adversely affect the price paid or received for investments or the size of positions obtained.
- (iv) An Interested Party may deal with the Company as principal or as agent, provided that any such dealings are in the best interests of Shareholders and are carried out as if effected on normal commercial terms negotiated on an arm's length basis, that is as if:
  - A. a certified valuation of the transaction is obtained by a person approved by the Depositary (or the Directors in the case of a transaction with the Depositary) as independent and competent; or
  - B. the transaction is executed on the best terms reasonably obtainable on an organised investment exchange in accordance with the rules of such exchange; or
  - C. where A and B are not practical, execution is on terms which the Depositary (or the Directors in the case of a transaction with the Depositary) is satisfied conforms with the principle that the transaction is in the best interest of the Shareholders and is carried out as if effected on normal commercial terms negotiated at arm's length.
- (v) Certain of the Directors of the Company are or may in the future be connected with the Investment Manager, the Lead Distributor and their affiliates. However, in their capacity as Directors of the Company they will function as persons with independent fiduciary duties and will not be subject to the control of the Investment Manager or other members of the same group of companies. For the avoidance of doubt, the Directors shall not be liable to account to the Company in respect of such conflict, for example, as a result of receiving remuneration as directors or employees of the Company or the Investment Manager.
- (vi) The Management Company's fee is based on a percentage of the Net Asset Value of each Fund. The Management Company and the Investment Manager may provide valuation services to the Administrator (to assist in calculating the Net Asset Value of a Fund) in relation to Investments which are not listed or traded on a Regulated Market.
- (vii) The Company may invest in other collective investment undertakings (which may be operated and/or managed by an Interested Party). Where commission is received by the Company by virtue of an investment in the units/shares of any collective investment undertaking, such commission will be paid into the property of the relevant Fund.
- (viii) The Company may purchase or hold an Investment the issuer of which is an Interested Party or where an Interested Party is its adviser or banker.
- (ix) The Management Company and managers of any other collective investment undertakings in which the Company invests may have an equity stake in their own collective investment undertakings. Conflicts of interest may therefore arise at the level of such collective investment undertakings.

## Inducements

Subject at all times to the Company complying with all laws and regulatory requirements applicable to it, including that it enhances the service and does not impair the Company's best interest obligation, the Company may pay fees, commissions or non-monetary benefits to third parties such as distributors and/or other intermediaries. If certain classes of shares are purchased through an authorised intermediary, the Company or any such person authorised on its behalf may, where permitted under the CSSF Rules, pay initial or trail commissions to that intermediary. The Company will also inform shareholders of any initial or trail commission to be paid on a purchase of shares on request.

The Company may, at its discretion, waive any preliminary charge in whole or in part and, subject at all times to the Company complying with all laws and regulatory requirements applicable to it, the Company or any such person authorised on its behalf may, at its discretion, agree and pay rebates in respect of any of its periodic charges to shareholders in respect of holdings in certain Funds (including shareholders that hold those shares as authorised intermediaries).

Save where the Company executes orders or places orders with other entities for execution that relate to financial instruments for the Funds (see below), in the course of carrying on its collective portfolio management activities generally and subject at all times to the Company complying with all applicable laws and regulatory requirements, the Company may receive fees, commissions or non-monetary benefits from third parties.

Where the Company executes orders or places orders with other entities for execution that relate to financial instruments for the Funds, the Company is not permitted to accept and retain from any third party (or a person on behalf of a third party) any fees, commissions or monetary benefits; or accept any non-monetary benefits (other than, subject at all times to the Company complying with all applicable laws and regulatory requirements, certain acceptable minor non-monetary benefits and, in certain circumstances, research).

If the Company receives any fees, commissions or any monetary benefits paid or provided by any third party (or a person on behalf of a third party) in relation to the services it provides to any or all of the Fund(s) it shall return such fees, commissions or any monetary benefits to such Fund(s) as soon as reasonably possible after receipt. Also, investors in the Fund(s) shall be informed about the fees, commissions or other monetary benefits transferred through the Company's annual report.

The Investment Manager will not accept or retain any fees, commissions or monetary benefits or accept any non-monetary benefits where these are paid or provided by any third party or a person acting on behalf of a third party other than acceptable minor non-monetary benefits, such arrangements shall be subject to the following conditions:

- (i) the Investment Manager will act at all times in the best interest of the Company and the Management Company when entering into soft commission arrangements;
- (ii) the research services provided will be in direct relationship to the activities of the Investment Manager;
- (iii) brokerage commissions on portfolio transactions for the Company will be directed by the Investment Manager to broker-dealers that are entities and not to individuals; and
- (iv) the Investment Manager will provide reports to the Management Company with respect to soft commission arrangements including the nature of the services it receives.

## Meetings

The annual general meeting of Shareholders shall be held each year at the Company's registered office or at any other location in Luxembourg which will be specified in the notice convening the meeting.

The annual general meeting shall be held on the third Thursday of the month of December in each year at 11.00 (Luxembourg time) or, if this happens not to be a Luxembourg business day, on the preceding Luxembourg business day.

Convening notices for all general meetings of Shareholders shall be sent by mail to all registered

Shareholders no less than 8 days before the meeting and shall be published 15 days before the meeting in the *Recueil électronique des sociétés et associations*<sup>1</sup> and in such other Luxembourg newspapers as shall be determined prior to the annual general meeting. Alternatively, convening notices may be sent by registered mail to all of the registered Shareholders no less than 8 days before the meeting. These notices shall include details of the time and place of the meeting, the agenda, conditions for admission and requirements concerning the quorum and majority voting rules as laid down by Luxembourg law.

The annual accounts of the Company, the Auditors' report and the annual report of the Directors will be made available upon request to Shareholders ahead of the annual general meeting of Shareholders.

In accordance with the Articles and Luxembourg law, all decisions taken by the Shareholders pertaining to the Company shall be taken at general meetings of all Shareholders. Any decisions affecting Shareholders in one or several Funds may be taken by just those Shareholders in the relevant Funds to the extent that this is allowed by Luxembourg law. In this particular instance, the requirements on quorum and majority voting rules as laid down in the Articles shall apply.

Each Share gives the right to one vote at any general meeting, or relevant Fund or Class meeting, of Shareholders. Each amendment to the Articles entailing a variation of rights of a Class must be approved by a resolution of the Shareholders' meeting of the Company and that of the Shareholders of the Class concerned.

### Accounts and Information

The Company's accounting period starts on 1 September of each year and ends on 31 August of the following year.

The Company will prepare an annual report and audited annual accounts which will be published within four months of the end of the accounting period to which they relate, i.e. by 31 December in each year. Copies of the unaudited half-yearly reports (made up to last calendar day in February) will be published within two months of the end of the half year period to which they relate, i.e. by 30 April in each year.

Copies of this Prospectus, of the Key Investor Information Documents and of the annual and half-yearly reports of the Company may be obtained free of charge from the registered office of the Company and of the Management Company.

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<sup>1</sup> As from 1 June 2016, the *Recueil électronique des sociétés et associations* replaced the *Mémorial*.

## VALUATION, SUBSCRIPTIONS AND REDEMPTIONS

### Calculation of Net Asset Value

The Net Asset Value of each Fund is expressed in its Base Currency. The calculation of the Net Asset Value of each Fund and the Net Asset Value attributable to each Class thereof will be carried out by the Administrator in accordance with the requirements of the Articles, and details are set out under the heading "General Information" in this Prospectus. Except when the determination of the Net Asset Value of any Fund has been suspended or postponed in the circumstances set out under the heading "Temporary Suspensions" in this Prospectus, the calculation of the Net Asset Value of each Fund, the Net Asset Value per Share (and, where there is more than one Share Class in a Fund, the Net Asset Value attributable to each Class and the Net Asset Value per Share per Class) will be prepared as at each Valuation Point and will be available to Shareholders on request. The Net Asset Value per Share per Class may differ between each Class within a Fund. The Price (see the definition in the paragraph headed "Single Swinging Pricing") shall also be made public at the offices of the Administrator during normal business hours and will be published daily on the Investment Manager's website at [www.barclaysinvestments.com](http://www.barclaysinvestments.com) and will be kept up to date. The Price of each Class which is listed on the Luxembourg Stock Exchange will, upon calculation, be notified promptly by the Administrator to the Luxembourg Stock Exchange.

The Net Asset Value attributable to any Class of Shares within a Fund will be determined by deducting the share of liabilities of that Class from its share of the assets of the Fund. The Net Asset Value of each Share of each Class will be determined by dividing the Net Asset Value attributable to the Class by the number of Shares of that Class and will be calculated and published in the relevant Reference Currency.

The costs and liabilities/benefits arising from instruments entered into for the purposes of hedging the currency exposure for the benefit of any particular Class of a Fund (where the currency of a particular Class is different to the Base Currency of the Fund) shall be attributable exclusively to that Class.

### Single Swinging Pricing

Shares will be issued and redeemed at a single price (the "Price") (excluding subscription or redemption charges, if any) which will be the Net Asset Value per Share, which may be adjusted in the manner set out below. As outlined above, the Net Asset Value per Share will be arrived at by dividing the Net Asset Value attributable to a Class by the number of Shares of that Class. The Net Asset Value per Share may be adjusted on any Dealing Day in the manner set out below depending on whether or not a Fund is in a Net Subscription Position or in a Net Redemption Position on such Dealing Day to arrive at the Price. Where there is no dealing on a Fund or Share Class of a Fund on any Dealing Day, the Price will be the unadjusted Net Asset Value per Share rounded to such number of decimal places as the Directors deem appropriate.

The basis on which the assets of each Fund are valued for the purposes of calculating the Net Asset Value per Share is set out under the heading "General Information". This provides that listed Investments will be valued based on the closing mid-market price of such Investments or the last traded price when no closing mid-market price is available and at net asset value in the case of units/shares in collective investment undertakings. However, the actual cost of purchasing or selling assets and Investments for a Fund may deviate from the mid-market price or last traded price or net asset value used, as appropriate, in calculating the Net Asset Value per Share due to Duties and Charges and spreads from buying and selling prices of the underlying Investments ("Spreads"). These costs have an adverse effect on the value of a Fund and are known as "dilution".

### Dilution Adjustment

To mitigate the effects of dilution, the Directors may, at their discretion, make a dilution adjustment to the Net Asset Value per Share.

The Directors will retain the discretion in relation to the circumstances under which to make such a dilution adjustment.

The requirement to make a dilution adjustment will depend upon the volume of subscriptions or redemptions of Shares in the relevant Fund. The Directors may at their discretion make a dilution adjustment if, in their opinion, the existing Shareholders (in case of subscriptions) or remaining Shareholders (in case of redemptions) might otherwise be adversely affected. In particular, the dilution adjustment may be applied where:

- (a) a Fund is in continual decline (i.e. is experiencing a net outflow of redemptions);
- (b) a Fund is experiencing large levels of net subscriptions relevant to its size;
- (c) a Fund is experiencing a Net Subscription Position or a Net Redemption Position on any Dealing Day; or
- (d) in any other case where the Directors are of the opinion that the interests of Shareholders require the imposition of a dilution adjustment.

The dilution adjustment will involve adding to, when the Fund is in a Net Subscription Position, and deducting from, when the Fund is in a Net Redemption Position, the Net Asset Value per Share such figure as the Directors consider represents an appropriate figure to meet Duties and Charges and Spreads. The resultant amount will be the Price rounded to such number of decimal places as the Directors deem appropriate. Such dilution adjustment would be unlikely to exceed 2% of Net Asset Value per Share. For the avoidance of doubt, Shareholders placed in the same situation will be treated in an identical manner.

Where a dilution adjustment is made, it will increase the Price where the Fund is in a Net Subscription Position and decrease the Price where the Fund is in a Net Redemption Position. The Price of each Class in the Fund will be calculated separately but any dilution adjustment will in percentage terms affect the Price of each Class in an identical manner.

On the occasions when the dilution adjustment is not made there may be an adverse impact on the total assets of a Fund.

### Description of Shares

The Directors have the power to classify the Shares and to differentiate between such Classes as they deem appropriate. The Classes described below may currently be available. In addition, Shares may be issued as Accumulation Shares and/or Distribution Shares. Details of the Funds and Share Classes on offer are set out in Appendix 2.

The Shares of each Class are freely negotiable and have equal rights to the property and income earned in respect of the relevant Class. The Shares do not carry preferential or pre-emption rights and each Share will have one vote at any general meeting of Shareholders. Registered Shares are in non-certificated form.

Class A Shares are intended for investment primarily by individuals, corporations and institutions who are able to invest at least £1,000 (or the Reference Currency equivalent for the Share Class concerned) in a Fund. This minimum investment amount may be lowered or waived with the prior agreement of the Management Company, the Investment Manager or the Directors.

Class C Shares are intended for investment by individuals, corporations and institutions that are able to invest at least £250,000 (or the Reference Currency equivalent for the Share Class concerned) in a Fund. This minimum investment amount may be lowered or waived with the prior agreement of the Management Company, the Investment Manager or the Directors.

Class I Shares are intended for investment primarily by institutional type investors which conduct life, pension or asset management related business with the Investment Manager or its affiliates and are able to invest at least £10,000,000 (or the Reference Currency equivalent for the Share Class concerned) in a Fund. This minimum investment amount may be lowered or waived with the prior agreement of the



Management Company, the Investment Manager or the Directors. In any event, Class I Shares shall be reserved for Institutional Investors.

Class R Shares are intended for investment primarily by individuals who are able to invest at least £1,000 (or the Reference Currency equivalent for the Share Class concerned) in a Fund. This minimum investment amount may be lowered or waived with the prior agreement of the Management Company or the Directors. Class R Shares are able to meet the UK's Retail Distribution Review ("RDR") requirements and are intended for purchase only at the discretion of the Management Company, the Investment Manager or the Directors.

Class Y Shares are intended for investment primarily by individuals who are able to invest at least £1,000 (or the Reference Currency equivalent for the Share Class concerned) in a Fund. This minimum investment amount may be lowered or waived with the prior agreement of the Management Company, the Investment Manager or the Directors.

The ongoing expenses of the Classes will differ. Information in respect of the charges and expenses to which the different Classes are or may become subject is set out in the section below headed "Fees and Expenses". Not all Classes will be available in all jurisdictions nor will they be available from all Intermediaries. In addition, the choice of Class or Classes for a given Fund may be limited.

The Net Asset Value per Share for each Class of a particular Fund will thus differ as a result of (among other things) different fees and expenses. The differing distribution policies of Accumulation Shares and Distribution Shares may also result in a different Net Asset Value per Share. Over time, these differences may result in Shares of different Classes of the same Fund, which were bought at the same time, producing different investment returns.

## Subscriptions

### Procedure

#### Application Forms

All applicants must fully complete (or arrange to have fully completed under conditions approved by the Directors) the application form in relation to the Company (the "Application Form") and provide all the required supporting documentation in relation to know-your-customer materials and money laundering prevention checks. The Application Form sets out the methods by which and to whom the subscription monies should be sent. Application Forms shall (save as determined by the Company) be irrevocable. If Application Forms and the supporting documentation are sent to the Administrator by facsimile, the applicant bears the risk of non-receipt or any other consequence, and applicants must also send originals of the initial Application Forms together with the supporting documentation so that such originals arrive with the Administrator within three Business Days after the date of such application being faxed to the Administrator. Subscriptions may also be effected by such other means as the Directors and the Management Company may prescribe from time to time. Failure to provide the original initial Application Form by such time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. However, applicants will be unable to redeem Shares on request until the original initial Application Form has been received by the Administrator.

The Lead Distributor and certain of the Distributors may offer a nominee service to investors (each in that capacity, a "Nominee") and investors should make enquiries in that respect with their usual Distributor. The subscription of Shares in the Company may be made under the terms of a nominee agreement between the investors and the relevant Nominee. In such cases, applications should be directed to the relevant Nominee and payment arrangements should be made as advised by the Nominee. The Nominee will apply for Shares and hold them under the terms of the relevant nominee agreement. Investors who subscribe Shares through the intermediary of the Nominee may request direct ownership by submitting an appropriate request in writing to the Nominee in accordance with the terms of the relevant nominee agreement.



The Company draws the investors' attention to the fact that any investor will only be able to fully exercise its Shareholder rights directly against the Company, notably the right to participate in general Shareholders' meetings, if the investor is registered himself and in his own name in the Shareholders' register of the Company. In cases where an investor invests in the Company through a Nominee (investing into the Company in its own name but on behalf of the investor), it may not always be possible for the investor to exercise certain Shareholder rights directly against the Company. Investors are advised to take advice on their rights.

#### Application for Shares in any Class which remains unsubscribed

If no subscription has been received in a Class of a Fund which has already been launched (an "Unsubscribed Class"), the Directors may (i) decide to launch this Unsubscribed Class pursuant to any period set by, or under delegation of, the Directors (which period can be extended or shortened by, or under delegation of, the Directors) or (ii) instruct that this Unsubscribed Class be launched on the Dealing Day where a first subscription for Shares of this Unsubscribed Class is received by the Administrator. The Directors, or their delegates, may decide that the initial offer price per Share of this Unsubscribed Class will either be £10 (or the Reference Currency equivalent of the Share Class concerned) per Share or the price applicable on the relevant Dealing Day for subscribing to one Share of another Class of the relevant Fund.

If no subscription has been received in an Accumulation Share or Distribution Share category of a Class which has already been launched (an "Unsubscribed Category"), this Unsubscribed Category will be launched on the Dealing Day where a first subscription for Shares of this Unsubscribed Category is received by the Administrator and the initial offer price per Share of this Unsubscribed Category will be the price applicable on the relevant Dealing Day for subscribing to one Share of the already subscribed category of such Class.

#### Subsequent Offer

Application Forms for Shares in any Class or Fund after the launching of any Unsubscribed Class must be received by the Administrator by the Dealing Cut-off Time for the relevant Fund for the relevant Dealing Day or such other day as the Directors may determine. All subscriptions will be dealt with on a forward pricing basis, i.e. by reference to the Net Asset Value per Share calculated as at the next Valuation Point following the Dealing Cut-off Time. Any applications received after that time will normally be dealt with on the immediately following Dealing Day.

#### Subscription Price

The subscription price will be equal to the Price (as defined in the section headed "Single Swinging Pricing" in this Prospectus) as at the Valuation Point on the relevant Dealing Day on which the application is effective.

The latest Price per Share will be available during normal business hours every Business Day at the office of the Administrator and will be published daily on the Investment Manager's website at [www.barclaysinvestments.com](http://www.barclaysinvestments.com).

#### Initial Sales Charge

The Articles authorise the Directors to charge a preliminary fee (to be known as an "Initial Sales Charge") on the issue of Shares of any Class up to a maximum of 6% of the amount being subscribed. However, it is the Directors' current intention not to charge an Initial Sales Charge of more than a percentage, as set out in Appendix 3. This preliminary fee shall be payable to Intermediaries.

#### Fractions

Subscription monies representing less than the Price per Share will not be returned to the applicant. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however that fractions shall not be less than 0.001 of

a Share. Subscription monies, representing less than 0.001 of a Share will not be returned to the applicant but will be retained by the Company in order to offset administration costs.

## Subscription Monies

### Method of Payment

Subscription payments net of all bank charges should be paid by electronic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the Directors and/or the Management Company. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

### Currency of Payment

Subscription monies are normally payable in the Reference Currency of the relevant Class of the relevant Fund. If, however, a Shareholder requests to pay in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder. Such currency exchange transactions may delay any dealing in Shares.

### Timing of Payment

Payment in respect of subscriptions to all Funds, except the GlobalBeta Funds and Liquid Alternative Strategies must be received by close of business (Central European Time) five Business Days after the relevant Dealing Day or such other period as the Directors may determine.

Payment in respect of subscriptions to the GlobalBeta Funds must be received by close of business (Central European Time) four Business Days after the relevant Dealing Day or such other period as the Directors may determine.

Payment in respect of subscriptions to the Liquid Alternative Strategies must be received by close of business (Central European Time) two Business Days after the relevant Dealing Day or such other period as the Directors may determine.

If timely settlement is not made, the application may lapse and be cancelled at the costs of the applicant. Failure to make good settlement may result in the Company bringing an action against the defaulting investor or deducting any costs or losses incurred by the Company against any existing holding of the applicant in the Company. Any surplus resulting from the cancellation will be for the benefit of the Company.

## Minimum Subscriptions/Holdings

### Initial Subscriptions

The minimum initial subscription amounts for Shares (which may be reduced at the discretion of the Management Company or the Directors) are as set out below:

Class A Shares	£1,000 (or Reference Currency equivalent)
Class C Shares	£250,000 (or Reference Currency equivalent)
Class I Shares	£10,000,000 (or Reference Currency equivalent)
Class R Shares	£1,000 (or Reference Currency equivalent)
Class Y Shares	£1,000 (or Reference Currency equivalent)

### Subsequent Subscriptions

Any subsequent subscriptions for Shares must be in the minimum amounts set out below (which may be

reduced at the discretion of the Management Company or the Directors):

Class A Shares	£250 (or Reference Currency equivalent)
Class C Shares	£1,000 (or Reference Currency equivalent)
Class I Shares	£1,000 (or Reference Currency equivalent)
Class R Shares	£250 (or Reference Currency equivalent)
Class Y Shares	£250 (or Reference Currency equivalent)

#### Minimum Holdings

Any Shareholder who redeems or otherwise disposes of part of his holding of Shares must maintain a holding of Shares in the Fund of not less than the amounts set out below (which may be reduced or waived at the discretion of the Management Company or the Directors):

Class A Shares	£1,000 (or Reference Currency equivalent)
Class C Shares	£250,000 (or Reference Currency equivalent)
Class I Shares	£10,000,000 (or Reference Currency equivalent)
Class R Shares	£1,000 (or Reference Currency equivalent)
Class Y Shares	£1,000 (or Reference Currency equivalent)

The Directors have the power to redeem the Shares of any Shareholder whose holding of Shares falls below the amounts set out above, as described in the section headed "Compulsory Redemption" in this Prospectus.

The Directors or the Management Company may increase the level of initial and subsequent subscriptions or Minimum Holdings as set out above for any or all of the Share Classes provided that such increased amount shall not apply to the Minimum Holdings of Shareholders existing at the date such increase is implemented.

Under the Articles, the Directors are given authority to effect the issue of Shares and have absolute discretion to accept or reject in whole or in part any application for Shares without assigning any reason. The Directors have power to impose such restrictions as they think necessary to ensure that no Shares are acquired by any person which might result in the legal and beneficial ownership of Shares by persons who are not Qualified Holders.

If an application is rejected, any monies received will be returned to the applicant (minus any handling charge incurred in any such return) as soon as possible by telegraphic transfer, or such other method as the Directors may determine (but without interest, costs or compensation).

No Shares of any Fund will be issued or allotted during a period when the determination of Net Asset Value of that Fund is suspended.

All Shares will be registered in inscribed form and evidenced by entry on the Company's register of Shareholders and confirmations of ownership in writing, including in electronic format, will be issued to Shareholders. Shareholders who do not request that such confirmation be issued in electronic format will continue to receive them in hard copy format. Share certificates will not be issued.

#### **Redemptions**

##### **Procedure**

### Redemption

Every Shareholder will have the right to require the Company to redeem his Shares in the Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out in this Prospectus) on furnishing to the Administrator a redemption request. Shares may be redeemed by written application through the Administrator or by such other means as the Directors may prescribe from time to time. All redemption requests are dealt with on a forward pricing basis, i.e. by reference to the Net Asset Value per Share calculated at the next Valuation Point following the Dealing Cut-off Time. Shares shall be redeemed at the Price per Share. In case of Shares held through a nominee, redemption requests must be directed to the Nominee.

### Redemption Form

In order to redeem, Shareholders must give clear written instructions in a form acceptable to the Directors which may be in the form of the redemption form prescribed by the Directors and/or the Management Company ("Redemption Form") in relation to the Company. Redemption Forms may be obtained from the Administrator.

Redemption Forms in respect of a Fund must be received by the Administrator by the Dealing Cut-off Time for the relevant Fund on the relevant Dealing Day. If the Redemption Form is received after that time it will normally be treated as a request for redemption on the next Dealing Day. Shares will be redeemed at the Price per Share calculated at the next Valuation Point following the Dealing Cut-off Time.

Redemption requests will only be accepted where cleared funds and completed documents are in place from original subscriptions.

Redemption Forms shall (save as decided by the Directors) be irrevocable and may be sent by facsimile at the risk of the relevant Shareholder.

The latest Price per Share will be available during normal business hours every Business Day at the office of the Administrator and will be published daily on the Investment Manager's website at [www.barclaysinvestments.com](http://www.barclaysinvestments.com).

### Method of Payment

Redemption payments will be made by electronic transfer to the bank account detailed on the Application Form or as subsequently notified in original written form to the Administrator, at the risk and expense of the Shareholder. Other methods of payment are subject to the prior approval of the Directors and/or the Management Company.

### Currency of Payment

Shareholders will normally be repaid in the Reference Currency of the relevant Share Class concerned. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

### Timing of Payment

Redemption proceeds in respect of Shares in all Funds, except the GlobalBeta Funds, will normally be paid no more than five Business Days after the relevant Dealing Day or such other period as the Directors may determine (not exceeding ten Business Days) provided that all the required documentation has been furnished to and received by the Administrator.

Redemption proceeds in respect of Shares in the GlobalBeta Funds will normally be paid no more than four Business Days after the relevant Dealing Day or such other period as the Directors may determine (not exceeding ten Business Days) provided that all the required documentation has been furnished to and received by the Administrator.

### Minimum Redemptions

Subject to the Directors' or the Management Company's discretion the minimum amount which may be redeemed by a Shareholder in any one redemption is Shares having an aggregate redemption value as follows:

Class A Shares	£250 (or Reference Currency equivalent)
Class C Shares	£1,000 (or Reference Currency equivalent)
Class I Shares	£1,000 (or Reference Currency equivalent)
Class R Shares	£250 (or Reference Currency equivalent)
Class Y Shares	£250 (or Reference Currency equivalent)

The remaining balance of Shares must (subject to the Directors' or the Management Company's discretion) have a minimum aggregate value following the relevant redemption of not less than the amount set out below:

Class A Shares	£1,000 (or Reference Currency equivalent)
Class C Shares	£250,000 (or Reference Currency equivalent)
Class I Shares	£10,000,000 (or Reference Currency equivalent)
Class R Shares	£1,000 (or Reference Currency equivalent)
Class Y Shares	£1,000 (or Reference Currency equivalent)

The Directors have the power to redeem the remaining Shares of any Shareholder whose holding of Shares falls below the amounts set out above, as described in the section "Compulsory Redemption" below.

### Compulsory Redemption

The Company shall have the right to redeem compulsorily any Share at the redemption price or to require the transfer of any Share to a Qualified Holder if in their opinion (i) such Share is held by a person other than a Qualified Holder; or (ii) such Share is held by any other person whom the Company reasonably believes to be precluded from holding such Share.

The Company also reserves the right to require compulsory redemption of all Shares of a Class held by a Shareholder if the Net Asset Value of the Shares of that Class held by the Shareholder is less than the Minimum Holding of that Class. Where the Net Asset Value of the Shares of a Class held by a Shareholder is less than the Minimum Holding and the Company decides to exercise its right to compulsorily redeem, the Company will notify the Shareholder in writing and may at the discretion of the Directors permit such Shareholder a period of time in which to purchase additional Shares to meet the minimum requirement or switch the Shares held by the Shareholder into Shares of another Class with a lower Minimum Holding.

### Switching

Shareholders may switch all or part of their investment in one Class of any Fund into Shares of the same Class of another Fund or into another Class of the same or another Fund of the Company. On the establishment of any new Fund (or Class thereof) the Directors shall specify the switching rights relating to such Fund (or Class thereof). The Administrator will convert at the current exchange rate the amount being switched from one Share Class to another Share Class denominated in a different currency.

Written applications for switching Shares received in good order by the Company (either directly or

through any of the Distributors) before the Dealing Cut-off Time for the relevant Fund on a Dealing Day will be processed at the Price per Share calculated at the next Valuation Point. Switching requests received thereafter will normally be held over until the next Dealing Day. Where Shares are held through a nominee, this request must be directed to the nominee.

Requests for switches may either be sent by post or facsimile (with the original to follow by post) to the Company.

A Shareholder who requests a switch of Shares cannot withdraw from or cancel the transaction unless the calculation of the Net Asset Value per Share of one of the Classes of Shares concerned has been suspended.

Subject to the discretion of the Directors, all switchings are subject to the switching request complying, in respect of the new Class, with the Minimum Subscription requirements of the Class into which the switching is requested.

When a switch occurs between Shares issued in Classes of two different Funds, the switch will only be carried out if the relevant Dealing Day is a Dealing Day for both Funds concerned, or if the relevant Dealing Day is not a common Dealing Day, on the next following common Dealing Day for the Funds concerned. Such a switch will be effected by way of a redemption of Shares of one Class (the "Original Class") and a simultaneous subscription (at the relevant Price per Share) for Shares of the other Class (the "New Class") and, accordingly, the general provisions and procedures relating to redemptions and subscriptions of Shares will apply, save that no Initial Sales Charge or redemption charge will be payable.

Redemption proceeds will be converted to the currency in which the New Class is denominated at the rate of exchange available to the Administrator and the cost of conversion will be deducted from the amount subscribing for Shares of the New Class.

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

$$A = \frac{B \times C \times D}{E}$$

Where:

A = number of Shares of the New Class to be allocated

B = number of Shares of the Original Class converted

C = Price per Share on the relevant Dealing Day for the Original Class

D = the currency conversion factor or, where the Shares of the New Class are denominated in the same currency of the Old Class, D = 1

E = Price per Share on the relevant Dealing Day for the New Class plus a switching commission of up to a percentage set out in Appendix 3 where the New Class is in a different Fund to the Old Class. This commission will accrue for the benefit of the Intermediaries.

The value of E above may additionally be increased to take account of any differences between the Initial Sales Charge applicable to Shares of the New Class and the Initial Sales Charge applicable to the Old Class. Any such additional commission will accrue to the benefit of the Intermediaries.

Fractions of Shares of the new Class to be allotted will be issued, provided however that fractions shall not be less than 0.001 of a Share. Monies, representing less than 0.001 of a Share will not be payable to the applicant but will be retained by the Company in order to offset administration costs.

The value of Shares held by a Shareholder in any one Class after a switch must exceed the Minimum Holding applicable to such Class. Otherwise, unless waived by the Directors, the Shareholders will be deemed to have requested the switch of their entire holding in such Class of Shares.

## Subscriptions/Redemptions in Specie

### Subscription in Specie

The Company may issue Shares of any Class of Fund by way of exchange for Investments provided that:

- (a) in the case of a person who is not an existing Shareholder no Shares shall be issued until the person concerned shall have completed and delivered to the Administrator an application form as required under this Prospectus (or otherwise) and satisfied all the requirements of the Directors and Administrator as to such person's application;
- (b) the nature of the Investments transferred into the Fund are such as would qualify as eligible Investments for such Fund in accordance with the investment objectives, policies and restrictions of such Fund;
- (c) no Shares shall be issued until the Investments shall have been vested in the Depositary or any sub-custodian to the Depositary's satisfaction. The Depositary shall also be satisfied that the terms of such settlement will not be such as are likely to result in any prejudice to the existing Shareholders of the Fund;
- (d) the Directors are satisfied that the terms of any exchange would not be such as would be likely to result in any prejudice to remaining Shareholders and provided that any such exchange shall be effected upon the terms (including provision for paying any expenses of, exchange and any preliminary charge as would have been payable for Shares issued for cash) that the number of Shares issued shall not exceed the number which would have been issued for cash against payment of a sum equal to the value of the Investments concerned calculated in accordance with the procedures for the valuation of the assets of the Company. Such sum may be increased by such amount as the Directors may consider represents an appropriate provision for Duties and Charges which would have been incurred by the Fund in the acquisition of the Investments by purchase for cash or decreased by such amount as the Directors may consider represents any Duties and Charges to be paid to the Fund as a result of the direct acquisition by the Fund of the Investments; and
- (e) the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the Auditors, will be fully complied with.

### Redemption in Specie

In exceptional circumstances the Directors may request that a Shareholder accept "redemption in specie", i.e. receive a portfolio of Investments of equivalent value to the appropriate cash redemption payment. For the redemption in specie to be effective, a Shareholder must expressly confirm acceptance. The Shareholder may instead request a cash redemption payment. Where the Shareholder agrees to accept redemption in specie he will, as far as possible, receive a representative selection of the Fund's holdings pro rata to the number of Shares redeemed and the Directors will ensure that the remaining Shareholders do not suffer any loss therefrom. The value of the redemption in specie will be certified by a report drawn up by the Auditors in accordance with the requirements of Luxembourg law. However, where the redemption in specie exactly reflects the Shareholder's pro rata share of Investments, no auditor's report will be required. The redeeming Shareholder shall normally bear the costs resulting from the redemption in specie (mainly costs relating to the drawing up of an auditor's report, if any) unless the Directors consider that the redemption in specie is in the interest of the Company or made to protect the interest of the Company.

### Transfer of Shares

Subject to the restrictions set out under "Description of Shares", under "Subscriptions" and under "Compulsory Redemption" above and save as hereinafter specified, Shares are freely transferable and may be transferred in writing in a form approved by the Directors. Prior to the registration of any transfer,



transferees must complete an application form and provide such other information (e.g. as to identity) as the Company or its delegates may reasonably require. The Directors and/or the Management Company may decline to register any transfer of a Share where:

- (a) they are aware or believe that such transfer would or might be likely to result in the legal or beneficial ownership of such Share by a person who is not a Qualified Holder; or
- (b) the transfer would result in either the transferor or the transferee remaining or being registered (as the case may be) as the holder of Shares valued at less than the Minimum Holding.

In addition, the Directors and/or the Management Company may decline to register any transfer of a Share other than to a person who, in the application form, shall (A) represent that such person is not a US Person and is not purchasing such Share for the account or benefit of a US Person, (B) agree to notify the Company promptly if, at any time while it remains a Shareholder, such person should become a US Person or shall hold any Share for the account or benefit of a US Person, (C) agree not to, and not to apply for or attempt to, sell, pledge or transfer any interest in Shares other than to a person making the representations and agreements set forth in this paragraph, and (D) agree to indemnify the Company from and against any losses, damages, costs or expenses arising in connection with a breach of the representations and agreements set forth above. Any transfer of a Share to a US Person or for the account or benefit of a US Person will not be binding upon the Company.

For the avoidance of doubt, notwithstanding anything to the contrary in this Prospectus, but without prejudice to the Directors' right to compulsorily redeem Shares where applicable, nothing in this Prospectus may be construed as allowing infringement of the Luxembourg Stock Exchange regulations applicable to the transferability of Shares.

### Temporary Suspensions

The Company may temporarily suspend the determination of the Net Asset Value of any Fund and the issue and redemption of Shares of any Class of any Fund:

- (a) during the whole or any part of any period when any of the principal markets on which any significant portion of the Investments of the relevant Fund from time to time are quoted, listed, traded or dealt in is closed (otherwise than for customary weekend or ordinary holidays) or during which dealings therein are restricted or suspended, or trading on any relevant futures exchange or markets restricted or suspended;
- (b) during the whole or any part of any period when, as a result of political, economic, military or monetary events or any other circumstances outside the control, responsibility and power of the Directors, any disposal or valuation of Investments of the relevant Fund is not, in the opinion of the Directors, reasonably practicable without this being seriously detrimental to the interests of owners of Shares in general or the owners of Shares of the relevant Fund or if, in the opinion of the Directors, the Net Asset Value cannot fairly be calculated or such disposal would be materially prejudicial to the owners of Shares in general or the owners of Shares of the relevant Fund;
- (c) during the whole or any part of any period during which any breakdown occurs in the means of communication or calculation normally employed in determining the value of any of the Investments of the Company or when for any other reason the value of any of the Investments or other assets of the relevant Fund cannot reasonably or fairly be ascertained;
- (d) during the whole or any part of any period when the Company is unable to repatriate funds required for the purpose of making redemption payments or when such payments cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange or during which there are difficulties or it is envisaged that there will be difficulties, in the transfer of monies or assets required for subscriptions, redemptions or trading;
- (e) upon the publication of a notice convening a general meeting of Shareholders for the purpose of



resolving to wind up the Company;

- (f) while the value of the Investments held through any subsidiary of the Company may not be determined accurately;
- (g) in the event of the publication (i) of the convening notice to a general meeting of Shareholders at which a resolution to wind up the Company or a Fund is to be proposed, or of the decision of the Board of Directors to wind up one or more Funds, or (ii) to the extent that such a suspension is justified for the protection of the Shareholders, of the notice of the general meeting of Shareholders at which the merger of the Company or a Fund is to be proposed, or of the decision of the Board of Directors to merge one or more Funds; or
- (h) where the master UCITS of a Fund or one or several Target Funds (as defined in section 3 of Appendix 1) in which a Fund has invested a substantial portion of its assets temporarily suspends the repurchase, redemption or subscription of its units, whether on its own initiative or at the request of its competent authorities.

The Company, where possible, will take all necessary steps to bring any period of suspension to an end as soon as possible.

If total requests for redemption or switching on any Dealing Day for any Fund exceed 10% of the total number of Shares outstanding in that Fund, each redemption or switching request in respect of Shares in such Fund may, at the discretion of the Directors, be reduced so that the total number of Shares of each Fund for redemption or switching on that Dealing Day shall not exceed 10% of the total number of Shares outstanding in that Fund. Any redemption or switching request so reduced shall be carried forward to the next Dealing Day and effected in priority to subsequent redemption or switching requests on the following (and, if necessary, subsequent) Dealing Day(s). If redemption or switching requests are so carried forward, the Company shall ensure that the Shareholders whose dealings are affected thereby are promptly informed.

In the event of any suspension as set out above, the Company will immediately (and in any event during the Business Day on which the suspension occurred) notify the CSSF, the Luxembourg Stock Exchange and, if required, any other competent authority in a country in which Shares are marketed. Any such suspension shall further be publicised by the Company and shall be notified to Shareholders requesting redemption or switching of their Shares as soon as reasonably practicable after the filing of their written request for such redemption and switching.

### Late trading and market timing

Late trading ("Late Trading") is to be understood as the acceptance of a subscription or redemption order after the cut-off time for the relevant Dealing Day and the execution of such order at the Price applicable on such Dealing Day.

Market timing ("Market Timing") is to be understood as an arbitrage method through which an investor systematically subscribes and redeems Shares within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Values concerned.

The Company shall comply with any relevant provisions contained in CSSF Circular 04/146 of 17 June 2004 concerning the protection of undertakings for collective investment and their investors against Late Trading and Market Timing practices.

In this respect, no subscriptions or redemptions received by the Company will be accepted after the relevant cut-off time except for subscriptions or redemptions received by the Intermediaries which undertake to apply the cut-off time to all such orders and transmit the orders to Luxembourg within a reasonable period of time. It is further reminded that subscriptions or redemptions will be dealt on a forward pricing basis as more fully described above.

In order to protect the interests of the Company and the Shareholders against Market Timing practices, the Company reserves the right to reject any application to subscribe for Shares from any investor engaging in such practices or suspected of engaging in such practices and to take such further action as it, in its discretion, may deem appropriate or necessary.

## FEES AND EXPENSES

### Establishment Expenses

All fees and expenses relating to the establishment of the Company (including listing costs) including the fees of the advisers to the Company have been borne by the Company and have been amortised over the first five financial years of the Company or such other period as the Directors may have determined. Any new Fund will bear its own direct establishment costs and costs of listing its Shares on the Luxembourg Stock Exchange which will be amortised over such period as the Directors may determine.

In the event of liquidation of a Fund or redemption of a Class whose establishment costs have not been fully amortised, any unamortised establishment costs will be borne by such Fund or Class. In the event of the merger of such Fund or Class, any unamortised establishment costs may either be borne by such Fund or Class prior to the merger or be assumed by the Fund or Class in the Company or entity into which the relevant Fund or Class will be merged.

Value added tax (if any) on fees payable by the Company will be borne by the Company in addition to the fees.

The current fees of the service providers to the Company are set out or are referred to below.

### Management Fees

In payment for carrying out its duties and responsibilities the Management Company is entitled to receive a management fee of up to 2% calculated as a percentage per annum of the Net Asset Value of each Class of the relevant Fund, together with properly vouched expenses. The current annual management fee for each Class of the relevant Fund is as set out in Appendix 3. Such fee will be accrued daily based on the daily Net Asset Value of the relevant Class and will be paid quarterly in arrears or at such lengthier intervals as may be agreed with the Company.

In addition, the Management Company shall also be entitled to be repaid all of its reasonable disbursements out of the assets of the Company relating to the services it provides, including couriers' fees and telecommunication costs and expenses which shall be at normal commercial rates together with value added tax, if any, thereon.

In payment for carrying out their duties and responsibilities, the Investment Manager and the Lead Distributor are entitled to receive a fee payable from the management fee. The Investment Manager and the Lead Distributor may each pay a portion of their fees to the Sub-Investment Manager and the Distributors.

In respect of any Fund or Class of Shares the Management Company may choose to waive or rebate all or any portion of its fee and/or absorb some or all other expenses in its absolute discretion for any period of time.

### Currency Hedging Manager's Fees

The Currency Hedging Manager shall be entitled to a fee payable directly out of the assets of the Company not to exceed 0.1% of the net monthly currency value of all forward foreign exchange contracts entered into in respect of the Hedged Share Classes within each calendar quarter. All costs, including the fees of the Currency Hedging Manager, which may be incurred by the Hedged Share Classes and gains/losses which may be made by the Hedged Share Classes as a result of hedging transactions entered into will accrue and be attributable/charged to the relevant Class or Classes.

### Administrator's, Depositary and Paying Agent's Fees

The Administrator, Depositary and Paying Agent shall be entitled to an aggregate annual fee not to exceed 0.25% of the Net Asset Value of each Fund, billed and payable monthly in arrears directly out of the assets of the Company. The Administrator will be entitled to certain out of pocket expenses, transfer

agency fees, financial statement preparation charges and registrar fees at normal commercial rates payable directly out of the assets of the Company. The Depositary shall also be entitled to recover from the Company sub-custody fees, transaction charges and out-of-pocket expenses at normal commercial rates, directly out of the assets of the Company. The fees of the Administrator and Depositary shall be accrued daily based on the daily Net Asset Value of each Fund and will be paid monthly in arrears out of the assets of each Fund.

### Listing Agent's Fees

The Listing Agent is entitled to receive a fee out of the assets of the Company, in accordance with usual market practice.

### Service Provider Fees

The Company or subject to the Company's approval, the Management Company, in respect of any Fund, may appoint alternative and/or additional service providers. The fees payable to the relevant service provider shall be borne by the Company.

### Initial Sales Charge

The Articles authorise the Directors to charge a preliminary fee (to be known as an "Initial Sales Charge") on the issue of Shares of any Class up to a maximum of 6% of the amount being subscribed. However, it is the Directors' current intention not to charge an Initial Sales Charge of more than a percentage set out in Appendix 3. This preliminary fee shall be payable to the Intermediaries.

### Redemption Fee

No redemption fee will be charged.

### Switching Commission

For Share switches, the Price of the New Class of Shares may be increased by a switching commission of up to a percentage set out in Appendix 3 where the New Class is in a different Fund to the Old Class, as described under "Switching" above. This commission will accrue for the benefit of the Intermediaries.

### Directors' Fees and Expenses

The Directors shall be entitled to a fee and remuneration for their services at a rate to be determined from time to time by the Shareholders in general meeting. The Directors may also be reimbursed, inter alia, for travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the Company.

### Operational Expenses

The Company will also pay out of the assets of each Fund:

- (a) any fees in respect of circulating details of the Net Asset Value (including publishing prices) and Net Asset Value per Share;
- (b) stamp duties;
- (c) any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company;
- (d) company secretarial fees;
- (e) rating fees (if any);
- (f) brokerage or other expenses of acquiring and disposing of Investments;
- (g) fees and expenses of the tax, legal and other professional advisers of the Company;
- (h) fees connected with listing of Shares on any stock exchange;

- (i) fees and expenses in connection with the distribution of Shares and costs of registration and maintaining registration of the Company in jurisdictions outside Luxembourg;
- (j) costs of preparing, printing and distributing the Prospectus, Key Investor Information Documents, reports, accounts and any explanatory memoranda;
- (k) any necessary translation fees;
- (l) any costs incurred as a result of periodic updates of the Prospectus and Key Investor Information Documents, or updates as a result of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law);
- (m) in respect of each financial year of the Company in which expenses are being determined, such proportion (if any) of the establishment and reconstruction expenses as are being amortised in that year;
- (n) costs of holding annual general meetings of the Company;
- (o) any costs incurred in respect of any other meeting of Shareholders convened for any purpose;
- (p) any cost incurred in preparing and modifying the Articles;
- (q) liabilities on amalgamation or reconstruction including certain liabilities arising after transfer of property to the Funds in consideration for the issue of Shares;
- (r) interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- (s) the audit fees of the Company's auditors and any expenses of the auditors;
- (t) indemnity insurance of the Directors;
- (u) costs of any mergers and reconstructions;
- (v) any other fees and expenses relating to the management and administration of the Company or attributable to the Company's Investments; and
- (w) value added tax and any equivalent duty payable on these charges where appropriate.

The above expenses shall be charged as between each Fund and Class thereof on such terms and in such manner as the Directors (with the consent of the Depositary) deem fair and equitable.

All fees and expenses, Duties and Charges will be charged to the Fund (and Class thereof, if appropriate) in respect of which they were incurred or, where an expense is not considered by the Directors to be attributable to any one Fund (or Class thereof), the expense will normally be allocated to Classes of all Funds pro rata to the Net Asset Value of the relevant Funds. Expenses of the Company which are directly attributable to a specific Class of Shares are charged against the income available for distribution to the holders of such Shares or to the capital of the Fund, where applicable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

## Research

The Investment Manager will pay directly out of its own resources for all research (as defined in the FCA Rules) received from third parties in connection with the provision of its services to the Company.

## Charging of Fees and Expenses to Capital or Income

In recognition of the fact that Shareholders in some Funds may wish to receive a consistent and sustainable level of income from their investment in these Funds, and in anticipation of these Funds achieving a reasonable level of capital growth over the long term, these Funds will charge all of their fees and expenses to the capital of the Funds.

In recognition of the fact that Shareholders in some Funds wish to invest for growth and in anticipation of these Funds achieving a reasonable level of income over the long term, these Funds will charge all of their fees and expenses to the income of the Funds in the first instance and, where there is insufficient income, then to the capital of the Funds.

Appendix 3 provides details of whether a particular Fund will charge all of its fees and expenses to the capital or income.

**Shareholders should note therefore that where fees and expenses are charged to the capital of a Fund, it will have the effect of reducing the capital value of Shareholders' investment in that Fund.**

## ALLOCATION OF ASSETS AND LIABILITIES

The records and accounts of each Fund shall be maintained separately in the Base Currency of the relevant Fund.

The assets of each Fund shall belong exclusively to that Fund, shall be segregated in the records of the Depositary from the assets of other Funds, shall not be used to discharge directly or indirectly the liabilities of or claims against any other Fund and shall not be available for any such purpose.

The proceeds from the issue of each Class of Share shall be applied to the relevant Fund established for that Class of Share, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Articles.

Where any asset is derived from another asset, the derived asset shall be applied to the same Fund as the assets from which it was derived, and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Fund.

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, subject to the approval of the Auditors, to determine the basis upon which such asset or liability shall be allocated between the Funds and the Directors shall have the power at any time and from time to time subject to the approval of the Auditors to vary such basis, provided that the approval of the Auditors shall not be required in any case where the asset or liability is allocated between all Funds pro rata to their Net Asset Values.

## TAXATION

### General

The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of shares and is not intended as tax advice to any particular investor or potential Investor. Prospective Investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

### Luxembourg Taxation

#### Taxation of the Company

The Company is not subject to taxation in Luxembourg on its income, profits or gains.

The Company is not subject to net wealth tax in Luxembourg.

No stamp duty, capital duty or other tax will be payable in Luxembourg on the issue of Shares in the Company.

The Company is, nevertheless, in principle, subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% per annum based on its Net Asset Value at the end of the relevant quarter, calculated and paid quarterly. A reduced subscription tax rate of 0.01% *per annum* is however applicable to:

- any Fund whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both;
- any Fund or Share Class provided that their shares are only held by one or more Institutional Investor(s).

A subscription tax exemption applies to:

- The portion of any Fund's assets (prorata) invested in a Luxembourg investment fund or any of its portfolio to the extent it is subject to the subscription tax;
- Any Fund (i) whose securities are only held by Institutional Investor(s), and (ii) whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions, and (iii) whose weighted residual portfolio maturity does not exceed 90 days, and (iv) that have obtained the highest possible rating from a recognised rating agency. If several Share Classes are in issue in the relevant Fund meeting (ii) to (iv) above, only those Share Classes meeting (i) above will benefit from this exemption;
- Any Fund, whose main objective is the investment in microfinance institutions; and
- Any Fund, (i) whose securities are listed or traded on a stock exchange and (ii) whose exclusive object is to replicate the performance of one or more indices. If several Share Classes are in issue in the relevant Fund meeting (ii) above, only those Share Classes meeting (i) above will benefit from this exemption.
- To the extent that the Fund would only be held by pension funds and assimilated vehicles, the Fund as a whole would benefit from the subscription tax exemption.

#### Withholding tax

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the source countries. The Company may further be subject to tax on the realised or unrealised



capital appreciation of its assets in the countries of origin. The Company may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

Distributions made by the Company as well as liquidation proceeds and capital gains derived therefrom are not subject to withholding tax in Luxembourg.

## **Taxation of the Shareholders**

### **Luxembourg resident individuals**

Capital gains realised on the sale of the Shares by Luxembourg resident individual investors who hold the Shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

- (i) the Shares are sold within 6 months from their subscription or purchase; or
- (ii) if the Shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller holds or has held, alone or with his/her spouse and underage children, either directly or indirectly at any time during the five years preceding the date of the disposal for more than 10% of the share capital of the Company.

Distributions received from the Company will be subject to Luxembourg personal income tax. Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*).

## **Luxembourg resident corporate**

Luxembourg resident corporate investors will be subject to corporate taxation at the rate of 27.08% (in 2017 for entities having their registered office in Luxembourg-City) on the distributions received from the Company and on the capital gains realised upon disposal of Shares.

Luxembourg-resident corporate investors who benefit from a special tax regime, such as, for example, (i) an UCI subject to the 2010 Law, (ii) a specialised investment fund subject to the amended Luxembourg law of 13 February 2007 on specialised investment funds (the "2007 Law"), i(iii) a reserved alternative investment fund subject to the Law of 23 July 2016 on reserved alternative investment funds (to the extent it has not opted to be subject to general corporation taxes), or (iv) a family wealth management company subject to the amended Luxembourg law of 11 May 2007 on family wealth management companies, are exempt from income tax in Luxembourg, but are instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realised thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate investors except if the holder of the Shares is (i) an UCI subject to the 2010 Law, (ii) a vehicle governed by the amended law of 22 March 2004 on securitisation, (iii) an investment company in risk capital subject to the amended Luxembourg law of 15 June 2004 on the investment company in risk capital, (iv) a specialised investment fund subject to the, 2007 Law, (v) a reserved alternative investment fund subject to the Law of 23 July 2016 on reserved alternative investment funds or (vi) a family wealth management company subject to the amended Luxembourg law of 11 May 2007 on family wealth management companies. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% is due for the portion of the net wealth exceeding EUR 500 million.

## **Non-Luxembourg residents**

Non-resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the Shares are attributable, are not subject to Luxembourg taxation on capital gains realised upon disposal of the Shares nor on the distribution received from the Company and the Shares will not be subject to net wealth tax.

## **United Kingdom Taxation**

The following paragraphs, which are intended as a general guide only and do not constitute tax advice, are based on current United Kingdom tax legislation and what is understood to be the current practice of the United Kingdom HM Revenue & Customs as at the date of this prospectus. If a Shareholder is in any doubt as to their taxation position or if a Shareholder is subject to tax in any jurisdiction in addition to the United Kingdom, they should consult an appropriate professional adviser immediately. It should be noted that the levels and bases of, and reliefs from, taxation can change.

## **The Company**

As the Company is a UCITS scheme (as defined in EU law) established in Luxembourg, it is treated under United Kingdom law as not being resident in the United Kingdom for United Kingdom taxation purposes. Accordingly, and provided that the Company is not trading in the United Kingdom through a fixed place of business or agent situated therein that constitutes a "permanent establishment" for United Kingdom taxation purposes and that it does not undertake trading transactions in the United Kingdom, the Company will not be subject to United Kingdom corporation tax or income tax on its profits. The Directors, the Management Company and the Investment Manager each intend that the respective affairs of the Company, the Management Company and the Investment Manager are conducted so that these requirements are met, insofar as this is within their respective control. However, it cannot be guaranteed that the necessary conditions will at all times be satisfied.

Income received by the funds which has a United Kingdom source may be received net of United Kingdom withholding tax but most United Kingdom source interest and all United Kingdom dividends are not currently subject to any United Kingdom withholding or other taxes.

## The Share Classes

Each Share Class constitutes an offshore fund for the purposes of the United Kingdom's special tax regime for offshore funds in the Offshore Funds (Tax) Regulations 2009. Accordingly, the provisions of those regulations are relevant to the taxation of Shareholders in respect of income and gains.

A number of Share Classes have been certified by the United Kingdom tax authority (HM Revenue & Customs or "HMRC") as being "reporting funds" for United Kingdom tax purposes. The up-to-date list may be viewed on the HMRC website at <https://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds>.

## Shareholders

Shareholders resident in the United Kingdom for tax purposes will generally be liable to United Kingdom income tax or corporation tax in respect of any distributions paid and any amounts reported to investors as "reportable income" in respect of shares held, subject to their personal circumstances. This applies to both Distribution and Accumulation Shares.

Periodic information required to be reported to investors under the Offshore Funds Regulations in respect of Share Classes that have "reporting fund" status will be made available online at the relevant time for investors to access by visiting the following web page: <https://www.barclaysinvestments.com/home.html>.

This income will (except in the circumstances described below) be treated for United Kingdom tax purposes as either dividend or interest income for the purposes of income tax and corporation tax.

## Equity funds

Where a dividend is paid or treated as paid to a United Kingdom resident individual and it falls within the individual's annual £2,000 dividend allowance, then income tax will not be payable on it. Above this, the tax rates applying to dividends will be 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers. No tax credits are attached to dividends. Corporate Shareholders liable to corporation tax will generally be exempt from corporation tax on dividends.

However, if at any point during the annual accounting period of a Fund, it should fail to meet the qualifying investments test (broadly the Fund will fail this test at any time when the market value of its investments in interest-bearing and economically equivalent securities exceeds 60% of the market value of its total investments) then dividends paid or reported to United Kingdom resident individual investors should be treated as interest for income tax purposes.

In the case of corporate Shareholders liable to corporation tax, if the Fund fails to meet the qualifying investments test at any time during the Shareholder's accounting period for corporation tax then the Shareholder should account for their Shares (including any dividends received) on a fair value basis in accordance with the loan relationships tax regime which also provides rules for accounting for a holding in a Fund coming within the regime.

## **Bond funds**

A bond fund is any Fund which fails the qualifying investments test as described above.

Where a dividend is paid or treated as paid to a United Kingdom individual, the amount will be treated as interest for United Kingdom tax purposes, and the taxpayer will benefit from a personal savings allowance that will exempt the first £1,000 of interest, including amounts taxable as interest, received or deemed to be received by United Kingdom resident individuals, from tax in the hands of basic rate taxpayers. The exempt amount will be reduced to £500 for higher rate taxpayers while additional rate taxpayers will not receive an allowance. Above this, United Kingdom individual taxpayers will be liable to income tax at 20% in the case of basic rate taxpayers, 40% in the case of higher rate taxpayers or 45% in the case of additional rate taxpayers. No tax credits are available to reduce these effective tax rates.

Corporate shareholders liable to corporation tax should account for their Shares (including any dividends received) on a fair value basis in accordance with the loan relationships tax regime.

## **Equalisation (Equity Funds and Bond Funds)**

Following initial investment, the first distribution received and/or reported will include an element of equalisation. This amount is a return of capital and is not taxable as income but should, instead, be deducted from the acquisition cost of the Shareholding for the purposes of calculating the gain or loss on disposal. (See information on Equalisation for Distribution Shares and Accumulation Shares on pages 21 and 22 above)

## **Gains**

Where a Share Class has had reporting fund status (and, where relevant, previously distributing fund status) throughout the duration of the Shareholder's investment in that Share Class, any gain on the redemption, sale or other form of disposal of the investment (allowing for a deduction of any amounts reported as income but not actually distributed) will be subject to taxation as a capital gain.

For corporate investors, any amounts charged to tax under the loan relationships regime will not be treated for tax purposes as chargeable gains.

Where a Share Class has not had reporting fund status (and, where relevant, previously distributing fund status) throughout the duration of the Shareholder's investment in that Share Class, any gain on the redemption, sale or other form of disposal of the investment (including a deemed disposal on death) will be taxable at the time as income (and be known as an "offshore income gain").

Switching of Shares in one Fund for Shares in another Fund (see under the heading "Switching") will amount to a disposal of the original Shares for tax purposes and accordingly, a chargeable gain (or taxable income where recognition as a "reporting fund" (and, where relevant, certification as a "distributing fund") and/or recognition as a "reporting fund" has not been obtained and maintained) or an allowable capital loss may be realised. Switching of Shares of one Class for Shares of another Class in the same Fund may not amount to a disposal of the original Shares for tax purposes, depending on the circumstances.

For a UK resident Shareholder in any Share Class which has not had reporting fund status (and where relevant, previously distributing fund status) any gain on the redemption, sale or other form of disposal of the investment (allowing for a deduction of any amounts reported as income but not actually distributed) is treated as income (an offshore income gain) and is taxable at the Shareholder's highest marginal tax rate.

## **Anti-Avoidance Provisions**

The United Kingdom tax rules contain a number of anti-avoidance codes that can apply to United Kingdom investors in offshore funds in particular circumstances. It is not anticipated that they will

normally apply to investors in Shares. Any United Kingdom taxpaying Shareholder who (together with connected persons) holds over 25% of the Company should take specific advice.

### Transfer taxes

Transfers of Shares will not be liable to United Kingdom stamp duty unless the instrument of transfer is executed within the United Kingdom when the transfer will be liable to United Kingdom *ad valorem* stamp duty at the rate of 0.5% of the consideration paid rounded up to the nearest £5. No United Kingdom stamp duty reserve tax is payable on transfers of Shares, or agreements to transfer Shares.

The preceding paragraphs, which are intended as a general guide only and do not constitute tax advice, are based on current United Kingdom tax legislation and what is understood to be the current practice of the United Kingdom HM Revenue & Customs as at the date of this prospectus. If a Shareholder is in any doubt as to their taxation position or if a Shareholder is subject to tax in any jurisdiction in addition to or other than the United Kingdom, they should consult an appropriate professional adviser immediately. It should be noted that the levels and bases of, and reliefs from, taxation can change.

### Ireland Taxation

*The following summary reflects the Company's understanding of the main aspects of current Irish tax law and practice of the Revenue Commissioners in Ireland applicable to the holding and disposal of Shares where the shareholder is regarded as holding a material interest in an offshore fund and is resident or ordinarily resident in Ireland or carrying on a trade in Ireland through a branch or agency in Ireland and is only intended as a brief and general guide to the position. Shareholders should note this summary reflects the law and practice in force at the date of this document and may change in the future.*

*It is not intended to provide specific advice and no action should be taken or omitted to be taken in reliance upon it. It is addressed to Shareholders who are the absolute beneficial owners of Shares held as investments and not to special classes of Shareholder such as financial institutions. In addition, it does not address the tax consequences in Ireland for Shareholders whose acquisition of Shares in a Fund would be regarded as a shareholding in a Personal Portfolio Investment Undertaking (PPIU). Accordingly, its applicability will depend upon the particular circumstances of individual shareholders. The summary is not exhaustive and does not generally consider tax reliefs or exemptions. Any prospective shareholder who is in any doubt about his/her Irish tax position in relation to the Company should consult his/her Irish professional adviser.*

*Investors should consult their professional advisers on the possible tax or other consequences of buying, holding, transferring, switching or selling any of their Shares under the laws of their countries of citizenship, residence and domicile.*

### Scope of Irish Tax

Shareholders in the Company who are resident or ordinarily resident in Ireland or hold their Shares in respect of a trade carried on through a branch or agency in Ireland will be liable to tax in respect of income and gains arising on their Shares in accordance with the provisions of Chapter 4 Part 27 of the Taxes Consolidation Act, 1997. Accordingly, such Shareholders will be obliged to comply with the requirements set out therein.

### Filing Obligations

Such Shareholders should note that acquiring Shares in the Company will bring them within the self-assessment system of tax and, in particular, Part 41A of the Taxes Consolidation Act, 1997. Accordingly, Shareholders who are individuals will be obliged to comply with the tax filing and payment requirements including making a self-assessment tax return on or before 31 October in the year following the year of assessment in which the income or gains arise, paying preliminary tax on or before 31 October in the year of assessment in which the income or gains arise and paying the balance of any tax due on or before

31 October in the year following the year of assessment in which the income or gains arise. For those both filing their tax return and making their tax payment online, an extension to these dates may apply. Shareholders should note that they are obliged to provide details of their acquisition of Shares in the Company in the prescribed manner in their annual tax return to the Irish Revenue Commissioners for the year of assessment in which they acquire Shares, including:

- (a) the name and address of the Company;
- (b) a description, including the cost to the person, of the material interest acquired; and
- (c) the name and address of the person through whom the material interest was acquired.

### Tax on Distributions

Non-corporate Shareholders will be liable to income tax under Case III of Schedule D on distributions received from the Company on or after 1 January 2014 at the rate of 41%.

Corporate Shareholders will be liable to corporation tax under Case III of Schedule D, currently at a rate of 25%, in respect of all distributions received from the Company (other than on a disposal) except where the corporate Shareholder holds the securities as part of its trading activities, in which case, the rate of corporation tax applicable to the distributions will be that applicable to trading income, which is currently 12.5%.

Persons who are resident but not domiciled in Ireland may be able to claim the remittance basis of taxation, in which case the liability to tax will only arise as and when income from the Company (received annually or more frequently) is received in Ireland.

### Tax on Disposals

Non-corporate Shareholders will be subject to income tax under Case IV of Schedule D on the gain arising on disposing of their Shares in the Company, calculated in accordance with the capital gains tax rules, but no indexation relief will be available. The gain will be taxed at the rate of 41% in respect of disposals made on or after 1 January 2014.

Shareholders who are individuals should note that on their death, the individual will be deemed to have disposed of his/her Shares in the Company and reacquired them at the then market value immediately before his/her death and, accordingly, will be subject to income tax on the gain arising as outlined above.

Corporate Shareholders who dispose of their Shares in the Company will be liable to tax on the gain arising calculated in accordance with the capital gains tax rules, but no indexation relief will be available. The gain will be subject to corporation tax under Case IV of Schedule D at the rate of 25%, except where the corporate shareholder holds the Shares as part of its trading activities, in which case, the rate of corporation tax applicable to the gain will be that applicable to trading income, which is currently 12.5%.

Shareholders who are subject to Irish tax on any disposal of Shares should note that for Irish tax purposes they will be deemed to dispose and reacquire their Shares in the Company at market value on the eighth anniversary of holding those Shares. A deemed disposal will arise at the end of each eight year period in respect of which the shareholder holds Shares in the Company. On a deemed disposal the Shareholder will be liable to pay income tax or corporation tax as applicable on the deemed gain under Case IV of Schedule D as outlined above. Such tax will be creditable against tax payable on an actual disposal of those Shares.

Shareholders should also note that any loss arising on a disposal (including a deemed disposal) of Shares in the Company will be treated as a nil loss for tax purposes and any gain arising on a disposal of such Shares may not be relieved by other losses available to the Shareholder from other sources.

Switching between Funds will not be regarded as a disposal of Shares by a Shareholder for tax purposes in Ireland where the exchange is effected by way of a bargain made at arm's length by the Company of the whole or part of the Shares of the shareholder in one Fund for Shares in another Fund.

### Encashment Tax

Shareholders in the Company should note that any distributions made by a paying agent in Ireland on behalf of the Company or which are presented to, collected by, received by or otherwise realised by a bank or other person acting on behalf of the Shareholder in Ireland may be subject to encashment tax at the standard rate of income tax which is currently 20%. Encashment tax is creditable against the Shareholder's final income tax liability.

### Stamp Duty

No stamp duty will be payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company provided the consideration is not related to any immovable property situated in Ireland or any right over or interest in such property, or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the Taxes Consolidation Act, 1997 or a qualifying company within the meaning of Section 110 of the Taxes Consolidation Act, 1997) which is registered in Ireland.

### Capital Acquisitions Tax

A gift or inheritance comprising of Shares will be within the charge to capital acquisitions tax if either: (i) the donor or the beneficiary in relation to the gift or inheritance is resident or ordinarily resident in Ireland; or (ii) the Shares are regarded as property situate in Ireland.

However, Shareholders should note that:

- (a) a non-Irish domiciled individual will not be regarded as being resident or ordinarily resident in Ireland at the date of the gift or inheritance unless that individual: (i) has been resident in Ireland for the five consecutive tax years preceding that date; and (ii) is either resident or ordinarily resident at that date; and
- (b) on the basis that the Company is incorporated or otherwise formed outside of Ireland and is a collective investment scheme within the meaning of Section 75 of the Capital Acquisitions Tax Consolidation Act 2003 being a bona fide scheme for the purpose, or having the effect, solely or mainly, of providing facilities for the participation by the public or other investors in profits or income arising from the acquisition, holding, management or disposal of securities or any other property, the disposal of Shares by way of a gift or inheritance will be exempt from capital acquisitions tax provided that:
  - (i) the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date;
  - (ii) the donor is neither domiciled nor ordinarily resident in Ireland at the date of the disposition; and
  - (iii) the beneficiary is neither domiciled nor ordinarily resident in Ireland at the date of the gift or inheritance.

### International taxation arrangements

If a Shareholder is subject to tax or reporting in another country or jurisdiction (or the Company has reason to believe or is required to presume that this may be the case), the Company may be required by legislation, regulation, order or by agreement with tax authorities of that country or jurisdiction to report on an ongoing basis certain information about the Shareholder or Shareholder interests in the Company:

- (a) to a relevant tax authority which may then pass that information to the tax authorities where the Shareholder is subject to tax; or



(b) directly to the tax authorities in that country.

If the Shareholder is not an individual, the Company may also have to report information about its direct and indirect shareholders or other owners or interest holders and, if it is a trust, its beneficiaries, settlors or trustees.

If the Company is required to report information about Shareholders, this would include (but is not limited to) information about the Shareholder's interests in the Company, for example the amounts of payments from the Company to the Shareholder, including dividends, interest paid or credited to the Shareholder, and/or, Shareholder name, address and country of residence and social security number/taxpayer identification number or similar (if applicable). The Shareholder may need to provide the Company with further information, if requested, about their identity and status.

If only some of the Shareholder income is reportable, the Company will report all income unless it can reasonably determine the reportable amount.

If, pursuant to regulatory or legislative requirements, a withholding tax would apply to income or assets ("Withholdable Income") in or from the Company and attributable to the Shareholder, the Company will withhold tax on that Withholdable Income at the rate specified by the legislation or regulation as relevant unless the Shareholder elects for the Company to report information instead or provides the Company with evidence that the Shareholder qualifies for an exemption from the particular legislation or regulation in question.

If a Shareholder requests the Company to make a payment to an account based at a financial institution which does not participate or comply with relevant tax legislation, regulations, orders or agreements with tax authorities the Company may be required, and the Shareholder authorises the Company, to withhold certain amounts from the payment.

### Foreign Account Tax Compliance Act (FATCA)

FATCA, a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("IRS") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("IGA") with the United States of America and a memorandum of understanding in respect thereof. The Company would hence have to comply with such Luxembourg IGA as implemented into Luxembourg law by the law of 24 July 2015 relating to FATCA (the "FATCA Law") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Company may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("reportable accounts"). Any such information on reportable accounts provided to the Company will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Company intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Company. The Company will continually assess the extent of the requirements that FATCA and notably the FATCA Law places upon it. To ensure the Company's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Company may:



- a. request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such Shareholder's FATCA status;
- b. report information concerning a shareholder and his account holding in the Company to the Luxembourg tax authorities if such account is deemed a US reportable account under the FATCA Law and the Luxembourg IGA;
- c. report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to shareholders with FATCA status of a non-participating foreign financial institution;
- d. deduct applicable US withholding taxes from certain payments made to a shareholder by or on behalf of the Company in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and
- e. divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

The Personal Data obtained in the context of investment in the Company may be used for the purposes of the FATCA Law and such other purposes indicated by the Company in accordance with applicable data protection legislation and may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*). Responding to FATCA-related questions is mandatory. The investor has a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*) and may contact the Company at its registered office to exercise this right.

The Company reserves the right to refuse any application for shares if the information provided by a potential investor does not satisfy the requirements under FATCA, the FATCA Law and the IGA.

## EU Tax Considerations

### Automatic Exchange of Information

The OECD has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted in order to implement the CRS among the EU Member States.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law").

The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the assets holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Company may require its investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status. Responding to CRS-related questions is mandatory. The Personal Data obtained in the context of investment in the Company may be used for the purpose of the CRS Law or such other purposes indicated by the Company in accordance with applicable Luxembourg data protection law. If an account is deemed a CRS reportable account under the CRS Law, information regarding the shareholder qualifying as a reportable person under the CRS Law (including information on

his/her/its controlling person, if any) and his/her/its account will be reported to the Luxembourg tax authorities (*Administration des Contributions Directes*). The Company is responsible for the treatment of the Personal Data provided for in the CRS Law. The investors have a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*), which can be exercised by contacting the Company at its registered office.

Under the CRS Law, implementing the Euro-CRS Directive, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement (the "Multilateral Agreement") to automatically exchange information under the CRS. The Multilateral Agreement aims to implement the CRS among non-EU Member States; it requires agreements on a country-by-country basis.

The Company reserves the right to refuse any application for Shares if the information provided by an investor does not satisfy the requirements under the CRS Law.

**Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.**

## General

Shareholders should ascertain from their professional advisers the consequences to them of acquiring, holding, redeeming, transferring, selling, exchanging or converting Shares under the relevant laws of the jurisdictions to which they are subject, including the tax consequences and any exchange control requirement.

The above statements regarding taxation are based on advice received by the Company regarding the law and practice in force at the date of this Prospectus. Prospective investors should be aware that levels and bases of taxation are subject to change and that the value of any relief from taxation depends upon the individual circumstances of the tax payer.

It is expected that Shareholders in the Company will be resident for tax purposes in many different countries. Consequently, no attempt is made in the Prospectus to summarise the taxation consequences for each investor. These consequences will vary in accordance with the law and practice currently in force in an investor's country of incorporation, establishment, citizenship, residence or domicile and with his personal circumstances.

Investors should consult their professional advisers on the possible tax and other consequences of their subscribing for, purchasing, holding, redeeming, selling, exchanging or converting Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile. The Directors, the Company and each of the Company's agents shall have no liability in respect of the individual tax affairs of Shareholders.

## GENERAL INFORMATION

### Institutional Investors

The Directors may restrict the issue and transfer of Shares of a Fund/Class to Institutional Investor(s). The Directors may, at their discretion, delay the acceptance of any subscription application for Shares of a Fund/Class reserved for Institutional Investors until such time as the Company has received sufficient evidence that the applicant qualifies as an Institutional Investor. If it appears at any time that a holder of Shares of a Fund/Class reserved to Institutional Investors is not an Institutional Investor, the Directors will convert the relevant Shares into Shares of a Fund/Class which is not restricted to Institutional Investors (provided that there exists such a Fund/Class with similar characteristics) or compulsorily redeem the relevant Shares in accordance with the provisions set forth above in this Prospectus. The Directors will refuse to give effect to any transfer of Shares and consequently refuse for any transfer of Shares to be entered into the Shareholders' register in circumstances where such transfer would result in a situation where Shares of a Fund/Class restricted to Institutional Investors would, upon such transfer, be held by a person not qualifying as an Institutional Investor. In addition to any liability under applicable law, each Shareholder who does not qualify as an Institutional Investor, and who holds Shares in a Fund/Class restricted to Institutional Investors, shall hold harmless and indemnify the Company, the Directors, the other Shareholders of the relevant Fund/Class and the Company's agents for any damages, losses and expenses resulting from or connected to such holding circumstances where the relevant Shareholder had furnished misleading or untrue documentation or had made misleading or untrue representations to wrongfully establish its status as an Institutional Investor or has failed to notify the Company of its loss of such status.

### Liquidation, Mergers and Reorganisations

The liquidation of the Company is normally decided upon by an extraordinary Shareholders' meeting at which the liquidators would be appointed and their powers defined. The liquidation would be carried out in accordance with the provisions of Luxembourg law and is subject to the majority and quorum requirements for the amendment of the Articles.

The Directors must submit the question of the winding-up of the Company to a general meeting of Shareholders if the capital of the Company falls below two-thirds of the minimum share capital (currently the equivalent of €1,250,000). This meeting may be held without a specified quorum being present and at which decisions are taken by a simple majority of the votes cast. If the capital of the Company falls below one quarter of the minimum capital, a resolution to liquidate the Company may be passed by Shareholders representing one quarter of the Shares present or represented at a general meeting convened for the purpose by the Directors.

The net liquidation proceeds relating to each Class in a Fund will be distributed to Shareholders of the relevant Class in proportion to their holding of Shares in the relevant Class. Any liquidation amounts that have not been claimed by Shareholders at the close of the liquidation will be deposited in escrow with the *Caisse des Consignations* in Luxembourg. Amounts not claimed within the applicable prescription period may be forfeited.

In the event of the dissolution of the Company, liquidation shall be carried out by one or several liquidators (who may be physical persons or legal entities) named by the meeting of shareholders effecting such dissolution and which shall determine their powers and their compensation. The net proceeds of liquidation corresponding to each Fund or Class shall be distributed by the liquidators to the holders of shares of each relevant Fund or Class in proportion of their holding of shares in such Fund or Class.

The Directors of the Company may decide to liquidate one Fund or Class if a change in the economic or political situation relating to the Fund or Class concerned would justify such liquidation or if required by the interests of Shareholders in a Fund or Class or where the total net asset value of a Fund or Class is

less than GBP 10 million (or the Reference Currency equivalent), or if required by the interests of Shareholders in a Fund or Class. Notice of the decision to liquidate will be published by the Company prior to the effective date of the liquidation and the notice will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Directors otherwise decide in the interests of, or to keep equal treatment between, the Shareholders, the Shareholders of the Fund or Class concerned may continue to request redemption or conversion of their shares. Assets which could not be distributed to their beneficiaries upon the close of the liquidation of the Fund concerned will be deposited with the *Caisse de Consignation* on behalf of their beneficiaries.

In the same circumstances as described above, the reorganisation of one Fund or Class by means of a division into two or more Funds or Classes may be decided by the Directors. Such a decision will be published in the same manner as described above and, in addition, the notice will contain information relating to the two or more new Funds or Classes. Such a notice will be published at least one month before the date on which the reorganisation becomes effective in order to enable the shareholders to request redemption of their shares, free of charge (unless the shares have been issued in a Class subject to a deferred sales charge payable upon redemption) before the operation involving division into two or more Funds or Classes becomes effective.

Any merger of a Fund shall be decided by the Board of Directors under the conditions set out in the 2010 Law unless the Board of Directors decides to submit the decision for a merger to a meeting of Shareholders of the Fund concerned. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast. In case of a merger of a Fund where, as a result, the Company ceases to exist, or in case of merger of the Company, the merger shall be decided by a meeting of Shareholders resolving in accordance with the quorum and majority requirements for the amendment of the Articles.

Where any merger, sub-division or division as provided for above results in holders being entitled to fractions of shares and where the relevant shares are admitted for settlement in a clearing system the operating rules of which do not allow the settlement or clearing of fractions of shares or where the Directors has resolved not to issue fractions of shares in the relevant Fund or Class, the Directors will be authorised to redeem the relevant fraction. The Net Asset Value of the redeemed fraction will be distributed to the relevant Shareholders unless such amount is less than GBP 10 (or the Reference Currency equivalent). The decisions to liquidate or to reorganise a Fund in the circumstances and in the manner described in this section may also be taken at a meeting of the Shareholders of the Fund to be liquidated or reorganised where no quorum is required and where the decision to liquidate or reorganise must be approved by a majority of the votes cast.

### Use of Dealing Commissions

The Investment Manager may pass on broker's charges to the Company and in return for the broker's charges receive goods or services in addition to the execution of orders.

Any such dealing commission arrangements are subject to the following conditions: (i) the goods and services will be either related to the execution of trades on behalf of the Company or comprise the provision of research;(ii)the goods and services will reasonably assist the Investment Manager in the provision of its services to the Company on whose behalf the orders are being executed and will not impair compliance with the duty of the Investment Manager to act in the best interests of the Company; (iii) broker's charges on transactions affecting the Company' portfolio will only be attributed to broker-dealers that are legal entities and not to private individuals; (iv) the Investment Manager will provide reports to the Board of Directors on dealing commission arrangements (including the nature of the services received); and (v) dealing commission arrangements will be disclosed in the Company's periodic reports.

## Directors

- (a) Any Director who devotes special attention to the business of the Company may be paid such extra remuneration as the Directors may determine (see the section headed "Fees and Expenses" above in relation to Director's fees).
- (b) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director, and may act in a professional capacity to the Company on such terms as the Directors may determine.
- (c) Subject to the provisions of Luxembourg law, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:
  - (i) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or any subsidiary or associated company thereof or in which the Company or any subsidiary or associated company thereof is otherwise interested;
  - (ii) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, anybody corporate promoted by the Company or in which the Company thereof is otherwise interested; and
  - (iii) shall not be accountable, by reason of his office, to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

## Indemnities

The Directors (including alternates) and other officers of the Company and its former directors and officers shall be indemnified by the Company against losses and expenses which any such person may become liable to by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (other than in the case of fraud, negligence or wilful default), under the conditions and as provided for in the Articles.

## Valuation principles applicable to the assets of the Company

- (a) The assets of the Company shall be deemed to include (i) all cash in hand, on deposit or on call including any interest accrued thereon and all accounts receivable, (ii) all bills, demand notes, certificates of deposit, promissory notes and accounts receivable (including proceeds of securities sold but not delivered), (iii) all bonds, forward currency transactions, time notes, shares, stock, units of or participation in collective investment undertakings/ mutual funds, debentures, debenture stock, subscription rights, warrants, futures contracts, options contracts, swap contracts, fixed rate securities, variable or floating rate securities, securities in respect of which the return and/or repurchase amount is calculated by reference to any index, price or rate, financial instruments and other investments and securities owned or contracted for by or in respect of the Company, (iv) all stock and cash dividends and cash distributions to be received by the Company and not yet received by the Company but declared to stockholders on record on a date on or before the day as of which the Net Asset Value is being determined, (v) all interest accrued on any interest-bearing securities attributed to the Company except to the extent that the same is included or reflected in, the principal value of such security, (vi) all other Investments of the Company, (vii) the establishment costs attributable to the Company and the cost of issuing and distributing Shares of the Company in so far as the same have not been written off and (viii) all other assets of the Company of every kind and nature including prepaid expenses as valued and defined from time to time by the Directors.

- (b) The valuation principles to be used in valuing the Company's assets are as follows:
- (i) the value of an Investment which is quoted, listed or normally dealt in on a Regulated Market shall (save in the specific cases set out in paragraphs (iii), (viii) and (ix)) be the closing mid-market price on such Regulated Market as at the Valuation Point or the last traded price when no closing mid-market price is available, provided that:
    - A. if an Investment is quoted, listed or normally dealt in on more than one Regulated Market, the Directors may (with the approval of the Depositary), in their absolute discretion, select any one of such markets for the foregoing purposes (provided that the Directors have determined that such market constitutes the main market for such Investment or provides the fairest criteria for valuing such securities) and once selected a market shall be used for future calculations of the Net Asset Value with respect to that Investment unless the Directors otherwise determine; and
    - B. in the case of any Investment which is quoted, listed or normally dealt in on a Regulated Market but in respect of which for any reason, prices on that market may not be available at any relevant time, or, in the opinion of the Directors, may not be representative, the value of this Investment shall be the probable realisation value thereof estimated with care and in good faith by a competent person, firm or association making a market in such Investment (approved for the purpose by the Depositary) and/or any other competent person, in the opinion of the Directors (and approved for the purpose by the Depositary);
  - (ii) the value of any Investment which is not quoted, listed or normally dealt in on a Regulated Market shall be the probable realisable value estimated with care and in good faith by a competent person, firm or association making a market in such Investment (approved for the purpose by the Depositary) and/or any other competent person, in the opinion of the Directors (and approved for the purpose by the Depositary);
  - (iii) the value of any Investment which is a unit or share issued by an open-ended collective investment undertaking shall be the latest available net asset value of such unit/share;
  - (iv) the value of any cash in hand, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors (with the approval of the Depositary) may consider appropriate in such case to reflect the true value thereof;
  - (v) deposits shall be valued at their principal amount plus accrued interest from the date on which the same were acquired or made;
  - (vi) treasury bills shall be valued at the official close of business price on the market on which same are traded or admitted to trading as at the Valuation Point, provided that where such price is not available, same shall be valued at the probable realisation value estimated with care and good faith by a competent person (approved for the purpose by the Depositary);
  - (vii) bonds, notes, debenture stocks, certificates of deposit, bank acceptances, trade bills and similar assets shall be valued at the official close of business price on the market on which these assets are traded or admitted for trading (being the market which is the sole market or in the opinion of the Directors the principal market on which the assets in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired;

- (viii) the value of forward foreign exchange contracts shall be the profit or loss arising from the position valued at the prevailing foreign exchange spot rate at the Valuation Point;
  - (ix) the value of any futures contracts and options which are dealt in on a Regulated Market shall be the settlement price as determined by the market in question, provided that if such settlement price is not available for any reason or is unrepresentative, same shall be valued at the probable realisation value estimated with care and good faith by a competent person (approved for the purpose by the Depositary);
  - (x) the value of any over the counter ("OTC") contracts, including swaps, shall be the quotation from the counterparty (provided that such quotation is provided on at least a daily basis and is approved or verified at least weekly by a person independent of the counterparty and who is approved for the purpose by the Depositary) or the fair value based on the underlying securities or assets;
  - (xi) notwithstanding any of the foregoing sub-paragraphs, the Directors with the approval of the Depositary may adjust the value of any Investment if, having regard to currency, applicable rate of interest, maturity, marketability and/or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof;
  - (xii) if in any case a particular value is not ascertainable as above provided or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant Investment then in such case the method of valuation of the relevant Investment shall be such as the Directors shall decide with the approval of the Depositary; and
  - (xiii) notwithstanding the foregoing, where at any time of any valuation any asset of the Company has been realised or contracted to be realised there shall be included in the assets of the Company in place of such asset the net amount receivable by the Company in respect thereof provided that if such amount is not then known exactly then its value shall be the net amount estimated by the Directors as receivable by the Company and provided that such adjustment method is approved by the Depositary.
- (c) Any certificate as to Net Asset Value of Shares given in good faith (and in the absence of negligence or manifest error) by or on behalf of the Directors shall be binding on all parties.

### Prevention of Money Laundering and Terrorist Financing

Pursuant to international regulations and Luxembourg laws and regulations including, but not limited to, the amended law of 12 November 2004 on the fight against money laundering and financing of terrorism, the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012, CSSF Circulars 13/556, 15/609 and 17/650 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements, obligations have been imposed on all professionals of the financial sector in order to prevent the use of undertakings for collective investment such as the Company from money laundering and financing of terrorism purposes. As a result of such provisions, the registrar agent of a Luxembourg undertaking for collective investment must ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The registrar agent may require subscribers to provide any document it deems necessary to effect such identification. In addition, the registrar agent, as delegate of the Company, may require any other information that the Company may require in order to comply with its legal and regulatory obligations, including but not limited to the CRS Law.

In case of delay or failure by an applicant to provide the required documentation, the application for subscription will not be accepted and in case of redemption, payment of redemption proceeds delayed.



Neither the Company nor the registrar agent have any liability for delays or failure to process deals as a result of the applicant providing no or only incomplete documentation.

Shareholders may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations.

### Pooling

Subject to the provisions of the Articles, the Directors may invest and manage all or any part of the portfolio of assets established for two or more Funds (for the purposes hereof "Participating Funds") on a pooled basis. Any such asset pool shall be formed by transferring to it cash or other assets (subject to such assets being appropriate in respect to the investment policy of the pool concerned) from each of the Participating Funds. Thereafter, the Directors may from time to time make further transfers to each asset pool. Assets may also be transferred back to a Participating Fund up to the amount of the participation of the Class concerned.

Each Participating Fund shall be entitled to assets in such pool as determined by reference to the allocations and withdrawals of assets by the relevant Participating Fund and to those made on behalf of the other Participating Funds. Where a cash contribution or a withdrawal is made, it will be reduced by an amount which the Directors consider appropriate to reflect fiscal charges and dealing and purchase costs which may be incurred in investing the cash concerned or, respectively, increased by an addition reflecting costs which may be incurred in realising securities or other assets of the asset pool.

Dividends, interest and other distributions of an income nature received in respect of the assets in an asset pool will be immediately credited to the Participating Funds in proportion to their respective participation in the asset pool at the time of receipt. On the dissolution of the Company, the assets in an asset pool will be allocated to the Participating Funds in proportion to their respective participation in the asset pool.

At the present time, none of the Funds are managed on a pooled basis. Should the Directors resolve to manage existing Funds on such basis, prior notice will be given to investors.

### Inspection of Documents

Copies of the following documents (and any subsequent amending documents) will be available for inspection at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) free of charge at the registered office of the Company and of the Management Company:

- (a) the Articles;
- (b) the Depositary Agreement;
- (c) the Administration Agreement;
- (d) the Management Company Agreement;
- (e) the Investment Management Agreement;
- (f) the lead distribution agreement entered into with the Lead Distributor;
- (g) the Prospectus and the Key Investor Information Documents of the Company; and
- (h) the latest annual and semi-annual financial statements of the Company (when issued).

Copies of the documents listed under (a), (g) and (h) may be obtained free of charge at the registered office of the Company and of the Management Company.

### Recording of Communications

Telephone, electronic and other communications and conversations with the Management Company, the Investment Manager and/or their associated persons may be recorded and retained.



## APPENDIX 1

### INVESTMENT RESTRICTIONS

The Directors have adopted the following restrictions relating to the investment of the Company's assets and its activities. These restrictions and policies may be amended from time to time by the Directors if and as they shall deem it to be in the best interests of the Company in which case this Prospectus will be updated.

The investment restrictions imposed by Luxembourg law must be complied with by each Fund. Those restrictions in paragraph 1(D) below are applicable to the Company as a whole.

#### 1. INVESTMENT IN TRANSFERABLE SECURITIES AND LIQUID ASSETS

(A) The Company will invest solely in:

- (i) transferable securities and money market instruments admitted to an official listing on a stock exchange in an Eligible State; and/or
- (ii) transferable securities and money market instruments dealt in on another Regulated Market; and/or
- (iii) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market and such admission is achieved within one year of the issue; and/or
- (iv) shares or units of UCITS and/or of other UCIs whether situated in an EU Member State or not, provided that:
  - such other UCIs have been authorised (a) under the laws of any member country of the European Union or (b) under the laws of Canada, Hong Kong, Japan, Norway, Switzerland, United Kingdom or the United States, or (c) under other laws which provide that such other UCIs are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law and that co-operation between authorities is sufficiently ensured;
  - the level of protection for shareholders in such other UCIs is equivalent to that provided for Shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the Directive;
  - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs; and/or
- (v) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a EU Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law; and/or
- (vi) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in subparagraphs (i) and (ii) above, and/or financial

derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

- the underlying consists of securities covered by this section (1) (A), financial indices, interest rates, foreign exchange rates or currencies, in which the Funds may invest according to their investment objective;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative.

Unless specifically provided otherwise for any specific Fund, the Company will invest in financial derivative instruments for efficient portfolio management purposes and as more fully described in the section 5 below;

and/or

- (vii) money market instruments other than those dealt in on a Regulated Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of an EU Member State, the European Central Bank, the European Union or the European Investment Bank, a non-EU Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong; or
  - issued by an undertaking any securities of which are dealt in on Regulated Markets; or
  - issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or
  - issued by other bodies belonging to categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least Euro ten million (€10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

In addition, the Company may invest a maximum of 10% of the net asset value of any Fund in transferable securities and money market instruments other than those referred to under (i) to (vii) above.

(B) Each Fund may hold ancillary liquid assets.

(C) (i) Each Fund may invest no more than 10% of its net asset value in transferable securities or money market instruments issued by the same issuing body (and in the case of credit-linked securities both the issuer of the credit-linked securities and the issuer of the

underlying securities). Each Fund may not invest more than 20% of its net assets in deposits made with the same body. The risk exposure to a counterparty of a Fund in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in (1)(A)(v) above or 5% of its net assets in other cases.

- (ii) Furthermore, where any Fund holds investments in transferable securities and money market instruments of any issuing body which individually exceed 5% of the net asset value of such Fund, the total value of all such investments must not account for more than 40% of the net asset value of such Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph (C)(i), a Fund may not combine:

- investments in transferable securities or money market instruments issued by a single body;
  - deposits made with a single body; and/or
  - exposures arising from OTC derivative transactions undertaken with a single body in excess of 20% of its net assets.
- (iii) The limit of 10% laid down in paragraph (C)(i) above shall be 35% in respect of transferable securities or money market instruments which are issued or guaranteed by an EU Member State, its local authorities or by an Eligible State or by public international bodies of which one or more EU Member States are members.
- (iv) The limit of 10% laid down in paragraph (C)(i) above shall be 25% in respect of debt securities which are issued by credit institutions having their registered office in an EU Member State and which are subject by law to a special public supervision for the purpose of protecting the holders of such debt securities, provided that the amount resulting from the issue of such debt securities are invested, pursuant to applicable provisions of the law, in assets which are sufficient to cover the liabilities arising from such debt securities during the whole period of validity thereof and which are assigned to the preferential repayment of capital and accrued interest in the case of a default by such issuer.

If a Fund invests more than 5% of its assets in the debt securities referred to in the subparagraph above and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of such Fund.

- (v) The transferable securities and money market instruments referred to in paragraphs (C)(iii) and (C)(iv) are not included in the calculation of the limit of 40% referred to in paragraph (C)(ii).

The limits set out in paragraphs (C)(i), (C)(ii), (C)(iii) and (C)(iv) above may not be aggregated and, accordingly, the value of investments in transferable securities and money market instruments issued by the same body, in deposits or derivative instruments made with this body, effected in accordance with paragraphs (C)(i), (C)(ii), (C)(iii) and (C)(iv) may not, in any event, exceed a total of 35% of each Fund's net asset value.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 2013/34/EU of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, as amended, or in accordance with recognised

international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph (C).

A Fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

- (vi) Without prejudice to the limits laid down in paragraph (D), the limits laid down in this paragraph (C) shall be 20% for investments in shares and/or debt securities issued by the same body when the aim of a Fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, provided:

- the composition of the index is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it refers;
- it is published in an appropriate manner.

The limit laid down in the subparagraph above is raised to 35% where it proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant provided that investment up to 35% is only permitted for a single issuer.

- (vii) **Where any Fund has invested in accordance with the principle of risk spreading in transferable securities or money market instruments issued or guaranteed by an EU Member State, by its local authorities or a non-EU Member State accepted by the CSSF (being at the date of this Prospectus OECD member states, Singapore, Brazil, Russia, Indonesia and South Africa) or by public international bodies of which one or more EU Member States are members, the Company may invest 100% of the net asset value of any Fund in such securities provided that such Fund must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the net asset value of the Fund.**

Subject to having due regard to the principle of risk spreading, a Fund need not comply with the limits set out in this paragraph (C) for a period of 6 months following the date of its authorisation and launch.

- (D) (i) The Company may not normally acquire shares carrying voting rights which would enable the Company to exercise significant influence over the management of the issuing body.
- (ii) A Fund may acquire no more than (a) 10% of the non-voting shares of any single issuing body, (b) 10% of the value of debt securities of any single issuing body, (c) 10% of the money market instruments of the same issuing body, and/or (d) 25% of the units of the same collective investment undertaking. However, the limits laid down in (b), (c) and (d) 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.

The limits set out in paragraph (D)(i) and (ii) above shall not apply to:

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

- (iv) shares held in the capital of a company incorporated in a non-EU Member State which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which such Fund's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in 1(C), 1(D) (i) and (ii) and 1(E).
- (E)
  - (i) Each Fund may not invest more than 20% of its net assets in shares or units of the same UCITS or other UCIs referred to under 1A(iv) above.
  - (ii) Furthermore, investments made in UCIs other than UCITS, may not exceed, in aggregate, 30% of the net assets of the Fund.
  - (iii) To the extent that a UCITS or UCI is composed of several sub-funds and provided that the principle of segregation of commitments of the different sub-funds is ensured in relation to third parties, each sub-fund shall be considered as a separate entity for the application of the limit laid down under 1(E)(i) above.
  - (iv) When a Fund invests in the shares or units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by another company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding, no subscription or redemption fees may be charged by that management company or other company on account of its investment in the shares or units of such other UCITS and/or UCIs.
  - (v) In respect of a Fund's substantial proportion of its investments in UCITS and other UCIs that are managed, directly or by delegation, by the same management company or by another company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding the maximum total management fee (excluding any performance fee, if any) charged to such Fund and each of the UCITS or other UCIs concerned shall not exceed 4% of the relevant net assets under management. The Company will indicate in its annual report the total management fees charged both to the relevant Fund and to the UCITS and other UCIs in which such Fund has invested during the relevant period.
  - (vi) The Company may acquire no more than 25% of the shares or units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the shares or units in issue cannot be calculated. In the case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to all shares or units issued by the UCITS/UCI concerned, all sub-funds combined.
  - (vii) The underlying investments held by the UCITS or other UCIs in which the Funds invest do not have to be considered for the purpose of the investment restrictions set forth under 1. (C) above.

## 2. INVESTMENT IN OTHER ASSETS

- (A) The Company will not make investments in precious metals or certificates representing these.
- (B) The Company may not enter into transactions involving commodities or commodity contracts, except that the Company may employ techniques and instruments relating to transferable securities within the limits set out in paragraph 3. below.
- (C) The Company will not purchase or sell real estate or any option, right or interest therein, provided the Company may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (D) The Company may not carry out uncovered sales of transferable securities, money market

instruments or other financial instruments referred to in 1.(A) iv), vi) and vii).

- (E) The Company may not borrow for the account of any Fund, other than amounts which do not in aggregate exceed 10% of the net asset value of the Fund, and then only as a temporary measure. For the purpose of this restriction back to back loans are not considered to be borrowings.
- (F) The Company will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of any Fund, except as may be necessary in connection with the borrowings mentioned in (E) above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the net asset value of each Fund. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose.
- (G) The Company will not underwrite or sub-underwrite securities of other issuers.

### **3. CROSS-FUNDS INVESTMENTS**

A Fund (the "Investing Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more Funds (each, a "Target Fund") without the Fund being subject to the requirements of the law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:

- (i) the Investing Fund may not invest more than 20% of its Net Asset Value in a single Target Fund; and
- (ii) the Target Fund does not, in turn, invest in the Investing Fund invested in this Target Fund; and
- (iii) no more than 10% of the assets that the Target Fund whose acquisition is contemplated may, according to its investment policy, be invested in units of other UCITS or other UCIs; and
- (iv) voting rights, if any, attaching to the Shares of the Target Fund are suspended for as long as they are held by the Investing Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- (v) for as long as these securities are held by the Investing Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law.

### **4. MASTER-FEEDER STRUCTURES**

- (A) Under the conditions and within the limits laid down by the 2010 Law, the Company may, to the widest extent permitted by the Regulations (i) create any Fund qualifying either as a feeder UCITS (a "Feeder UCITS") or as a master UCITS (a "Master UCITS"), (ii) convert any existing Fund into a Feeder UCITS or a Master UCITS, or (iii) change the Master UCITS of any of its Feeder UCITS.
- (B) A Feeder UCITS shall invest at least 85% of its assets in the units of another Master UCITS. A Feeder UCITS may hold up to 15% of its assets in one or more of the following:
  - (i) ancillary liquid assets in accordance with 1. (B) above;
  - (ii) financial derivative instruments, which may be used only for hedging purposes;
- (C) For the purposes of compliance with paragraph 4 of section "5. Financial Derivatives, Techniques and Instruments" hereafter, the Feeder UCITS shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under the second indent under b) with either:

- (i) the Master UCITS actual exposure to financial derivative instruments in proportion to the Feeder UCITS investment into the Master UCITS; or
- (ii) the Master UCITS potential maximum global exposure to financial derivative instruments provided for in the Master UCITS management regulations or instruments of incorporation in proportion to the Feeder UCITS investment into the Master UCITS.

## 5. FINANCIAL DERIVATIVES, TECHNIQUES AND INSTRUMENTS

The Company is authorised to invest in financial derivative instruments on eligible assets and employ techniques and instruments relating to transferable securities and to money market instruments under the conditions and within the limits laid down by the Regulations. Under no circumstances shall these operations cause the Company and its Funds to diverge from its investment policies and restrictions.

The Company may invest in financial derivative instruments, for hedging exchange and market risks and employ techniques and instruments relating to transferable securities and money market instruments for efficient portfolio management, as more fully described below.

The Company may also invest in financial derivative instruments in relation to a specific Fund to achieve its investment objective as disclosed under the section headed "Investment Objectives, Investment Policies and Investor and Risk Profiles" in this Prospectus.

When a Fund invests in total return swaps or in other financial derivative instruments with similar characteristics, information relating to the underlying assets and strategy and to the relevant counterparties shall be described in Appendix 3.

The Company shall ensure that the global exposure of each Fund relating to derivative instruments does not exceed the total net assets of that Fund. The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following paragraphs. When a Fund invests, as a part of its investment policy and within the limits laid down in restriction 1(C)(v), in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in restrictions 1(C)(i) to (v). When a Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in restriction 1(C). In addition, the frequency of the review and rebalancing of the composition of the underlying index of such financial derivative instruments shall vary per index and could be daily, weekly, monthly, quarterly or annually. There will be no cost to the Fund when the index itself rebalances.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the aforesaid requirements.

The counterparties to these transactions must be subject to prudential supervision rules considered by the CSSF as described above in section 1. (A) (vi).

### 5.1 Transactions aimed at hedging exchange-rate risks

In the context of the management of the investment portfolio, each Fund may use instruments with a view to hedging against exchange-rate fluctuations. These instruments may include, but are not limited to, sales of forward foreign-exchange contracts, sales of currency futures, purchases of put options on currencies as well as sales of call options on currencies.

### 5.2 Swaps

The Company may enter into swap transactions which consist of contractually paying out (or receiving) to (from) the swap counterparty:

- (i) a positive or negative performance of one security, a basket of securities, a stock exchange index or a benchmark;
- (ii) an interest rate, either floating or fixed;

- (iii) a foreign exchange rate; or
- (iv) a combination of any of the above;

against the payment of an interest rate either floating or fixed. There is no exchange of principal in the swap and the Company will not hold any security, but the Company will receive all the economies of owning securities, such as dividend income.

When entering into swap transactions, the Company must ensure that:

- (i) its counterpart is a financial institution of good reputation specialised among other things in this type of transaction;
- (ii) the level of its exposure to the swap is such that it is able, at all times, to have sufficient liquid assets available to meet its redemption obligations and the commitments arising out of such transactions; and
- (iii) the underlying assets performance referred to under the swap agreement is in compliance with the investment policy of the relevant Fund entering into such transaction.

The swap transactions to be entered into will be marked to market daily using the market value of the underlying assets used for the transaction in accordance with the terms of the swap agreement.

### **5.3 Credit Default Swaps**

The Company may use credit default swaps. A credit default swap is a bilateral financial contract in which one counterpart (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer must either sell particular obligations issued by the reference issuer at their par value (or some other designated reference or strike price) when a credit event occurs or receive a cash settlement based on the difference between the market price and such reference or strike price. The credit default swaps to be entered into will be marked to market daily on this basis. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The International Swaps and Derivatives Association ("ISDA") has produced standardised documentation for these transactions under the umbrella of its ISDA Master Agreement.

The Company may use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolios by buying protection.

Provided it is in the exclusive interests of its Shareholders, the Company may also sell protection under credit default swaps in order to acquire a specific credit exposure.

Credit default swaps may trade differently from the funded securities of the reference entity. In adverse market conditions, the basis (difference between the spread on bonds and the spread on credit default swaps) can be significantly more volatile.

The Company will only enter into credit default swap transactions with highly rated financial institutions specialised in this type of transaction and only in accordance with the standard terms laid down by the ISDA. In addition, the use of credit default swaps must comply with the investment objectives and policies and risk profile of the relevant Fund.

The Company will ensure that, at any time, it has the necessary assets in order to pay redemption proceeds resulting from redemption requests and also meet its obligations resulting from credit default swaps and other techniques and instruments.

### **5.4 Securities lending and repurchase transactions**

To the maximum extent allowed by, and within the limits set forth in, the Regulations, in particular the



provisions of (i) article 11 of the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the law of 20 December 2002 on undertakings for collective investment<sup>2</sup> and of (ii) CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investments when they use certain techniques and instruments relating to transferable securities and money market instruments, CSSF Circular 11/512 and CSSF Circular 14/592 on ESMA's Guidelines on ETFs and other UCITS issues (as these pieces of regulations may be amended or replaced from time to time), each Fund may for the purpose of generating additional capital or income or for reducing costs or risks (A) enter, either as purchaser or seller, into optional as well as non-optional repurchase transactions and (B) engage in securities lending transactions.

When a Fund enters into securities lending and/or reverse repurchase transactions, information on the fees allocation and the counterparties receiving such fees shall be described in Appendix 3 or the Company's annual report, as appropriate.

### **Collateral Policy**

- (a) Repurchase/reverse repurchase agreements, ("repo contracts") and stock lending arrangements may only be effected in accordance with normal market practice.
- (b) All assets received by the Company, on behalf of a Fund in the context of efficient portfolio management techniques and/or OTC derivative transactions must comply with the criteria set out below:
  - (i) Liquidity: collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Articles 56 of the Directive.
  - (ii) Valuation: collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
  - (iii) Issuer credit quality: collateral received should be of high quality.
  - (iv) Correlation: collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty.
  - (v) Diversification (asset concentration): collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a Fund's Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by any EU Member State, any of its local authorities, any OECD country, Singapore or any member of the G20, or a public international body to which one or more EU Member States belong. In that case, the relevant Fund will receive securities from at least six different issues, but securities from any single issue shall not account for more than 30% of the Net Asset Value of that Fund.
  - (vi) Immediately available: collateral received should be capable of being fully enforced by the Investment Manager, on behalf of the relevant Fund(s), at any time without reference to or approval from the counterparty.

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<sup>2</sup> The law of 20 December 2002 on undertakings for collective investment is repealed and replaced by the 2010 Law.

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

- (c) Non-cash collateral cannot be sold, pledged or re-invested.
- (d) Cash collateral received by a Fund in relation to any of these transactions may be reinvested in a manner consistent with the investment objectives of such Fund in:
  - (i) deposits with credit institutions having their registered office in an EU Member State or if the credit institution has its registered office in a third country, it must be subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
  - (ii) high quality government bonds;
  - (iii) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and to the extent that the Company is able to recall at any time the full amount of cash on an accrued basis;
  - (iv) shares or units issued by short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

Re-invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral.

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

The Fund may re-invest cash collateral in securities on a when issued, delayed delivery and forward commitment basis and such securities will be taken into consideration in calculating a Fund's investment restriction limits.

- (e) Permitted types of collateral

Where the Company, on behalf of Fund, receives collateral as a result of trading in OTC derivatives or as a result of engaging in efficient portfolio management techniques, the Company intends, subject to the criteria set out at Section (b)(i) – (vi) above, to accept collateral in the form which complies with the requirements of the CSSF Circular 08/356 (as may be amended or replaced from time to time).

- (f) Level of collateral required

The value of any collateral, whatever its currency, received by the Company, adjusted in light of the haircut policy, will be market to market daily and will equal or exceed, in value, at all times, the value of the amount invested or securities loaned. Collateral received in form of cash will be denominated in the same currency as the currency of the derivatives or securities loaned they cover.

- (g) Haircut Policy

Collateral received by the Company, on behalf of a Fund, will be subject to the following haircut policy:

Eligible Collateral	Haircut applicable
Cash	None
Government bonds and T-Bills	at least 2%
Supranational bonds and municipal bonds	at least 3%
Corporate bonds	at least 5%
Equities	at least 5%

The Company reserves the right to vary this policy at any time in which case this Prospectus will be updated accordingly.

(h) Revenue and costs arising from efficient portfolio management techniques

To the extent that the Company, on behalf of a Fund, engages in efficient portfolio management techniques, and to the extent that direct and indirect operational costs/fees arising from efficient portfolio management techniques are deducted from the revenue delivered to the Fund (which costs and fees should not include hidden revenue), the Company will disclose information on the costs and fees as well as the identity of the entity or entities to which such costs and fees are paid, indicating whether or not these are related parties to the Depositary in the annual report of the Company to the extent required by the Regulations.

All the revenues arising from efficient portfolio management techniques, net of direct or indirect operational costs, should be returned to the relevant Fund(s).

None of the Funds currently make use of securities financing transactions, total return swaps, repurchase and reverse repurchase agreements and securities lending transactions. Prior to entering into such transactions, this Prospectus will be revised to include such disclosure as is necessary to comply with the requirements of the Regulation (EU) No 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and reuse and amending Regulation (EU) No 648/2012.

## 5.5 Specific risks linked to securities lending and repurchase transactions

Use of the aforesaid techniques and instruments involves certain risks, some of which are listed in the following paragraphs, and there can be no assurance that the objective sought to be obtained from such use will be achieved.

Although Regulations require each Fund entering into one of the above transactions to receive sufficient collateral to reduce its counterparty exposure, the Regulations do however not require that such counterparty exposure be fully covered by collateral. This leaves room for the Funds to be exposed to a net counterparty risk and investors should be aware of the possible resulting loss in case of default of the relevant counterparty.

In relation to reverse repurchase transactions and sale with right of repurchase transactions in which a Fund acts as purchaser, investors should be aware that (A) in the event of the failure of the counterparty from which securities have been purchased there is the risk that the value of the securities purchased may yield less than the cash originally paid, notably because of inaccurate pricing of said securities, an adverse market value change, a deterioration in the credit rating of the issuers of such securities, or the illiquidity of the market in which these are traded, and that (B) locking cash in transactions of excessive size or duration and/or delays in recovering cash at maturity may restrict the ability of the Fund to meet redemption requests, security purchases or, more generally, reinvestment. As a Fund may reinvest any cash collateral received from sellers, there is a risk that the value on return of the reinvested cash collateral may decline below the amount owed to those sellers.

In relation to repurchase transactions and sale with right of repurchase transactions in which a Fund acts as seller, investors should be aware that (A) in the event of the failure of the counterparty to which securities have been sold there is the risk that the value of the securities sold to the counterparty is higher than the cash originally received, notably because of a market appreciation of the value of said securities or an improvement in the credit rating of their issuer, and that (B) locking investment positions in transactions of excessive size or duration and/or delays in recovering, at maturity, the securities sold, may restrict the ability of the Fund to meet delivery obligations under security sales or payment obligations arising from redemption requests. As a Fund may reinvest the cash received from purchasers, there is a risk that the value on return of the reinvested cash may decline below the amount owed to those purchasers.

Repurchase and reverse repurchase transactions will, as the case may be, further expose a Fund to risks similar to those associated with optional or forward derivative financial instruments, which risks are further described in other sections of this Prospectus.

In relation to securities lending transactions, investors must notably be aware that (A) if the borrower of securities lent by a Fund fail to return these there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) in case of reinvestment of cash collateral, as assets in which cash collateral is reinvested are subject to the same risks as those further described in other sections of this Prospectus in relation to direct investment of the Fund, such reinvestment may yield a sum less than the amount of collateral to be returned hence creating leverage with corresponding risks and risk of losses and volatility; and that (C) delays in the return of securities on loans may restrict the ability of a Fund to meet delivery obligations under security sales. As a Fund may reinvest the cash collateral received from borrowers, there is a risk that the value on return of the reinvested cash collateral may decline below the amount owed to those borrowers.

## **5.6 Specific risks linked to the use of derivative instruments**

### **Market risk**

Derivatives are used to efficiently take (or reduce) exposure to risk factors, introducing market risk. This does not differ from positions in other financial instruments. What does differ is the comprehensibility of the market risk introduced by more complex derivative instruments. A position in a derivative instrument can introduce (non-linear) exposures to a multitude of market variables.

### **Credit risk**

Positions in OTC-derivative instruments introduce counterparty credit risk. Broadly speaking, credit risk can be defined as the loss incurred on a contract if the counterparty is unable to honour its engagements.

Because of the low margin deposits normally required in trading derivative instruments, a high degree of leverage is typical for trading in derivatives instruments. As a result, a relatively small price movement in a derivative contract may result in substantial losses to the investor. Investment in derivative transactions may result in losses in excess of the amount invested.

### Absence of regulation and risk of counterparty default in OTC transactions

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and option contracts, credit default swaps, total return swaps and certain options on currencies are generally traded) than of transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with OTC transactions. Therefore, a Fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that a Fund will sustain losses. The Company will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of the measures the Company may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that a Fund will not sustain losses as a result.

### Liquidity: requirement to perform

From time to time, the counterparties with which the Company effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Company might be unable to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance.

**The foregoing risk factors do not purport to be a complete explanation of the risks involved in investing in the shares. Prospective investors should read the entire Prospectus and consult with their legal, tax and financial advisors before making any decision to invest in any Fund.**

## 6. RISK MANAGEMENT PROCESS

The Management Company will employ a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Fund. The Management Company will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

Unless otherwise provided in Appendix 3 for specific Funds, commitment approach is used to monitor and measure the global exposure of the Funds.

This approach measures the global exposure related solely to positions on financial derivative instruments under consideration of netting or hedging.

Each Fund's total commitment to financial derivative instruments, limited to 100% of the portfolio's total net value, is quantified as the sum, as an absolute value, of the individual commitments, after consideration of the possible effects of netting and coverage.

## 7. MISCELLANEOUS

- A. The Company may not make loans to other persons or act as a guarantor on behalf of third parties provided that for the purpose of this restriction the making of bank deposits and the acquisition of such securities referred to in paragraph 1. (A) (i), (ii) and (iii) or of ancillary liquid assets shall not be deemed to be the making of a loan and that the Company shall not be prevented from acquiring such securities above which are not fully paid.
- B. The Company need not comply with the investment limit percentages when exercising subscription rights attached to securities which form part of its assets.
- C. The Management Company, the Investment Manager, the Distributors, the Depositary, the Administrator and any authorised agents or their associates may have dealings in the assets of

the Company provided that any such transactions are effected on normal commercial terms negotiated at arm's length and provided that each such transaction complies with any of the following:

- i) a certified valuation of such transaction is provided by a person approved by the Directors as independent and competent;
- ii) the transaction has been executed on best terms, on and under the rules of an organised investment exchange; or

where neither i) or ii) is practical;

- iii) where the Directors are satisfied that the transaction has been executed on normal commercial terms negotiated at arm's length.

## APPENDIX 2

### LIST OF FUNDS AND SHARE CLASSES

Name of Fund	Share Class	GBP	USD	EUR	YEN
Barclays GlobalBeta Portfolio 1	Class A – Acc	YES	YES	YES	YES
	Class A – Dist	YES	YES	YES	YES
	Class C – Acc	YES	YES	YES	NO
	Class C – Dist	YES	YES	YES	NO
	Class I – Acc	YES	YES	YES	NO
	Class I – Dist	YES	YES	YES	NO
	Class R – Acc	YES	YES	YES	NO
	Class R – Dist	YES	YES	YES	NO
	Class Y – Acc	NO	NO	NO	NO
	Class Y – Dist	NO	NO	NO	NO
Barclays GlobalBeta Portfolio 2	Class A – Acc	YES	YES	YES	YES
	Class A – Dist	YES	YES	YES	YES
	Class C – Acc	YES	YES	YES	NO
	Class C – Dist	YES	YES	YES	NO
	Class I – Acc	YES	YES	YES	NO
	Class I – Dist	YES	YES	YES	NO
	Class R – Acc	YES	YES	YES	NO
	Class R – Dist	YES	YES	YES	NO
	Class Y – Acc	NO	NO	NO	NO
	Class Y – Dist	NO	NO	NO	NO
Barclays GlobalBeta Portfolio 3	Class A – Acc	YES	YES	YES	YES
	Class A – Dist	YES	YES	YES	YES
	Class C – Acc	YES	YES	YES	NO
	Class C – Dist	YES	YES	YES	NO
	Class I – Acc	YES	YES	YES	NO
	Class I – Dist	YES	YES	YES	NO
	Class R – Acc	YES	YES	YES	NO
	Class R – Dist	YES	YES	YES	NO
	Class Y – Acc	NO	NO	NO	NO
	Class Y – Dist	NO	NO	NO	NO
Barclays GlobalBeta Portfolio 4	Class A – Acc	YES	YES	YES	YES
	Class A – Dist	YES	YES	YES	YES
	Class C – Acc	YES	YES	YES	NO
	Class C – Dist	YES	YES	YES	NO
	Class I – Acc	YES	YES	YES	NO
	Class I – Dist	YES	YES	YES	NO

	Class R – Acc	YES	YES	YES	NO
	Class R – Dist	YES	YES	YES	NO
	Class Y – Acc	NO	NO	NO	NO
	Class Y – Dist	NO	NO	NO	NO
Barclays GlobalBeta Portfolio 5	Class A – Acc	YES	YES	YES	YES
	Class A – Dist	YES	YES	YES	YES
	Class C – Acc	YES	YES	YES	NO
	Class C – Dist	YES	YES	YES	NO
	Class I – Acc	YES	YES	YES	NO
	Class I – Dist	YES	YES	YES	NO
	Class R – Acc	YES	YES	YES	NO
	Class R – Dist	YES	YES	YES	NO
	Class Y – Acc	NO	NO	NO	NO
	Class Y – Dist	NO	NO	NO	NO
Barclays MultiManager Portfolio 1	Class A – Acc	YES	YES	YES	YES
	Class A – Dist	YES	YES	YES	YES
	Class C – Acc	YES	YES	YES	NO
	Class C – Dist	YES	YES	YES	NO
	Class I – Acc	YES	YES	YES	NO
	Class I – Dist	YES	YES	YES	NO
	Class R – Acc	YES	YES	YES	NO
	Class R – Dist	YES	YES	YES	NO
	Class Y – Acc	NO	NO	NO	NO
	Class Y – Dist	NO	NO	NO	NO
Barclays MultiManager Portfolio 2	Class A – Acc	YES	YES	YES	YES
	Class A – Dist	YES	YES	YES	YES
	Class C – Acc	YES	YES	YES	NO
	Class C – Dist	YES	YES	YES	NO
	Class I – Acc	YES	YES	YES	NO
	Class I – Dist	YES	YES	YES	NO
	Class R – Acc	YES	YES	YES	NO
	Class R – Dist	YES	YES	YES	NO
	Class Y – Acc	NO	NO	NO	NO
	Class Y – Dist	NO	NO	NO	NO
Barclays MultiManager Portfolio 3	Class A – Acc	YES	YES	YES	YES
	Class A – Dist	YES	YES	YES	YES
	Class C – Acc	YES	YES	YES	NO
	Class C – Dist	YES	YES	YES	NO
	Class I – Acc	YES	YES	YES	NO
	Class I – Dist	YES	YES	YES	NO
	Class R – Acc	YES	YES	YES	NO



	Class R – Dist	YES	YES	YES	NO
	Class Y – Acc	YES	YES	YES	NO
	Class Y – Dist	NO	NO	NO	NO
Barclays MultiManager Portfolio 4	Class A – Acc	YES	YES	YES	YES
	Class A – Dist	YES	YES	YES	YES
	Class C – Acc	YES	YES	YES	NO
	Class C – Dist	YES	YES	YES	NO
	Class I – Acc	YES	YES	YES	NO
	Class I – Dist	YES	YES	YES	NO
	Class R – Acc	YES	YES	YES	NO
	Class R – Dist	YES	YES	YES	NO
	Class Y – Acc	YES	YES	YES	NO
	Class Y – Dist	NO	NO	NO	NO
Barclays MultiManager Portfolio 5	Class A – Acc	YES	YES	YES	YES
	Class A – Dist	YES	YES	YES	YES
	Class C – Acc	YES	YES	YES	NO
	Class C – Dist	YES	YES	YES	NO
	Class I – Acc	YES	YES	YES	NO
	Class I – Dist	YES	YES	YES	NO
	Class R – Acc	YES	YES	YES	NO
	Class R – Dist	YES	YES	YES	NO
	Class Y – Acc	YES	YES	YES	NO
	Class Y – Dist	NO	NO	NO	NO
Liquid Alternative Strategies	Class A – Acc	YES	YES	YES	NO
	Class A – Dist	YES	YES	YES	NO
	Class C – Acc	NO	NO	NO	NO
	Class C – Dist	NO	NO	NO	NO
	Class I – Acc	NO	NO	NO	NO
	Class I – Dist	NO	NO	NO	NO
	Class R – Acc	YES	YES	YES	NO
	Class R – Dist	YES	YES	YES	NO
	Class Y – Acc	NO	NO	NO	NO
	Class Y – Dist	NO	NO	NO	NO

Not all Funds and Share Classes set out above, may be available at the date of this Prospectus. A complete list of the available Share Classes, together with their ISIN numbers, may be obtained from the Administrator. Certain Funds and/or Share classes may be offered in certain jurisdictions only. Investors should consult the Management Company, the Administrator, their relevant intermediary or professional adviser as to the availability of any Share in their jurisdictions.

## APPENDIX 3

### FUND SPECIFIC DETAILS

#### Barclays GlobalBeta Portfolio 1

The information contained in this section in relation to the Fund should be read in conjunction with the full text of the Prospectus.

##### Investment Objective:

The investment objective of the Fund is to achieve an ongoing source of income with the potential for some capital growth.

##### Investment Policy:

In order to achieve this objective, the Fund will invest predominantly in collective investment undertakings including, but not restricted to, Exchange Traded Funds. Such collective investment undertakings will be UCITS funds regulated in the European Union and/or Permitted Non-UCITS Funds.

While the Fund is a "fund of funds", it may also invest directly in, and manage exposure to, government bonds, corporate bonds and other transferable securities, including certificates of deposit, floating rate notes, commercial paper and equities. The Fund's Direct Investments will normally be listed or traded on Regulated Markets in Europe, the US and Japan but may alternatively be listed or traded on other Regulated Markets. The Fund may also invest in other Investments, including financial derivative instruments to achieve its investment objective.

The Base Currency of the Fund is Sterling and the Fund is valued in Sterling. The Fund may, however, invest in assets denominated in currencies other than its Base Currency. The currency exposure of the underlying assets of the Fund may be hedged back into the Base Currency to provide an element of protection against currency fluctuation.

##### Investor and Risk Profile:

May suit investors seeking a regular income and limited potential for capital growth. The Fund takes a low risk approach to generating returns. As the Fund will have exposure to stock market investments, there is a degree of risk although the high level of exposure to fixed interest investment means risk is expected to be low compared to the other Funds. The intended investment period for this Fund is at least 5 years.

##### Risk Warnings:

Investors should read, be aware of and consider the risks set out under Risk Factors.

##### Base Currency:

Sterling

##### Valuation Point:

23.00 (Central European Time) on each Dealing Day.

##### Dealing Cut-off Time:

14.30 (Central European Time) on the relevant Dealing Day or such other day as the Directors may determine.

##### Initial Sales Charge and Management Fee:

Share Class	Initial Sales Charge % of the subscription amount	Management Fee % per annum of the Net Asset Value
Class A Shares	Up to 5.25%	0.55%
Class C Shares	Up to 5.25%	0.45%
Class I Shares	Up to 5.25%	Up to 0.50%
Class R Shares	None	0.30%

##### Switching Commission:

Up to 1.00% of the applicable Price per Share of the New Class.

##### Charging of Fees and Expenses to Capital or Income:

Capital.

Shareholders should note therefore that where fees and expenses are charged to the capital of a Fund, it will have the effect of reducing the capital value of Shareholders' investment in that Fund.

##### Dividend Frequency for Distribution Shares:

Monthly, usually within two months following the end of each month.

The information contained in this section in relation to the Fund should be read in conjunction with the full text of the Prospectus.

**Investment Objective:**

The investment objective of the Fund is to achieve, over the medium to long term, capital growth with an ongoing source of income.

**Investment Policy:**

In order to achieve this objective, the Fund will invest predominantly in collective investment undertakings including, but not restricted to, Exchange Traded Funds. Such collective investment undertakings will be UCITS funds regulated in the European Union and/or Permitted Non-UCITS Funds.

While the Fund is a "fund of funds", it may also invest directly in, and manage exposure to, shares of companies, government and corporate bonds and other transferable securities, including certificates of deposit, floating rate notes and commercial paper. The Fund's Direct Investments will normally be listed or traded on Regulated Markets in Europe, the US and Japan but may alternatively be listed or traded on other Regulated Markets. The Fund may also invest in other Investments, including financial derivative instruments to achieve its investment objective.

The Base Currency of the Fund is Sterling and the Fund is valued in Sterling. The Fund may, however, invest in assets denominated in currencies other than its Base Currency. The currency exposure of the underlying assets of the Fund may be hedged back into the Base Currency to provide an element of protection against currency fluctuation.

**Investor and Risk Profile:**

May suit investors looking for a combination of capital growth and income. The Fund takes a cautious approach to generating returns. As the Fund will have exposure to stock market investments there is a degree of risk although the relatively high level of exposure to fixed interest investment means that the Fund is expected to experience a degree of risk that is less than a more balanced investment. The intended investment period for this Fund is at least 5 years.

**Risk Warnings:**

Investors should read, be aware of and consider the risks set out under Risk Factors.

**Base Currency:**

Sterling

**Valuation Point:**

23.00 (Central European Time) on each Dealing Day.

**Dealing Cut-off Time:**

14.30 (Central European Time) on the relevant Dealing Day or such other day as the Directors may determine.

**Initial Sales Charge and Management Fee:**

Share Class	Initial Sales Charge % of the subscription amount	Management Fee % per annum of the Net Asset Value
Class A Shares	Up to 5.25%	1.10%
Class C Shares	Up to 5.25%	0.70%
Class I Shares	Up to 5.25%	Up to 0.50%
Class R Shares	None	0.35%

**Switching Commission:**

Up to 1.00% of the applicable Price per Share of the New Class.

**Charging of Fees and Expenses to Capital or Income:**

Capital.

Shareholders should note therefore that where fees and expenses are charged to the capital of a Fund, it will have the effect of reducing the capital value of Shareholders' investment in that Fund.

**Dividend Frequency for Distribution Shares:**

Quarterly, usually within two months following the end of February, May, August and November.

The information contained in this section in relation to the Fund should be read in conjunction with the full text of the Prospectus.

**Investment Objective:**

The investment objective of the Fund is to achieve, over the medium to long term, capital growth and to a lesser extent, income.

**Investment Policy:**

In order to achieve this objective, the Fund will invest predominantly in collective investment undertakings including, but not restricted to, Exchange Traded Funds. Such collective investment undertakings will be UCITS funds regulated in the European Union and/or Permitted Non-UCITS Funds.

While the Fund is a "fund of funds", it may also invest directly in, and manage exposure to, shares of companies, government and corporate bonds and other transferable securities, including certificates of deposit, floating rate notes and commercial paper. The Fund's Direct Investments will normally be listed or traded on Regulated Markets in Europe, the US and Japan but may alternatively be listed or traded on other Regulated Markets. The Fund may also invest in other Investments, including financial derivative instruments to achieve its investment objective.

The Base Currency of the Fund is Sterling and the Fund is valued in Sterling. The Fund may, however, invest in assets denominated in currencies other than its Base Currency. The currency exposure of the underlying assets of the Fund may be hedged back into the Base Currency to provide an element of protection against currency fluctuation.

**Investor and Risk Profile:**

May suit investors looking for capital growth with a moderate level of income. The Fund has a balanced approach to generating returns by holding a wide range of investments. Due to this balanced approach, the Fund is expected to experience a degree of risk that is less than general equity investment. The intended investment period for this Fund is at least 5 years.

**Risk Warnings:**

Investors should read, be aware of and consider the risks set out under Risk Factors.

**Base Currency:**

Sterling

**Valuation Point:**

23.00 (Central European Time) on each Dealing Day.

**Dealing Cut-off Time:**

14.30 (Central European Time) on the relevant Dealing Day or such other day as the Directors may determine.

**Initial Sales Charge and Management Fee:**

Share Class	Initial Sales Charge % of the subscription amount	Management Fee % per annum of the Net Asset Value
Class A Shares	Up to 5.25%	1.25%
Class C Shares	Up to 5.25%	0.75%
Class I Shares	Up to 5.25%	Up to 0.50%
Class R Shares	None	0.35%

**Switching Commission:**

Up to 1.00% of the applicable Price per Share of the New Class.

**Charging of Fees and Expenses to Capital or Income:**

Capital.

Shareholders should note therefore that where fees and expenses are charged to the capital of a Fund, it will have the effect of reducing the capital value of Shareholders' investment in that Fund.

**Dividend Frequency for Distribution Shares:**

Quarterly, usually within two months following the end of February, May, August and November.

The information contained in this section in relation to the Fund should be read in conjunction with the full text of the Prospectus.

**Investment Objective:**

The investment objective of the Fund is to achieve capital growth over the long term.

**Investment Policy:**

In order to achieve this objective, the Fund will invest predominantly in collective investment undertakings including, but not restricted to, Exchange Traded Funds. Such collective investment undertakings will be UCITS funds regulated in the European Union and/or Permitted Non-UCITS Funds.

While the Fund is a "fund of funds", it may also invest directly in, and manage exposure to, shares of companies, government and corporate bonds and other transferable securities, including certificates of deposit, floating rate notes and commercial paper. The Fund's Direct Investments will normally be listed or traded on Regulated Markets in Europe, the US and Japan but may alternatively be listed or traded on other Regulated Markets. The Fund may also invest in other Investments, including financial derivative instruments to achieve its investment objective.

The Base Currency of the Fund is Sterling and the Fund is valued in Sterling. The Fund may, however, invest in assets denominated in currencies other than its Base Currency. The currency exposure of the underlying assets of the Fund may be hedged back into the Base Currency to provide an element of protection against currency fluctuation.

**Investor and Risk Profile:**

May suit investors looking for high levels of capital growth. The Fund has a bias to growth orientated assets such as equities. The Fund is expected to experience a reasonable degree of risk although less than that of general equity investment. The intended investment period for this Fund is at least 7 years.

**Risk Warnings:**

Investors should read, be aware of and consider the risks set out under Risk Factors.

**Base Currency:**

Sterling

**Valuation Point:**

23.00 (Central European Time) on each Dealing Day.

**Dealing Cut-off Time:**

14.30 (Central European Time) on the relevant Dealing Day or such other day as the Directors may determine.

**Initial Sales Charge and Management Fee:**

Share Class	Initial Sales Charge % of the subscription amount	Management Fee % per annum of the Net Asset Value
Class A Shares	Up to 5.25%	1.25%
Class C Shares	Up to 5.25%	0.75%
Class I Shares	Up to 5.25%	Up to 0.50%
Class R Shares	None	0.35%

**Switching Commission:**

Up to 1.00% of the applicable Price per Share of the New Class.

**Charging of Fees and Expenses to Capital or Income:**

Income.

**Dividend Frequency for Distribution Shares:**

Half-yearly, usually within two months following the end of February and August.

The information contained in this section in relation to the Fund should be read in conjunction with the full text of the Prospectus.

**Investment Objective:**

The investment objective of the Fund is to achieve superior capital growth over the long term.

**Investment Policy:**

In order to achieve this objective, the Fund will invest predominantly in collective investment undertakings including, but not restricted to, Exchange Traded Funds. Such collective investment undertakings will be UCITS funds regulated in the European Union and/or Permitted Non-UCITS Funds.

While the Fund is a "fund of funds", it may also invest directly in, and manage exposure to, shares of companies, government and corporate bonds and other transferable securities, including certificates of deposit, floating rate notes and commercial paper. The Fund's Direct Investments will normally be listed or traded on Regulated Markets in Europe, the US and Japan but may alternatively be listed or traded on other Regulated Markets. The Fund may also invest in other Investments, including financial derivative instruments to achieve its investment objective.

The Base Currency of the Fund is Sterling and the Fund is valued in Sterling. The Fund may, however, invest in assets denominated in currencies other than its Base Currency. The currency exposure of the underlying assets of the Fund may be hedged back into the Base Currency to provide an element of protection against currency fluctuation.

**Investor and Risk Profile:**

May suit investors looking for high levels of capital growth. The Fund has a more aggressive investment strategy than other Funds. The Fund is expected to experience a degree of risk broadly in line with general equity investment. The intended investment period for this Fund is at least 7 years.

**Risk Warnings:**

Investors should read, be aware of and consider the risks set out under Risk Factors.

**Base Currency:**

Sterling

**Valuation Point:**

23.00 (Central European Time) on each Dealing Day.

**Dealing Cut-off Time:**

14.30 (Central European Time) on the relevant Dealing Day or such other day as the Directors may determine.

**Initial Sales Charge and Management Fee:**

Share Class	Initial Sales Charge % of the subscription amount	Management Fee % per annum of the Net Asset Value
Class A Shares	Up to 5.25%	1.25%
Class C Shares	Up to 5.25%	0.75%
Class I Shares	Up to 5.25%	Up to 0.50%
Class R Shares	None	0.35%

**Switching Commission:**

Up to 1.00% of the applicable Price per Share of the New Class.

**Charging of Fees and Expenses to Capital or Income:**

Income.

**Dividend Frequency for Distribution Shares:**

Half-yearly, usually within two months following the end of February and August.

## Barclays MultiManager Portfolio 1

The information contained in this section in relation to the Fund should be read in conjunction with the full text of the Prospectus.

### Investment Objective:-

The investment objective of the Fund is to invest primarily in regulated collective investment undertakings with the aim to achieve an ongoing source of income with potential for some capital growth, from a portfolio with exposure mainly to bonds, and to a lesser extent, other Investments in accordance with the investment restrictions.

### Investment Policy:

In order to achieve this objective, the Fund will invest predominantly in collective investment undertakings managed by members of the Barclays Group and, to a lesser extent, non-affiliated companies. Such collective investment undertakings will be UCITS funds regulated in the European Union and/or Permitted Non-UCITS Funds.

While the Fund is a "fund of funds", it may also invest directly in, and actively manage exposure to, international government bonds, corporate bonds and other transferable securities including certificates of deposit, floating rate notes, commercial paper and equities. The Fund's Direct Investments will normally be listed or traded on Regulated Markets in Europe, the US and Japan but may alternatively be listed or traded on other Regulated Markets. The Fund may also invest in other Investments, including financial derivative instruments to achieve its investment objective.

The Base Currency of the Fund is Sterling and the Fund is valued in Sterling. The Fund may, however, invest in assets denominated in currencies other than its Base Currency. The currency exposure of the underlying assets of the Fund may be hedged back into the Base Currency to provide an element of protection against currency fluctuation.

### Investor and Risk Profile:

May suit investors seeking a regular income and limited potential for capital growth. The Fund takes a low risk approach to generating returns. As the Fund will have exposure to stock market investments, there is a degree of risk although the high level of exposure to fixed interest investment means risk is expected to be low compared to the other Funds. The intended investment period for this Fund is at least 5 years.

### Risk Warnings:

Investors should read, be aware of and consider the risks set out under Risk Factors.

### Base Currency:

Sterling

### Valuation Point:

23.00 (Central European Time) on each Dealing Day.

### Dealing Cut-off Time:

14.30 (Central European Time) on the relevant Dealing Day or such other day as the Directors may determine.

### Initial Sales Charge and Management Fee:

Share Class	Initial Sales Charge % of the subscription amount	Management Fee % per annum of the Net Asset Value
Class A Shares	Up to 5.25%	0.60%
Class C Shares	Up to 5.25%	0.50%
Class I Shares	Up to 5.25%	Up to 0.35%
Class R Shares	None	0.45%

### Switching Commission:

Up to 1.00% of the applicable Price per Share of the New Class.

### Charging of Fees and Expenses to Capital or Income:

Capital.

Shareholders should note therefore that where fees and expenses are charged to the capital of a Fund, it will have the effect of reducing the capital value of Shareholders' investment in that Fund.

### Dividend Frequency for Distribution Shares:

Monthly, usually within two months following the end of each month.

## Barclays MultiManager Portfolio 2

The information contained in this section in relation to the Fund should be read in conjunction with the full text of the Prospectus.

### Investment Objective:

The investment objective of the Fund is to invest primarily in regulated collective investment undertakings with the aim to achieve, over the medium to long term, capital growth with an ongoing source of income from a portfolio with exposure mainly to bonds and equities, and to a lesser extent, other Investments in accordance with the investment restrictions. **Investment Policy:**

In order to achieve this objective, the Fund will invest predominantly in collective investment undertakings managed by members of the Barclays Group and, to a lesser extent, non-affiliated companies. Such collective investment undertakings will be UCITS funds regulated in the European Union and/or Permitted Non-UCITS Funds.

While the Fund is a "fund of funds", it may also invest directly in, and actively manage exposure to, shares of international companies, government and corporate bonds and other transferable securities, including certificates of deposit, floating rate notes and commercial paper. The Fund's Direct Investments will normally be listed or traded on Regulated Markets in Europe, the US and Japan but may alternatively be listed or traded on other Regulated Markets. The Fund may also invest in other Investments, including financial derivative instruments to achieve its investment objective.

The Base Currency of the Fund is Sterling and the Fund is valued in Sterling. The Fund may, however, invest in assets denominated in currencies other than its Base Currency. The currency exposure of the underlying assets of the Fund may be hedged back into the Base Currency to provide an element of protection against currency fluctuation.

### Investor and Risk Profile:

May suit investors looking for a combination of capital growth and income. The Fund takes a cautious approach to generating returns. As the Fund will have exposure to stock market investments there is a degree of risk although the relatively high level of exposure to fixed interest investment means risk would be less than a more balanced investment. The intended investment period for this Fund is at least 5 years.

### Risk Warnings:

Investors should read, be aware of and consider the risks set out under Risk Factors.

### Base Currency:

Sterling

### Valuation Point:

23.00 (Central European Time) on each Dealing Day.

### Dealing Cut-off Time:

14.30 (Central European Time) on the relevant Dealing Day or such other day as the Directors may determine.

### Initial Sales Charge and Management Fee:

Share Class	Initial Sales Charge % of the subscription amount	Management Fee % per annum of the Net Asset Value
Class A Shares	Up to 5.25%	1.35%
Class C Shares	Up to 5.25%	0.95%
Class I Shares	Up to 5.25%	Up to 0.40%
Class R Shares	None	0.75%

### Switching Commission:

Up to 1.00% of the applicable Price per Share of the New Class.

### Charging of Fees and Expenses to Capital or Income:

Capital.

Shareholders should note therefore that where fees and expenses are charged to the capital of a Fund, it will have the effect of reducing the capital value of Shareholders' investment in that Fund.

### Dividend Frequency for Distribution Shares:

Quarterly, usually within two months following the end of February, May, August and November.



## Barclays MultiManager Portfolio 3

The information contained in this section in relation to the Fund should be read in conjunction with the full text of the Prospectus.

### Investment Objective:

The investment objective of the Fund is to invest primarily in regulated collective investment undertakings with the aim to achieve, over the medium to long term, capital growth and to a lesser extent, income, from a portfolio with exposure mainly to equities and bonds, and to a lesser extent, other Investments in accordance with the investment restrictions.

### Investment Policy:

In order to achieve this objective, the Fund will invest predominantly in collective investment undertakings managed by members of the Barclays Group and, to a lesser extent, non-affiliated companies. Such collective investment undertakings will be UCITS funds regulated in the European Union and/or Permitted Non-UCITS Funds.

While the Fund is a "fund of funds", it may also invest directly in, and actively manage exposure to, shares of international companies, government and corporate bonds and other transferable securities, including certificates of deposit, floating rate notes and commercial paper. The Fund's Direct Investments will normally be listed or traded on Regulated Markets in Europe, the US and Japan but may alternatively be listed or traded on other Regulated Markets. The Fund may also invest in other Investments, including financial derivative instruments to achieve its investment objective.

The Base Currency of the Fund is Sterling and the Fund is valued in Sterling. The Fund may, however, invest in assets denominated in currencies other than its Base Currency. The currency exposure of the underlying assets of the Fund may be hedged back into the Base Currency to provide an element of protection against currency fluctuation.

### Investor and Risk Profile:

May suit investors looking for capital growth with a moderate level of income. The Fund has a balanced approach to generating returns by holding a wide range of investments. Due to this balanced approach, the risk of investment would be less than general equity investment. The intended investment period for this Fund is at least 5 years.

### Risk Warnings:

Investors should read, be aware of and consider the risks set out under Risk Factors.

### Base Currency:

Sterling

### Valuation Point:

23.00 (Central European Time) on each Dealing Day.

### Dealing Cut-off Time:

14.30 (Central European Time) on the relevant Dealing Day or such other day as the Directors may determine.

### Initial Sales Charge and Management Fee:

Share Class	Initial Sales Charge % of the subscription amount	Management Fee % per annum of the Net Asset Value
Class A Shares	Up to 5.25%	1.50%
Class C Shares	Up to 5.25%	1.00%
Class I Shares	Up to 5.25%	Up to 0.50%
Class R Shares	None	0.75%
Class Y Shares	Up to 4.00%	Up to 2.00%

### Switching Commission:

Up to 1.00% of the applicable Price per Share of the New Class.

### Charging of Fees and Expenses to Capital or Income:

Capital.

Shareholders should note therefore that where fees and expenses are charged to the capital of a Fund, it will have the effect of reducing the capital value of Shareholders' investment in that Fund.

### Dividend Frequency for Distribution Shares:

Quarterly, usually within two months following the end of February, May, August and November.

## Barclays MultiManager Portfolio 4

The information contained in this section in relation to the Fund should be read in conjunction with the full text of the Prospectus.

### Investment Objective:

The investment objective of the Fund is to invest primarily in regulated collective investment undertakings with the aim to achieve, over the long term, capital growth from a portfolio with exposure mainly to equities, and to a lesser extent, other Investments in accordance with the investment restrictions.

### Investment Policy:

In order to achieve this objective, the Fund will invest predominantly in collective investment undertakings managed by members of the Barclays Group and, to a lesser extent, non-affiliated companies. Such collective investment undertakings will be UCITS funds regulated in the European Union and/or Permitted Non-UCITS Funds.

While the Fund is a "fund of funds", it may also invest directly in, and actively manage exposure to, shares of international companies, government and corporate bonds and other transferable securities, including certificates of deposit, floating rate notes and commercial paper. The Fund's Direct Investments will normally be listed or traded on Regulated Markets in Europe, the US and Japan but may alternatively be listed or traded on other Regulated Markets. The Fund may also invest in other Investments, including financial derivative instruments to achieve its investment objective.

The Base Currency of the Fund is Sterling and the Fund is valued in Sterling. The Fund may, however, invest in assets denominated in currencies other than its Base Currency. The currency exposure of the underlying assets of the Fund may be hedged back into the Base Currency to provide an element of protection against currency fluctuation.

### Investor and Risk Profile:

May suit investors looking for high levels of capital growth. The Fund has a bias to growth orientated assets such as equities. The Fund is expected to experience a reasonable degree of risk although less than that of general equity investment. The intended investment period for this Fund is at least 7 years.

### Risk Warnings:

Investors should read, be aware of and consider the risks set out under Risk Factors.

### Base Currency:

Sterling

### Valuation Point:

23.00 (Central European Time) on each Dealing Day.

### Dealing Cut-off Time:

14.30 (Central European Time) on the relevant Dealing Day or such other day as the Directors may determine.

### Initial Sales Charge and Management Fee:

Share Class	Initial Sales Charge % of the subscription amount	Management Fee % per annum of the Net Asset Value
Class A Shares	Up to 5.25%	1.50%
Class C Shares	Up to 5.25%	1.00%
Class I Shares	Up to 5.25%	Up to 0.50%
Class R Shares	None	0.75%
Class Y Shares	Up to 4.00%	Up to 2.00%

### Switching Commission:

Up to 1.00% of the applicable Price per Share of the New Class.

### Charging of Fees and Expenses to Capital or Income:

Income.

### Dividend Frequency for Distribution Shares:

Half-yearly, usually within two months following the end of February and August.

## Barclays MultiManager Portfolio 5

The information contained in this section in relation to the Fund should be read in conjunction with the full text of the Prospectus.

### Investment Objective:

The investment objective of the Fund is to invest primarily in regulated collective investment undertakings with the aim to achieve, over the long term, superior capital growth from a portfolio with exposure mainly to equities, and to a lesser extent, other Investments in accordance with the investment restrictions.

### Investment Policy:

In order to achieve this objective, the Fund will invest predominantly in collective investment undertakings managed by members of the Barclays Group and, to a lesser extent, non-affiliated companies. Such collective investment undertakings will be UCITS funds regulated in the European Union and/or Permitted Non-UCITS Funds.

While the Fund is a "fund of funds", it may also invest directly in, and actively manage exposure to, shares of international companies, government and corporate bonds and other transferable securities, including certificates of deposit, floating rate notes and commercial paper. The Fund's Direct Investments will normally be listed or traded on Regulated Markets in Europe, the US and Japan but may alternatively be listed or traded on other Regulated Markets. The Fund may also invest in other Investments, including financial derivative instruments to achieve its investment objective.

The Base Currency of the Fund is Sterling and the Fund is valued in Sterling. The Fund may, however, invest in assets denominated in currencies other than its Base Currency. The currency exposure of the underlying assets of the Fund may be hedged back into the Base Currency to provide an element of protection against currency fluctuation.

### Investor and Risk Profile:

May suit investors looking for high levels of capital growth. The Fund has a more aggressive investment strategy than other Funds. The Fund is expected to experience a degree of risk broadly in line with general equity investment. The intended investment period for this Fund is at least 7 years.

### Risk Warnings:

Investors should read, be aware of and consider the risks set out under Risk Factors.

### Base Currency:

Sterling

### Valuation Point:

23.00 (Central European Time) on each Dealing Day.

### Dealing Cut-off Time:

14.30 (Central European Time) on the relevant Dealing Day or such other day as the Directors may determine.

### Initial Sales Charge and Management Fee:

Share Class	Initial Sales Charge % of the subscription amount	Management Fee % per annum of the Net Asset Value
Class A Shares	Up to 5.25%	1.50%
Class C Shares	Up to 5.25%	1.00%
Class I Shares	Up to 5.25%	Up to 0.50%
Class R Shares	None	0.75%
Class Y Shares	Up to 4.00%	Up to 2.00%

### Switching Commission:

Up to 1.00% of the applicable Price per Share of the New Class.

### Charging of Fees and Expenses to Capital or Income:

Income.

### Dividend Frequency for Distribution Shares:

Half-yearly, usually within two months following the end of February and August.

## Liquid Alternative Strategies

The information contained in this section in relation to the Fund should be read in conjunction with the full text of the Prospectus.

### Investment Objective:

The investment objective of the Fund is to invest primarily in regulated collective investment undertakings with the aim to provide long term capital growth from a portfolio with exposure to absolute return strategies.

### Investment Policy:

In order to achieve this objective, the Fund will invest primarily in UCITS and other UCIs that have exposure to equities, bonds and other transferable securities, either directly or through derivatives providing long and synthetic short positions.

While the Fund's primary objective is to invest its assets in UCITS and other UCIs, it may also invest directly in, and actively manage exposure to, transferable securities, money market instruments and deposits as well as cash and near cash. The Fund may also employ techniques and instruments relating to transferable securities, including engaging in transactions in financial derivative instruments for efficient portfolio management. The Fund aims to achieve a return target of SONIA plus 3% and a volatility of between 3% to 8% per annum over an investment horizon of 3 to 5 years.

The Base Currency of the Fund is Sterling and the Fund is valued in Sterling. The Fund may, however, invest in assets denominated in currencies other than its Base Currency. The currency exposure of the underlying assets of the Fund may be hedged back into the Base Currency to provide an element of protection against currency fluctuation.

### Investor and Risk Profile:

The Fund may be suitable for investors who seek to invest over a minimum period of 5 years and who are willing to have returns that have a low correlation to equity markets.

### Risk Warnings:

Investors should read, be aware of and consider the risks set out under Risk Factors. Investors should be aware that the Shares in the Fund can only be subscribed to and redeemed, weekly. In some circumstances, the underlying investments of the UCITS and UCIs in which the Fund invests, may be less liquid and may experience short-term price volatility and wider spreads between dealing prices.

As a result, the Price of the Fund's Shares may be more volatile than daily priced funds.

Whilst the Fund will have exposure to absolute return strategies, it does not guarantee a positive return and you could get back less than you invested much like any other investment.

### Base Currency:

Sterling

### Dealing Day:

Thursday of each week, or the following Business Day if Thursday is not a Business Day, or such other day as the Directors may determine.

### Valuation Point:

23.00 (Central European time) on each Dealing Day. The Directors may carry out additional valuations for non-dealing purposes.

### Dealing Cut-off Time:

14.30 (Central European time) 7 Business Days prior to the relevant Dealing Day. The Directors may, from time to time, resolve to reduce the 7 Business Days with prior notice for a particular Dealing Day. In such a case, appropriate information shall be disclosed on [www.barclaysinvestments.com](http://www.barclaysinvestments.com).

### Initial Sales Charge and Management Fee:

Share Class	Initial Sales Charge % of the subscription amount	Management Fee % per annum of the Net Asset Value
Class A Shares	Up to 5.00%	Up to 1.00%
Class R Shares	None	0.50%

### Switching Commission:

Up to 1.00% of the applicable Price per Share of the New Class.

### Charging of Fees and Expenses to Capital or Income:

Income.

### Dividend Frequency for Distribution Shares:

Annually, usually within two months following the end of August.