

# **PROSPECTUS**

**OF**

## **MAN UK ICVC**

(an investment company with variable capital registered in  
England and Wales under registered number IC000300)

This document is the Prospectus for the Man UK ICVC, valid as at 14 January 2020.

<b>Contents</b>	<b>Page</b>
<b>1. Introduction</b>	<b>4</b>
<b>2. The Company and its Funds</b>	<b>5</b>
2.1 The Company	5
2.2 The Funds	5
2.3 Investment Objectives and Policies of the Funds	5
2.4 Past Performance	5
2.5 Risk Factors	6
2.6 Interests of Shareholders	14
2.7 Investment Powers and Safeguards	14
2.8 Benchmark Regulation	14
<b>3. Management and Administration</b>	<b>15</b>
3.1 Authorised Corporate Director	15
3.2 Investment Adviser	16
3.3 Depositary	17
3.4 Auditors	20
3.5 General	20
<b>4. Shares</b>	<b>21</b>
4.1 Share Capital	21
4.2 Share Classes	21
4.3 Income Shares	22
4.4 Accumulation Shares	22
4.5 Register of Shareholders and Statements	22
<b>5. Buying, Selling and Switching Shares</b>	<b>22</b>
5.1 Minimum investment amounts	23
5.2 Buying Shares	23
5.3 Selling Shares	24
5.4 Client Money	24
5.5 Electronic dealing	26
5.6 Switching Between Funds	26
5.7 Conversion of Shares in a Fund	26
5.8 Compulsory Transfer or Redemption of Shares	26
5.9 Issue of Shares in Exchange for In Specie Assets	27
5.10 Limited issue	27

5.11	In Specie Redemptions	28
5.12	Deferred Redemption of Shares	28
5.13	Suspension of Dealing in Shares	28
5.14	Prevention of Money Laundering	29
5.15	Distribution and Selling Restrictions	29
5.16	Data Protection	29
<b>6.</b>	<b>Share Prices</b>	<b>29</b>
6.1	Price of a Share	29
6.2	Valuation Policy and Independent Pricing Committee	30
6.3	Dilution Policy	30
<b>7.</b>	<b>Fees and Expenses</b>	<b>31</b>
7.1	ACD's Fees and Expenses	31
7.2	Depository's Fees and Expenses	34
7.3	Expenses	35
7.4	Initial Expenses and Promotion Costs	36
7.5	Allocation of Fees and Expenses Between Funds	36
7.6	VAT	36
<b>8.</b>	<b>Income</b>	<b>36</b>
8.1	Accounting Periods	36
8.2	Income Allocations	37
8.3	Income Equalisation	37
8.4	Unclaimed Income Distributions	38
<b>9.</b>	<b>Meetings and Reports to Shareholders</b>	<b>38</b>
9.1	Shareholder meetings	38
9.2	Fundamental changes	38
9.3	Significant changes	39
9.4	Notifiable changes	39
9.5	Reports to Shareholders	39
<b>10.</b>	<b>Taxation</b>	<b>39</b>
<b>11.</b>	<b>General Matters</b>	<b>43</b>
11.1	Winding up the Company or a Fund	43
11.2	Documents of the Company	44
11.3	Potential Conflicts of Interest	44
11.4	Inducements	44
11.5	Other information	45

11.6	Complaints	45
11.7	Recording of Communications	45
<b>Appendix 1</b>		<b>46</b>
Man GLG UK Income Fund		47
Man GLG UK Select Fund		53
Man GLG Undervalued Assets Fund		66
Man GLG UK Absolute Value Fund		71
<b>Appendix 2</b>		<b>86</b>
<b>Appendix 3</b>		<b>117</b>

## **Directory**

### **The Company:**

Man UK ICVC

### **Head Office and address for service of notices:**

Riverbank House  
2 Swan Lane  
London  
EC4R 3AD

### **Authorised Corporate Director (“ACD”), Administrator and Registrar:**

Man Fund Management UK Limited whose  
registered office and head office address is at:  
Riverbank House  
2 Swan Lane  
London  
EC4R 3AD

### **Investment Adviser:**

GLG Partners LP  
Riverbank House  
2 Swan Lane  
London  
EC4R 3AD

### **GLG contact details:**

Investors may call the GLG Client Services Team on  
0808 100 2543 or their usual Man GLG  
representative

### **Depository:**

The Bank of New York Mellon (International) Limited  
Registered and Head Office:  
One Canada Square  
London  
E14 5AL

### **Legal Advisers to the Company:**

Simmons & Simmons LLP  
CityPoint  
One Ropemaker Street  
London EC2Y 9SS

### **Auditors:**

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

## Terms used in this Document

<b>“associate”</b>	for the purposes of the investment policy statement, in relation to any person, an “associate” is as defined in the FCA’s rules, including any other person in the same group as that first person or whose business relationship with that first person might reasonably be expected to give rise to a community of interest between them in dealing with third parties
<b>“Business Day”</b>	any day other than a Saturday, Sunday, or a day which is a bank or public holiday in England (including, if the ACD so determines, a day for which part of the day is a bank holiday in England)
<b>“CFTC”</b>	means the U.S. Commodity Futures Trading Commission
<b>“the Company”</b>	Man UK ICVC
<b>“EMIR”</b>	means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories
<b>“FCA”</b>	the Financial Conduct Authority or any successor regulatory body
<b>“the FCA Handbook”</b>	means the FCA’s Handbook of Rules and Guidance
<b>“the FCA Rules”</b>	the Collective Investment Schemes Sourcebook (COLL) contained within the FCA Handbook of Rules and Guidance
<b>“Fund”</b>	a sub-fund of the Company - details of the Funds are set out in Appendix 1
<b>“HMRC”</b>	HM Revenue & Customs
<b>“ICVC”</b>	a UK authorised open-ended investment company (which is an investment company with variable capital)
<b>“MiFID 2”</b>	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)
<b>“OEIC Regulations”</b>	the Open-Ended Investment Companies Regulations 2001
<b>“Share”</b>	a share in the capital of the Company, being a share which relates to a particular class of share of a Fund (including fractions of one thousandth of a share)
<b>“Shareholder”</b>	a holder of Shares in the Company
<b>“Share Class” or “Class”</b>	<p>a particular class of Share as described in Appendix 1</p> <p>The Instrument of Incorporation which constitutes the Company provides for the issue of a number of share classes with such differentiating features as determined by the ACD from time to time and further provides for each of these to be designated with a class designation of a letter of the alphabet A-Z and/or a number between 1-100 (or any combination of such letters and numbers) with the respective rights attaching to each such class</p>

as set out in this Prospectus from time to time

**“U.S. Person”**

means, with respect to any person, any individual or entity that would be: (i) a “United States Person” as defined under Regulation S promulgated under the U.S. Securities Act of 1933; (ii) a person or entity that is not a “Non-United States Person” as defined under the regulations of the CFTC (17 CFR § 4.7(a)(1)(iv)), as amended; a “U.S. person” under the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations published by the CFTC on July 26, 2013; or (iii) a “United States person” under the U.S. Internal Revenue Code

## 1. Introduction

This document is the prospectus of the Man UK ICVC<sup>1</sup>, a UK authorised investment company with variable capital. It has been prepared in accordance with the rules contained in the FCA Rules and in particular complies with the requirements of Chapter 4 of the FCA Rules. Copies have been sent to the Financial Conduct Authority and Depositary in accordance with the FCA Rules.

This Prospectus is based on information, law and practice as at the date stated on the front cover. The Company is not bound by any out-of-date prospectus when it has issued a revised prospectus. Any Shareholder or prospective Shareholder should check with the ACD that this document is the most recent version and that no revisions have been made to this Prospectus since this date.

The ACD of the Company is the person responsible for the information contained in this Prospectus and accepts responsibility accordingly. It has taken all reasonable care to ensure that, to the best of its knowledge and belief, the information in this document does not contain any untrue or misleading statement or omit any matters required by the FCA Rules to be included in it.

Shares in the Funds are widely available. The intended categories of investors are retail investors (who should seek independent financial advice before investing in a Fund), professional investors and also institutional investors. Institutional investors are usually investors with at least £10,000,000 under management, and are typically pension funds, local authorities and charities, which enter into an investment management agreement with the ACD or an associated company. Shares in the Funds are marketed and made available sufficiently widely to reach the intended categories of investors and in the manner appropriate to attract those categories of investors, and potential investors can upon request to the ACD obtain information about the Funds and acquire Shares in them.

Distributors and other intermediaries that offer, recommend or sell shares in the Funds must comply with all laws, regulations and regulatory requirements that may be applicable to them. Such distributors and other intermediaries must also consider such information about the Funds and their share classes as is made available by the ACD and/or Investment Adviser for the purposes of the EU's Product Governance regime including, without limitation, target market information. Distributors and intermediaries may obtain such information by registering and accessing the distributor-only zone of the ACD's website at: [www.man.com/emt/man-uk-icvc](http://www.man.com/emt/man-uk-icvc). Alternatively, distributors and other intermediaries may obtain this information by contacting the ACD's Helpdesk for distributors on 0808 100 2543.

Please note any description included in this Prospectus of the profile of the typical investor for whom a Fund has been designed is not the ACD's assessment of the target market for the Funds for the purposes of the EU's Product Governance regime, which may be obtained separately by distributors and other intermediaries as set out above.

Investors and potential investors should note that any wording contained in this Prospectus that seeks to describe the typical investor for a Fund (as referred to above) does not constitute investment advice and investors and potential investors should consult their own professional advisers concerning the acquisition, holding or disposal of any Shares in any of the Funds. Neither the Company, nor the ACD, nor the Investment Adviser makes any statement or representation in relation to the suitability, appropriateness or otherwise of any transactions in Shares in any of the Funds. If you are in doubt about the contents of this Prospectus, you should contact your professional adviser.

Promotion of Shares in the Funds may be restricted in certain jurisdictions. In particular, no Shares shall be issued in the United States or to any U.S. Person. The Shares have not been, nor will they be, registered or qualified under the United States Securities Act of 1933, as amended, or any applicable securities laws of any state or other political sub divisions of the United States of America. The Shares may not be offered, sold, transferred or delivered directly or indirectly in the United States or to any U.S. Person. Any sales or transfers of Shares in violation of the foregoing shall be prohibited and treated by the Company as void. All applicants and transferees of Shares must complete an Application Form which confirms, among other things, that a purchase or a transfer of Shares would not result in a sale or transfer to a person or an entity

---

<sup>1</sup> The name of the Company was changed from "GLG UK ICVC" to "Man UK ICVC" on 18 August 2015.



which is a U.S. Person. If you are in any doubt about the suitability of investing in Shares of a Fund or the contents of this Prospectus, you should consult your financial adviser.

## **2. The Company and its Funds**

### **2.1 The Company**

#### *Authorisation*

Man UK ICVC is an investment company with variable capital incorporated in England and Wales. The Company was authorised on 15 March 2004 and is regulated by the Financial Conduct Authority. FCA Product Reference Number ("PRN"): 231137.

#### *Base Currency*

The currency of the Company (and of each Fund and of each Share Class) is pounds sterling or such other currency or currencies as may be the lawful currency of the United Kingdom from time to time.

### **2.2 The Funds**

The Company is a scheme which is an umbrella comprising various Funds, each of which is operated as a distinct fund, with its own segregated portfolio of investments. The assets of a Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of or claims against any other person or body, including the Company or any other Fund, and shall not be available for any such purpose.

The Funds in which Shares are currently available are:

Man GLG UK Income Fund (FCA Product Reference Number ("PRN"): 639982)

Man GLG Undervalued Assets Fund (FCA Product Reference Number ("PRN"): 639989)

Man GLG UK Absolute Value Fund (FCA Product Reference Number ("PRN"): 782691)

Shares in the following Fund are no longer available:

Man GLG UK Select Fund (FCA Product Reference Number ("PRN"): 639988): *This Fund is in the process of being terminated and is therefore not available for investment.*

Full details of each Fund are set out in Appendix 1.

### **2.3 Investment Objectives and Policies of the Funds**

The purpose of the Funds is to achieve income and/or capital growth. Each Fund has its own specific investment objective and policy as set out in Appendix 1.

When interpreting the investment objective and policy of a Fund, the domicile of a company for this purpose will be determined by the ACD (or the relevant investment adviser) in its reasonable discretion. Unless otherwise indicated in a Fund's investment objective and policy, such determination will be based on a number of factors which may include, but shall not be limited to, countries of incorporation, the exchange(s) on which the securities of the company are listed, areas of significant economic exposure for the company's business and the indices in which the securities of the company are included. For avoidance of doubt, this may result in certain companies having a dual domicile for investment purposes.

### **2.4 Past Performance**

Where available, details of the performance of each of the Funds are set out in relation to each Fund in Appendix 1.

## 2.5 Risk Factors

Risk affects how likely an investment is to fluctuate in value over time. Investment in collective investment schemes should be regarded as a long-term investment, that is for at least five years. Whilst historically over the longer term shares and bonds have been seen to outstrip the returns expected from a bank or building society account, the following key points should be taken into account:

### *Suitability*

- Investments in the Funds (whether directly or through ISAs) may not be suitable for all investors. If you are in any doubt you should seek independent financial advice, although you will have to bear the costs of such advice.

### *Fluctuating value*

- The investments of the Funds are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount invested in a Fund. There is no assurance that the investment objectives of any Fund will actually be achieved. Investors requiring income are reminded that income from investments may fluctuate in value and in money terms.

### *Past performance*

- Past performance is not a reliable indicator of future performance.

### *Tax position*

- The tax position as stated in this document is believed to be accurate as at the date of this Prospectus. It may be subject to change in the future. Investors should consider their tax position which will depend on their circumstances. (Current favourable situations such as the tax treatment of ISAs, UK pension funds and certain other investors may not be maintained in the future.)
- The value of tax relief from ISAs depends on the personal circumstances of investors. The levels and bases of such relief may change or be removed.

### *Tax Considerations*

A Fund 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 a Fund is incorporated, established or resident for tax purposes. A Fund 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 Fund or the counterparty to a transaction involving a Fund is incorporated, established or resident for tax purposes.

Where a Fund 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.

## *FATCA and Similar Measures*

Under the United States Foreign Account Tax Compliance Act provisions contained in sections 1471 to 1474 of the United States Internal Revenue Code of 1986, as amended and US Treasury Regulations promulgated thereunder (together, as amended from time to time, “FATCA”), certain payments made to the Company may be subject to a 30 per cent withholding tax (a “FATCA Deduction”) and under the relevant UK legislation the Company may be subject to financial penalties or other sanctions unless the Company complies with the requirements of the Intergovernmental Agreement (“IGA”) between the United States and the UK (the “US-UK IGA”) (which seeks to implement the requirements of FATCA) and legislation enacted in the UK to implement the US-UK IGA. Further information may be found under “Section 10 – Taxation – FATCA and Similar Measures”.

The UK has also signed inter-governmental agreements with Jersey, Guernsey, the Isle of Man and Gibraltar (the “UK CDOT IGAs”) that impose similar requirements to the US-UK IGA and enacted legislation to implement the UK CDOT IGAs in the UK. A number of other jurisdictions have entered into or are committed to entering into inter-governmental agreements for the automatic cross-border exchange of tax information similar to the US-UK IGA and UK CDOT IGAs, including, in particular, under a regime known as the OECD Common Reporting Standard (“CRS”). The UK has signed, along with over 80 other countries, a multilateral competent authority agreement to implement the CRS, and has passed regulations to give effect to the CRS. These regulations require UK “Financial Institutions”, including the Company, to identify specified persons in participating jurisdictions under the CRS, and to report related information to HMRC (for automatic exchange with the relevant tax authorities in such jurisdictions).

The Company may be subject to financial penalties or other sanctions if it fails to comply with the requirements of the UK regulations giving effect to CRS. Due to the overlap between the UK CDOT IGAs and CRS, reportable persons in Jersey, Guernsey, the Isle of Man and Gibraltar will be reported under CRS and not the UK CDOT IGAs from 2018 and it is expected that the UK legislation implementing the UK CDOT IGAs will be repealed in due course.

While the Company will seek to satisfy its obligations under FATCA, the US-UK IGA, the UK CDOT IGAs, the CRS and the associated implementing legislation in the UK to avoid the imposition of any FATCA Deductions, financial penalties and other sanctions, the ability of the Company to satisfy such obligations will depend on receiving relevant information and/or documentation about each Shareholder and the direct and indirect beneficial owners of the Shares (if any). The Company intends to satisfy such obligations, although there can be no assurances that it will be able to do so. There is therefore a risk that the Company may be subject to one or more FATCA Deductions, financial penalties and other sanctions, any of which may have a material adverse effect on the net asset value of the Funds and hence on the net asset value per Share.

All prospective investors and Shareholders should consult with their respective tax advisers regarding the possible implications of FATCA, the US-UK IGA, the UK CDOT IGAs, CRS and the associated implementing legislation in the UK and any other similar legislation and/or regulations on their investments in the Funds.

## *Investment matters*

- The level of risk varies between Funds.
- *Concentration:* The Investment Adviser may select fewer lines of stock for a Fund's portfolio than is common for other UK equity funds with similar investment objectives. The policy may be to achieve performance through owning a limited number of concentrated investments and, in rare circumstances, a significant part of performance may be obtained through a very small number of derivative positions (subject to compliance with the constraints for a UCITS fund).
- *Turnover:* A Fund may have a higher turnover of lines of stock for its portfolio than is common for other UK equity funds with similar investment objectives. This may be in order to capture short term market or stock movements.

- *Liquidity:* For each Fund we are required to ensure the liquidity profile of the investments of the Fund is appropriate and to employ a liquidity risk management process to ensure the Fund may satisfy redemption requests by shareholders. Nevertheless, the Funds may invest up to 10 per cent of their net assets in securities for which there is no ready market. The Funds may therefore be unable to sell such securities easily, which may impact on the liquidity of the Fund.
- *Overseas investment:* In relation to investments outside the UK, there could be risks associated with the markets in which investments could be made, which could include dealing difficulties; and settlement and custody practices.
- *Technology companies:* Shares of technology companies may carry greater risk in return for greater potential rewards.
- *Smaller companies:* Shares in small and mid-cap companies may carry additional investment risks. Such investments may be less liquid than the securities of larger companies. Securities in smaller companies may possess greater potential for capital appreciation, but may be subject to more volatile price movements than securities in larger companies. The Man GLG Undervalued Assets Fund and the Man GLG UK Absolute Value Fund may invest in small and mid-cap companies.
- *Corporate bonds:* Corporate bonds may provide high yields and as such may carry greater credit risk, increasing the risk of default on repayment and erosion of the capital value of a Fund. Movements in interest rates are likely to affect the capital value of such securities.
- *Use of derivatives:*

The following specific derivative related risks should be noted:

- **Investors should be aware that, in order to increase investment opportunities or to reduce risk, a Fund may make use of financial derivative instruments which have the potential either to increase or to reduce existing market risk within the Fund, introduce new types of market or credit risk to the Fund or to introduce counterparty risk to the Fund. A Fund may also be effectively leveraged as a result of its use of derivatives.**

- *Management Risk*

Derivative products are highly specialised instruments that require investment techniques and risk analyses which are often different from those associated with the underlying securities to which they relate. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.

- *Use of financial derivative instruments for investment purposes*

A Fund will be able to use derivatives as part of its investment policy, as well as for limited purposes of efficient portfolio management in order to attempt to hedge or reduce the overall risk of its investments. The Fund's ability to use these instruments may be limited by market conditions, regulatory limits and tax considerations. Use of these instruments involves certain special considerations, including (i) an understanding as to how the price behaviour of a derivative varies with respect to changes in the underlying security price and to any other risk factors that may affect the price of a derivative; (ii) imperfect correlation between movements in the underlying security or securities on which an derivative is based and movements in the securities or currencies in the Fund; (iii) the absence of a liquid market for any particular derivative at any particular time; and (iv) the degree of leverage inherent in derivatives, e.g., the low margin deposits normally required in futures trading means that futures trading may be highly leveraged. Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Fund.

- *Counterparty Risk*

The Fund will be exposed to a credit risk on the counterparties with which it trades in relation to non-exchange traded derivatives. Non-exchange traded derivatives are not afforded the same protections as may apply to participants trading derivatives on organized exchanges, such as the performance guarantee of an exchange clearing house. Non-exchange traded derivatives are agreements specifically tailored to the needs of an individual investor which enable the user to structure precisely the date, market level and amount of a given position. The counterparty for these agreements will be the specific company or firm involved in the transaction rather than a recognized exchange and accordingly, in the event of the insolvency, bankruptcy or default of a counterparty with which the Fund trades, such derivatives could result in substantial losses to the Fund. Regardless of the measures the Fund may implement to reduce counterparty credit risk there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result.

- *Liquidity Risk*

Liquidity risk exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

- *Lack of Availability*

Because the markets for certain derivative instruments are relatively new and still developing, suitable derivatives transactions may not be available in all circumstances. Upon the expiration of a particular contract, the Investment Adviser may wish to retain the Fund's position in the derivative instrument by entering into a similar contract, but may be unable to do so if the counterparty to the original contract is unwilling to enter into the new contract and no other suitable counterparty can be found. The Fund's ability to use derivatives may also be limited by certain regulatory and tax considerations.

- *Market and Related Risks*

Like most other investments, derivative instruments are subject to the risk that the market value of the instrument will change in a way detrimental to a Fund's interest. If the Investment Adviser incorrectly forecasts the values of securities, currencies or interest rates or other economic factors in using derivatives for the Fund, the Fund might have been in a better position if it had not entered into the transaction at all. While some strategies involving derivative instruments can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other Fund investments.

- *Call Options*

There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option.

### *Put Options*

There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

#### *- Swap Agreements*

A Fund may be able to enter into swap agreements ("Swaps") with respect to equities, currencies, bonds, interest rates and financial indices. Swaps are individually negotiated and structured agreements through which the Fund may obtain exposure to particular investment positions or market factors. The Fund may use Swaps to hedge against changes in equity prices, interest rates, credit spreads, currency exchange rates and financial indices. Swaps may be subject to various types of risk, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, Swaps can involve considerable economic leverage and may, in some cases, involve significant risk of loss. As the Swap's performance is directly referenced to the price of the underlying security, the Swap typically has a very high correlation to the underlying reference security or securities.

A Fund may also from time to time make use of total return swaps for the purpose of efficient portfolio management to enable a Fund to reduce the cost of buying, selling and holding equity investments, as well as for investment purposes. Where a Fund undertakes a "total return swap" in respect of equities, financial indices, bonds or commodity indices, it will obtain a return which is based principally on the performance of the underlying assets of the swap plus or minus the financing charges agreed with the counterparty. Such swap arrangements involve the Fund taking on the same market risk as it would have if it held the underlying assets of the swap itself and the return sought is the same as if the Fund held the underlying security or index, plus or minus the financing costs that would have occurred had the transaction been fully funded from the outset.

#### *- Valuation risks*

Other risks in using derivatives include the risk of mis-pricing or improper valuation of derivatives. Many derivatives, in particular privately negotiated derivatives, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Fund. Also, the value of derivatives may not correlate perfectly, or at all, with the value of the assets, reference rates or indexes they are designed to closely track.

#### *- Repurchase and reverse repurchase agreements*

In the event of the insolvency, bankruptcy or default of the seller under a repurchase agreement, a Fund may experience both delays in liquidating the underlying securities and losses, including the possible decline in the value of securities, during the period in which it seeks to enforce its rights thereto, possible sub-normal level of income and lack of access to income during the period. A Fund may also incur expenses in enforcing its rights.

Whilst the use of derivatives will be an additional factor contributing to the volatility profile of these Funds, including their share price volatility, it is not expected that the use of derivatives for investment purposes will result in movements in the price of Shares of these Funds being likely to be significantly amplified as a result. Indeed, for many purposes, the use of derivatives for

investment purposes may reduce Share price volatility. For example, derivatives can have a lower entry cost than their stock equivalents and the purchase of call options reduces volatility in the event of large falls in equity prices.

**Whilst expectations are that the use of derivatives will, over the longer term, reduce the risk profile of these Funds, it does introduce certain risks, such as counterparty risk, that otherwise would not be present. Investment in derivatives may therefore, to some extent, alter the risk profile of a Fund.**

Volatility will be controlled through monitoring the gross "Value at Risk" of each Fund. The ACD must use a risk management process enabling it to monitor and measure as frequently as appropriate the risk of the Fund's positions and their contribution to the overall risk profile of the Fund. In preparing our risk management processes, we have had regard to the EU Commission Recommendation on the Use of Financial Derivative Instruments, to which the FCA Rules refer. The ACD is committed to maintaining and revising its risk management processes in a way which responds to, and evolves with, market developments and regulatory guidance on this subject and, in this connection, the ACD is monitoring closely the current consultations on risk management principles for UCITS schemes.

Further information regarding the use of derivatives by the Funds and relevant risks is set out in Appendix 2.

#### *Leverage*

- Use of Derivatives can introduce higher levels of risk into a Fund with a view to making an increased profit - which is commonly referred to as "leverage".
- Leverage includes any method by which a Fund may generate exposure to investments exceeding the net asset value of the Fund, and may be provided through borrowing of cash or securities, leverage embedded in Derivative positions or by any other means.
- Since many Derivatives have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount of a premium paid, if any, to enter into the Derivative transaction itself.

#### *Effective leverage*

- The Funds are not designed to be highly leveraged. Indeed there is only a 10% power to borrow on a temporary and non persistent basis. Effective leverage may however be created by the use of derivatives. Further information regarding controls over the exposure of a Fund is set out in Appendix 2.

#### *Long-short investment strategy*

- The Man GLG UK Absolute Value Fund will seek to apply a long/short investment strategy and intends to take advantage of the ability to invest in derivatives providing long and "synthetic short" positions through the use of contracts for differences, forwards, futures, options and swaps. The Man GLG UK Absolute Value Fund's market exposure may vary in time and will typically range between 30-100% for long positions and 30-100% for short positions of the Net Asset Value of the Man GLG UK Absolute Value Fund, depending on the Investment Adviser's analysis of the prevailing market conditions and considered in light of the investment objective of the Man GLG UK Absolute Value Fund. These ranges are not limits and the actual exposures may from time to time fall outside these estimated ranges.
- The Investment Adviser may seek to deliver the long/short strategy by utilising, where it deems appropriate in its sole discretion, synthetic short positions to hedge certain long positions within the Man GLG UK Absolute Value Fund. In addition, the Investment Adviser may utilise synthetic short positions in pursuit of Man GLG UK Absolute Value Fund's investment objective by seeking to

achieve a return in respect of those issuers whose securities the Investment Adviser believes to be overvalued or expects to fall in value.

#### *Exchange rates*

- Exchange rates may vary causing the value of any underlying overseas investments to go down or up.

#### *Rights to cancel*

- You will only have cancellation rights if your investment is made as a result of your having taken investment advice from an authorised financial adviser.
- If you exercise your right to cancel, you may not get back the amount initially invested where the share price has fallen since you invested.

#### *Charges and expenses*

- Where a preliminary charge is imposed, an investor who realises his Shares after a short period may not (even in the absence of a fall in value of the relevant investments) realise the amount originally subscribed.
- Charges may rise in the future which could reduce the value of your investment.
- The annual management charge of the Man GLG UK Income Fund is deducted from capital (not income). Whilst this may increase the level of income paid, future capital growth may be constrained.

#### *Protected cell regime*

- Each Fund is treated as having its own segregated portfolio of assets. The assets allocated to a Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of or claims against any other person or body, including the Company or any other Fund, and shall not be available for any such purpose.
- Any liability incurred on behalf of or attributable to a Fund shall be discharged solely out of the assets of that Fund. The Company may sue and be sued in respect of a particular Fund and may exercise rights of set-off in relation to that Fund.
- Whilst the OEIC Regulations and the Company's Instrument of Incorporation and other relevant documentation provide for segregated liability between Funds, the concept of segregated liability is relatively new and in some jurisdictions untested. Accordingly, where a claim is brought by a creditor in a foreign court or under foreign law, it is not yet known how those foreign courts might react to the protected cell provisions set out in Regulations 11A and 11B of the OEIC Regulations, and so it is not possible to be certain that the assets of a Fund will always be completely isolated from the liabilities of another Fund of the Company.

#### *Breaches in information technology security*

- The ACD maintains global information technology systems, consisting of infrastructure, applications and communications networks to support the Company's as well as its own business activities. These systems could be subject to security breaches such as 'cyber-crime' resulting in theft, a disruption in the ACD's ability to close out positions and the disclosure or corruption of sensitive and confidential information. Security breaches may also result in misappropriation of assets and could create significant financial and/or legal exposure for the Company. The ACD seeks to mitigate attacks on its own systems but will not be able to control directly the risks to third-party systems to which it may connect. Any breach in security of the ACD's systems could have a material adverse



effect on the ACD and may cause the Company to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage.

## MiFID 2

- MiFID 2 (including certain rules made by the FCA in connection with its implementation of MiFID 2) imposes new regulatory obligations on the Investment Adviser and the ACD. These regulatory obligations may affect and constrain the implementation of the investment policies of any Fund and lead to increased compliance obligations upon and accrued expenses for the ACD, the Investment Adviser, the Company and/or any Fund.

## Extension of pre- and post-trade transparency

- MiFID 2 introduces wider transparency regimes in respect of trading on EU trading venues and with EU counterparties. MiFID 2 extends the pre- and post-trade transparency regimes from equities traded on a regulated market to cover equity-like instruments, such as depositary receipts, exchange-traded funds and certificates that are traded on regulated trading venues, as well as to cover non-equities, such as bonds, structured finance products, emission allowances and derivatives.
- The increased transparency regime under MiFID 2, together with the restrictions on the use of “dark pools” and other non-regulated trading venues, may lead to enhanced price discovery across a wider range of asset classes and instruments which could work to the disadvantage of a Fund, particularly in the fixed income markets. Such increased transparency and price discovery may have macro effects on trading globally, which may have an adverse effect on a Fund’s net asset value.

## Equities – mandatory on-exchange trading

- MiFID 2 introduces a new requirement that an EU regulated firm may execute an equity trade only if it is on an EU trading venue (or with a firm which is a systematic internaliser or an equivalent venue in a third country). The instruments in scope for this requirement are any equities admitted to trading on any EU trading venue, including those with only a secondary listing in the EU. The effect of this rule is to introduce a substantial limit on the possibility of trading off-exchange or OTC in EU listed equities with EU counterparties. The overall impact of this rule on the Investment Adviser’s ability to implement a Fund’s investment objective and investment strategy is uncertain.

## OTC derivatives

- MiFID 2 requires certain standardised OTC derivatives (including all those subject to a mandatory clearing obligation under EMIR) to be executed on regulated trading venues. In addition, MiFID 2 introduces a new trading venue, the “Organised Trading Facility”, which is intended to provide greater pricing transparency and competition for bilateral trades. The overall impact of MiFID 2 on a Fund is highly uncertain and it is unclear how the OTC derivatives markets will adapt to this new regulatory regime.

## Access to research

- MiFID 2 prohibits EU authorised investment firms from receiving investment research unless it is paid for directly by the firm out of its own resources or from a separate research payment account. EU research providers that are MiFID firms will be obliged to price their research services separately from their execution services. It is uncertain whether these changes will lead to an overall increase in the price of research and/or lead to reduced access to research for the Investment Adviser in relation to any Fund’s investment policy.

#### Changes to use of direct market access

- MiFID 2 introduces new requirements on EU banks or brokers, which offer direct market access (“DMA”) software to allow their clients to trade on EU trading venues via their trading systems. EU DMA providers will be required to impose trading and credit thresholds on their clients, and to have the benefit of monitoring rights. It will also be necessary for the EU DMA provider to enter into a binding written agreement with the client, which deals with compliance with MiFID 2 and the trading venue rules. These changes may affect the implementation of a Fund’s investment policy.

#### Changes to conduct rules for EU brokers

- Historically, certain European sell-side firms have used IPO and secondary allocations as a way of rewarding their most valued buy-side clients (in terms of trading volumes or commissions) for the business that they have given to the firm previously or to incentivise future business.

The new MiFID 2 requirements effectively prohibit such behaviour, as MiFID 2 precludes sell-side firms from allocating issuances to clients either (a) to incentivise the payment of a large amount of fees for unrelated services provided by the EU firm or (b) which is conditional on the receipt of future orders or the purchase of any other service from the investment firm by a client. As a result, the manner in which the Investment Adviser is allocated IPOs and secondary issuances by its sell-side service providers is likely to change significantly, which may have an adverse effect on the Investment Adviser’s ability to implement any Fund’s investment policy.

#### Changes to policies and procedures and costs of compliance

- MiFID 2 (including certain rules made by the FCA in connection with its implementation of MiFID 2) requires significant changes to a number of the ACD’s and the Investment Adviser’s policies and procedures, including with respect to best execution, payment for and access to research, algorithmic trading, high frequency trading and conflicts of interest. There is no guarantee that these changes will not adversely impact any Fund’s investment policy. Compliance with these requirements is likely to have a significant cost implications and it is possible that the Company may bear, directly or indirectly, a certain proportion of the ACD’s and/or the Investment Adviser’s costs of compliance with MiFID 2 (including certain rules made by the FCA in connection with its implementation of MiFID 2).

## 2.6 Interests of Shareholders

Shareholders are not liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after he has paid the purchase price of the Shares.

Each holder of Shares in the Company is entitled to participate in the property of the Company and its income in accordance with its proportionate share entitlements calculated in accordance with the terms of the Instrument of Incorporation of the Company.

## 2.7 Investment Powers and Safeguards

The assets of each Fund will be invested in accordance with each Fund’s investment policy with the aim of achieving the investment objective of that Fund. They must be invested so as to comply with the investment and borrowing powers and restrictions set out in the FCA Rules, the Company’s Instrument of Incorporation and this Prospectus.

A summary of the investment and borrowing powers and safeguards applicable to the Funds is set out in Appendix 2.

## 2.8 Benchmark Regulation

Unless otherwise disclosed in this Prospectus, the indices or benchmarks used by the Company and the Funds are, as at the date of this Prospectus, provided by benchmark administrators who are making use of

the transitional arrangements under Regulation (EU) 2016/1011 (the “Benchmark Regulation”) and therefore may not appear on the ESMA register of administrators and benchmarks. The ACD will, where relevant, maintain a written plan setting out actions that will be taken in the event of the benchmark changing or ceasing to be provided.

### **3. Management and Administration**

#### **3.1 Authorised Corporate Director**

The ACD, Man Fund Management UK Limited, is a private limited company with an issued share capital of £16,200,002 consisting of 1,000,002 ordinary shares of £1 each fully paid and 15,200,000 non-cumulative redeemable preference shares of £1 each fully paid. The ACD was incorporated in England and Wales on 13 August 1997. The ultimate holding company of the ACD is Man Group plc, which is incorporated and registered in the United Kingdom. The ACD is authorised and regulated by the Financial Conduct Authority of 12 Endeavour Square, London, E20 1JN.

The directors of the ACD are David Astor, Vanessa Balshaw, David Barber, Tania Cruickshank, Mark Jones and Charles Scott. They act as directors of companies other than the ACD (including companies that are within the same group of companies as the ACD). The ACD is an indirect wholly-owned subsidiary of Man Group plc. Man Group plc, through its investment management subsidiaries (collectively, “Man Group”), is a global alternative investment management business and provides a range of fund products and investment management services for institutional and private investors globally. At 31 March 2017, Man Group's funds under management were approximately USD 88.7bn.

The appointment of the ACD was made under an agreement dated 7 April 2004 between the Company and the ACD (the “Management Agreement”).

The ACD is responsible for managing and administering the Company's affairs in compliance with the FCA Rules. Under the terms of the Management Agreement, the ACD is to provide investment management, administrative, accounting, company secretarial and registrar services to the Company.

The Management Agreement may be terminated by the Company in general meeting after an initial three year period on giving twelve months' written notice to the ACD; or by the ACD on giving twelve months' written notice to the Company (or earlier on the appointment of a successor ACD). It may be terminated by notice in writing if the ACD ceases to be the authorised corporate director of the Company or if the Company is wound up or if there is a material breach of the Management Agreement.

The Management Agreement provides for the ACD to receive remuneration and payment of expenses as set out in this Prospectus. On termination of the Management Agreement, the ACD is entitled to payment of its remuneration and expenses pro rata to the date of termination and any additional expenses necessarily realised in settling or concluding outstanding obligations (including fees and expenses charged in relation to the termination of the ACD's appointment).

The Management Agreement includes an indemnity from the ACD to the Company in respect of liabilities incurred by the Company resulting from the acts or omissions of the ACD by reason of its fraud, negligence, wilful default or bad faith. However, the Company indemnifies the ACD in respect of liabilities incurred by the ACD by reason of the ACD's performance of its duties in accordance with the terms of the Management Agreement.

Subject to the FCA Rule restrictions which are explained below (in the “General” paragraph), the ACD may delegate or employ agents to perform certain of its functions.

- The ACD has appointed the Investment Adviser to provide investment management and advisory services as explained below (in section 3.2).
- The ACD has appointed The Bank of New York Mellon (International) Limited to provide accounting services to the ACD in connection with its responsibilities in respect of the Company and its Funds.

- The ACD has appointed The Bank of New York Mellon (International) Limited to provide administration services including dealing in Shares in the Funds, maintaining the register of Shareholders, distributing income to Shareholders, record keeping and handling customer enquiries.

#### *Other schemes managed/operated by the ACD*

The ACD is the authorised corporate director of the Company and also of the Man International ICVC, the Man Fixed Interest ICVC, the Man Managed Funds ICVC and the Man GLG ABS Fund.

#### *Remuneration policy of the ACD*

A statement setting out a summary of the ACD's remuneration policy which it is required by the FCA's Handbook of Rules and Guidance to maintain in order to comply with the UCITS Remuneration Code is available on the ACD's website at [www.man.com](http://www.man.com) and a paper copy of that website information statement is available free of charge upon request by a Shareholder.

The ACD's remuneration policy is aimed at ensuring that any relevant conflicts of interest can be managed appropriately at all times and sets out practices for those categories of staff, including senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profile of the ACD or a Fund, that are consistent with and promote sound and effective management and do not encourage risk taking that is inconsistent with the risk profiles, rules or instrument of incorporation of the relevant Fund. The remuneration policy is in line with the business policy, objectives, values and interests of the ACD and the Funds and the investors in the Funds, and includes measures to avoid conflicts of interest.

The statement available at [www.man.com](http://www.man.com) includes a description of how remuneration and benefits are calculated for those categories of staff whose professional activities have a material impact on the risk profiles of the ACD or the Company or a Fund managed by the ACD. It also sets out the identities of the persons responsible for rewarding the remuneration and benefits.

### **3.2 Investment Adviser**

The ACD has appointed GLG Partners LP as the Investment Adviser to provide certain investment management services to the ACD in respect of each of the Funds.

The principal activity of the Investment Adviser is that of investment management. The Investment Adviser is a body corporate in a group of which the ACD is a member.

The Investment Adviser is authorised and regulated by the Financial Conduct Authority. Under the terms of an agreement effective as from 21 January 2019, as amended and/or restated from time to time (the "Advisory Agreement"), the Investment Adviser under the supervision of the ACD has the authority to make investment decisions on behalf of the ACD in respect of the investments of a Fund. Under the supervision of the ACD, the Investment Adviser is also authorised to deal in certain investments in respect of each Fund. The Investment Adviser is entitled to a fee, out of the fee paid by the Company to the ACD.

The Investment Adviser may provide similar services for other customers, but will endeavour to ensure fair treatment as between the Company and other customers whose funds are managed or advised by it.

The Advisory Agreement may be terminated by either the ACD or the Investment Adviser on not less than three months' written notice. It terminates automatically if the Company is wound up. The Advisory Agreement may also be terminated immediately by the ACD (i) in the interests of shareholders, (ii) if the ACD's appointment in respect of the Company is terminated, or (iii) if the Investment Adviser ceases to be authorised and regulated by the Financial Conduct Authority.

Under the Advisory Agreement the Investment Adviser shall not be liable to the ACD or the Company for any loss, liability, damage, cost or expense resulting from any act or omission of the Investment Adviser in connection with the performance of its services under the Advisory Agreement, except in the case of the Investment Adviser's negligence, wilful default or fraud.

The Advisory Agreement includes an indemnity from the Investment Adviser to the Company and the ACD in respect of certain liabilities incurred by the Company or the ACD resulting from the acts or omissions of the Investment Adviser (or its delegate) by reason of its (or their) negligence, wilful default or fraud. However, the ACD indemnifies the Investment Adviser in respect of certain liabilities incurred by the Investment Adviser by reason of the performance of its duties in accordance with the terms of the Advisory Agreement.

Under and subject to the terms of the Advisory Agreement, the ACD has consented to the delegation to companies in the same group as the ACD by the Investment Adviser (and its delegates) of certain of the investment management services specified under the Advisory Agreement.

### 3.3 Depositary

The Bank of New York Mellon (International) Limited has been appointed as the Depositary by the ACD on behalf of the Company. The Depositary is a private company limited by shares incorporated in England and Wales on 9 August 1996. Its ultimate holding company is The Bank of New York Mellon Corporation, a public company incorporated in the United States of America.

The registered and head office of the Depositary is at One Canada Square, London E14 5AL.

The principal business activity of the Depositary is the provision of custodial, banking and related financial services. The Depositary is authorised by the Prudential Regulation Authority and is dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

The Depositary is appointed to act as depositary on terms which accord with the revised requirements of the UCITS Directive (Directive 2009/65/EC of the European Parliament and European 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 amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 (the UCITS V Directive) and as incorporated into English law by any Statutory Instrument as may be issued from time to time to implement the UCITS V Directive in the UK, as supplemented by the Level 2 Regulations adopted as delegated acts by the European Commission pursuant to Article 112a of the UCITS V Directive which will be the UCITS V Regulations following their entry into full legal force and effect in the European Union (and, for the avoidance of doubt, following the expiration of any implementation period applicable to such Regulations).

#### *Responsibilities of the Depositary*

The Depositary must ensure that the Company is managed in accordance with the FCA Rules, the OEIC Regulations and the Financial Services and Markets Act 2000 as amended (together the "Relevant Regulations"), and the UCITS Directive, the Company's Instrument of Incorporation and Prospectus (together the "Scheme Documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and solely in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all Financial Instruments (as defined in Directive 2014/65/EU) and maintaining a record of all other assets of the Company in accordance with the Relevant Regulations and the UCITS Directive. The Depositary must hold in custody all "UCITS custodial assets" (i.e. those financial instruments that can be either registered in a financial instruments account opened in the Depositary's books, or physically delivered to the Depositary) attributable to each Fund and, in respect of scheme property attributable to the Fund other than UCITS custodial assets, verify that the Company or the ACD acting on behalf of the Company is the owner of the assets based on information or documents provided by the ACD and where available on external evidence and maintain an up to date record of these assets.

The Depositary must ensure that in respect of the Company and each Fund that:

- cash flows are properly monitored and that cash is booked into the cash accounts;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out;
- the value of shares are calculated in accordance with the Prospectus and the Relevant Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- income is applied in accordance with the Relevant Regulations and the Scheme Documents; and
- the instructions of the ACD are carried out (unless they conflict with the Relevant Regulations or the Scheme Documents).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Scheme Documents and the Regulations in relation to the investment and borrowing powers applicable to the Company and its Funds.

The Depositary will carry out the functions in accordance with the Relevant Regulations and the terms of the depositary agreement entered into on 23 June 2014 (as amended and restated with effect from 18 March 2016) between BNY Mellon Trust & Depositary (UK) Limited, the Company and the ACD and as novated in favour of the Depositary with effect from 28 January 2019 (the "Depositary Agreement").

#### *Terms of Appointment*

Pursuant to the Depositary Agreement, the ACD and Depositary agree to carry out various functions in order to comply with, and facilitate compliance with, the requirements of the UCITS Directive as amended by the UCITS V Directive.

The Depositary is entitled to receive remuneration out of the scheme property for its services, as set out in section 7.2 of this Prospectus.

#### *Delegation of Functions*

The Depositary may delegate various of its functions (although it must not delegate its oversight function or its cash monitoring function) to a third party.

The Depositary is permitted to delegate (and authorise its delegate to sub-delegate) the safekeeping of the scheme property if the tasks are not delegated with the intention of avoiding the requirements of the UCITS Directive; the Depositary can demonstrate that there is an objective reason for delegation; the Depositary has exercised all due skill, care and diligence in selecting and appointing the third party concerned and continues to exercise due skill, care and diligence in the periodic review and ongoing monitoring of the third party; and the Depositary ensures that the third party delegate meets certain conditions at all times.

The Depositary acts as global custodian and may delegate safekeeping to one or more sub-custodians (such delegation may include the powers of sub-delegation). The Depositary has delegated safekeeping of the scheme property attributable to each Fund of the Company, including the holding of collateral, to The Bank of New York Mellon SA/NV and The Bank of New York Mellon (the "Global Sub-Custodians"). In turn, each of the Global Sub-Custodians has sub-delegated the custody of assets in certain eligible markets in which a Fund may invest to various sub-delegates ("Sub-Custodians"). A list of Sub-Custodians is included in the details of the Funds in Appendix 1. Investors should note that the list of Sub-Custodians is updated only at each general Prospectus review. An updated list of Sub-Custodians is maintained by the ACD at [www.man.com/icvc-sub-custodians](http://www.man.com/icvc-sub-custodians).

### *Conflicts of interest*

The UCITS V Directive and UCITS V Regulations require specific consideration for certain conflicts of interest scenarios in which the Depositary might be involved.

The Depositary must not carry out activities with regard to the Company or a Fund, or the ACD, acting on behalf of the Company or a Fund, that may create conflicts of interest between the Company, a Fund, the Shareholders in a Fund or the ACD and the Depositary itself unless:

- the Depositary has properly identified any such potential conflicts of interest;
- the Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potential conflicting tasks; and
- the potential conflicts of interest are properly managed, monitored and disclosed to Shareholders.

For the purposes of this section, the following definitions shall apply:

“Link” means a situation in which two or more natural or legal persons are either linked by a direct or indirect holding in an undertaking which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the undertaking in which that holding subsists.

“Group Link” means a situation in which two or more undertakings or entities belong to the same group within the meaning of Article 2(11) of Directive 2013/34/EU or international accounting standards adopted in accordance with Regulation (EC) No. 1606/2002.

- *The Depositary, ACD, Company:*

Conflicts of interests may arise between the Depositary, the Company and the ACD if the following Group Links may exist:

- A Group Link where the ACD has delegated certain administrative functions to an entity within the same corporate group as the Depositary.
- A Group Link where the ACD has delegated certain administrative functions to an entity within the same corporate group as any of the Global Sub-Custodians.

Should any such Group Link exist, the Depositary shall, in respect of each such Group Link, ensure that policies and procedures are in place to identify all conflicts of interests arising from such Group Link and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Depositary and the ACD will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Company, any Fund and Shareholders in any Fund.

To the extent that a Link exists between the Depositary and any Shareholders, the Depositary shall take all reasonable steps to avoid conflicts of interests arising from such Link, and ensure that its functions comply with Article 23 of the UCITS V Regulations as applicable.

- *Delegation*

Conflicts of interests may arise as a result of the delegation arrangements relating to safekeeping arrangements outlined above if there is:

- a Group Link where the Depositary has delegated the safekeeping of the scheme property to an entity within the same corporate group as the Depositary. The Depositary delegates safekeeping to The Bank of New York Mellon SA/NV and The Bank of New York Mellon, which are part of the same corporate group as the Depositary.
- a Group Link where a Global Sub-Custodian has delegated the safekeeping of the scheme property to an entity within the same corporate group as the relevant Global Sub-Custodian or the Depositary. Each Global Sub-Custodian sub-delegates the custody of assets in certain eligible markets in which a Fund may invest to the Sub-Custodians as included in the details for each Fund in Appendix 1, some of which may belong to the same corporate group as the relevant Global Sub-Custodian.

Should any such Group Link arrangements arise in respect of delegation arrangements, the Depositary and/or the relevant Global Sub-Custodian shall, in respect of each such Group Link situation, ensure that policies and procedures are in place to identify all conflicts of interests arising from such Group Link and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Depositary and/or the relevant Global Sub-Custodian will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Company, any Fund and Shareholders in any Fund.

#### *Updated information*

As indicated in Section 1, the ACD of the Company has taken all reasonable care to ensure that to the best of its knowledge and belief, the information in this document, including this Section, is correct as at the date of the Prospectus stated on the front cover. Up-to-date information regarding the Depositary, its duties, its conflicts of interest, and the delegation of its safekeeping functions will be made available to Shareholders upon request.

### **3.4 Auditors**

The auditors of the Company are Ernst & Young LLP of 1 More London Place, London SE1 2AF.

### **3.5 General**

The ACD and the Depositary may retain the services of each other or third parties to assist them in fulfilling their respective roles. The exceptions to this are:

- that the Depositary may not delegate oversight of the Company to the Company, the ACD or any associate of the Company or the ACD, or custody or control of the scheme property to the Company or the ACD;
- any delegation of custody of scheme property must be under arrangements which allow the custodian to release documents into the possession of a third party only with the Depositary's consent; and
- no mandate for managing investments of a Fund may be given to the Depositary, any other person whose interests may conflict with those of the ACD or Shareholders, or any other person who is not authorised or registered for managing investments by the FCA and is not subject to supervision (unless there is agreement in place between the FCA and the overseas regulator of the delegate ensuring adequate co-operation).

Where functions are performed for the ACD by third parties, the responsibility which the ACD had in respect of such services prior to the delegation to the third party will remain unaffected. Where the Depositary delegates matters to a director of the Company or an associate of a director or an associate of the



Depositary to assist in the performance of its functions, then the Depositary's liability in respect of those services shall remain unaffected and, in any other case, the Depositary will not be held responsible by virtue of the FCA Rules for any act or omission of the person so retained if it can show, first, that it was reasonable for it to obtain assistance to perform the function in question; secondly, that the person retained was and remained competent to provide assistance in the performance of the function in question; and, thirdly, that the Depositary had taken reasonable care to ensure that the assistance in question was provided by the person retained in a competent manner.

In accordance with these restrictions, the ACD and the Depositary have, as mentioned above, appointed certain third parties to perform particular functions.

The FCA Rules contain various requirements relating to transactions entered into between the Company and the ACD, the Investment Adviser or any of their associates which may involve a conflict of interest. These are designed to protect the interests of the Company. Certain transactions between the Company and the ACD, or an associate of the ACD, may be voidable at the instance of the Company in certain circumstances.

## **4. Shares**

### **4.1 Share Capital**

The maximum share capital of the Company is £100,000,000,000 and the minimum share capital of the Company is £1,000.

### **4.2 Share Classes**

The Company may issue multiple Share Classes in respect of a Fund. Different charging structures, minimum investment levels and eligibility provisions may apply to each Share Class. The Company may issue income and/or accumulation Shares in each of the Funds.

The terms for the Share Classes in issue in the Company from time to time are as set out in this Prospectus.

Currently the following types of Share are in issue:

- *Professional Shares*

For certain investors the Company offers professional Shares which may be either:

- professional accumulation shares (designated as class C), for which a traditional ad valorem management fee applies;
- professional accumulation shares (designated as class CX), for which a lower ad valorem management fee applies, but for which, in addition, a performance fee applies; or
- professional income shares (designated as class D), for which a traditional ad valorem management fee applies;

as appropriate, depending on a Fund's investment objective and policy.

Professional Shares are available to certain private investors who typically invest via platforms or other intermediaries and who satisfy the relevant eligibility criteria, including the minimum investment levels.

- *Retail Shares*

The Company offers retail Shares which may be either:

- retail accumulation shares (designated as class A) for which a traditional ad valorem management fee applies;

- retail accumulation shares (designated as class AX), for which a lower ad valorem management fee applies, but for which, in addition, a performance fee applies; or
- retail income shares (designated as class B), for which a traditional ad valorem management fee applies;

as appropriate, depending on a Fund's investment objective and policy.

- *Institutional Shares*

Institutional Shares are only available to investors who enter into an investment management agreement with the ACD or an associate of the ACD. For such investors, institutional accumulation Shares (designated as class E) are offered.

Details of the Share Classes which are currently available in each Fund, including the applicable charging structure, are set out in the details of the Funds in Appendix 1. Minimum investment amounts for each Share Class are explained in section 5.1. The ACD may resolve to create further Share Classes in respect of a Fund in the future.

#### 4.3 Income Shares

Save in respect of the Man GLG UK Income Fund, income attributable to income Shares is distributed to income Shareholders in respect of each accounting period; and income is paid to investors within two months of the end of each interim accounting period and within four months (normally within two months) of the end of each annual accounting period. The Man GLG UK Income Fund will distribute income to income Shareholders on a monthly basis, with allocations made on the first Business Day of each month and paid to investors on the last Business Day of each month. Details of the accounting periods and income allocation and payment dates for each Fund are set out in Appendix 1.

#### 4.4 Accumulation Shares

Net income attributable to accumulation Shares is automatically added to (and retained as part of) the capital assets of the relevant Fund at the end of each accounting period (or on the first Business Day of each month in the case of the Man GLG UK Income Fund), and is reflected in the Share price of accumulation Shares. Details of the accounting periods and income allocation dates for each Fund are set out in Appendix 1.

#### 4.5 Register of Shareholders and Statements

All Shares are in registered form. Bearer Shares will not be issued.

The Company's register of Shareholders is maintained by The Bank of New York Mellon (International) Limited at PO Box 565, Darlington DL1 9ZH. It may be inspected by any Shareholder or his duly authorised agent during normal business hours at that address, without charge.

The Company has the power to close the Company's register of Shareholders for periods not exceeding 30 days in any one year.

Certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Company's register of Shareholders.

### 5. Buying, Selling and Switching Shares

The office of The Bank of New York Mellon (International) Limited is open from 8.30 a.m. until 5.00 p.m. on each Business Day to receive requests to buy, sell or switch Shares in the Funds. Dealing requests may be made to The Bank of New York Mellon (International) Limited in writing at Man GLG, PO Box 565, Darlington DL1 9ZH, or by calling freephone number 0808 100 2543. In addition the ACD may allow Shares to be bought, sold or switched online or using other electronic communications (see section 5.5).

## 5.1 Minimum investment amounts

For each Share Class in a Fund, the minimum initial lump sum purchase amount, the minimum subsequent transaction amount (on any sale or purchase), and the minimum holding amount at any time are listed below:

Share Class		Minimum initial lump sum purchase amount	Minimum subsequent transaction amount	Minimum holding amount
A	Retail accumulation	£500,000	£250	£250
AX	Retail accumulation	£500,000	£250	£250
B	Retail income	£500,000	£250	£250
C	Professional accumulation	£500,000	£1,000	£250
CX	Professional accumulation			
	Man GLG UK Select Fund	£3,000,000	£1,000	£3,000,000
	Man GLG UK Absolute Value Fund	£500,000	£1,000	£250
D	Professional income	£500,000	£1,000	£250

For the institutional Share Classes (class E), there is no minimum initial lump sum purchase amount. However, it should be noted that institutional Shares are only available to investors who have signed an investment agreement with the ACD or an associate of the ACD.

The ACD may waive the requirements set out above at its discretion.

## 5.2 Buying Shares

Shares may be bought through authorised intermediaries or direct from the ACD at not more than the issue price plus the current preliminary charge, where applicable, at the valuation point following receipt of instructions as calculated in accordance with the FCA Rules. For valid subscription applications received before 12 noon on a Business Day, the Shares purchased will be priced at a value calculated on that Business Day. For valid subscription applications received after 12 noon on a Business Day, the Shares purchased will be priced at a value calculated on the following Business Day. If a preliminary charge is payable (see section 7 of this Prospectus), the amount of the preliminary charge will be deducted from the amount provided to us and the balance invested.

A contract note confirming each purchase transaction will be dispatched by close of business on the next Business Day following the valuation by reference to which the price was ascertained for that transaction. A statement of shareholdings will be sent to Shareholders (or in the case of institutional investors, the registered custodian) at least annually. In addition, annual and half-yearly reports and accounts will be made available to Shareholders upon request and will be available on our website.

- *Buying Shares on behalf of a trust*

Any Shares bought on behalf of a trust are registered in the names of the individual trustees of that trust (up to a maximum of 4). Any appointment of new trustees or resignation of existing trustees should be notified to the ACD in writing as soon as possible after the change. It will be necessary to complete an instrument of transfer in order for the change to be reflected on the register. Failure to do this may result in a delay in releasing the proceeds of any sale of such Shares.

- *Buying Shares for children*

Minors may not be registered as Shareholders but Shares may be bought on their behalf and registered in an adult Shareholder's name and designated with the child's initials, e.g. John Smith a/c A.N.S. The holdings may be transferred into the name of the child when the child reaches 18 years of age. The ACD can only accept instructions from the child after the Shares have been transferred into the child's name.

**Rights to cancel the purchase of Shares under the FCA's Handbook of Rules and Guidance will only be given to Shareholders who buy Shares or switch their Shares for Shares in another Fund where they have received any independent investment advice.**

### 5.3 Selling Shares

The ACD will redeem Shares at not less than the price applicable at the valuation point following receipt of instructions as calculated in accordance with the FCA Rules. They may also be redeemed through an authorised intermediary. However, no Shares will be redeemed if a Shareholder wishes to sell less than his entire holding if the redemption would mean that the holder is left holding Shares of a value of less than the minimum permitted holding, subject to the ACD's discretion to waive this requirement. For valid redemption applications received before 12 noon on a Business Day, the Shares redeemed will be priced at a value calculated on that Business Day. For valid redemption applications received after 12 noon on a Business Day, the Shares redeemed will be priced at a value calculated on the following Business Day.

An instruction to sell all or part of a holding of Shares shall be made in writing or by telephone (confirmed in writing) in such form as required by the ACD. A contract note will be issued to confirm the transaction. Payment will be made within four working days following receipt by the ACD of properly completed documentation.

### 5.4 Client Money

The objective of the FCA Rules on client money set out in the Client Assets Sourcebook ("**CASS**") is to protect clients in the event of the failure of an authorised firm.

Under CASS, the ACD, as an FCA authorised firm, generally would be obliged to treat all money it held on behalf of investors as client money, with the consequent client money protections. There are, however, some limited exemptions to this, and the ACD chooses to operate under the delivery versus payment transaction exemption available to firms in relation to regulated collective investment schemes (such as the Company). Specifically, the exemption allows the ACD, in relation to money received from an investor, or money due to be paid to an investor, to receive money directly into its own bank account and not treat it as client money. This is provided that:

- (a) the ACD receives the money from an investor for the subscription of Shares and the money is passed to the Depositary for the purpose of creating Shares in the relevant Fund within the timeframes set out in CASS (as described below); or
- (b) the ACD holds the money in the course of redeeming Shares provided that the proceeds of that redemption are paid to an investor within the timeframes set out in CASS (as described below).

As explained in paragraph 3.3, the Depositary is responsible for the safekeeping of all of the scheme property, which includes cash when held within a Fund. The Depositary is not required to apply the client

money rules in CASS, although it is required to follow separate requirements under COLL and applicable UCITS legislation.

When an investor buys or sells Shares there is a short period of time during which the ACD, in the case of buying Shares, holds the cash being paid for Shares, or, when selling Shares, the redemption proceeds. When either of the above two scenarios applies, such money can be held by the ACD otherwise than as client money, until the close of business on the business day following receipt. During this time the money is not protected in a separate client money account and consequently, in the unlikely event that the ACD should fail, this money would be at risk.

If, for any reason, the ACD has not paid redemption money to an investor or purchase money to the Depositary within the timeframes required by CASS, then this money will be treated as client money (as described below).

By agreeing to subscribe for and/or hold Shares in any Fund, an investor agrees that the ACD is not required to treat that investor's money as client money in the circumstances set out above. Should the ACD cease at any time to use the delivery versus payment exemption, investors will be notified in writing ahead of the relevant date for the change of operational policy.

Any cash held outside of this exemption will be paid into or out of the respective client money account, which is segregated from the ACD's own bank accounts and which will be held by a third party bank on behalf of the ACD. Client money accounts are usually pooled accounts, meaning that client money belonging to all investors may be held in the same account. The ACD will not be responsible for any acts or omissions of the third party bank where the client money account is held. In the event that the third party bank becomes insolvent the ACD will have a claim on behalf of all investors. If however, the third party bank cannot repay all of its creditors, any shortfall may have to be shared pro rata between the ACD's clients. An investor may also be entitled to compensation from the Financial Services Compensation Scheme.

The ACD will not pay interest on any client money balances.

The ACD is required to send clients a client money statement at least once a year. It is important to note that if no client money is held by the ACD for an investor at the end of the relevant reporting period, then no statement will be issued.

Cash that is due to an investor but which is left unclaimed for a period of six years (following the last movement on the account) may cease to be treated as client money and may be paid to a charity of the ACD's choice. Before the ACD makes any such payment to charity it will, in accordance with the rules in CASS, take reasonable steps to contact the investor. For the avoidance of doubt, this does not include unclaimed monies relating to income share classes (Fund distributions), which will be returned to the relevant Fund or Company. This is explained in paragraph 8.4.

If client money held is equal to or below the relevant 'de minimis level' set by CASS (that is, £25 or less for retail clients and £100 or less for other clients) then there are fewer requirements with which the ACD must comply before it may pay the money to charity, although it will still attempt to contact an investor at least once before doing so. The time periods set out above during which unclaimed money may not be paid away to a registered charity continue to apply.

It is therefore important that the ACD receives notification of any change to an investor's contact details, including such investor's permanent registered address. If a claim is made after the monies have been paid away to charity, the ACD undertakes to make good any valid claim made against any cash the ACD has paid to a registered charity.

Investors are also reminded generally of the need to inform the ACD of important changes relating to their information, including any change of address, personal status, financial adviser or other information provided in subscription documents to the ACD (or in other documents from time to time) or any other significant change in circumstances which may affect an investor's account.

By agreeing to subscribe for and/or hold Shares in any Fund, the investor agrees that the ACD may operate under the conditions described above.

### 5.5 Electronic dealing

The ACD may make arrangements to allow Shares to be bought, redeemed or switched via electronic dealing platforms (such as CTN, EMX or Swift). In addition the ACD may make arrangements to allow dealing in Shares online or using other electronic communications. The ACD may accept dealing instructions received by electronic means at its discretion. At present, a transfer of title by a Shareholder to another person will not be accepted by electronic communication, unless received from a member of TeX or via Calastone.

### 5.6 Switching Between Funds

A Shareholder in a Fund may switch all or some of his Shares in a Fund for Shares in another Fund, or shares in a fund of another ICVC of which the ACD is the authorised corporate director, at any time.

A switch involves a sale of the original Shares held and a purchase of the new shares. The ACD may make a switch charge (instead of a preliminary charge) on the purchase of the new shares. Such a charge may be up to an amount equal to the amount of the preliminary charge for the Fund in which the new Shares are to be purchased.

If the switch would result in the Shareholder holding a number of original or new shares of a value which is less than the minimum holding in the Funds concerned, the ACD may, if it thinks fit, convert the whole of the applicant's holding of original Shares to new Shares, or refuse to effect any switch of the original Shares.

Investors should note that a switch between Funds as described above is treated as a disposal for the purposes of UK tax on capital gains and may therefore give rise to a capital gains tax or corporation tax liability for UK resident Shareholders. Cancellation rights do not apply to switches between Funds.

### 5.7 Conversion of Shares in a Fund

A Shareholder in a Fund may exchange all or some of his Shares in a Fund for Shares in another Share Class of the same Fund subject to any eligibility requirement of that Share Class having been met. The ACD does not currently make a charge on any such exchange. Such an exchange should not generally be deemed to be a disposal for the purposes of UK tax on capital gains depending on the circumstances.

### 5.8 Compulsory Transfer or Redemption of Shares

The ACD may impose such restrictions as it thinks necessary to ensure that no Shares in the Company are acquired or held by any person in breach of law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory. The ACD may reject any application for, or sale of, Shares or any switch or exchange notice given.

If the ACD becomes aware that Shares ("affected Shares") are acquired or held by any person in circumstances:

- which would constitute a breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- which would result in the Company incurring any liability to taxation which the Company would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
- where that person is not, or the ACD reasonably believes that person is not, eligible or entitled to hold Shares in the Company, or where the Shares in the Company would be held in a manner by virtue of which that person is not qualified or entitled to hold such Shares; or

- which constitute a breach of the Instrument of Incorporation of the Company or this Prospectus as to eligibility or entitlement to hold any Shares; or
- where the Shareholder is, has become, or would be a U.S. Person or would be holding the Shares for the benefit of a U.S. Person;

then the ACD may give notice to the Shareholder of the affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or requiring a request in writing for the exchange, redemption or cancellation of such Shares. If any person receiving such a notice does not within 30 days after the date of the notice take such steps or establish to the satisfaction of the ACD (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected Shares, he shall then be deemed to have given a written request for the redemption or cancellation (at the discretion of the ACD) of the affected Shares.

A person who becomes aware that he is holding or owning affected Shares must either:

- transfer all those Shares to a person qualified to own them, or
- give a request in writing for the redemption of all such Shares unless he has already received such a notice from the ACD to transfer the Shares or for them to be repurchased.

If a Shareholder is required to transfer or procure the transfer of affected Shares or a Shareholder's affected Shares are required to be redeemed or cancelled and the Company incurs or may be held liable for any liability, tax, penalty, cost, expense or any other such loss arising out of or in connection with the relevant circumstance (a "Loss"), the ACD may at its discretion require the holder to indemnify the Company in respect of the Loss. The ACD may deduct the amount of the Loss from any redemption or cancellation proceeds payable to the holder of affected shares.

## 5.9 Issue of Shares in Exchange for In Specie Assets

The ACD may, at its discretion, agree to arrange for the Company to issue Shares in exchange for assets other than cash, but will only do so where the Depositary is satisfied that the Company's acquisition of those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders. The ACD will ensure that the beneficial interest in the assets is transferred to the Company with effect from the issue of the Shares. The ACD will not issue Shares in any Fund in exchange for assets the holding of which would be inconsistent with the investment objective of that Fund. Further details can be obtained from the ACD.

## 5.10 Limited issue

The ACD may, at any time in the future, determine to limit the issue of Shares in respect of a Fund or one or more particular Share Classes of a Fund, if the ACD is of the opinion that this is appropriate. The ACD will notify Shareholders if it makes such a determination, explaining the reasons for so limiting the capacity of a Fund or a Share Class. The reasons may include situations where, for example, the ACD considers that substantially all of the subscriptions relating to a Business Day, if accepted, could not be efficiently invested; could not be invested without compromising the investment objectives and policies of the Fund; or might materially prejudice existing Shareholders' interests.

Please note that any such limited issue arrangements, if introduced, will be subject to the proviso that any existing shareholder in a Fund is entitled to switch all or some of his Shares in a Fund for Shares in another Fund (as explained in section 5.6 above), and any such limited issue provision will therefore be applied subject to that right. For the purposes of the genuine diversity of ownership conditions (as discussed below in section 10), where a limited issue provision is applied to a Fund, no such limited issue provision will be such that any predetermined number of specific persons or specific groups of connected persons making subscriptions to the Fund in respect of which a limited issue provision is introduced collectively exhaust all or substantially all of that Fund's capacity.

### 5.11 In Specie Redemptions

If a Shareholder requests the redemption or cancellation of Shares, the ACD may at its discretion, if it considers the deal substantial in relation to the total size of the Fund or Funds concerned, arrange for the Company to cancel the Shares and transfer scheme property to the Shareholder instead of paying the price of the Shares in cash or, if required by the Shareholder, pay the net proceeds of sale of the net relevant scheme property to the Shareholder. A deal involving Shares representing 2% or more in value of a Fund will normally be considered substantial, though the ACD may in its discretion carry out an in specie redemption with a Shareholder whose Shares represent less than 2% in value of the Fund concerned, or refuse to carry out an in specie redemption with a Shareholder whose Shares represent more than 2% of the value of the Fund concerned.

The procedure for an in specie redemption is:

- before the normal cash payment of the price of Shares becomes payable, the ACD will give written notice to the Shareholder that scheme property (or the proceeds of sale of that scheme property) will be transferred to that Shareholder; and
- the ACD will select the property to be transferred in consultation with the Depositary. The selection must give no greater advantage or disadvantage to the redeeming Shareholder than to continuing Shareholders.

Further details can be obtained from the ACD.

### 5.12 Deferred Redemption of Shares

If requested redemptions of Shares on a particular Business Day exceed 10% of a Fund's value, redemptions of Shares may be deferred to the next valuation point. Any such deferral will only be undertaken in such manner as to ensure consistent treatment of all Shareholders who had sought to redeem Shares at the valuation point at which redemptions were deferred. Deferral will be prorated based on the value of Shares being redeemed (provided that the ACD may determine in its discretion a value threshold below which all redemptions will be effected, and above which the foregoing pro rata deferral shall apply), and so that all deals relating to an earlier valuation point are completed before those relating to a later valuation point are considered.

The intention of the deferred redemption provision is to reduce the impact of dilution on a Fund. In times of high levels of redemption, deferred redemption provisions would enable the ACD to protect the interests of continuing Shareholders by allowing it to match the sale of a property of a Fund to the levels of redemptions of Shares in the Fund.

### 5.13 Suspension of Dealing in Shares

The ACD may, with the prior agreement of the Depositary, and must without delay, if the Depositary so requires, suspend dealings in Shares in a Fund, where due to exceptional circumstances it is in the interests of all the Shareholders. On a suspension, the FCA will immediately be informed. Any such suspension will be notified to Shareholders as soon as practicable after the suspension commences and the ACD will ensure that it publishes sufficient details to keep Shareholders appropriately informed about the suspension including, if known, its likely duration. The ACD and the Depositary will formally review the suspension regularly and inform the FCA of the results of this review and any change in the information previously provided to the FCA regarding the suspension. A suspension of dealings in Shares must cease as soon as practicable after the exceptional circumstances which caused the suspension have ceased. At the end of the period of suspension, the recalculation of the price of Shares will recommence by reference to the price calculated at the first valuation point after the recommencement of dealings in Shares.

The Depositary may not issue or cancel Shares while the suspension remains in force.



#### 5.14 Prevention of Money Laundering

The ACD and its delegates are responsible to regulators for compliance by the Company with money laundering regulations and for that reason Shareholders, prospective Shareholders and transferees of Shares may be asked to provide documentation which is required to be provided by the ACD regarding proof of identity in order for the ACD or its delegates to comply with any and all relevant UK Anti-Money Laundering regulations and the current Joint Money Laundering Steering Group guidance. Until such Anti-Money Laundering documentation is received as is determined to be satisfactory for the purpose by the ACD, the ACD reserves the right to delay completing dealing instructions pursuant to this section 5 of this Prospectus, for example by delaying the issue of Shares or a transfer of Shares.

The ACD may obtain additional information about Shareholders from publicly available databases (e.g. credit reference agencies).

#### 5.15 Distribution and Selling Restrictions

The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the accompanying subscription form in any such jurisdiction may treat this Prospectus or such subscription form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such subscription form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such subscription form could lawfully be used without compliance with any registration or other legal requirements. Shareholders are advised to refer to the jurisdiction specific selling restrictions set out in Appendix 3 (Additional Distribution and Selling Restrictions).

#### 5.16 Data Protection

Prospective investors and investors are referred to the ACD's and the Company's privacy notice which is provided as an addendum to the Application Form (the "Privacy Notice").

The Privacy Notice explains, among other things, how the ACD and the Company process personal data about individuals who invest in the Company and who apply to invest in the Company. The Privacy Notice also explains how the ACD and the Company process personal data about the directors, officers and ultimate beneficial owners of institutional investors.

The ACD and the Company may update the Privacy Notice from time to time. The latest version of the Privacy Notice is available at <https://www.man.com/privacy-notice-investor-uk-only> and is also available upon request from the ACD at [privacy@man.com](mailto:privacy@man.com) or Data Protection, Man Group, Riverbank House, 2 Swan Lane, London EC4R 3AD.

By signing the Application Form, prospective investors are deemed to have received the Privacy Notice.

### 6. Share Prices

#### 6.1 Price of a Share

Shares are priced on a single mid-market pricing basis in sterling in accordance with the FCA Rules. The most recent prices of Shares in the Funds must be published in an appropriate manner.

All Share prices are published on the ACD's website, [www.man.com](http://www.man.com); and appear on the Investment Association's website, <http://www.theinvestmentassociation.org/>. In addition, all Share prices can be obtained from the ACD by telephone on 0808 100 2543.

The Company deals on a forward pricing basis (and not on the basis of published prices). A forward price is the price calculated at the next valuation point after the deal is agreed.

The price of a Share is the net asset value of the relevant Fund attributable to the relevant Share Class of that Fund divided by the number of Shares of that Class in issue.

The net asset values attributable to the Share Class(es) of each Fund will normally be calculated at 12.00 noon UK time on each valuation date which shall be each Business Day. The net asset value attributable to a Share Class is determined by calculating the value of the assets attributable to that Class and deducting the liabilities attributable to that Class in accordance with the provisions for the calculation set out in the Company's Instrument of Incorporation:

- investments with a single price (whether a transferable security or units or shares in a collective investment scheme) shall be valued at that price;
- investments for which different buying and selling prices are quoted will be valued at the mid-market price;
- other scheme property shall be valued at a fair and reasonable mid-market value;
- derivative and forward transactions shall be valued as agreed between the ACD and the Depositary; and
- adjustments will be made for tax, outstanding borrowings and dealing expenses.

To the extent permitted by the Financial Conduct Authority under the FCA Rules and subject to appropriate controls, the ACD may use a technique known as 'fair value pricing' in respect of one or more of the Funds to adjust underlying security prices by reference to external price indicators and appropriate trigger levels so that the valuation of those Funds will more accurately reflect market developments known as at the market valuation point.

## 6.2 Valuation Policy and Independent Pricing Committee

The ACD has put in place procedures to ensure the proper and independent valuation of the assets of the Company. Valuations shall be performed impartially and with all due skill, care and diligence. Where relevant, valuation will be undertaken in manner which ensures independence from the ACD's portfolio management function.

The valuation policies and procedures for the Company seek to establish a consistent framework and methodology for the determination, validation, approval, regular monitoring and review of pricing all positions used in the determination of the Net Asset Value for each Fund. The ACD is committed to maintaining standards for the valuation of assets consistent with best industry practices. A supplement detailing the current valuation policy for the Company is available upon request.

An Independent Pricing Committee ("IPC") has been appointed to undertake certain services concerning the valuation policies and procedures relating to the Company.

The IPC is an independent body set up to: (1) establish a pricing matrix (a table which lays out a pricing source for certain assets and liabilities) which the ACD will decide whether to adopt for the Company and, if so, will thereafter be used to calculate the value of the assets and liabilities held by each Fund; and (2) to establish the prices of any positions held by the Company that do not have an independently ascertainable value as per the pricing matrix. In addition, the IPC provides general governance and oversight of the valuation process.

The ACD shall not be under any liability if a price reasonably believed by it to be the latest available price or, as the case may be, middle market quotation for the time being, may be found not to be such.

## 6.3 Dilution Policy

The basis on which the Company's investments are valued for the purpose of calculating the buying and selling price of Shares as stipulated in the FCA Rules and the Company's Instrument of Incorporation is summarised in section 6.1. Dealing costs in, and spreads between the buying and selling prices of, a Fund's underlying investments mean that the buying and selling prices for Shares calculated for a Fund may differ from the value of the proportionate interests those Shares represent in the Fund, and dealing at those prices

could lead to a reduction in the value of the scheme property of the Fund, and so disadvantage other Shareholders. The effect of this is known as 'dilution'. The ACD may therefore apply a "dilution adjustment", as defined in the FCA Rules on the issue and/or redemption of shares in a Fund, in the circumstances outlined below.

A dilution adjustment is an adjustment to the Share price which is determined by the ACD in accordance with the FCA Rules. The ACD may make a dilution adjustment to the price of a Share (which means that the price of a Share is above or below that which would have resulted from mid-market valuation) for the purposes of reducing dilution in the Fund (or to recover an amount which it has already paid or is reasonably expected to pay in the future) in relation to the issue or cancellation of Shares.

Any dilution adjustment will be calculated by reference to the estimated costs of dealing in the underlying investments of the relevant Fund, including any dealing spreads, commission and transfer taxes in accordance with the FCA Rules.

A dilution adjustment will be applied in the following circumstances:

- where over a dealing period a Fund has experienced a large level of net issues or redemptions relative to its size – assessed as 10% or more of the net asset value of the Fund (as calculated at the last available valuation); or
- where the ACD considers it appropriate in order to protect the interests of the continuing Shareholders.

It should be noted that, as dilution is directly related to the inflows and outflows of monies from a Fund, it is not possible to predict accurately whether or not dilution will occur at any particular point in time, and how frequently the ACD will need to make such a dilution adjustment.

The ACD will regularly monitor the rate and frequency of dilution adjustments in respect of each Fund. Based on future projections, any dilution adjustment to the Share price (if made) would not usually be expected to be in excess of 3% of the Share price resulting from mid-market valuation. The ACD has imposed a dilution adjustment in respect of the Funds since inception, but only in the case of a Shareholder seeking to redeem shares which count as a large deal, as described above. The ACD intends that it would impose a dilution adjustment in future in similar circumstances.

Although, as stated above, as at the date of this Prospectus, the ACD's policy is that it may require a dilution adjustment on the basis set out above, if, at some future date, it appears to the ACD that a charge of dilution levy would be preferable to making a dilution adjustment then the ACD may change its policy, and may charge a dilution levy.

## **7. Fees and Expenses**

### **7.1 ACD's Fees and Expenses**

#### *Preliminary charge*

The current preliminary charge for each Share Class of each Fund which is payable to the ACD on the purchase of Shares is set out in the details of the Funds in Appendix 1.

#### *Redemption charge*

The ACD currently makes no charge on a cancellation or redemption of Shares but may introduce a charge in the future.

#### *Switch fee*

The ACD may make a charge of up to an amount equal to the amount of the preliminary charge of the relevant Fund on a switch of Shares in another Fund, or of shares in another ICVC of which the ACD is the

authorised corporate director.

#### *Conversion fee*

Currently the ACD makes no charge on an exchange of Shares in a Share Class of a Fund for Shares of another Share Class in the same Fund.

#### *Periodic charges*

The ACD's periodic charges may comprise one or more of the following elements:

- a management charge of a percentage of the net asset value of the property attributable to the relevant Share Class of the Fund relating to investment management services provided by the ACD;
- for certain Funds, a fund accounting charge (that is a charge which relates to certain aspects of the administration of a Fund), which is made up of a fee at a fixed rate per annum plus an ad valorem fee which is a percentage of the net asset value of the property attributable to the relevant Share Class of the Fund; and/or
- an administration charge which, in the case of institutional Shares, is a fixed amount per investor; or, in the case of retail and professional Shares, is a percentage of the net asset value attributable to the relevant Class of the Fund which relates to all other administration services provided by the ACD (whether provided directly by the ACD or by one of its delegates, as explained in paragraph 3.1).

In general terms: (i) administrative duties covered by the fund accounting charge and/or administration charge relate to administrative, accounting, consultancy, advisory, company secretarial and general management services as are necessary to manage the Company and to enable the Company to comply with the requirements of the OEIC Regulations, the FCA Handbook; the Company's Instrument of Incorporation and any other applicable legislation and regulation; (ii) acting as registrar of the Company and performing all functions performed by registrars including costs associated with investor Share dealing processing and order routing systems.

The accounting charge and/or administration charge covers services provided by the ACD or its delegates within the Man Group including:

- provision and support for portfolio management and risk systems;
- production of daily performance analysis and performance attributable to the Shares;
- calculation, reconciliation and validation of the Net Asset Value for the Fund;
- daily reconciliation of cash and positions for the Fund's portfolio;
- provision of operational support to the Company (as allocated as attributable to the Fund);
- servicing in respect of OTC derivatives where applicable, including the review and tracking of their documentation;
- reconciliation and facilitation of settlement in respect of transactions for the Fund;
- provision of services in connection with treasury and stock loans in respect of the Fund to enable efficient funding and settlement of transactions;
- oversight of third party service providers to which services have been delegated by the ACD,

and also services for which the ACD is responsible but which are in practice provided by a delegate of the ACD outside of the Man Group, and covers specific fees and expenses which are paid by the ACD out of the

ACD's fund accounting and/or administration charge, including but not limited to:

- fund administration costs, including fund valuation services, as well as transfer agency and client services;
- middle office costs including all relevant position and cash reconciliation processes, cash management and other verification procedures;
- additional independent valuation services where applicable;
- reporting including (i) preparation of annual and interim reports and accounts of the Company, (ii) making necessary tax returns and (iii) making all other reports, notices and documents which are required by OEIC Regulations, FCA Handbook or other regulatory body;
- relevant middle and back office software and systems in respect of Share pricing and Share dealing;
- procuring necessary industry data fees as appropriate for a Fund for example in respect of valuation matters, sector and asset class specific information, and for reference purposes and to assess relative performance where appropriate, benchmarks and index data, for example from Bloomberg;
- investment trade matching services;
- SWIFT or similar messaging services; and
- membership of relevant industry rating and classification bodies.

(For institutional investors, no management, preliminary, or redemption charges, or switch or exchange fees, are applicable in the case of institutional Shares; and charges are applied by reference to the fee scale set out in the relevant investment management agreement.)

Details of the current rates and amounts of the periodic charges which the ACD is currently entitled to charge for each Share Class of each Fund are set out in the details of the Funds in Appendix 1.

The ACD may waive or rebate to the Company, in respect of the property attributable to a Fund or the relevant Share Class of a Fund, a portion or all of one or more of the periodic charges it is entitled to receive.

The charges are calculated and accrue daily for net asset value and pricing purposes. They are payable monthly in arrears. The calculation for the purposes of the charge for each Share Class for a particular day is based on the value of the scheme property attributable to that Share Class of the relevant Fund at the previous Business Day.

The cost and charges documents available through the hyperlink below seek to provide illustrations of the amount of costs and charges for each share class over a future 12 month period and the potential effect of such costs and charges on hypothetical investment amounts.

The figures presented in these documents are based on historic costs and charges data which serves as a proxy for expected future costs and charges. The figures are calculated on a best efforts basis, are subject to revision and may vary materially from the actual costs and charges incurred by the share classes over the 12 month periods.

The costs and charges documents can be found here: [www.man.com/ccd/man-uk-icvc](http://www.man.com/ccd/man-uk-icvc)

#### *Performance fees*

For certain Share Classes of certain Funds, the ACD may be entitled to a performance fee, as set out in the details of the Funds in Appendix 1.

## ISAs

There are no additional charges for investments through an ISA.

## Other remuneration

The ACD and its associates are under no obligation to account to the Depositary or to the Shareholders for any profits they may make on the issue of Shares.

## Research

Each of the ACD and the Investment Adviser will pay directly out of its own resources for all research (as defined in FCA Handbook) received from third parties in connection with the provision of its services to the Company (other than, subject at all times to the ACD complying with all applicable laws and regulatory requirements, research qualifying as an acceptable minor non-monetary benefit).

Subject to the FCA Handbook, where the ACD or the Investment Adviser has delegated portfolio management to an entity not governed by the rules on inducements and research under MiFID 2 (a “Non-EU Entity”), broker commission, fees, expenses and remuneration which, in addition to the fees, expenses and commissions payable to the broker in relation to the relevant transaction may include the costs of other goods and/or services (such as research services) provided to the Non-EU Entity. However, these are not costs that will be borne by the Company save where permitted and in accordance with the FCA Handbook.

## 7.2 Depositary's Fees and Expenses

The Depositary receives for its own account, out of the property of the Company, a periodic fee. The periodic fee is calculated and accrues daily. The periodic fee becomes payable monthly in arrears on the last Business Day in each calendar month in respect of that day and the period since the last Business Day in the preceding month, and is paid on or around the 20<sup>th</sup> day after the last Business Day in each month. The periodic fee for each Fund is calculated for a particular day by reference to the value of the Fund on the previous Business Day except for the first accrual which is calculated by reference to the first valuation point of the Fund. The rate of the periodic fee is agreed between the ACD and the Depositary and is currently 0.01575% per annum.

These rates can be varied from time to time in accordance with the FCA Rules.

The first accrual in relation to any Fund will take place in respect of the period beginning on the day on which the first valuation of that Fund is made and ending on the last Business Day of the month in which that day falls.

In addition to the periodic fee referred to above, the Depositary shall also be entitled to be paid transaction and custody charges in relation to transaction handling and safekeeping of the scheme property, currently, as follows:

Item	Range
Transaction Charges	£7 to £23
Custody Charges	0.35 basis points to 2.25 basis points

These charges vary from country to country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than the last Business Day of the month when such charges arose or as otherwise agreed between the Depositary and the ACD. Custody charges accrue and are payable as agreed from time to time by the ACD and the Depositary.

Where relevant, the Depositary may make a charge for its services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending transactions, in

relation to the Fund and may purchase or sell or deal in the purchase or sale of scheme property, provided always that the services concerned and any such dealing are in accordance with the provisions of the FCA Rules.

The Depositary will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Instrument of Incorporation, the FCA Rules or by general law.

On a winding up of the Fund the Depositary will be entitled to its *pro rata* fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

Any value added tax on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.

In each such case such payments, expenses and disbursements may be payable to any person (including the ACD or any associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the FCA Rules by the Depositary.

### 7.3 Expenses

The Company may pay out of the property of the Company the following expenses:

- (a) in addition to the ACD's remuneration explained above, the ACD is entitled to recover out of the scheme property of the Company all reasonable and properly evidenced out of pocket expenses incurred in the performance of its duties as the authorised corporate director of the Company. The expenses may include any stamp duty reserve tax paid by the ACD in relation to the cancellation of Shares (whether or not the amount of that tax had been deducted from the payments made to the Shareholders who cancelled those Shares);
- (b) stamp duties, taxes, brokerage and/or other transaction costs, fees and expenses incurred in acquiring and disposing of investments;
- (c) fees in respect of publication and circulation of details of the net asset value and Share prices;
- (d) fees and expenses of the auditors, tax, legal and other professional advisers of the Company;
- (e) brokers' bond and errors and omissions insurance;
- (f) costs of general meetings and any other meetings of the Company, a Fund or a Share Class of a Fund;
- (g) costs of printing and distributing reports, accounts, notices to Shareholders (including notice of general meetings) and this Prospectus to Shareholders;
- (h) costs incurred as a result of an update of this Prospectus, the Company's key investor information documents and supplementary information documents, an amendment of the Instrument of Incorporation of the Company, or any other costs incurred in the preparation or the updating of any other Fund document required as a result of any change in the law or regulation and any other administrative expenses;
- (i) costs in relation to allocations of income, including tax vouchers and related notifications to Shareholders;
- (j) interest on borrowings and charges incurred in negotiating borrowings;
- (k) costs of listing Shares, if they are to be listed in the future;

- (l) fees of the FCA or the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares are or may be marketed, and any related costs incurred in relation to obtaining and/or maintaining a regulatory status in a country or territory outside the United Kingdom; and
- (m) such other expenses as the ACD resolves are properly payable out of the scheme property of the Company and as may be permitted to be paid out of the scheme property under the terms of the FCA Rules as amended from time to time.

#### 7.4 Initial Expenses and Promotion Costs

The costs of authorisation and incorporation of the Company and of the promotion of the Company are being paid by the ACD and its associates. The costs of establishing the Man GLG Undervalued Assets Fund were paid out of the assets of the Man GLG Undervalued Assets Fund. The costs of establishing the Man GLG UK Absolute Value Fund will be paid out of the assets of the Man GLG UK Absolute Value Fund.

#### 7.5 Allocation of Fees and Expenses Between Funds

All the above fees and expenses will be charged as follows:

- fees and expenses which are directly attributable to a particular Share Class of a Fund will be charged to that Share Class;
- fees and expenses which are attributable to a particular Fund will be charged to that Fund. If there is more than one Share Class in issue in the Fund, such fees and expenses will normally be allocated pro rata to the value of the scheme property attributable to those Share Classes; and
- fees and expenses which are attributable to the Company generally will normally be charged to each of the Funds (and its Share Classes) pro rata to the value of the scheme property attributable to those Funds (and its Share Classes).

All the charges and expenses in respect of the Man GLG UK Income Fund may be treated as a capital expense and accordingly this may constrain capital growth of this Fund.

The ACD has discretion to allocate these fees and expenses in a different manner where it considers this to be fair to Shareholders.

In respect of an institutional Share Class, the ACD currently intends that it or its associates will meet the expenses which are allocated to that Share Class. No periodic charges (or indeed preliminary or redemption charges, or switch or exchange fees) are applicable in the case of institutional Shares.

#### 7.6 VAT

The above fees and expenses are subject to value added tax where applicable.

There are currently some exemptions from VAT in respect of the ACD's charges for management of a Fund's investments and also its preliminary charge.

### 8. Income

#### 8.1 Accounting Periods

The annual accounting period of the Company ends on 28 February in each year. Details of the accounting periods and income allocation dates for each of the Funds are set out in Appendix 1.



## 8.2 Income Allocations

Allocations of income are made in respect of the income which the ACD determines is available for allocation in each accounting period, or, in the case of the Man GLG UK Income Fund, in each calendar month.

The amount available for allocation in a relevant period is calculated by:

- taking the aggregate of the income property received or receivable for the account of the relevant Fund for that period;
- deducting the charges and expenses of that Fund paid or payable out of income property for that period;
- adjusting for the ACD's best estimate of tax charge or tax relief on these expenses and charges; and
- making certain other adjustments which the ACD considers appropriate in relation to tax and other issues.

Where there is more than one Share Class in issue, income available for allocation will be allocated between the Share Classes based on the respective values of the property of those Share Classes on a daily basis.

Income allocations to income Shares will be paid by direct credit to the Shareholder's nominated bank account. Where the ACD has not been provided with the appropriate bank details, accumulation Shares will be issued to the equivalent value.

Net income allocations to accumulation Shares will be automatically added to (and retained as part of) the capital property of the relevant Fund, and reflected in the value of the accumulation Shares.

In order to smooth income fluctuations from interim accounting period to interim accounting period, the ACD may, in respect of the Man GLG UK Income Fund, decide to retain an amount of income from one accounting period to be held in an income reserve account, in order to smooth out future income payments in the following interim accounting periods. The ACD may in any accounting period withdraw any sum standing to the income reserve account, and such sum shall be treated as income available for allocation or distribution in that accounting period.

## 8.3 Income Equalisation

Part of the purchase price of a Share in a Fund reflects the relevant share of accrued income of the Fund. The first allocation of income in respect of a Share issued during an accounting period includes a capital sum by way of income equalisation.

The amount of income equalisation in respect of any Share shall be an amount arrived at by taking the aggregate of the amounts of income included in the price in respect of Shares of that Class of that Fund issued or sold in the annual or interim accounting period in question and dividing that aggregate amount by the number of such Shares and applying the result in average to each of the Shares in question.

For Shares of each Class the amount of income equalisation is calculated by dividing the aggregate of the amounts of income included in the price of Shares of that Class issued in a "grouping period" by the number of those Shares and applying the resultant average to each of the Shares in question. Grouping periods shall be each interim accounting period and the period between the end of the only or last interim accounting period in any annual accounting period and the end of that annual accounting period (provided that, if in any annual accounting period there is no interim accounting period, the grouping period shall be the annual accounting period).

## 8.4 Unclaimed Income Distributions

Any income distribution unclaimed for a period of six years will be forfeited by the Shareholder. It will revert to the Company for the account of the relevant Fund. If the Fund is no longer in existence, such unclaimed distribution will revert to the Company in a manner which is fair to Shareholders of the Company generally. The CASS rules relating to client money set out in paragraph 5.4 do not apply to unclaimed distributions held by the Depositary.

## 9. Meetings and Reports to Shareholders

Under the FCA Rules, the ACD is required to seek your approval to, or notify you of, various types of changes to the Company and the Funds. Annual General Meetings are not held but Extraordinary General Meetings may be convened from time to time.

### 9.1 Shareholder meetings

The convening and conduct of meetings of Shareholders and the voting rights of Shareholders at Shareholder meetings is governed by the provisions of the FCA Rules and the Company's Instrument of Incorporation.

A meeting of all Shareholders in the Company, a Fund or a Share Class of a Fund may be convened at any time. All references below to a meeting apply equally to Company, Fund and Share Class meetings.

The Directors may convene a meeting at any time. Shareholders registered as holding at least 1/10th in value of all the relevant Shares then in issue may require that a meeting be convened. A requisition by Shareholders must state the objects of the meeting, and be dated and signed by those Shareholders and deposited at the head office of the Company. The Directors must convene a meeting no later than eight weeks after receipt of such requisition at the head office of the Company.

Shareholders will receive at least 14 days' written notice of a meeting (including the day of service of the notice and the day of the meeting). The notice will specify the day, hour and place of the meeting and the resolutions to be put to the meeting. Shareholders are entitled to be counted in the quorum and to vote at a meeting either in person or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy.

The ACD will not be counted in the quorum for a meeting. The ACD and its associates are not entitled to vote at any meeting, except in respect of Shares which the ACD or an associate holds on behalf of or jointly with a person who, if himself the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions.

Every Shareholder who is present (being an individual) in person or (being a corporation) by its properly authorised representative shall have one vote on a show of hands.

A Shareholder may vote in person or by proxy (a person appointed by the Shareholder to attend and vote in place of the Shareholder) on a poll vote. A poll may be demanded by the chairman of the meeting (who shall be a person appointed by the Depositary, or in the absence of such a person, a person nominated by the Shareholders), the Depositary or any two Shareholders.

A Shareholder entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

### 9.2 Fundamental changes

A fundamental change is a change or event which changes the purposes or nature of the Company or a Fund or may materially prejudice a shareholder or alters the risk profile of a Fund or introduces any new type of payment out of the scheme property of a Fund. For fundamental changes the ACD must obtain Shareholder approval, normally by way of an Extraordinary Resolution (which needs 75% of the votes cast at the meeting to be in favour if the resolution is to be passed). An Extraordinary Resolution is required, for

example, for a change of investment objective or policy of a Fund. For other resolutions, an Ordinary Resolution is required. For an Ordinary Resolution to be passed, more than 50% of the votes cast at the meeting must be in favour. The rights attached to a class of Share will not be varied and a conversion of Shares of a particular class of Shares into Shares of another class will not be effected without the sanction of an ordinary resolution passed at a class meeting of the holders of that class of Share.

### 9.3 Significant changes

A significant change is a change or event which is not fundamental but which affects a Shareholder's ability to exercise his rights in relation to his investment, or would reasonably be expected to cause the Shareholder to reconsider his participation in a Fund, or results in any increased payments out of the scheme property to the ACD or to an associate of the ACD, or materially increases any other type of payment out of the scheme property of a Fund. For example at least 60 days' written notice would be given of any significant increase in fees payable to the ACD. The ACD must give reasonable prior notice (of not less than sixty days) in respect of any such significant change to the operation of the Company or the Funds.

### 9.4 Notifiable changes

A notifiable change is a change or event other than a fundamental change or a significant change of which a Shareholder must be made aware unless the ACD concludes that the change is insignificant. The ACD must inform Shareholders in an appropriate manner and time scale of any notifiable changes that are reasonably likely to affect or have affected the operation of the Company or a Fund.

### 9.5 Reports to Shareholders

The annual reports of the Company will be published on or before 30 June and half yearly reports will be published on or before 31 October. These reports will be made available to Shareholders upon request and will be available on our website.

Copies of reports may be inspected at, and obtained from, the offices of the ACD during office hours.

The requirement to publish short reports has been removed from the FCA Rules. The ACD has chosen to discontinue generating short reports, so the short report produced in June 2017 will be the last short report.

The ACD remains committed however to ensuring that there is an effective means of disclosing information to Shareholders. Our intention is to offer access to the following:

- Key Investor Information Documents for Share Classes of each of the Funds: These are kept up to date and are available on our website. Whilst intended to provide key information for investors at the time they subscribe for Shares, they also provide a helpful summary of key information for Shareholders on an ongoing basis.
- This Prospectus: Subscriptions for Shares are made on the basis of the full terms set out in this Prospectus and the most up to date version is always available on our website.

## 10. Taxation

**The information given below does not constitute legal or tax advice, and prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching, exchanging or disposing of Shares under the laws of any jurisdiction in which they may be subject to tax.**

### Taxation of the Company and the Funds

Each Fund is treated as a separate open-ended investment company resident in the UK for the purposes of UK taxation.

Each Fund is exempt from any liability to UK taxation in respect of any capital gains realised by it on the disposal of its investments.

The ACD considers that each Fund satisfies the genuine diversity of ownership condition ("GDOC") and each Fund has obtained a clearance from HMRC that it satisfies the GDOC. HMRC has confirmed that the Company documents (the Instrument of Incorporation and this Prospectus) contain the necessary provisions to satisfy the GDOC conditions in respect of such Funds. The effect of a Fund meeting the GDOC is that any and all transactions by such Fund in:

- stocks and shares;
- options, futures and contracts for differences;
- loan relationships;
- units or shares in collective investment schemes;
- other securities not covered by the above;
- buying or selling foreign currency;
- carbon emission trading products; and
- rights under a life insurance policy

will be deemed to be investment transactions rather than trading. This means that profits from any such transactions carried out by such Funds to the extent that they do not otherwise give rise to taxable income should only give rise to exempt capital gains.

Income received by a Fund in the form of dividends from UK companies and certain dividends from non-UK companies is exempt from United Kingdom taxation in the hands of a Fund.

The Company and its Funds will however each be liable to UK corporation tax (at the current special rate of 20%) on other types of income but after deducting allowable expenses (which include management expenses). Any distributions paid by any Fund to its Shareholders will be dividend distributions and will not be a deductible expense in computing the Fund's taxable income.

Any income derived by a Fund from foreign sources (except the dividends from non-UK companies referred to above) will be included in its taxable income, but, in computing its liability to corporation tax on any such income, credit may be available for any foreign withholding taxes that the income has borne.

Gains realised upon the sale, redemption or other disposal of interests in "offshore funds" which are not "reporting funds" for UK tax purposes and which are not specifically excluded are charged to tax as income ("offshore income gains") and not as a capital gain. Each Fund is accordingly generally not exempt from tax on such gains. Shareholders may not receive effective credit for the tax on such gains. This is on the basis that none of the Funds meet the conditions, or have elected or intend to elect, to be treated as "funds investing in non-reporting offshore funds" for the purposes of Part 6A of Authorised Investment Funds (Tax) Regulations 2006. The Government introduced regulations with effect from 1 September 2009 providing for tax elected funds. At the date of this Prospectus the ACD does not propose to make the election for any of the Funds to be treated as tax elected funds. However, the ACD will monitor developments in the legislation and in its application.

## Taxation of Shareholders

### *Taxation of income allocations from the Funds*

For tax purposes, the making of a distribution includes both paying an actual amount in cash in respect of a holding of income Shares to the Shareholder concerned, and also accumulating income which is reflected in the value of a holding of accumulation Shares for the Shareholder concerned.

Any dividend distribution made by a Fund will be treated as if it were a UK dividend paid to the Shareholders in that Fund. No deduction by way of withholding tax is required to be made from any dividend distribution.

A Shareholder in a Fund who is an individual and is resident in the UK for taxation purposes will have an annual dividend exemption of £2,000 which will be available across all of the individual Shareholder's dividend income. Individual Shareholders who pay income tax at the basic rate will pay income tax at 7.5% on all dividend income above the exempt threshold and after all personal allowances. Individual Shareholders who pay income tax at the higher rate will pay income tax at 32.5% on all dividend income above the exempt threshold and after all personal allowances. Individual Shareholders who pay income tax at the additional rate will pay income tax at 38.1% on all dividend income above the exempt threshold.

A Shareholder subject to UK corporation tax and not a financial trader which receives a dividend distribution may have to divide it into two parts – a franked and an unfranked part – depending on the underlying income of the relevant Fund. The franked part will reflect the Fund's dividend income from UK companies and certain dividends from non-UK companies. The franked part is treated as dividend income in the hands of the corporate Shareholder with the result that the corporate Shareholder will be exempt from tax on the franked part. The unfranked part will reflect the Fund's remaining income. The unfranked part is treated as an annual payment received after deduction of tax at the basic rate. The corporate Shareholder is liable to corporation tax on the unfranked part. The tax deemed to be deducted from the unfranked part is repayable where the corporate Shareholder has no liability to UK corporation tax (for example if the corporate Shareholder is loss-making) but only to the extent of the Shareholder's proportion of the Fund's net UK corporation tax liability. Where the corporate Shareholder has a liability to UK corporation tax, all of the tax deemed to have been deducted is however available for offset against the Shareholder's UK corporation tax liabilities. The proportions of a dividend distribution that are to be treated as franked and unfranked investment income and the Shareholder's proportion of the Fund's net UK corporation tax liability will be shown on tax vouchers accompanying dividend distributions.

### *ISAs*

Shares held in the Funds are qualifying investments for the purposes of the stocks and shares component of an ISA.

### *Capital Gains*

Shareholders who are resident in the UK for UK tax purposes may be liable to capital gains tax or, if a company, corporation tax in respect of gains arising from the sale or other disposal of Shares (including switching between different Funds - see sections 5.6 and 5.7 above).

When the first income allocation is made to income Shares purchased during an accounting period, the amount representing the income equalisation (as set out above in section 8.3) in the price of the Shares is a return of capital and is not taxable as income in the hands of Shareholders. This amount should be deducted from the cost of those Shares in computing any capital gains realised on a subsequent disposal.

For individuals, the first £12,000 (for the 2019/2020 tax year) of chargeable gains from all sources are exempt from tax and thereafter chargeable gains are taxable. For individuals, where their total taxable income and chargeable gains (after deductions) are less than the upper limit of the basic rate income tax band (£37,500 for the 2019/2020 tax year), the rate of capital gains tax is 10% for the 2019/2020 tax year. For chargeable gains where an individual's total taxable income and gains exceeds these limits (as the case may be), the rate of capital gains tax is 20% for the 2019/2020 tax year.

For UK resident companies, any chargeable gain will be subject to corporation tax at 19%. Losses or other reliefs may be available to reduce or eliminate any such tax on chargeable gains. UK resident companies may be able to benefit from indexation relief. In the Autumn Budget 2017, it was announced that indexation relief for companies would be frozen from 31 December 2017.

#### *Stamp Duty Reserve Tax ("SDRT")*

SDRT is generally not chargeable on surrenders and certain other transfers of Shares. However, SDRT may be chargeable at 0.5% on surrenders of Shares in respect of which a Shareholder receives a non-pro rata in specie redemption resulting in a transfer of underlying assets. In this instance, the SDRT will be a liability borne by the recipient of the underlying assets.

#### **FATCA and Similar Measures**

The UK has signed a Model 1 inter-governmental agreement with the United States (the "US-UK IGA") to give effect to the United States Foreign Account Tax Compliance Act provisions contained in sections 1471 to 1474 of the United States Internal Revenue Code of 1986, as amended and US Treasury Regulations promulgated thereunder (together, as amended from time to time, "FATCA"). Pursuant to the US-UK IGA and the related UK legislation, regulations and guidance, the Company is required to report certain information about "Specified U.S. Persons" (as defined in the US-UK IGA) that own, directly or indirectly, an interest in the Company. If the Company does not comply with these obligations, it may be subject to a 30 per cent withholding tax on certain payments to it of US source income (including interest and dividends) (from 1 July 2014) and proceeds from the sale of property that could give rise to US source interest or dividends (from 1 January 2019) (a "FATCA Deduction"), and to financial penalties or other sanctions under the relevant UK legislation.

Under the terms of the current US-UK IGA, the Company will not generally be required to withhold tax on payments made to an account holder (i.e. a Shareholder) or to close recalcitrant accounts. The Company will be required to report certain information in respect of any "Specified U.S. Persons" to HMRC and HMRC will exchange this information, on an automatic basis annually, with the US Internal Revenue Service.

The UK has also signed inter-governmental agreements with Jersey, Guernsey, the Isle of Man and Gibraltar (the "UK CDOT IGAs") that impose similar requirements to the US-UK IGA and enacted legislation to implement the UK CDOT IGAs in the UK. Under the terms of the UK CDOT IGAs, the Company is required to identify accounts held directly or indirectly by specified persons in Jersey, Guernsey, the Isle of Man and Gibraltar and report information on such specified persons to HMRC, which exchanges such information, on an automatic basis annually, with the respective tax authorities in Jersey, Guernsey, the Isle of Man and Gibraltar.

A number of other jurisdictions have entered into or are committed to entering into inter-governmental agreements for the automatic cross-border exchange of tax information similar to the US-UK IGA and UK CDOT IGAs, including, in particular, under a regime known as the OECD Common Reporting Standard ("CRS"). The UK has signed, along with over 80 other countries, a multilateral competent authority agreement to implement the CRS, and have issued regulations and guidance to give effect to the CRS. These regulations require UK "Financial Institutions", including the Company, to identify specified persons in participating jurisdictions under the CRS, and to report related information to HMRC (for automatic exchange with the relevant tax authorities in such jurisdictions).

The Company may be subject to financial penalties or other sanctions if it fails to comply with the requirements of the UK regulations giving effect to CRS. Due to the overlap between the UK CDOT IGAs and CRS, reportable persons in Jersey, Guernsey, the Isle of Man and Gibraltar will be reported under CRS and not the UK CDOT IGAs from 2018 and it is expected that the UK legislation implementing the UK CDOT IGAs will be repealed in due course.

While the Company will seek to satisfy its obligations under FATCA, the US-UK IGA, the UK CDOT IGAs, the CRS and the associated implementing legislation in the UK to avoid the imposition of any FATCA Deductions, financial penalties and other sanctions, the ability of the Company to satisfy such obligations will depend on receiving relevant information and/or documentation about each Shareholder and the direct and

indirect beneficial owners of the Shares (if any). There can be no assurance that the Company will be able to satisfy such obligations. If a Shareholder, or any related party, causes the Company to suffer a FATCA Deduction, financial penalty, or other cost, expense or liability, or the Company is required to make a FATCA Deduction from such Shareholder, the Company may take any action available to it to ensure that the FATCA Deduction or financial penalty and other associated costs, expenses and liabilities are economically borne by such Shareholder. Such action may (without limitation) include the compulsory redemption of any Shares held by such Shareholder, the Company reducing or refusing to make payment to such Shareholder of any redemption or dividend proceeds, the compulsory exchange of the Shares held by such Shareholder for Shares of another Class and requiring such Shareholder to pay an indemnity.

All prospective investors should consult with their own tax advisers regarding the possible implications of FATCA, the US-UK IGA, the UK CDOT IGAs, CRS and the associated implementing legislation in the UK and any other similar legislation and/or regulations on their investments in the Funds.

**The statements in this section 10 are based on UK law and HMRC practice as known at the date of this document and may change in the future. Shareholders are recommended to consult their professional advisers if they are in any doubt about their tax position.**

## **11. General Matters**

### **11.1 Winding up the Company or a Fund**

#### *The Company*

The Company may be wound up:

- by the court as an unregistered company under Part V of the Insolvency Act 1986; or
- if the Company is solvent, under the provisions of the FCA Rules.

To wind up the Company under the FCA Rules, the ACD has to notify the FCA of the proposal, confirming to the FCA that the Company will be able to meet all its liabilities within the following twelve months.

The Company can be wound up under the FCA Rules:

- (a) if an extraordinary resolution is passed to that effect; or
- (b) if the FCA agrees to a request by the ACD for revocation of the order in respect of the Company (provided no material change in any relevant factor occurs prior to the date of the revocation); or
- (c) on the expiration of any period for the duration of the Company or the occurrence of an event specified in the Instrument of Incorporation as triggering a winding up of the Company.

On a winding-up under the FCA Rules:

- Chapter 5 of the FCA Rules (concerning investment and borrowing powers) and Chapter 6, Parts 2 and 3 (concerning dealing and pricing) will cease to apply;
- the Company will cease to issue and cancel Shares;
- the ACD will stop selling and redeeming Shares; and
- no transfer of Shares will be registered and no change to the register will be made without the sanction of the ACD.

The Company will cease to carry on its business except as is required for its beneficial winding up. The ACD shall, as soon as practicable, realise assets of the Company and pay the respective shares of the proceeds to Shareholders in accordance with the FCA Rules.

## *A Fund*

A Fund of the Company may be wound up under the FCA Rules individually:

- where any of the events set out in (a), (b) or (c) above occurs in respect of that particular Fund; or
- if the ACD is of the opinion that it is desirable to wind up the Fund.

If so, the assets of the Fund will be realised and the Shareholders in the Fund will receive their respective shares of the proceeds, net of liabilities and the expenses of the termination.

A Fund may also be terminated in connection with its amalgamation or reconstruction. In that case Shareholders in the Fund will become entitled to receive shares or units in another regulated collective investment scheme in exchange for their Shares in the Fund.

## 11.2 Documents of the Company

The following documents may be inspected free of charge on any Business Day at the offices of the ACD and the offices of the Depositary:

- the reports of the Company; and
- the Instrument of Incorporation of the Company.

Shareholders may obtain further copies of this Prospectus, the Instrument of Incorporation of the Company and the reports of the Company free of charge from the ACD at its offices.

## 11.3 Potential Conflicts of Interest

The ACD, the Investment Adviser and other affiliates may effect transactions in which they have, directly or indirectly, an interest which may involve a potential conflict with the ACD's duty to the Company. Neither the ACD nor the Investment Adviser or other affiliates shall be liable to account to the Company for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions and nor will the Investment Adviser's fees, unless otherwise provided, be adjusted. The ACD and the Investment Adviser will ensure that such transactions are effected on terms which are not less favourable to the Company than if the potential conflict has not existed. The ACD, under the organisational and conduct rules applicable to it, must take all appropriate steps to identify and to prevent or manage conflicts of interest.

## 11.4 Inducements

Subject at all times to the ACD complying with all laws and regulatory requirements applicable to it, the ACD 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 ACD or any such person authorised on its behalf may, at its discretion, pay initial or trail commissions to that intermediary. The ACD will inform Shareholders of any initial or trail commission to be paid on a purchase of Shares on request.

The ACD may, at its discretion, waive any preliminary charge in whole or in part and, subject at all times to the ACD complying with all laws and regulatory requirements applicable to it, the ACD 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 ACD 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 ACD complying with all applicable laws and regulatory requirements, the ACD may receive fees, commissions or non-monetary benefits from third parties.



Where the ACD executes orders or places orders with other entities for execution that relate to financial instruments for the Funds, the ACD is not permitted to accept and retain from any third party (or any 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 ACD complying with all applicable laws and regulatory requirements, certain acceptable minor non-monetary benefits and, in certain circumstances, research).

If the ACD 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.

#### 11.5 Other information

Copies of contracts of service between the Company and its directors, including the ACD, will be provided to Shareholders upon request.

A summary of the ACD's strategies for determining when and how to exercise voting rights attached to instruments held by the Funds, and details of the actions taken on the basis of those strategies is available free of charge on request.

The ACD maintains arrangements to ensure it and its delegates (including the Investment Adviser) takes all sufficient steps to obtain, when executing decisions to deal, the best possible result for each Fund. A summary of the ACD's execution policy is available on request together with any other information about the ACD's policies and arrangements and how they are reviewed. Also, further information about the entities where orders are transmitted or placed for execution is available on request from the ACD.

#### 11.6 Complaints

If a Shareholder has any complaint concerning the ACD's role in respect of the Company and its Funds, the Shareholder may make a formal complaint to the Compliance Officer at the ACD, who will undertake a full investigation. If the complaint is unresolved, the Shareholder may have a right to refer it to the Financial Ombudsman Service, Exchange Tower, London E14 9SR ([www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)). A copy of the ACD's internal complaint handling procedure is available on request.

Additionally, investors may be eligible for compensation under the Financial Services Compensation Scheme ("FSCS") if they have claims against an FCA-authorized Service Provider (including the ACD or Depositary) which is in default. There are limits on the amount of compensation available. Further information about the FSCS may be obtained from the Financial Services Compensation Scheme, 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU or at [www.fscs.org.uk](http://www.fscs.org.uk).

To determine eligibility in relation to either the Financial Ombudsman Service or the FSCS, investors should consult the respective websites above.

#### 11.7 Recording of Communications

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

## Appendix 1

### The Funds

Man GLG UK Income Fund

Man GLG UK Select Fund\*

Man GLG Undervalued Assets Fund

Man GLG UK Absolute Value Fund

*\* the Man GLG UK Select Fund is in the process of being terminated and is therefore not available for investment.*

*The Man GLG UK Income Fund changed its name from GLG UK Income Fund with effect from 18 August 2015.*

## **1. Investment Objective and Policy**

### *Objective*

The objective of the Fund is to achieve a level of income (gross of fees) above the FTSE All-Share Total Return (NDTR) Index over 1 year rolling periods and outperform (gross of fees) the FTSE All-Share Total Return (NDTR) Index over the long-term (over 5 year rolling periods).

### *Policy*

To achieve the objective, the Fund will invest at least 80% of its assets, directly or indirectly (such proportion to be determined by the Investment Adviser), in equities of: (i) companies that have their registered office in the UK; (ii) companies that do not have their registered office in the UK but carry out a predominant proportion of their business activity in the UK market; and/or (iii) companies whose equities are listed on a UK stock exchange.

The Investment Adviser seeks to identify companies trading below the Investment Adviser's estimation of the value of their tangible assets or their replacement cost, or whose profit streams (which focuses on the cash generated for shareholders) the Investment Adviser considers to be undervalued (with reference to the all-in value of all potential calls on a company's assets). The Fund may invest in equities which are equities other than those meeting the criteria described above, American Depositary Receipts ('ADRs') and other equity linked instruments including (without limitation) exchange traded or "over the counter" financial derivative instruments such as stock options, equity swaps and contracts for differences.

The Fund is actively managed, however the Investment Adviser uses the FTSE All-Share Total Return (NDTR) Index as a guide in selecting assets for the Fund.

The Fund may also invest in transferable money market securities (including certificates of deposit, commercial paper and bankers acceptances), units or shares in collective investment schemes (which may include those managed by the ACD or one or more of its associates), fixed and floating rate government and corporate bonds, bonds convertible into common stock, preferred shares and other fixed income investments. The Fund may also hold ancillary liquid assets such as time deposits and may use currency transactions, including forward currency contracts, currency swaps and foreign currencies to alter the exposure characteristics of the transferable securities held by the Fund.

The Fund may use financial derivative instruments for both investment and efficient portfolio management purposes (including hedging). Such financial derivative instruments may include swaps (including total return swaps, credit default swaps, interest rate swaps and contracts for differences), exchange traded and OTC call and put options and exchange traded and OTC futures and forward contracts.

## **2. Benchmarks**

The Fund targets a level of income (gross of fees) above the FTSE All-Share Total Return (NDTR) Index over 1 year rolling periods and outperformance (gross of fees) of the FTSE All-Share Total Return (NDTR) Index over the long-term (over 5 year rolling periods). The ACD selected these performance targets as it considers each of these to set a reasonable performance target for the

Fund to achieve, taking into account a number of factors including (for instance) the investment strategy pursued by the Investment Adviser and the assets in which the Fund will principally invest.

The FTSE All-Share Total Return (NDTR) Index is also considered to be a constraining benchmark as it constrains the assets in which the Fund may invest (as described in the Fund's investment policy) because the ACD is of the view that this is an appropriate index to use for investment purposes (which can include construction of the Fund's portfolio universe and/or to assist with the management of risk in the Fund) given the investment objective and wider policy of the Fund and taking into account the Fund's target market.

Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. The Fund is currently classified in the Investment Association's UK Equity Income sector and the ACD intends for the Fund to retain this classification.

The ACD has selected the Investment Association's UK Equity Income sector as a benchmark against which investors in the Fund may wish to compare the Fund's performance. The ACD uses this benchmark to compare the Fund's performance on the basis that it considers it provides an appropriate comparison for performance purposes given the Fund's investment objective and policy. The Investment Association's UK Equity Income sector is not used as a target for the Fund's performance, nor is it considered to constrain the Fund.

For Share Classes that are unhedged the benchmark is shown in the Share Class currency. For Share Classes that are hedged, the benchmark may be hedged to the Share Class currency.

The Fund is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). The LSE Group does not accept any liability whatsoever to any person arising out of the use of Fund or the underlying data. See: <https://www.man.com/indices-disclaimer> for a full copy of the Disclaimer.

### **3. Typical Investor**

The Fund is marketable to retail investors as well as institutional and professional investors. The Fund is designed for investors who are seeking income distribution and capital growth, through investment in a portfolio comprised of the equities described in the Fund's investment policy (being equities of: (i) companies that have their registered office in the UK; (ii) companies that do not have their registered office in the UK but carry out a predominant proportion of their business activity in the UK market; and/or (iii) companies whose equities are listed on a UK stock exchange).

Should you be unsure about the suitability of the Fund, you should consult a suitably qualified professional adviser.

### **4. Classes of Share**

- retail income (class B)
- retail accumulation (class A)
- professional income (class D)
- professional accumulation (class C)
- institutional accumulation (class E)

### **5. ACD's Charges**

Retail Shares:	preliminary charge:	nil
----------------	---------------------	-----

	management charge:	1.5% per annum.
	registration charge:	0.17% per annum
Professional Shares:	preliminary charge:	Nil
	management charge:	0.75% per annum
	registration charge:	0.17% per annum
Institutional Shares:	preliminary charge:	Nil
	management charge:	Nil
	registration charge:	£250 per investor

There is no fund accounting charge for the Man GLG UK Income Fund.

## **6. Accounting Dates**

Annual accounting date:	28 February
Half-yearly accounting date:	31 August
Interim accounting dates:	The last Business Day of each month other than February and August

## **7. Income Allocation and Payment Dates**

Annual income allocation date:	The first Business Day of March
Interim income allocation dates:	The first Business Day of each month other than March
Income payment dates:	The last Business Day of each month

## **8. Reports (long-form ICVC reports)**

Annual report published by 30 June
Interim report published by 31 October

## **9. Eligible Securities and Derivatives Markets**

The 'Eligible Markets' for the Funds are set out in Appendix 2, with the list of additional eligible securities and derivatives markets agreed with the Depositary set out in the Annex to Appendix 2.

## 10. Past Performance

Launch date: 25 May 2004

	1 Jan 2015 to 31 Dec 2015 (% change)	1 Jan 2016 to 31 Dec 2016 (% change)	1 Jan 2017 to 31 Dec 2017 (% change)	1 Jan 2018 to 31 Dec 2018 (% change)	1 Jan 2019 to 31 Dec 2019 (% change)
Man GLG UK Income Fund (prof acc)	12.54	5.60	27.55	-7.34	21.72
Man GLG UK Income Fund (prof acc) (Gross)	13.64	6.59	28.70	-6.50	22.82

<i>Yield</i> Man GLG UK Income Fund (prof acc)	4.04	4.83	4.16	4.55	5.03
---	------	------	------	------	------

FTSE All-Share Total Return Index (Target)	0.98	16.75	13.10	-9.47	19.17
<i>Yield</i> FTSE All-Share Total Return Index (Target)	3.70	3.47	3.59	4.46	4.09

Rolling 5 year annualised return gross of fees of Man GLG UK Income Fund (prof acc)	9.30	12.17	15.21	8.83	12.35
Rolling 5 year annualised return of FTSE All-Share Total Return Index (Target)	6.00	10.10	10.27	4.08	7.54

Sources: Man Investments, Morningstar, and London Stock Exchange Group plc. Performance calculations are based on the retail accumulation share-class where available (otherwise the professional accumulation share-class) at NAV prices, net income reinvested.

Past performance is not a reliable indicator of future performance. The price of shares and the income from them can fall as well as rise and you may not get back the amount originally invested.

## 11. Sub-Custodians

<i>Market</i>	<i>Sub-Custodian</i>
Euroclear	
Argentina	Citibank N.A., Argentina, Buenos Aires
Australia	The Hongkong and Shanghai Banking Corporation Limited, Parramatta
Austria	UniCredit Bank Austria AG, Vienna
Belgium	Citibank Europe Plc, UK branch, London, United Kingdom; The Bank of New York Mellon SA/NV, Brussels
Bermuda	HSBC Bank Bermuda Limited, Hamilton
Botswana	Stanbic Bank Botswana Limited, Gaborone
Canada	CIBC Mellon Trust Company (CIBC Mellon), Toronto
Denmark	Skandinaviska Enskilda Banken AB (Publ), Stockholm, Sweden
Finland	Skandinaviska Enskilda Banken AB (Publ), Stockholm, Sweden
France	The Bank of New York Mellon SA/NV, Brussels
Germany, Federal Republic of	The Bank of New York Mellon SA/NV, Frankfurt am Main
Ghana	Stanbic Bank Ghana Limited, Accra
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited, Hong Kong
Indonesia	Deutsche Bank AG, Jakarta
Japan	Mizuho Bank, Ltd., Tokyo; MUFG Bank, Ltd., Tokyo
Kenya	Stanbic Bank Kenya Limited, Nairobi
Luxembourg	Euroclear Bank, Brussels, Belgium; Clearstream Banking S.A
Mexico	Banco S3 México S.A., Ciudad de México; Citibanamex, Colonia Santa Fe
Netherlands	The Bank of New York Mellon SA/NV, Brussels, Belgium
New Zealand	The Hong Kong and Shanghai Banking Corporation Limited, Auckland
Norway	Skandinaviska Enskilda Banken AB (Publ), Stockholm, Sweden
Pakistan	Deutsche Bank AG, Karachi
Philippines	Deutsche Bank AG, Taguig City

Portugal	Citibank Europe Plc, Dublin
Russia	PJSC ROSBANK, Moscow
Singapore	DBS Bank Ltd, Singapore
South Africa	The Standard Bank of South Africa Limited, Johannesburg; Standard Chartered Bank, Johannesburg
Spain	Banco Bilbao Vizcaya Argentaria, S.A., Bilbao; Santander Securities Services, S.A.U., Madrid
Sweden	Skandinaviska Enskilda Banken AB (Publ), Stockholm
Switzerland	Credit Suisse (Switzerland) Ltd, Zurich; UBS Switzerland AG, Zurich
Thailand	The Hongkong and Shanghai Banking Corporation Limited, Bangkok
United Kingdom	Depository and Clearing Centre (DCC), Deutsche Bank AG, London Branch, London; The Bank of New York Mellon, New York, United States
United States	The Bank of New York Mellon, New York
Uruguay	Banco Itaú Uruguay S.A., Montevideo
Zambia	Stanbic Bank Zambia Limited, Lusaka
Zimbabwe	Stanbic Bank Zimbabwe Limited, Harare



*The Man GLG UK Select Fund changed its name from GLG UK Select Fund with effect from 18 August 2015.*

*This Fund is in the process of being terminated and is therefore not available for investment.*

## 1. Investment Objective and Policy

### *Objective*

The objective of the Fund is to achieve a combination of long-term capital growth and income by investing, directly or indirectly, primarily in UK equities or in the equities of companies which derive a substantial part of their revenues from activities in the UK.

### *Policy*

To achieve the objective the Fund will be invested primarily in stocks, ADRs and other equity linked instruments including (without limitation) exchange-traded or "over the counter" financial derivative instruments such as stock options, equity swaps and contracts for differences. The Fund may also invest in transferable money market securities (including certificates of deposit, commercial paper and bankers acceptances), fixed and floating rate government and corporate bonds, bonds convertible into common stock preferred shares and other fixed income investments. The Fund may also hold ancillary liquid assets such as time deposits and may use currency transactions, including forward currency contracts, currency swaps and foreign currencies to alter the exposure characteristics of the transferable securities held by the Fund.

## 2. Classes of Share

- |   |                                      |  |
|---|--------------------------------------|--|
| - | retail accumulation (class A)        | A traditional ad valorem management fee applies  |
| - | retail accumulation (class AX)       | A lower ad valorem management fee applies but, in addition, a performance fee applies                      |
| - | professional accumulation (class C)  | A traditional ad valorem management fee applies  |
| - | professional accumulation (class CX) | A lower ad valorem management fee applies but, in addition, a performance fee applies                      |
| - | institutional accumulation (class E) | Charges are applied by reference to the fee scale set out in the relevant investment management agreement. |

## 3. ACD's Charges

Retail Shares:	preliminary charge:	
	- A class	nil
	- AX class	nil

periodic management charge:

- |            |                |
|------------|----------------|
| - A class  | 1.5% per annum |
| - AX class | 1% per annum   |

For the AX class, a performance fee of 20% of the outperformance of the value of the Shares over the benchmark return which would have been achieved by reference to FTSE All Share Total Return Index.

Further details of the performance fee are set out below.

fund accounting charge:

- |            |   |
|------------|---|
| - A class  | A proportionate share of the fund accounting charge applicable to the Fund, as described in further detail below. |
| - AX class | A proportionate share of the fund accounting charge applicable to the Fund, as described in further detail below. |

registration charge:

- |            |                 |
|------------|-----------------|
| - A class  | 0.17% per annum |
| - AX class | 0.17% per annum |

Professional Shares:

preliminary charge:

- |            |                         |
|------------|-------------------------|
| - C class  | Nil                     |
| - CX class | 5% of amount subscribed |

periodic management charge:

- |            |                 |
|------------|-----------------|
| - C class  | 0.75% per annum |
| - CX class | 0.5% per annum  |

For the CX class, a performance fee of 20% of the outperformance of the value of the Shares over the benchmark return which would have been achieved by reference to FTSE All Share Total Return Index.

Further details of the performance fee are set out below.

fund accounting charge:

- |            |   |
|------------|---|
| - C class  | A proportionate share of the fund accounting charge applicable to the Fund, as described in further detail below. |
| - CX class | A proportionate share of the fund accounting charge applicable to the Fund, as described in further detail below. |

registration charge:

- |            |                 |
|------------|-----------------|
| - C class  | 0.17% per annum |
| - CX class | 0.17% per annum |

Institutional Shares	preliminary charge:	Nil
	management charge:	Nil
	registration charge:	£250

**Fund accounting charge**

The fund accounting charge for the Fund will be made up of:

- a fixed fee in the range of £25-35,000 per annum; plus
- an ad valorem fee of between 0.03% per annum and 0.01% per annum of the net asset value of the property attributable to the Fund where the level of assets under management exceeds £100 million.

The fund accounting charge is allocated between the Share Classes pro rata according to the proportionate entitlement of each Share Class to the scheme property of the Fund.

## Performance Fee

For a Share Class for which there is a performance fee, we summarise below how it is calculated. (Defined terms used in connection with the performance fee calculation are explained below). Further details in relation to the performance fee calculation are available from the ACD on request.

### *Calculation basis*

The amount of the performance fee will be 20% of any appreciation in value of the Shares over the amount of the Benchmark Return for those Shares over six monthly Performance Periods, the benchmark being the FTSE All Share Total Return Index performance. This benchmark has been selected because the Fund will invest primarily in FTSE stocks and its aim is to outperform this specific index.

The performance fee accrues for the Share Class generally but the calculation methodology looks at the performance position for each Share in issue in the Share Class, with the intention of making the calculation as fair as possible.

The fee is calculated and accrues in respect of each Share in issue over six monthly Performance Periods. However, for redemptions of Shares during a Performance Period, a fee accrues on the redemption day, the calculation of that fee assuming that the shares redeemed on a Business Day are the longest standing shares in issue on that day, and so by reference to the Reference Base NAV for those Shares which have been longest in issue.

No performance fee will accrue in respect of any Share where the Benchmark Return has not been exceeded for a Performance Period. If, on any particular Business Day, the Fund underperforms the benchmark (having previously outperformed), then the performance fee accruals will be reduced accordingly, (other than any fee which has crystallised following a redemption of Shares, as described above).

However a performance fee may accrue in respect of any Share where the performance has been negative but the Fund has performed better than the Benchmark Return.

Any performance fees accrued in respect of a Performance Period in respect of the Shares in issue at the Performance Period End Date are payable out of the scheme property attributable to the relevant Share Class in arrears post the Performance Period End Date usually within 14 days. For any Shares redeemed during a Performance Period on a Dealing Day other than the Performance Period End Date, any performance fees accrued during that Performance Period in respect of the redeemed shares crystallise on the redemption date and are payable out of the scheme property attributable to the relevant Share Class in arrears post the redemption date usually within 14 days of that date. (For the avoidance of doubt, once a performance fee crystallises, it will not be paid back should there be a subsequent period of underperformance.)

With calculations on each Business Day in respect of the performance fee accruals, calculated amounts in respect of the performance fee are factored in on a daily basis over each Performance Period into the NAV calculation for the Share Class, and so reflected in the Share price which applies for issues and redemptions of Shares on each Dealing Day.

There is no requirement for additional payments to be made by Shareholders to meet the performance fee liability. The payment of a performance fee at the end of a Performance Period should not prejudice those who are Shareholders at the end of a Performance Period. The accruals of amounts on account of expected performance fees on a daily basis during the Performance Period within the NAV used for pricing purposes should, so far as is practicable, ensure that a fair Share price is used throughout each Performance Period, and that Shareholders effectively therefore bear their fair proportion of the performance fee in respect of their Shares.

The performance fee methodology described above aims to reduce the potential for inequalities to arise between investors when applying a performance fee to an open ended fund. In particular,

calculating the performance fee by reference to returns in respect of the specific Shares in issue in the Share Class, rather than for the Share class generally, is designed to ensure that the performance fee methodology accurately reflects performance returns for shareholders. The calculation method involves the tracking of the movement of the NAV on a Share by Share basis. However, in order to maintain the required single NAV, Share price for Shares of each Share Class, the performance fee is charged at the Share Class level.

**Consequently the performance fee methodology employed by the ACD seeks, so far as is practicable, to ensure that the performance fee is factored on a fair basis into the Share prices which are applied for incoming, continuing and redeeming investors for dealings in their Shares, and matches the performance in respect of those Shares for them. There may however be occasions where the Share price for an investor's Shares may include allowance for performance fees for which he/she has gained no directly correlated performance benefit.**

#### *No maximum level of performance fee*

There is no limit on the maximum amount of performance fee that might be paid in a Performance Period — the amount is determined simply by the level of outperformance achieved.

#### *Verification of the performance fee*

The calculation of the performance fee is verified by the Depositary.

#### *Alterations to the performance fee*

The ACD will periodically review the performance fee calculation methodology, the appropriateness and availability of the reference benchmark index and the accuracy of reflecting performance returns to the shareholders to performance fees in respect of their Shares. The ACD reserves the right to modify the performance fee calculation basis set out above, subject to updating this Prospectus accordingly and providing written notice to Shareholders of the revised basis. In the case of any significant changes, the ACD will generally provide 60 days prior written notice of any such changes, although an exception to this may be where the benchmark index is changed due to the unavailability of that index, in which case the ACD may implement the change and notify shareholders as soon as practicable.

#### *Defined terms*

The following terms used in the summary of the performance fee calculation set out above have the following meanings:

Appreciation in Value of a Share	The Appreciation in Value of a Share will be calculated on each Business Day by deducting the amount of the Benchmark Return calculated for that Share from the daily Gross Asset Value per Share of the relevant Share Class.
----------------------------------	--

Benchmark Return	The Benchmark Return is calculated on each Business Day for each Share of a Share Class. It is the notional return which would have accrued had the Reference Base NAV of the relevant Share been invested in the FTSE All Share Total Return Index over the relevant period (the period since issue of that Share or when a performance fee last crystallised in respect of that Share).
------------------	---

This benchmark index is published at close of business only. As the Fund's valuation point is noon, the benchmark will be adjusted for the return on the FTSE All Share Index between prior day close of business and the valuation point by

reference to the performance of the FTSE All Share Index in the same period.

**FTSE All Share Total Return Index** The FTSE All Share Total Return Index, which is a market-capitalisation weighted index representing the performance of all eligible companies listed on the London Stock Exchange's main market, which pass screening for size and liquidity. Further information on the Index is available at [www.ftse.com/Indices/UK\\_Indices/index.jsp](http://www.ftse.com/Indices/UK_Indices/index.jsp)

Provided that, if this index is not, or is expected by the ACD to cease to be available. In the future, or the ACD determines that the performance of the Fund should more appropriately be benchmarked against an alternative index, the ACD may replace the index, with a suitable alternative index and shall notify shareholders of the replacement index.

**Gross Asset Value** The Gross Asset Value is calculated on each Dealing Day, and is the gross asset value of a Share after the deduction of charges and expenses but before any dilution adjustment is applied and before deducting any performance fee calculated up to and including the valuation point on that Dealing Day, save crystallised but unpaid performance fees. (The Gross Asset Value minus such deductions gives the Net Asset Value).

**Net Asset Value or NAV** the net asset value attributable to the Share Class of the Fund calculated as explained at paragraph 6.1 of this Prospectus.

**Performance Period** the six monthly performance periods (each a "Performance Period") run as follows:

- from the last Business Day in February until 31 August; and
- from 31 August until the last Business Day of February.

The initial Performance Period of the Fund shall commence at the close of the Initial Offer Period and end on the next Performance Period End Date. The first Performance Period for a Share purchased during a Performance Period shall commence on the date of issue of that Share.

In the event that the Fund is to be wound up, the last Business Day before the commencement of the winding up will constitute the end of the last Performance Period.

**Performance Period End Date** in respect of each Performance Period, the last Business Day of that Performance Period— usually the last Business Day of February and last Business Day of August.

**Reference Base NAV** The "Reference Base NAV" for a Share shall be:

- in the case of a Share in issue at the commencement of the Performance Period:

- the last net asset value ("NAV") per Share of the relevant Share Class at the date at which a performance fee last crystallised for that Share

or

- if no performance fee has ever crystallised in respect of the Share, the issue price of that Share,

or

- in the case of a Share purchased in the current Performance Period, the NAV per Share of the relevant Share Class on the date of issue of that Share.

### **Example calculations**

#### **Example 1 – No performance fee paid**

Assumes

- 1) the price paid per Share was £1.00 at launch
- 2) the Gross Asset Value per Share of that same Share six months later is £1.02
- 3) the FTSE All Share Total Return Index increased by 3% throughout that six month period from 4000 to 4120

#### **Step 1: What is the increase in the Share price?**

2p (as the Share price increased from £1.00 to £1.02).

#### **Step 2: Has it beaten the FTSE All Share Total Return Index?**

No – because over six months the Investor could have earned 3% by investing in the FTSE All Share Total Return Index.

That would be a return of 3p on an investment of £1.00 but the increase in value was only 2p.

#### **Step 3: Is a performance fee payable?**

No – the Fund did not beat the benchmark in this example so no performance fee would be payable.

#### **Step 4: What is the Reference Base NAV for future fee calculations?**

The reference base NAV for each of the Shares issued at launch will remain £1 with a Benchmark Return reference level of 4000. No performance fee will accrue until the cumulative performance of the Shares exceeds the performance of the FTSE All Share Total Return Index. The NAV of the Share Class is however £1.02.

## **Example 2 - Performance fee paid**

Assumes

- 1) the price paid for a Share was £1.00 at launch
- 2) the Gross Asset Value per share six months later is £1.13
- 3) the FTSE All Share Total Return Index increased by 3% throughout that six month period from 4000 to 4120

### **Step 1: What is the increase in the Share price?**

13p (as the Share price increased from £1.00 to £1.13).

### **Step 2: Has it beaten the FTSE All Share Total Return Index?**

Yes – over six months the Investor could have earned 3% by investing in the FTSE All Share Total Return Index.

That would be a return of 3p on an investment of £1.00 but the increase in value was actually 13p.

So the Fund beat the benchmark by 10p.

### **Step 3: Is a performance fee payable?**

Yes – the Fund beat the benchmark in this example, so a performance fee would be payable.

The amount paid is 20% of the amount by which the Fund beat the benchmark.

In this case, that means the performance fee chargeable at the end of the Performance Period is 20% of 10p which is 2p. In this example the total performance fee payable is 2p multiplied by the number of Shares in issue at the end of the Performance Period. For example, if there were 1,000,000 Shares in issue the performance fee payable to the ACD at the end of the Performance Period would be £20,000.

### **Step 4: What is the Reference Base NAV for future fee calculations?**

The NAV of the Share Class is £1.11 (Gross Asset Value of £1.13 less £0.02 performance fee). The Share's Reference Base NAV will reset to £1.11 as a performance fee has been crystallised, and the reference Benchmark Return level will reset to 4120.



### **Example 3 - Performance fee paid when NAV falls but outperforms benchmark**

Assumes

- 1) the price paid for a Share was £1.00 at launch
- 2) the Gross Asset Value per Share six months later is £0.95
- 3) the FTSE All Share Total Return Index decreases by 10% throughout that six month period from 4000 to 3600

#### **Step 1: What is the change in the Share price?**

The Share price has decreased by 5p (5%).

#### **Step 2: Has it beaten the FTSE All Share Total Return Index?**

Yes – over six months the Investor would have lost 10% by investing in the FTSE All Share Total Return Index.

That would be a loss of 10p on an investment of £1.00 but the actual loss was only 5p, so the Share Class has outperformed the benchmark by 5p.

#### **Step 3: Is a performance fee payable?**

Yes – the Fund beat the benchmark in this example so a performance fee would be payable.

The amount paid is 20% of the amount by which the Fund beat the benchmark.

In this case that means the performance fee chargeable at the end of the Performance Period is 20% of 5p which is 1p. In this example the total performance fee payable is 1p multiplied by the number of Shares in issue at the end of the Performance Period. For example, if there were 1,000,000 Shares in issue the performance fee payable to the ACD at the end of the Performance Period would be £10,000.

#### **Step 4: What is the Reference Base NAV for future fee calculations?**

The NAV of the Share Class is £0.94 (Gross Asset Value of £0.95 less £0.01 performance fee). The Share's Reference Base NAV will reset to £0.94 as a performance fee has been crystallised, and the reference Benchmark Return level will reset to 3600.

#### **Example 4 - Performance fee on Shares redeemed in a Performance Period**

Assumes

- 1) the price paid for a Share was £1.00 at launch
- 2) the Gross Asset Value per Share when redeemed three months later is £1.08
- 3) the FTSE All Share Total Return Index increased by 1.5% throughout the three month period, from 4000 to 4060

##### **Step 1: What is the increase in the Share price?**

8p (as the Share price increased from £1.00 to £1.08).

##### **Step 2: Has it beaten the FTSE All Share Total Return Index?**

Yes – over three months the Investor could have earned 1.5% by investing in the FTSE All Share Total Return Index.

That would be a return of 1.5p on an investment of £1.00 but the increase in value was actually 8p.

So the Fund beat the benchmark by 6.5p.

##### **Step 3: Is a performance fee payable?**

Yes – the Fund outperformed the Share's Benchmark Return for the earliest issued Shares in issue on the relevant redemption date and so, in this example, a performance fee would be payable.

The amount paid is 20% of the outperformance assuming that the Shares redeemed were those issued at launch.

In this case that means the performance fee chargeable at the redemption date is 20% of 6.5p which is 1.3p. In this example the total performance fee payable is 1.3p multiplied by the number of Shares being redeemed. For example, if there were 100,000 Shares redeemed the performance fee payable to the ACD would be £1,300.

The Shares will be redeemed at a price of £1.067. This performance fee amount is paid to the Investment Adviser within fourteen days of the date the Shares were sold.

##### **Step 4: What is the Reference Base NAV for future fee calculations?**

There is no Reference Base NAV to carry forward for the Shares in respect of which the performance fee has been deemed to accrue, because they have been redeemed and so cannot be counted for future fee calculations.

#### **Example 5 - Performance fee not payable on Shares redeemed in a Performance Period**

Assumes

- 1) the price paid for a Share was £1.00 at launch
- 2) the Gross Asset Value per Share when sold three months later is £1.01
- 3) the FTSE All Share Total Return Index increased by 1.5% throughout that three month period, from 4000 to 4060

##### **Step 1: What is the increase in the Share price?**

1p (as the Share price increased from £1.00 to £1.01).

##### **Step 2: Has it beaten the FTSE All Share Total Return Index?**

No – over three months the Investor could have earned 1.5% by investing in the FTSE All Share Total Return Index.

That would be a return of 1.5p on an investment of £1.00 but the increase in value was only 1p.

##### **Step 3: Is a performance fee payable?**

No – the Fund underperformed the Benchmark Return for the earliest issued Shares in issue on the relevant redemption date and so, in this example a performance fee would not be payable.

##### **Step 5: What is the Reference Base NAV for future fee calculations?**

There is no Reference Base NAV to carry forward as the Shares have been redeemed so they cannot be counted for future fee calculations.

#### **Example 6: Application of performance fee methodology across Shares in issue**

Assumes

- 1) issue of Shares on Day 1 at £1 at launch.
- 2) the same number of Shares are issued on Day 20 at £1.10.
- 3) the Gross Asset Value per share at the end of the first Performance Period is £1.05
- 4) the FTSE All Share Total Return index remain constant through that six month Performance Period, remaining at 4,000.

#### **Step 1: What is the increase in the Share prices?**

Day 1 shares have increased by 5p (as the share price increased from £1 to £1.05).

Day 20 shares have decreased by 5p (as the share price decreased from £1.10 to £1.05).

#### **Step 2: Has it beaten the FTSE All Share Total Return Index?**

Day 1 Shares outperformed the benchmark index - over six months the investor could have earned nil return by investing in the FTSE All Share Total Return Index.

That would be a nil return on an investment of £1 but the actual increase in value was 5p.

So the Day 1 Shares beat the benchmark by 5p.

Day 20 Shares underperformed the benchmark index, as the share price decreased by 5p versus a nil Benchmark Return.

#### **Step 3: Is a performance fee payable?**

Yes - for Day 1 shares, but not for Day 20 shares.

The amount paid is 20% of the amount by which the Fund beat the benchmark.

In this case, that means the performance fee chargeable at the end of the Performance Period is 20% of 5p which is 1p.

#### **Step 4: What are the implications for the Shares issued on Day 1 and Day 20?**

Assuming that the number of Shares issued on Day 1 and Day 20 are the same, post the accrual of the performance fee of 1p, the NAV will become 104.5p. Consequently each of the investors will, in effect, pay a performance fee of 0.5p even though the benefit of this performance has accrued to the Day 1 investors and not to the Day 20 investors. In this example the total performance fee payable is 0.5 multiplied by the total number of Shares in issue at the end of the Performance Period, so if there were 100,000 Day 1 Shares in issue and 100,000 Day 20 Shares in issue the performance fee payable would be £1,000.

Further details in relation to the performance fee are available from the ACD on request.

#### 4. Accounting Dates

Annual accounting date: 28 February

Interim accounting date: 31 August

#### 5. Income Allocation Dates

Annual income allocation date: 30 April

Interim income allocation date: 31 October

#### 6. Reports (long-form ICVC reports)

Annual report published by 30 June

Interim report published by 31 October

#### 7. Eligible Securities and Derivatives Markets

The 'Eligible Markets' for the Funds are set out in Appendix 2, with the list of additional eligible securities and derivatives markets agreed with the Depositary set out in the Annex to Appendix 2.

#### 8. Past performance

	Launch Date	1 Jan 2013 to 31 Dec 2013 (% change)	1 Jan 2014 to 31 Dec 2014 (% change)	1 Jan 2015 to 31 Dec 2015 (% change)	1 Jan 2016 to 31 Dec 2016 (% change)	1 Jan 2017 to 31 Dec 2017 (% change)
Man GLG UK Select Fund (prof acc – Class C)	3 August 2009	31.02	5.35	3.97	1.02	14.07 <sup>†</sup>

<sup>†</sup> The Man GLG UK Select Fund commenced a winding up process on 5 October 2018 so past performance data is only provided up to 31 December 2017.

Source: Man Investments. Performance calculations are based on the retail accumulation share class where available (otherwise the professional accumulation share-class) at NAV prices, net income reinvested.

Past performance is not a reliable indicator of future performance. The price of shares and the income from them can fall as well as rise and you may not get back the amount originally invested.

#### 9. Sub-Custodians

Market	Sub-Custodian
Euroclear	
Belgium	Citibank Europe plc, London, United Kingdom; The Bank of New York Mellon SA/NV, Brussels
United Kingdom	Depositary and Clearing Centre (DCC), Deutsche Bank AG, London Branch, London; The Bank of New York Mellon, New York, United States
United States	The Bank of New York Mellon, New York

*The Man GLG Undervalued Assets Fund changed its name from GLG Undervalued Assets Fund with effect from 18 August 2015.*

## 1. Investment Objective and Policy

### *Objective*

The objective of the Fund is to outperform (net of fees) the FTSE All-Share Total Return (NDTR) Index over the long-term (over 5 year rolling periods).

### *Policy*

To achieve the objective the Fund will invest at least 80% of its assets, directly or indirectly (such proportion to be determined by the Investment Adviser), in UK equities, that is, equities of: (i) companies that have their registered office in the UK; (ii) companies that do not have their registered office in the UK but carry out a predominant proportion of their business activity in the UK market; and/or (iii) companies whose equities are listed on a UK stock exchange.

The Investment Adviser seeks to identify companies trading below the Investment Adviser's estimation of the value of their tangible assets or their replacement cost, or whose profit streams (which focuses on the cash generated for shareholders) the Investment Adviser considers to be undervalued (with reference to the all-in value of all potential calls on a company's assets). The Fund may invest in equities that are not UK equities, American Depositary Receipts ('ADRs') and other equity linked instruments including (without limitation) exchange-traded or "over-the-counter" financial derivative instruments such as stock options, equity swaps and contracts for differences.

The Fund is actively managed, however the Investment Adviser uses the FTSE All-Share Total Return (NDTR) Index as a guide in selecting assets for the Fund.

The Fund may also invest in transferable money market securities (including certificates of deposit, commercial paper and bankers acceptances), units or shares in collective investment schemes (which may include those managed by the ACD or one or more of its associates), fixed and floating rate government and corporate bonds, bonds convertible into common stock, preferred shares and other fixed income investments. The Fund may also hold cash, near cash and other ancillary liquid assets such as time deposits and may use currency transactions, including forward currency contracts, currency swaps and foreign currencies to alter the exposure characteristics of the transferable securities held by the Fund.

The Fund may use financial derivative instruments for both investment and efficient portfolio management purposes (including hedging). Such financial derivative instruments may include swaps (including total return swaps, credit default swaps, interest rate swaps and contracts for differences), exchange traded and OTC call and put options and exchange traded and OTC futures and forward contracts.

## 2. Benchmarks

The Fund targets outperformance of the FTSE All-Share Total Return (NDTR) Index over the long-term (over 5 year rolling periods). The ACD selected this performance target as it considers it to set a reasonable performance target for the Fund to achieve, taking into account a number of factors including (for instance) the investment strategy pursued by the Investment Adviser and the assets in which the Fund will principally invest.

The FTSE All-Share Total Return (NDTR) Index is also considered to be a constraining benchmark as it constrains the assets in which the Fund may invest (as described in the Fund's investment policy) because the ACD is of the view that this is an appropriate index to use for investment purposes (which can include construction of the Fund's portfolio universe and/or to assist with the management of risk in the Fund) given the investment objective and wider policy of the Fund and taking into account the Fund's target market.

Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. The Fund is currently classified in the Investment Association's UK All Companies sector and the ACD intends for the Fund to retain this classification.

The ACD has selected the Investment Association's UK All Companies sector as a benchmark against which investors in the Fund may wish to compare the Fund's performance. The ACD uses this benchmark to compare the Fund's performance on the basis that it considers it provides an appropriate comparison for performance purposes given the Fund's investment objective and policy. The Investment Association's UK All Companies sector is not used as a target for the Fund's performance, nor is it considered to constrain the Fund.

For Share Classes that are unhedged the benchmark is shown in the Share Class currency. For Share Classes that are hedged, the benchmark may be hedged to the Share Class currency.

The Fund is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). The LSE Group does not accept any liability whatsoever to any person arising out of the use of Fund or the underlying data. See: <https://www.man.com/indices-disclaimer> for a full copy of the Disclaimer.

### 3. Typical Investor

The Fund is marketable to retail investors as well as institutional and professional investors. The Fund is designed for investors who are seeking income distribution and capital growth, through investment in a portfolio comprised of UK equities (being equities of companies which derive a substantial part of their revenues from activities in the UK and/or equities of companies listed in the UK).

Should you be unsure about the suitability of the Fund, you should consult a suitably qualified professional adviser.

### 4. Classes of Share

- professional income (class D)
- professional accumulation (class C)
- institutional accumulation (class E)

### 5. ACD's Charges

Professional Shares:	preliminary charge:	Nil
	management charge:	0.75% per annum
	registration charge:	0.17% per annum
Institutional Shares:	preliminary charge:	Nil
	management charge:	Nil

registration charge: £250 per investor

There is no fund accounting charge for the Man GLG Undervalued Assets Fund.

## 6. Accounting Dates

Annual accounting date: 28 February

Interim accounting date: 31 August

## 7. Income Allocation Dates

Annual income allocation date: 30 April

Interim income allocation date: 31 October

## 8. Reports (long-form ICVC reports)

Annual report published by 30 June

Interim report published by 31 October

## 9. Eligible Securities and Derivatives Markets

The 'Eligible Markets' for the Funds are set out in Appendix 2, with the list of additional eligible securities and derivatives markets agreed with the Depositary set out in the Annex to Appendix 2.

## 10. Past Performance

Launch date: 15 November 2013

	1 Jan 2015 to 31 Dec 2015 (% change)	1 Jan 2016 to 31 Dec 2016 (% change)	1 Jan 2017 to 31 Dec 2017 (% change)	1 Jan 2018 to 31 Dec 2018 (% change)	1 Jan 2019 to 31 Dec 2019 (% change)
Man GLG Undervalued Assets Fund (prof acc – class C)	10.01	5.26	30.29	-11.50	19.33

FTSE All-Share Total Return Index (Target)	0.98	16.75	13.10	-9.47	19.17
--	------	-------	-------	-------	-------

Rolling 5 year annualised return of Man GLG Undervalued Assets Fund (prof acc – class C) †	6.73	9.76
Rolling 5 year annualised return of FTSE All-Share Total Return Index (Target)	4.08	7.54

† The Man GLG Undervalued Assets Fund was launched on 15 November 2013, consequently there is no 5 year rolling past performance information for the Fund prior to the 2018 calendar period.



Sources: Man Investments, Bloomberg, London Stock Exchange Group plc and Morningstar. Performance calculations are based on the net asset value per share of a share class of the Fund with equivalent fees to the professional accumulation class of Shares of the Man GLG Undervalued Assets Fund. Performance has been calculated on a NAV to NAV basis.

Past performance is not a reliable indicator of future performance. The price of shares and the income from them can fall as well as rise and you may not get back the amount originally invested.

#### 11. Sub-Custodians

<i>Market</i>	<i>Sub-Custodian</i>
Euroclear	
Australia	The Hongkong and Shanghai Banking Corporation Limited, Parramatta
Austria	UniCredit Bank Austria AG, Vienna
Belgium	Citibank Europe Plc, UK branch, London, United Kingdom; The Bank of New York Mellon SA/NV, Brussels
Canada	CIBC Mellon Trust Company (CIBC Mellon), Toronto
Denmark	Skandinaviska Enskilda Banken AB (Publ), Stockholm, Sweden
Finland	Skandinaviska Enskilda Banken AB (Publ), Stockholm, Sweden
France	The Bank of New York Mellon SA/NV, Brussels
Germany, Federal Republic of	The Bank of New York Mellon SA/NV, Frankfurt am Main
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited, Hong Kong
Ireland	The Bank of New York Mellon, New York, United States
Italy	The Bank of New York Mellon SA/NV, Brussels, Belgium
Japan	Mizuho Bank, Ltd., Tokyo; MUFG Bank, Ltd., Tokyo
Netherlands	The Bank of New York Mellon SA/NV, Brussels, Belgium
Norway	Skandinaviska Enskilda Banken AB (Publ), Stockholm, Sweden
Portugal	Citibank Europe plc, Dublin
South Africa	The Standard Bank of South Africa Limited, Johannesburg; Standard Chartered Bank, Johannesburg
Spain	Banco Bilbao Vizcaya Argentaria, S.A., Bilbao; Santander Securities Services, S.A.U., Madrid
Sweden	Skandinaviska Enskilda Banken AB (Publ), Stockholm
Switzerland	Credit Suisse (Switzerland) Ltd, Zurich; UBS Switzerland AG, Zurich

United Kingdom	Depository and Clearing Centre (DCC), Deutsche Bank AG, London Branch, London; The Bank of New York Mellon, New York, United States
United States	The Bank of New York Mellon, New York

## 1. Investment Objective and Policy

### *Objective*

The objective of the Fund is to deliver absolute returns in any market conditions on a rolling 3 year timeframe.

The assets of the Fund are subject to market fluctuations and the usual investment risks. The value of the assets of the Fund and income derived from them may fall as well as rise. Consequently, whilst the Fund seeks to provide absolute returns in all market conditions on a rolling 3 year timeframe, absolute returns may not be guaranteed over this time period, or any other time period, and the Fund's capital is at risk.

### *Policy*

**The Fund will seek to achieve its investment objective primarily through investing on a long and synthetically short basis, in equities or derivative instruments relating to equities of companies with market capitalisation of between £350 million and £5 billion and which are domiciled, incorporated or conduct a significant portion of their business in the UK.** Derivative instruments include exchange-traded or "over-the-counter" financial derivative instruments such as stock options, equity swaps and contracts for differences. The Fund may also invest in other transferable securities, units or shares in collective investment schemes, fixed and floating rate government and corporate bonds, bonds convertible into common stock and derivative and forward positions. The Fund may also hold ancillary liquid assets such as money market instruments, deposits, cash and near cash and may use currency transactions, including forward currency contracts, currency swaps and foreign currencies to alter the exposure characteristics of the transferable securities held by the Fund. The Fund may, subject to and in accordance with the FCA Rules, take long and synthetically short positions in such investments.

In exceptional market conditions and/or for liquidity management purposes, the Fund may, subject to and in accordance with the FCA Rules, hold a significant amount in cash and near cash, deposits and government and public securities.

The Fund may, subject to and in accordance with the FCA Rules, take long and synthetically short positions in markets, securities and groups of securities through derivative contracts. The Fund may be leveraged as a result of its use of derivatives.

## 2. Classes of Share

- professional accumulation (class CX)      An ad valorem management fee applies but, in addition, a performance fee applies
- institutional accumulation (class E)      Charges are applied by reference to the fee scale set out in the relevant investment management agreement.

## 3. ACD's Charges

Professional Shares:

preliminary charge:

- CX class

up to 5% of amount subscribed

periodic management charge:

- CX class	0.75% per annum
------------	-----------------

For the CX class, a performance fee of 20% of the outperformance of the value of the Shares over the benchmark return which would have been achieved by reference to the 3-Month GBP LIBOR rate.

Further details of the performance fee are set out below.

registration charge:

- CX class	0.17% per annum
------------	-----------------

Institutional Shares

preliminary charge:	Nil
---------------------	-----

management charge:	Nil
--------------------	-----

registration charge:	£250
----------------------	------

There is no fund accounting charge for the Man GLG UK Absolute Value Fund.

### **Performance Fee**

For a Share Class for which there is a performance fee, we summarise below how it is calculated. (Defined terms used in connection with the performance fee calculation are explained below). Further details in relation to the performance fee calculation are available from the ACD on request.

#### *Calculation basis*

The amount of the performance fee will be 20% of any appreciation in value of the Shares over the amount of the Benchmark Return for those Shares over annual Performance Periods, the benchmark being the 3-Month GBP LIBOR rate. The Benchmark Return applicable to Shares in any Performance Period shall be the aggregate notional return which would have accrued in that Performance Period had a sum equal to the Net Asset Value per Share at the previous calculation date been invested at the commencement of the Performance Period at the 3-Month GBP LIBOR rate on each Business Day and accruing simply (and not compounding) on each valuation date, as described in further detail below, subject to the provisions below that a performance fee will only be payable in respect of increases above the Reference Base NAV. This benchmark has been selected as a measure of absolute return.

The performance fee accrues for the Share Class generally but the calculation methodology looks at the performance position for each Share in issue in the Share Class, with the intention of making the calculation as fair as possible.

The fee is calculated and accrues on each valuation date in respect of each Share in issue over annual Performance Periods. However, for redemptions of Shares during a Performance Period, a fee accrues on the redemption date, the calculation of that fee assuming that the Shares redeemed on a Business Day are the longest standing Shares in issue on that day, and so by reference to the Reference Base NAV for those Shares which have been longest in issue.

No performance fee will accrue in respect of any Share where the Benchmark Return has not been exceeded for a Performance Period. If, on any particular Business Day, the Fund underperforms the benchmark (having previously outperformed), then the performance fee accruals will be reduced accordingly (other than any fee which has crystallised following a redemption of Shares, as described above).

Any performance fees accrued in respect of a Performance Period in respect of the Shares in issue at the Performance Period End Date are payable out of the scheme property attributable to the relevant Share Class in arrears post the Performance Period End Date usually within 14 days. For any Shares redeemed during a Performance Period on a Business Day other than the Performance Period End Date, any performance fees accrued during that Performance Period in respect of the redeemed shares crystallise on the redemption date and are payable out of the scheme property attributable to the relevant Share Class in arrears usually within 14 days following the redemption date. For the avoidance of doubt, once a performance fee crystallises, it will not be paid back should there be a subsequent period of underperformance.

With calculations on each Business Day in respect of the performance fee accruals, calculated amounts in respect of the performance fee are factored in on a daily basis over each Performance Period into the NAV calculation for the Share Class, and so reflected in the Share price which applies for issues and redemptions of Shares on each Business Day.

There is no requirement for additional payments to be made by Shareholders to meet the performance fee liability. The payment of a performance fee at the end of a Performance Period should not prejudice those who are Shareholders at the end of a Performance Period. The accruals of amounts on account of expected performance fees on a daily basis during the Performance Period within the NAV used for pricing purposes should, so far as is practicable, ensure that a fair Share price is used throughout each Performance Period, and that Shareholders effectively therefore bear their fair proportion of the performance fee in respect of their Shares.

The performance fee methodology described above aims to reduce the potential for inequalities to arise between investors when applying a performance fee to an open ended fund. In particular, calculating the performance fee by reference to returns in respect of the specific Shares in issue in the Share Class, rather than for the Share class generally, is designed to ensure that the performance fee methodology accurately reflects performance returns for shareholders. The calculation method involves the tracking of the movement of the NAV on a Share by Share basis. However, in order to maintain the required single NAV and Share price for Shares of each Share Class, the performance fee is charged at the Share Class level.

**Consequently the performance fee methodology employed by the ACD seeks, so far as is practicable, to ensure that the performance fee is factored on a fair basis into the Share prices which are applied for incoming, continuing and redeeming investors for dealings in their Shares, and matches the performance in respect of those Shares for them. There may however be occasions where the Share price for an investor's Shares may include allowance for performance fees for which he/she has gained no directly correlated performance benefit.**

#### *No maximum level of performance fee*

There is no limit on the maximum amount of performance fee that might be paid in a Performance Period — the amount is determined simply by the level of outperformance achieved.

#### *Verification of the performance fee*

The calculation of the performance fee is verified by the Depositary.

#### *Alterations to the performance fee*

The ACD will periodically review the performance fee calculation methodology, the appropriateness and availability of the reference benchmark rate and the accuracy of reflecting performance returns

to Shareholders to performance fees in respect of their Shares. The ACD reserves the right to modify the performance fee calculation basis set out above, subject to updating this Prospectus accordingly and providing written notice to Shareholders of the revised basis. In the case of any significant changes, the ACD will generally provide 60 days prior written notice of any such changes, although an exception to this may be where the benchmark rate is changed due the unavailability of that rate, in which case the ACD may implement the change and notify Shareholders as soon as practicable.

#### *Defined terms*

The following terms used in the summary of the performance fee calculation set out above have the following meanings:

Appreciation in Value of a Share	The Appreciation in Value of a Share will be calculated on each Business Day by deducting the amount of the Benchmark Return calculated for that Share from the daily Gross Asset Value per Share of the relevant Share Class.
----------------------------------	--

Benchmark Return	The Benchmark Return is calculated on each valuation date for each Share of a Share Class. It is the notional return which would have accrued had the Reference Base NAV of the relevant Share been invested in the 3-Month GBP LIBOR rate over the relevant period (the period since issue of that Share or when a performance fee last crystallised in respect of that Share). Performance fees will only be payable once cumulative performance exceeds the Benchmark Return.
------------------	--

3-Month GBP LIBOR rate	The 3-Month GBP LIBOR rate is the average interest rate at which a selection of banks in London are prepared to lend to one another in British pound sterling with a maturity of 3 months. The LIBOR interest rates are used by banks as the base rate in setting the level of their savings, mortgage and loan rates.
------------------------	--

Provided that, if this interest rate is not, or is expected by the ACD to cease to be, available in the future, or if the ACD determines that the performance of the Fund should more appropriately be benchmarked against an alternative interest rate or index, the ACD may replace the interest rate with a suitable alternative interest rate or index and shall notify Shareholders of the replacement interest rate or index.

The 3-Month GBP LIBOR rate shall be calculated as follows:

With respect to each valuation date, the 3-Month GBP LIBOR rate will be determined by the Administrator on each valuation date (the "LIBOR Determination Date") in accordance with the following provisions:

(1) the rate of interest published or reported by Bloomberg (by reference to the screen page currently designated as "BBAM" on that service) or such other service as may be nominated by the Intercontinental Exchange (ICE) as the information vendor for the purpose of displaying ICE Interest Settlement Rates for GBP deposits on the LIBOR Determination Date as being the rate of interest offered in

the London interbank market for three-month GBP deposits;  
or

(2) if the rate referred to in (1) above is unavailable on the LIBOR Determination Date, the arithmetic mean (rounded upwards, if necessary, to the next highest 1/32 of one per cent.) of the quotations by the principal London offices of each of Citibank, N.A., Credit Lyonnais and National Westminster Bank PLC or, in the event that any of such banks becomes unable or unwilling to continue to act as a reference bank, such other leading bank in the London interbank market as may be appointed to act as such in its place by the Investment Adviser (the above named banks and/or such other banks appointed for such purpose herein referred to as the "Reference Banks") given to the Investment Adviser for offers of three month GBP deposits to leading banks in such amount in the London interbank market on the LIBOR Determination Date; or

(3) if on any LIBOR Determination Date on which the rate referred to in (1) above is unavailable, less than all but at least two of the Reference Banks provide such offered quotations to the Investment Adviser, the 3-Month GBP LIBOR rate for the next valuation date shall be determined as in (2) above on the basis of the offered quotations of those Reference Banks providing such quotations; or

(4) if on any LIBOR Determination Date on which the rate referred to in (1) is unavailable, only one or none of the Reference Banks provides the Investment Adviser with such offered quotations, the 3-Month GBP LIBOR rate for the next valuation date shall be such three-month rate of interest as the Investment Adviser considers to be representative of the rates at which 3-month GBP deposits in such amount are offered by leading banks in the London interbank market on such LIBOR Determination Date; and

(5) if on any LIBOR Determination Date the Investment Adviser is required but is unable to determine 3-Month GBP LIBOR in the manner provided in sub-paragraph (4) above, then the 3-Month GBP LIBOR rate for the next valuation date shall be the 3-Month GBP LIBOR rate in effect on the most recent preceding LIBOR Determination Date.

If the LIBOR Determination Date would otherwise fall on a Business Day that is not a day on which dealings in deposits in GBP are transacted in the London interbank market, then the LIBOR Determination Date shall be the day immediately preceding that Business Day that is itself a Business Day on which dealings in deposits in GBP are transacted in the London interbank market.

#### Gross Asset Value

The Gross Asset Value is calculated on each valuation date, and is the gross asset value of a Share after the deduction of charges and expenses but before any dilution adjustment is applied and before deducting any performance fee calculated up to and including the valuation point on that valuation date, save crystallised but unpaid performance

fees. The Gross Asset Value minus such deductions gives the Net Asset Value.

High Watermark

The High Watermark means (i) in respect of the first Performance Period in respect of a Share, the issue price of that Share, and (ii) in respect of subsequent Performance Periods, (a) the NAV per Share of the relevant Share Class at the date at which a performance fee last crystallised for that Share or, (b) if no performance fee has ever crystallised in respect of that Share, the issue price of that Share.

Net Asset Value or NAV

The net asset value attributable to the relevant Share Class of the Fund calculated as explained at paragraph 6.1 of this Prospectus.

Performance Period

The annual performance periods (each a "Performance Period") run from the last Business Day in December until the last Business Day in December.

The initial Performance Period of the Fund shall commence at the close of the Initial Offer Period and end on the next Performance Period End Date. The first Performance Period for a Share purchased during a Performance Period shall commence on the date of issue of that Share.

In the event that the Fund is to be wound up, the last Business Day before the commencement of the winding up will constitute the end of the last Performance Period.

Performance Period End Date

In respect of each Performance Period, the last Business Day of that Performance Period – usually the last Business Day of December.

Reference Base NAV

The "Reference Base NAV" for a Share shall be:

- in the case of a Share in issue at the commencement of the Performance Period:

- the net asset value ("NAV") per Share of the relevant Share Class at the date at which a performance fee last crystallised for that Share

or

- if no performance fee has ever crystallised in respect of the Share, the issue price of that Share,

or

- in the case of a Share purchased in the current Performance Period, the NAV per Share of the relevant Share Class on the date of issue of that Share.

***Example performance fee calculations are set out at the end of this section.***

Further details in relation to the performance fee are available from the ACD on request.



**4. Accounting Dates**

Annual accounting date: 28 February

Interim accounting date: 31 August

**5. Income Allocation Dates**

Annual income allocation date: 30 April

Interim income allocation date: 31 October

**6. Reports (long-form ICVC reports)**

Annual report published by 30 June

Interim report published by 31 October

**7. Government and Public Securities Issuers**

More than 35% in value of the property of the Fund may be invested in government and public securities issued or guaranteed by any of the following:

- Governments of the following States:
  - United Kingdom
  - France
  - Germany
  - United States
- World Bank
- European Investment Bank
- International Financing Corp
- KfW
- Eurofima
- Inter-American Development Bank.

**8. Eligible Securities and Derivatives Markets**

The 'Eligible Markets' for the Funds are set out in Appendix 2, with the list of additional eligible securities and derivatives markets agreed with the Depositary set out in the Annex to Appendix 2.

## 9. Past performance

Launch date: 29 June 2017

	1 Jan 2018 to 31 Dec 2018 (% change)	1 Jan 2019 to 31 Dec 2019 (% change)
Man GLG UK Absolute Value Fund (prof acc – Class CX)	5.70	8.09 <sup>†</sup>

<sup>†</sup> The Man GLG UK Absolute Value Fund was authorised on 27 June 2017 and launched on 29 June 2017, consequently there is no prior past performance information for the Fund which can be stated in this Prospectus.

Performance calculations are based on the net asset value per share of a share class of the Fund with equivalent fees to the professional accumulation class of Shares of the Man GLG UK Absolute Value Fund. Performance has been calculated on a NAV to NAV basis.

Source of NAV data for the Fund: Man Investments.

Past performance is not a reliable indicator of future performance. The price of shares and the income from them can fall as well as rise and you may not get back the amount originally invested.

## 10. Sub-Custodians

<i>Market</i>	<i>Sub-Custodian</i>
Euroclear	
Belgium	Citibank Europe Plc, UK branch, London, United Kingdom; The Bank of New York Mellon SA/NV, Brussels
United Kingdom	Depository and Clearing Centre (DCC), Deutsche Bank AG, London Branch, London; The Bank of New York Mellon, New York, United States
United States	The Bank of New York Mellon, New York

### **Example performance fee calculations**

The following table is for illustration purposes and demonstrates the hurdle, using example Benchmark Return reference rates without crystallisation, which a Shareholder's Reference Base NAV would need to exceed in each year in order for performance fees to be payable.

<b>Date</b>	<b>Benchmark Return reference level</b>	<b>LIBOR Rate at end of period</b>
Launch	1.0000	
Year 1	1.0300	3%
Year 2	1.0506	2%
Year 3	1.0926	4%

#### **Example 1 – No performance fee paid**

##### **Assumes**

- 1) the price paid for Share was £1.00 at launch
- 2) the Gross Asset Value per Share of that same Share one year later is £1.02
- 3) the 3 month GBP LIBOR rate is 3%

##### **Step 1: What is the increase in the Share price?**

2p (as the Share price increased from £1.00 to £1.02).

##### **Step 2: Has it beaten the 3 month GBP LIBOR rate?**

No - because over one year the Investor could have earned 3% by investing in the 3 month GBP LIBOR.

That would be a return of 3p on an investment of £1.00 but the increase in value was only 2p.

##### **Step 3: Is a performance fee payable?**

No - the Fund did not beat the benchmark in this example so no performance fee would be payable.

##### **Step 4: What is the Reference Base NAV for future calculations?**

The reference base NAV for each of the Shares issued at launch will remain £1.00 with a Benchmark Return reference level of £1.03. No performance fee will accrue until the cumulative performance of the Shares exceeds the performance of the 3 month GBP LIBOR.

In year 2 assuming the 3 month GBP LIBOR rate is unchanged at 3% then the GAV will need to exceed £1.0609 ( $£1.03 * 3\%$ ) in order for a performance fee to be payable as demonstrated in the table below:

<b>Valuation Point</b>	<b>Launch</b>	<b>Year 1</b>	<b>Year 2</b>
<b>GAV</b>	£1.000	£1.020	£1.0450
<b>HWM</b>	£1.000	£1.000	£1.000
<b>Benchmark Ref Level</b>	£1.000	£1.030	£1.0609
<b>Performance Fee at 20%</b>	£0.000	£0.000	£0.000
<b>NAV</b>	£1.000	£1.020	£1.0450
<p>If no performance fee is payable in year 2, the Benchmark Return reference level for year 3 will be £1.0609.</p>			

**Example 2 – Performance fee paid****Assumes**

- 1) the price paid for a Share was £1.00 at launch
- 2) the Gross Asset Value per Share one year later is £1.13
- 3) the 3 month GBP LIBOR rate is 3%

**Step 1: What is the increase in the Share price?**

13p (as the Share price increased from £1.00 to £1.13).

**Step 2: Has it beaten the 3-month GBP LIBOR rate?**

Yes – over one year the Investor could have earned 3% by investing in the 3 month GBP LIBOR.

That would be a return of 3p on an investment of £1.00 but the increase in value was actually 13p.

So the Fund beat the benchmark by 10p.

**Step 3: Is a performance fee payable?**

Yes – the Fund beat the benchmark in this example, so a performance fee would be payable.

The amount paid is 20% of the amount by which the Fund beat the benchmark.

In this case, that means the performance fee chargeable at the end of the Performance Period is 20% of 10p which is 2p. In this example the total performance fee payable is 2p multiplied by the number of Shares in issue at the end of the Performance Period. For example, if there were 1,000,000 Shares in issue the performance fee payable to the ACD at the end of the Performance Period would be £20,000.

**Step 4: What is the Reference Base NAV for future fee calculations?**

The NAV of the Share Class is £1.11 (Gross Asset Value of £1.13 less £0.02 performance fee). The Share's Reference Base NAV will reset to £1.11 as a performance fee has been crystallised, and the reference Benchmark Return level will reset to £1.11 which becomes the new High Watermark.

In year 2 assuming the 3 month GBP LIBOR rate is unchanged at 3% then the GAV will need to exceed £1.1433 ( $£1.11 \times 3\%$ ) in order for a performance fee to be payable as demonstrated in the table below:

Valuation Point	Launch	Year 1	Year 2
GAV	£1.000	£1.130	£1.2000
HWM	£1.000	£1.000	£1.1100
Benchmark Ref Level	£1.000	£1.030	£1.1433
Performance Fee at 20%	£0.000	£0.020	£0.0113
NAV	£1.000	£1.110	£1.1887

In year 2 a performance fee of  $(£1.20 - £1.1433) \times 20\%$  would be payable = £0.0113. The NAV is £1.1887 and the new High Watermark for year 3 resets to £1.1887 and the Benchmark Return reference level will also reset to £1.1887.

**Example 3 - No performance fee paid when NAV falls but outperforms benchmark**

Assumes

- 1) the price paid for a Share was £1.00 at launch
- 2) the Gross Asset Value per Share one year later is £0.95
- 3) the 3 month GBP LIBOR rate is -6%

**Step 1: What is the change in the Share price?**

The Share price has decreased by 5p (5%)

**Step 2: Has it beaten the 3 month GBP LIBOR rate?**

Yes - over one year the Investor would have lost 6% by investing in the 3 month GBP LIBOR.

That would be a loss of 6p on an investment of £1.00 but the actual loss was only 5p, so the Share Class has outperformed the benchmark by 1p.

**Step 3: Is a performance fee payable?**

No - although the Fund beat the benchmark in this example, the Share price decreased by 5p so no performance fee would be payable. Only positive returns can generate a performance fee.

**Step 4: What is the Reference Base NAV for future fee calculations?**

The NAV of the Share is £0.95, however, the Share's Reference Base NAV will remain at £1.00 with a Benchmark Return reference of £1.00 as no performance fee has been charged.

#### **Example 4 - Performance fee on Shares redeemed in a Performance Period**

Assumes

- 1) the price paid for a Share was £1.00 at launch
- 2) the Gross Asset Value per Share when redeemed three months later is £1.08
- 3) the 3 month GBP LIBOR rate is 6% annualised throughout the three month period

##### **Step 1: What is the increase in the Share price?**

8p (as the Share price increased from £1.00 to £1.08)

##### **Step 2: Has it beaten the 3 month GBP LIBOR rate?**

Yes - over three months the Investor could have earned 1.5% by investing in the 3 month GBP LIBOR.

That would be a return of 1.5p on an investment of £1.00 but the increase in value was actually 8p. So the Fund beat the benchmark by 6.5p.

##### **Step 3: Is a performance fee payable?**

Yes – the Fund outperformed the Share's Benchmark Return for the earliest issued Shares in issue on the relevant redemption date and so, in this example, a performance fee would be payable.

The amount paid is 20% of the outperformance assuming that the Shares redeemed were those issued at launch.

In this case that means the performance fee chargeable at the redemption date is 20% of 6.5p which is 1.3p. In this example the total performance fee payable is 1.3p multiplied by the number of Shares being redeemed. For example, if there were 100,000 Shares redeemed the performance fee payable to the ACD would be £1,300.

The Shares will be redeemed at a price of £1.067. This performance fee amount is paid to the Investment Adviser within fourteen days of the date the Shares were sold.

##### **Step 4: What is the Reference Base NAV for future fee calculations?**

There is no Reference Base NAV to carry forward for the Shares in respect of which the performance fee has been deemed to accrue, because they have been redeemed and so cannot be counted for future fee calculations.

#### **Example 5 - Performance fee not payable on Shares redeemed in a Performance Period**

Assumes

- 1) the price paid for a Share was £1.00 at launch
- 2) the Gross Asset Value per Share when sold three months later is £1.01
- 3) the 3 month GBP LIBOR rate is 6% annualised throughout that three month period

##### **Step 1: What is the increase in the Share price?**

1p (as the Share price increased from £1.00 to £1.01).

##### **Step 2: Has it beaten the 3 month GBP LIBOR rate?**

No - over three months the Investor could have earned 1.5% by investing in the 3 month GBP LIBOR. That would be a return of 1.5p on an investment of £1.00 but the increase was only 1p.

##### **Step 3: Is a performance fee payable?**

No - the Fund underperformed the Benchmark Return for the earliest issued Shares in issue on the relevant redemption date and so in this example a performance fee would not be payable.

##### **Step 5: What is the Reference Base NAV for future fee calculations?**

There is no Reference Base NAV to carry forward as the Shares have been redeemed so they cannot be counted for future fee calculations.



#### **Example 6: Application of performance fee methodology across Shares in issue**

Assumes

- 1) issue of Shares on Day 1 at £1.00 at launch
- 2) the same number of Shares are issued on Day 20 at £1.10
- 3) the Gross Asset Value per Share at the end of the first Performance Period is £1.05
- 4) the 3 month GBP LIBOR rate is 0%

##### **Step 1: What is the increase in the Share prices?**

Day 1 Shares have increased by 5p (as the Share price increased from £1.00 to £1.05).

Day 20 Shares have decreased by 5p (as the Share price decreased from £1.10 to £1.05).

##### **Step 2: Has it beaten the 3 month GBP LIBOR rate?**

Day 1 Shares outperformed the benchmark - over one year the investor could have earned nil return by investing in the 3 month GBP LIBOR.

That would be a nil return on an investment of £1.00 but the actual increase in value was 5p. So the Day 1 Shares beat the benchmark by 5p.

Day 20 Shares underperformed the benchmark, as the Share price decreased by 5p versus a nil return.

##### **Step 3: Is a performance fee payable?**

Yes - for Day 1 Shares, but not for Day 20 Shares.

The amount paid is 20% of the amount by which the Fund beat the benchmark.

In this case, that means the performance fee chargeable at the end of the Performance Period is 20% of 5p which is 1p.

##### **Step 4: What are the implications for the Shares issued on Day 1 and Day 20?**

Assuming that the number of Shares issued on Day 1 and Day 20 are the same, post the crystallization of the performance fee of 1p, the NAV per Share will become 104.5p. Consequently each of the investors will, in effect, pay a performance fee of 0.5p even though the benefit of this performance has accrued to the Day 1 investors and not to the Day 20 investors. In this example the total performance fee payable is 0.5p multiplied by the total number of Shares in issue at the end of the Performance Period, so if there were 100,000 Day 1 Shares in issue and 100,000 Day 20 Shares in issue the performance fee payable would be £1,000.

Further details in relation to the performance fee are available from the ACD on request.

## Appendix 2

### Investment Powers and Safeguards

Each Fund is classified as a “UCITS scheme”. The full investment and borrowing powers for a UCITS scheme are explained below.

The following paragraphs summarise the restrictions applicable to a UCITS scheme which will apply, subject to the above additional restrictions, for each Fund.

#### General

The ACD must ensure that, taking account of the investment objectives and policy of the relevant Fund, the scheme property of the Fund aims to provide a prudent spread of risk.

An aim of the restrictions on investment and borrowing powers for a UCITS scheme set out in the FCA Rules is to help protect Shareholders by laying down minimum requirements for the investments which may be held by a Fund. There are requirements for the types of investments which may be held by a Fund. There are also a number of investment rules requiring diversification of investment of a Fund, and so providing a prudent spread of risk. The ACD will, on a Shareholder's request, provide supplementary information to that set out in this Prospectus relating to the quantitative limits applying in the risk management of a Fund, the methods used in this connection and any recent development of the risk and yields of the main categories of investment of a Fund.

#### Types of investment

The property of a Fund must except where otherwise provided in the FCA Rules, as outlined below, consist solely of any or all of:

- transferable securities;
- approved money market instruments;
- derivatives and forward transactions;
- deposits; and
- units in collective investment schemes;

in each case as permitted under the terms of Section 5 of the FCA Rules, as outlined below.

**The object of the Company is to invest the scheme property, or the part attributable to a Fund, in transferable securities, money market instruments, derivatives and forward transactions, deposits and units of collective investment schemes, as permitted by the FCA Rules for UCITS schemes and subject to any more restrictive provisions set out in this Prospectus, with the aim of spreading investment risk and giving shareholders the benefit of the results of the management of that property.**

The following paragraphs summarise the restrictions for UCITS schemes under the FCA Rules.

#### (a) Transferable securities

##### *What is a transferable security?*

A transferable security is an investment which is any of the following: a share, a debenture, a government and public security, a warrant or a certificate representing certain securities. An investment is not a transferable security if title to it cannot be transferred, or can be transferred only

with the consent of a third party (although, in the case of an investment which is issued by a body corporate and which is a share or debenture, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored). An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

A Fund may invest in a transferable security only to the extent that that transferable security fulfils the following criteria:

- the potential loss which the Fund may incur with respect to holding the transferable securities is limited to the amount it paid for it;
- its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder;
- a reliable valuation is available for it as follows: (i) for a transferable security admitted to or dealt in on an eligible market, there are accurate reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers; and (ii) for a transferable security not admitted to or dealt in on an eligible market, there is a valuation on a periodic basis which is derived from information from the issuers of the transferable security or from competent investment research);
- appropriate information is available for it as follows: (i) for a transferable security admitted to or dealt in on an eligible market, there is regular accurate and comprehensive information available to the market on that security or, where relevant on the portfolio of the transferable security; and (ii) for a transferable security not admitted to or dealt in on an eligible market, there is regular and accurate information available to the ACD on the transferable security or where relevant on the portfolio of the transferable security;
- it is negotiable; and
- its risks are adequately captured by the risk management process of the ACD.

Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to, or dealt in on, an eligible market is presumed not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder and to be negotiable.

Note that a unit in a closed ended fund is taken to be a transferable security provided it fulfils the above criteria and either:

- where the closed ended fund is constituted as an investment company or a unit trust:
  - it is subject to corporate governance mechanisms applied to companies; and
  - where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or
- where the closed ended fund is constituted under the law of contract:
  - it is subject to corporate governance mechanisms equivalent to those applied to companies; and
  - it is managed by a person who is subject to national regulation for the purposes of investor protection.

(Shares in UK investment trusts are classified as transferable securities.)

### ***Transferable securities linked to other assets***

A Fund may invest in any other investment which may be taken to be a transferable security for the purposes of investment by a Fund provided that the investment fulfils the criteria set out above and is backed by or linked to the performance of other assets which may differ from those in which a UCITS scheme can invest.

Where such an investment contains an embedded derivative component, the requirements with respect to derivatives and forwards will apply to that component.

### ***What are “approved securities”?***

Each Fund will generally invest in "approved securities", which are transferable securities which are admitted to, or dealt in on, an eligible market as defined for the purposes of the FCA Rules.

### ***Limited investment in unapproved securities***

Not more than 10% in value of a Fund's property is to consist of transferable securities which are not such approved securities or recently issued transferable securities as explained below (together with any approved money market instruments which are not within any of the three paragraphs under the heading 'Eligible money market instruments' below).

### ***Eligible Markets***

An eligible market for the purpose of the FCA Rules is:

- a regulated market, which is a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of the Markets in Financial Instruments Directive (MiFID);
- a market in an EEA state which is regulated, operates regularly and is open to the public; or
- a market which the ACD, after consultation with, and notification to, the Depositary, determines is appropriate for the purpose of investment of, or dealing in, the property of the Company and as set out in the Annex to this Appendix 2. In accordance with the relevant criteria in the FCA Rules, such a market must be regulated; operate regularly; be recognised as a market or exchange or as a self regulating organisation by an overseas regulator; be open to the public; be adequately liquid; and have adequate arrangements for unimpeded transmission of income and capital to, or to the order of, investors.

### ***Recently issued transferable securities***

Recently issued transferable securities may be held by a Fund provided that:

- the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
- such admission is secured within a year of issue.

**(b) Money market instruments**

***What is an “approved money market instrument”?***

An approved money market instrument is a money market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.

- Normally dealt in on the money market

A money market instrument shall be regarded as normally dealt in on the money market if it:

  - (a) has a maturity at issuance of up to and including 397 days;
  - (b) has a residual maturity of up to and including 397 days;
  - (c) undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
  - (d) has a risk profile including credit and interest rate risks corresponding to that of the instrument which has a maturity as set out in (a) or (b) or is subject to yield adjustment as set out in (c).
- Regarded as liquid

A money market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame taking into account the obligation of the ACD to redeem Shares at the request of any qualifying Shareholder.
- Has a value which can be accurately determined at any time

A money market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuation systems, which will fulfil the following criteria, are available:

  - they enable the ACD to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
  - they are based either on market data or on valuation models including systems based on amortised costs.

***Eligible money market instruments***

Generally investment may be made in the following types of approved money market instrument:

***(1) Money market instruments admitted to/dealt in on an Eligible Market***

A money market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time, and so be an approved money market instrument, unless there is information available to the ACD that would lead to a different determination.

***(2) Money market instruments with certain regulated issuers***

In addition to instruments admitted to or dealt in on an eligible market, a UCITS scheme may invest in an approved money market instrument provided:

- the issue or the issuer is regulated for the purpose of protecting investors and savings

This is regarded as being the case if:

- the instrument is an approved money market instrument (as explained above);
- appropriate information is available for the instrument (including information which allows an appropriate assessment of credit risks related to investment in it); and
- the instrument is freely transferable.

Regarding the requirement for there to be appropriate information for the instrument, generally, the following information must be available:

- information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
- updates of that information on a regular basis and whenever a significant event occurs; and
- available and reliable statistics on the issue or the issuance programme, or where appropriate, other data enabling an appropriate assessment of the credit risks related to investment in those instruments.

In addition, in the case of an approved money market instrument issued or guaranteed by a central authority of an EEA state or, if the EEA state is a federal state, one of the members making up the federation, the European Union or the European Investment Bank or a non EEA state or, in the case of a federal state, one of the members making up the federation, or which is issued by a regional or local authority of an EEA state or a public international body to which one or more EEA states belong and is guaranteed by a central authority of an EEA state or, if the EEA state is a federal state, one of the members making up the federation, then information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument;

- the instrument is:
  - issued or guaranteed by any one of the following: a central authority of an EEA state or, if the EEA state, is a federal state, one of the members making up the federation; a regional or local authority of an EEA state; the European Central Bank or a central bank of an EEA state; the European Union or the European Investment Bank; a non EEA state or, in the case of federal state, one of the members making up the federation; a public international body to which one or more EEA member states belong; or
  - issued by a body, any securities of which are dealt in on an eligible market; or
  - issued or guaranteed by an establishment which is: (i) subject to prudential supervision in accordance with the criteria defined by European Union law or (ii) subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by European Union law. (This latter condition is considered satisfied if it is subject to and complies with prudential rules and fulfils one or more of the following criteria: it is located in the EEA; it is located in an OECD country belonging to the Group of Ten; it has at least investment grade rating or, on the basis of an in depth analysis of the issuer, it can be demonstrated that prudential rules applicable to that issuer are at least as stringent as those laid down by European Union law.)

*(3) Certain other money market instruments with a regulated issuer*

In addition to instruments admitted to or dealt in on an eligible market, a UCITS scheme may also, with the express consent of the FCA (which takes the form of a waiver under Section 138A and 138B of the Financial Services and Markets Act 2000), invest in an approved money market instrument provided:

- the issue or issuer is itself regulated for the purpose of protecting investors and savings on the basis explained above;
- investment in that instrument is subject to investor protection equivalent to that provided by instruments which satisfy the requirements explained above; and
- the issuer is a company whose capital and reserves amount to at least €10 million and which presents and publishes its annual accounts in accordance with 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.

A securitisation vehicle is a structure, whether in corporate, trust or contractual form, set out for the purpose of securitisation operations.

A banking liquidity line is a banking facility secured by a financial institution which is an establishment subject to prudential supervision in accordance with criteria defined by European Union law or in an establishment which is subject to, and complies with, prudential rules considered by the FCA to be at least as stringent as those laid down by European Union law.

***Limited investment in other approved money market instruments***

Not more than 10% in value of the scheme property of a Fund may consist of approved money market instruments which are not within any of the three paragraphs under the heading 'Eligible money market instruments' above (together with any transferable securities which are not approved securities or recently issued transferable securities as explained above).

**(c) Derivatives**

Under the FCA Rules, derivatives (a contract for difference, a future or an option) are permitted for UCITS schemes for investment purposes. Derivative transactions may, under the FCA Rules, be used for the purposes of efficient portfolio management (including hedging) or meeting the investment objectives or both. A transaction in a derivative must not cause a Fund to diverge from its investment objectives.

***Permitted underlying assets for derivative transactions***

The underlying of any transaction in a derivative must consist of any one or more of the following to which the scheme is dedicated:

- transferable securities;
- approved money market instruments admitted to, or dealt in on, an eligible market or with a regulated issuer;
- deposits;
- permitted derivatives;
- units in a collective investment scheme;

- financial indices which satisfy certain criteria;
- interest rates;
- foreign exchange rates; and
- currencies.

A UCITS scheme may not undertake a transaction in derivatives on commodities.

The financial indices mentioned above are those which satisfy the following criteria:

- the index is sufficiently diversified

A financial index is sufficiently diversified if it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index; where it is composed of assets in which a UCITS scheme is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out for UCITS schemes; and, where it is composed of assets in which a UCITS scheme cannot invest it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration applicable to UCITS schemes;

- the index represents an adequate benchmark

A financial index represents an adequate benchmark for the market to which it refers if it measures the performance of a representative group of underlyings in a relevant and appropriate way; it is revised or rebalanced periodically to ensure that it continues to reflect the market to which it refers, following criteria which are publicly available; and the underlying is sufficiently liquid, allowing users to replicate it if necessary; and

- the index is published in an appropriate manner

An index is published in an appropriate manner if its publication process relies on sound procedures to collect prices and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall, where they satisfy the requirements with respect to any other underlyings which are permitted underlyings for a transaction in derivatives mentioned above, be regarded as a combination of those underlyings.

Note that an index based on derivatives on commodities or an index on property may be regarded as a financial index provided it satisfies these criteria. When assessing whether a hedge fund index satisfies these criteria, firms should consider the Committee of European Securities Regulators' Guidelines on the classification of hedge fund indices as financial indices.

If the composition of an index is not sufficiently diversified in order to avoid undue concentration, its underlying assets should be combined with the other assets of the UCITS scheme when assessing compliance with the requirements on cover for transactions in derivatives and forwards transactions and also the spread requirements.

In order to avoid undue concentration, where derivatives of an index composed of assets in which a UCITS scheme cannot invest are used to track or gain high exposure to the index, the index should



at least be diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration explained below.

If derivatives on that index are used for risk diversification purposes, provided the exposure of the UCITS scheme to that index complies with the 5%, 10% and 40% ratios required for spread restriction purposes, there is no need to look at the underlying components of that index to ensure that it is sufficiently diversified.

#### ***Permitted derivative transactions for UCITS schemes***

Subject to certain detailed restrictions, a transaction in derivatives or a forward transaction may be effected for a Fund if it is:

- a permitted transaction; and
- the transaction is covered;

in each case on the basis explained below.

For any derivative transaction, there are requirements specified if that transaction will or could lead to the delivery of property, and there must be an appropriate risk management process in place.

#### ***Permitted transactions***

A transaction in a derivative must be either:

- in an approved derivative, i.e. a transaction effected on or under the rules of an eligible derivatives market

Eligible derivatives markets are those which the ACD, after consultation with the Depositary, has decided are appropriate for the purpose of investment of or dealing in the property of the Fund in question with regard to the relevant criteria set out in the FCA Rules and the formal guidance on eligible markets issued by the FCA as amended from time to time. The eligible derivatives markets for the Funds are set out in the Annex to this Appendix 2.

or

- subject to restrictions, an OTC derivative transaction

Any transaction in an OTC derivative must be:

- with an approved counterparty

A counterparty to a transaction in derivatives is approved only if the counterparty is:

- an eligible institution or an approved bank (as each of these terms is defined for the purposes of the FCA Rules); or
  - a person whose permission to carry on regulated activities in the UK, or whose home EU Member State authorisation permits it to enter into transactions as principal off-exchange.
- on approved terms

The terms of the transaction in derivatives are approved only if the ACD:

- carries out at least daily a reliable and verifiable valuation in respect of that transaction corresponding to its fair value (being the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction) and which does not rely only on market quotations by the counterparty; and
- can enter into a further transaction to close out that transaction at any time at its fair value.
- capable of reliable valuation

A transaction in derivatives is capable of reliable valuation only if the ACD, having taken reasonable care, determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

- on the basis of an up to date market value which the ACD and the Depositary have agreed is reliable; or
- if the value referred to above is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology.

and

- subject to verifiable valuation

A transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into), verification of the valuation is carried out by:

- an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it; or
- a department within the ACD which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.

In this connection, the ACD has arrangements and procedures designed to ensure appropriate, transparent and fair valuation of the exposures of each Fund to OTC derivatives, and to ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment. These arrangements and procedures are intended to be adequate and proportionate to the nature and complexity of the OTC derivative concerned and adequately documented.

A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money market instruments, units in a collective investment scheme or derivatives.

Any forward transaction must be made with an Eligible Institution or an Approved Bank.

### ***Derivatives exposure***

The requirements for cover are intended to ensure that a Fund is not exposed to the risk of loss of the property, including money, to an extent greater than the net value of the scheme property. Therefore a scheme is required to hold scheme property sufficient in value or amount to match the exposure arising from the derivative obligation to which the scheme is committed.

### ***Limitation on derivatives exposure***

The ACD will ensure that the global exposure relating to derivatives and forward transactions held by a Fund does not exceed the net value of the scheme property of that Fund.

Property which is the subject of a stock lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.

Cash obtained from borrowing, and borrowing which the ACD reasonably regards an eligible institution or approved bank to be committed to provide, is not available for cover unless the Company borrows an amount of currency from an eligible institution or approved bank and keeps an amount in another currency at least equal to the borrowing for the time being in the initial amount of currency on deposit with the lender (or his agent and nominee) in which case the requirements for cover applies if the borrowed currency and not the deposited currency were part of the scheme property.

### ***Calculation of derivatives exposure***

The ACD will calculate the global exposure of a Fund on at least a daily basis. This calculation will take into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions, and be calculated as either:

- the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives), which may not exceed 100% of the net value of the scheme property of the Fund; or
- the market risk of the scheme property of the Fund.

Where the ACD employs techniques and instruments (including repo contracts or stock lending transactions) in order to generate additional leverage or exposure to market risk for a Fund, the ACD will take those transactions into consideration when calculating the global exposure for the Fund.

The ACD will undertake the calculation of global exposure by using either the commitment approach or the value at risk approach. The ACD will select an appropriate method taking into account the investment strategy pursued by the Fund, the types and complexities of the derivatives and forward transactions used and the proportion of the scheme property comprising derivatives and forward transactions.

At present, the ACD uses the Value at Risk ("VaR") approach for all of the Funds that undertake transactions in derivatives.

- Value at Risk ("VaR") approach (used for all Funds)

The "value at risk" approach means a measure of the maximum expected loss at a given confidence level over the specific time period.

- The Man GLG UK Absolute Value Fund uses the absolute VaR approach, meaning global exposure should not exceed a percentage limit determined by reference to the value of the scheme property of the Fund. The current percentage limit for the Man GLG UK Absolute Value Fund is 20% of the scheme property of the Fund. The limit will be reviewed periodically by the ACD.
- The Man GLG UK Income Fund, the Man GLG Select Fund and the Man GLG Undervalued Assets Fund use the relative VaR approach meaning their global exposure should not exceed a limit calculated against the value of a reference portfolio. For each of these Funds the reference portfolio is the FTSE All Share

Index (GBP; NDTR), and the relative VAR should not be greater than twice the value of that reference portfolio.

The level of leverage of a Fund is not reflected in the VaR approach. The level of leverage of a Fund may vary over time. For the Funds, the expected level of leverage is as follows:

- For Man GLG UK Income Fund: 100% of the value of the scheme property of the Fund.
- For Man GLG UK Select Fund: 100% of the value of the scheme property of the Fund.
- For Man GLG Undervalued Assets Fund: 100% of the value of the scheme property of the Fund.
- For Man GLG UK Absolute Value Fund: 250% of the value of the scheme property of the Fund.

However, each Fund may have higher or lower levels of leverage from time to time. For these purposes, the level of leverage is calculated using the gross notional value of derivatives without allowing for netting, in accordance with guidelines issued by the European Securities and Markets Authority. This calculation methodology may give rise to high leverage levels for Funds using short-dated interest rate derivatives. In addition, since this calculation methodology does not allow for netting, it may not necessarily represent the market risk incurred through the use of derivatives. Investors should note that a derivative transaction may partially or perfectly offset the market risk of another derivative transaction. A derivative transaction may also reduce the risks associated with holdings in other investments, for example in transferable securities.

- Commitment approach (at present not used for the Funds):

Under the “standard commitment approach” the ACD will convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward. This would apply to all derivative and forward transactions, including embedded derivatives, whether used as part of the Fund's general investment policy, for the purposes of risk reduction or for the purposes of efficient portfolio management in accordance with the rules explained in this Prospectus.

The ACD may apply other calculation methods which are equivalent to the standard commitment approach.

Where the commitment approach is used:

- temporary borrowing arrangements entered into on behalf of the Fund need not form part of the global exposure calculation; and
- where the use of derivatives or forward transactions does not generate incremental exposure for a Fund, the underlying exposure need not be included in the commitment calculation for the Fund.

The ACD may take account of netting and hedging arrangements when calculating the global exposure of a Fund where those arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure.

#### ***Transactions for the purchase of property***

A derivative or forward transaction which will or could lead to the delivery of property for the account of a Fund, may be entered into only if:

- that property can be held for the account of the Fund; and
- the ACD, having taken reasonable care, determines that delivery of the property under that transaction will not occur or will not lead to a breach of the applicable restrictions.

### ***Requirement to cover sales***

No agreement by or on behalf of a Fund to dispose of property or rights may be made unless:

- the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment (or, in Scotland, assignation) of rights; and
- such property and rights are attributable to the Fund at the time of the agreement.

However this requirement can be met where:

- the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument and the underlying financial instrument is highly liquid; or
- the ACD or the Depositary has the right to settle the derivative in cash, and cover exists within the scheme property which falls within one or more of the following asset classes: (i) cash; (ii) liquid debt instrument (e.g. government bonds of first credit rating) with appropriate safeguards; or (iii) other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments (subject to appropriate safeguards).

(For this purpose an asset may be considered as liquid where the instrument can be converted into cash in no more than seven business days at a price closely corresponding to the current valuation of the financial instrument on its own market.)

The requirement to cover sales does not apply to a deposit.

### ***Exposure to underlying assets***

Where a Fund invests in derivatives, the exposure to the underlying assets must not exceed the spread limits explained in "Spread requirements" below, save that where a Fund invests in an index based derivative, provided the relevant index falls within the definition of "relevant index" (being an index which satisfies the following criteria: (i) the composition is sufficiently diversified; (ii) the index represents an adequate benchmark for the market to which it refers; and (iii) the index is published in an appropriate manner), the underlying constituents of the index do not have to be taken into account for the purposes of the spread requirements. Such relaxation in respect of index based derivatives is subject to the requirement for the ACD to maintain a prudent spread of risk.

A derivative includes an instrument which fulfils the following criteria:

- it allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
- it does not result in the delivery or the transfer of assets other than those referred to regarding permitted types of scheme property for a UCITS scheme including cash;
- in the case of an OTC derivative, it complies with the requirements for OTC transactions in derivatives explained above; and
- its risks are adequately captured by the risk management process of the ACD, and by its internal control mechanisms in the case of risks of asymmetry of information between the

ACD and the counterparty to the derivative, resulting from potential access of the counterparty to non public information on persons whose assets are used as the underlying by that derivative.

### ***Transferable securities and money market instruments embedding derivatives***

Where a transferable security or approved money market instrument embeds a derivative, this must be taken into account for the purposes of complying with the restrictions on derivatives.

A transferable security or an approved money market instrument will embed a derivative if it contains a component which fulfils the following criteria:

- by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a standard alone derivative;
- its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
- it has a significant impact on the risk profile and pricing of the transferable security or approved money market instrument.

A transferable security or an approved money market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money market instrument. That component shall be deemed to be a separate instrument.

Collateralised debt obligations (CDOs) or asset backed securities using derivatives, with or without an active management will generally not be considered as embedding a derivative except if: (i) they are leveraged (i.e. the CDOs or asset backed securities are not limited recourse vehicles and the investors' loss can be higher than their initial investment); or (ii) they are not sufficiently diversified.

Where a transferable security or approved money market instrument embedding a derivative is structured as an alternative to an OTC derivative, the requirements with respect to transactions in OTC derivatives will apply. This will be the case for tailor-made hybrid instruments such as a single tranche CDO structured to meet the specific needs of a scheme, which should be considered as embedding a derivative. Such a product offers an alternative to the use of an OTC derivative for the same purpose of achieving a diversified exposure with a pre set credit risk level to a portfolio of entities.

The following list of transferable securities and approved money market instruments (which is illustrative and non exhaustive) could be assumed to embed a derivative:

- credit linked notes;
- transferable securities or approved money market instruments whose performance is linked to the performance of a bond index;
- transferable securities or approved money market instruments whose performance is linked to the performance of a basket of shares, with or without active management;
- transferable securities or approved money market instruments with a fully guaranteed nominal value whose performance is linked to the performance of a basket of shares with or without active management;
- convertible bonds; and

- exchangeable bonds.

No UCITS scheme can use transferable securities or approved money market instruments which embed a derivative to circumvent the restrictions regarding use of derivatives.

Transferable securities and approved money market instruments which embed a derivative are subject to the rules applicable to derivatives as outlined in this section. It is the ACD's responsibility to check that these requirements are satisfied. The nature, frequency and scope of checks performed will depend on the characteristics of the embedded derivatives and on their impact on the Fund, taking into account its stated investment objective and risk profile.

#### ***Risk management: derivatives***

As mentioned below, the ACD must use a risk management process enabling it to monitor and measure as frequently as appropriate the risk of the Fund's positions and their contribution to the overall risk profile of the Fund.

The ACD should undertake the risk assessment with the highest care when the counterparty to the derivative is an associate of the ACD or the credit issuer.

#### ***Proposed use of derivatives by the Funds***

**As indicated in the respective investment policies of the Funds (as specified in Appendix 1), the Funds may use derivatives and forward transactions for investment purposes, as well as for efficient management of the portfolio.**

The Funds may engage in:

- (a) purchases and sales of exchange traded or over the counter futures, forwards, warrants and options on bonds, equities, currencies, interest rates and financial indices. These securities may be utilised for investment and hedging purposes; and
- (b) contracts for differences and swaps on bonds, interest rates, equities, currencies and financial indices.

The underlying exposure of a derivative may relate to equity securities, fixed income securities, indices, currencies, money market instruments or interest rates.

#### ***Efficient management of the portfolio and investment purposes***

Derivative instruments may be used for the following purposes (as permitted for the relevant Fund):

- Efficient management of the portfolio

Where using derivatives for the limited purposes of efficient management of the portfolio, the ACD may utilise the property of a Fund to enter into derivatives and forward transactions which are reasonably regarded by the ACD as economically appropriate and which are effected in order to achieve a reduction in certain risks or costs or the generation of additional capital or income for the Fund with an acceptably low level of risk. There is no limit on the amount or value of the property of the Fund which may be used in respect of such transactions, but the ACD will only enter into a transaction if it reasonably believes the transaction to be economically appropriate. The following types of risk are relevant in relation to efficient management of the portfolio of a Fund: market risk; interest rate risk; credit risk and foreign exchange (FX) risk.

- Investing in derivatives

For those Funds which use derivatives for investment purposes, the Investment Adviser may utilise all types of derivative instruments which are available for a UCITS scheme as explained above, where appropriate operational systems and appropriate oversight controls have been put in place, and where such selection is consistent with the investment objective and policy of the relevant Fund. The use of all derivatives is monitored by a risk management team that is independent from the fund management function.

A Fund may use derivatives:

- as a substitute for taking a position in the underlying asset where the ACD feels that a derivative exposure to the underlying asset represents better value than a direct exposure;
- to tailor the Fund's exposure profile to match the upside and downside expectations of the ACD through given security or securities; and/or
- to gain an exposure to the composition and performance of a particular index.

*Use of total return swaps and similar derivative instruments*

Certain derivative instruments, such as a "total return swap", transfer the total economic performance of an underlying asset to a third party usually in return for a predefined payout over a specified period determined by reference to an asset, rate or index. Regarding the use of total return swaps (or derivative instruments with similar characteristics) by the Funds:

- All of the Funds may make use of such derivative instruments. A Fund may use such a derivative instrument for the purpose of efficient portfolio management to enable a Fund to reduce the cost of buying, selling and holding equity investments, as well as for investment purposes (as described above). A Fund will only enter into such derivative instruments where permitted by and consistent with the Fund's investment objective and policy. The use of such derivative instruments by a Fund is subject to the restrictions regarding the use of derivatives set out above.
- Notwithstanding the requirement to ensure that any transaction in an OTC derivative is with an approved counterparty (described above under 'Permitted transactions'), the ACD seeks to ensure that each counterparty to a total return swap (or similar derivative) is an Eligible Institution or Approved Bank, and that the counterparty has liquidity in the relevant instrument or asset class.
- The counterparties to such derivative instruments do not have discretion over the composition of or management of the Fund's investment portfolio.
- The use of such instruments by a Fund will expose that Fund to the risk that the counterparty with whom the derivative is entered into fails to perform its obligations under the contract (e.g. due to the insolvency of the counterparty). Where the Fund bears the loss of the amount expected to be received under the derivative as a result of the failure of a counterparty, this will affect the value of the Fund and so the value of a Shareholder's investment and any returns achieved.
- In addition, total return swaps and similar derivatives can involve considerable economic leverage and may, in some cases, involve significant risk of loss. Also, since the performance of such derivative instruments is determined by reference to an asset, rate or index, there is typically a very high correlation to the underlying reference asset, rate or index. Such swap arrangements involve the Fund taking on the same market risk as if it held the underlying assets itself and the return sought is the same as if the Fund held the



underlying asset, plus or minus the financing costs that would have occurred had the transaction been fully funded from the outset.

#### *Use of futures*

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

**Whilst expectations are that the use of derivatives for investment purposes will, over the longer term, reduce the risk profile of a Fund, it does introduce counterparty risk that otherwise would not be present. Investment in derivatives may therefore, to some extent, alter the risk profile of such a Fund.**

#### **(d) Deposits**

A Fund may invest in deposits only if it is with an approved bank; is re-payable on demand or has the right to be withdrawn; and matures in no more than 12 months.

#### **(e) Collective investment schemes**

Investment by a Fund in units in collective investment schemes is subject to the following restrictions:

##### *Relevant types of collective investment scheme*

A Fund may invest in any of the following types of collective investment scheme:

- (1) a scheme which complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive. A UCITS scheme for this purpose also includes UCITS schemes established in other European member states which are recognised under section 264 of the Financial Services and Markets Act 2000 to meet the UCITS Directive requirements;
- (2) a scheme which is recognised under the provisions of section 272 of the Financial Services and Markets Act 2000;
- (3) a scheme which is a UK authorised scheme which is classified as a non-UCITS retail scheme, if the requirements set out in Article 50(1)(e) of the UCITS Directive are met;
- (4) a scheme which is authorised in another EEA State, if the requirements set out in Article 50(1)(e) of the UCITS Directive are met; or
- (5) a scheme which is authorised by the competent authority of an OECD member country (other than another EEA state) which has signed the IOSCO Multilateral Memorandum of Understanding and approved the scheme’s management company, rules and depositary/custody arrangements, provided the requirements of Article 50(1)(e) of the UCITS Directive are met.

In relation to the schemes mentioned at paragraphs (3) to (5) above, the requirements of Article 50(1)(e) of the UCITS Directive are that:

- the scheme is authorised under laws which provide that it is subject to supervision considered by UCITS competent authorities to be equivalent to that laid down in European Union law and that co-operation between authorities is sufficiently assured;
- the level of protection for unitholders in the scheme is equivalent to that provided for unitholders in UCITS schemes and, in particular, the rules on asset segregation, borrowing, lending and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive;
- the business of the scheme is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period; and
- no more than 10% of the scheme's assets, whose acquisition is contemplated, can, according to its fund rules or instrument of incorporation, be invested in aggregate in units of other UCITS schemes or other collective investment undertakings.

Any scheme in which a Fund invests must have terms which prohibit more than 10% in value of the scheme property consisting of units in collective investment schemes.

It is therefore anticipated that UK non-UCITS retail schemes are likely to be possible investments, given that the FCA provisions for such schemes are very similar to those for UCITS retail schemes other than in investment respects.

Whilst investment is possible in schemes in any of the categories mentioned in paragraphs (1) to (5) above, not more than 30% in value of a Fund may be invested in schemes which are within paragraphs (2)-(5) above.

#### *Spread and diversification restrictions*

As mentioned below (see "Spread requirements"), no more than 20% in value of a Fund is to consist of units in any one collective investment scheme. For the purposes of this spread requirement, if investment is made in sub-funds of an umbrella scheme, each sub-fund is treated as if it were a separate scheme.

Also, as mentioned below (see "Concentration restrictions"), the Company's Funds must not acquire more than 25% of the units in any single collective investment scheme.

#### *Investment in another fund or associated collective investment schemes*

A Fund may invest in another Fund of the Company (the second Fund) or in an associated collective investment scheme (the second Scheme). A collective investment scheme will be an associated collective investment scheme if it is managed or operated by the ACD or an associate of the ACD). In this connection, where an investment or disposal of units or shares in such other Fund or associated collective investment scheme is made, and there is a charge in respect of such investment or disposal, the ACD must pay certain amounts within four business days following the date of the agreement to invest or dispose namely:

- when an investment is made, any preliminary charge; and
- when a disposal is made, any charge made for the account of the operator of the second scheme or second Fund or an associate of any of them in respect of the disposal.

Note that, for this purpose, dilution and any SDRT provisions are not regarded as part of any charge. The intention is to prevent any double charging of the preliminary charge on investment, or redemption charge on disinvestment.

An investment in another Fund of the Company is only permitted if:

- the second Fund does not hold Shares in any other Fund of the Company; and
- the Fund investing or disposing of Shares in the second Fund is not a feeder to the second Fund. (A Fund will be a feeder if it has approval to invest over 85% of its assets in the units of a single master UCITS.)

Note: In order that each Fund is available as an investment of a fund of funds scheme which is a UCITS scheme operating under the FCA Rules, the Company's Instrument of Incorporation provides that no more than 10% in value of the scheme property of a Fund may consist of units in collective investment schemes.

### **Spread requirements**

There are limitations on the proportion of the value of a Fund which may be held in certain forms of investment.

These rules relating to spread of investments do not apply until the expiry of six months after the initial offer of Shares of a Fund, although the ACD must still aim to maintain a prudent spread of risk during this initial period.

#### **General spread requirements**

The general spread requirements are as follows:

- (1) not more than 20% in value of a Fund's property is to consist of deposits with a single body;
- (2) not more than 5% in value of a Fund's property is to consist of transferable securities or approved money market instruments issued by a single body, except that:
  - the 5% limit is increased to 10% in respect of up to 40% in value of the Fund's property (and in applying these limits certificates representing certain securities are treated as equivalent to the underlying security); and
  - covered bonds need not be taken into account for the purposes of applying the limit of 40%. The limit of 5% is raised to 25% in value of the scheme property in respect of covered bonds, provided that, when a Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the scheme property;
- (3) the exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of a Fund's property although this limit is raised to 10% where the counterparty is an approved bank;
- (4) not more than 20% in value of a Fund is to consist of transferable securities or approved money market instruments issued by the same group, meaning companies included in the same group for the purposes of consolidated accounts as defined in accordance with EU Directive 83/349/EEC or in the same group in accordance with international accounting standards; and
- (5) not more than 20% in value of a Fund is to consist of units or shares in any one collective investment scheme.

In applying the limits in (1), (2) and (3) and subject to the restriction on covered bonds mentioned in (i2) above, not more than 20% in value of a Fund's property is to consist of any combination of any two or more of the following:

- transferable securities (including covered bonds) or approved money market instruments issued by a single body; or
- deposits made with a single body; or
- exposure from OTC derivatives transactions made with a single body (including any counterparty risk relating to the OTC derivative transactions).

Notwithstanding that these limits do not apply in respect of a transferable security or an approved money market instrument referred to in the section "Government and public securities", and subject as mentioned below, in applying this 20% limit with respect to a single body, such securities issued or guaranteed by that body shall be taken into account.

#### ***Government and public securities***

The above restrictions do not apply in respect of a transferable security or an approved money market instrument ("such securities" or "government and public securities") that is issued by:

- an EEA State;
- a local authority of an EEA State;
- a non-EEA State; or
- a public international body to which one or more EEA States belong.

With the exception of the Man GLG UK Absolute Value Fund, no more than 35% in value of a Fund's property will be invested in such securities issued by any one body. Apart from this restriction, there is no limit on the amount which may be invested in such securities or in any one issue.

#### **The Man GLG UK Absolute Value Fund may invest to a considerable extent in government and public securities**

**The Man GLG UK Absolute Value Fund may invest more than 35% in value of that Fund's property in such securities issued or guaranteed by a single state, local authority or public international body named in respect of that Fund in the Company's Instrument of Incorporation and in this Prospectus.** In respect of any Fund which invests more than 35% in value of its property in such securities issued by any one body then:

- (a) the ACD is required, before any such investment is made, to consult with the Depositary and as a result consider that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Fund;
- (b) no more than 30% in value of the property of the Fund may consist of such securities of any one issue; and
- (c) the scheme property shall include such securities issued by that or another issuer of at least six different issues.

The issuers of such securities in respect of which up to 100% in value of the property of the Man GLG UK Absolute Value Fund may invest will be set out in the details of that Fund in Appendix 1.

For the purposes of this section in relation to such securities:

- issue, issued and issuer include guarantee, guaranteed and guarantor; and
- an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.

### ***Exposure to OTC derivatives***

For the purposes of calculating the exposure of a Fund to a counterparty in relation to OTC derivatives, the ACD will use the positive mark-to-market value of the OTC derivative contract with that party.

The ACD may net the OTC derivative positions of a Fund with the same counterparty provided:

- it is able legally to enforce netting agreements with the counterparty on behalf of the Fund; and
- those netting agreements do not apply to any other exposures the Fund may have with that same counterparty.

The ACD will take collateral into account in calculating exposure to counterparty risk when it passes collateral to a counterparty to an OTC derivative on behalf of a Fund. Such collateral may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with that counterparty on behalf of the Fund.

The exposure in respect of an OTC derivative may be reduced through the receipt of collateral provided the collateral received is sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation. Further details on the arrangements for the management of collateral for the Funds are set out below under "Management of collateral".

The ACD will calculate the issuer limits referred to above on the basis of the underlying exposure created through the use of OTC derivatives in accordance with the commitment approach.

### ***Use of index based derivatives***

Where a scheme invests in an index based derivative, provided the relevant index complies with the above criteria, the underlying constituents of the index do not need to be taken into account for the purposes of the spread requirements provided the ACD takes into account the requirement to provide a prudent spread of risk.

### **Concentration restrictions**

The Company must not acquire for its Funds:

- (1) transferable securities (other than debt securities) issued by a body corporate which do not carry rights to vote at a general meeting of that body corporate and represent more than 10% of the securities issued by that body corporate; or
- (2) more than 10% of the debt securities (which are debentures, government and public securities and warrants which confer rights of investment in these) issued by a single body; or
- (3) more than 25% of the units in a collective investment scheme; or
- (4) more than 10% of the approved money market instruments issued by any single body;

but need not comply with the limits in (2), (3) and (4) if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

### Prohibition on acquiring significant influence in a company

The Company may only acquire for its Funds transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:

- immediately before the acquisition, the aggregate of such securities held by the Company does not give the Company power significantly to influence the conduct of business of that corporate body; or
- the acquisition will not give the Company such power.

The power significantly to influence is assumed if such securities allow the Company to exercise or control the exercise of 20% or more of the votes cast in that body.

### Warrants

A warrant is an instrument giving entitlements to investments (which includes a warrant or any other instrument entitling the holder to subscribe for a share, debenture or government and public security) and any other transferable security (not being a nil paid or partly paid security) which is listed on an eligible securities market; and is akin to an investment which is an instrument giving entitlements to investments, in that it involves a down payment by the then holder and a right later to surrender the instrument and pay more money in return for a further transferable security.

Where a Fund invests in a warrant, the exposure created by the exercise of the right conferred by that warrant must not exceed the spread requirements set out above.

A warrant falls within any power of investment if it is reasonably foreseeable that the right conferred by the proposed warrant could be exercised by the ACD without contravening the FCA Rules on investment restrictions (assuming that there is no change in the Fund's property between the acquisition of the proposed warrant and its exercise and that the rights conferred by the proposed warrants and all other warrants forming part of the Fund's property at the time of acquisition of the proposed warrant will be exercised, whether or not it is intended that they will be).

**The ACD does not intend to enter into warrants for a Fund except for limited purposes and to a relatively small extent which is consistent with the Fund's investment objective and policy. Not more than 5% in value of a Fund's property will consist of warrants.**

### Nil and partly paid securities

A transferable security or an approved money market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund at the time when payment is required without contravening the FCA Rules as they are applicable to the Fund.

### Efficient portfolio management techniques and instruments

A Fund may employ techniques and instruments relating to transferable securities and approved money market instruments which are used for the purpose of efficient portfolio management.

For this purpose efficient portfolio management means techniques and instruments which relate to transferable securities and approved money market instruments and which:

- are economically appropriate in that they are realised in a cost effective way; and
- are entered into for one or more of the following specific aims: reduction of risks; reduction of costs; general of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in the FCA Rules.

Such techniques and instruments include, but are not limited to, collateral, repurchase agreements, the receipt of guarantees and stock lending. The use of derivatives for efficient portfolio management purposes is described above; and the use of stock lending and repurchase agreements for efficient portfolio management purposes is described below.

The use of efficient portfolio management techniques by a Fund may give rise to operational costs and fees that are deducted from the assets of the Fund. Where a Fund undertakes stock lending, the Fund will incur certain fees and may be required to reimburse certain costs. To the extent that the Company engages in stock lending in respect of a Fund it may appoint a securities lending agent which may receive a fee in relation to its securities lending activities. Any such securities lending agent shall be unrelated to the ACD, however, such securities lending agent may be an affiliate of the Depositary. Any operational costs arising from such securities lending activities shall be borne by the securities lending agent out of its fee. Where a Fund uses efficient portfolio management techniques, all revenues arising shall be returned to the Fund net of any direct or indirect operational costs.

There are certain risks involved in efficient portfolio management and the management of collateral in relation to such activities, including the reinvestment of cash collateral. The use of efficient portfolio management techniques may also result in potential conflicts of interest. Please refer to the section of this Prospectus headed "Risk Factors" and, in particular but without limitation, the risk factors relating to "Use of Derivatives", "Swaps", "Counterparty risk" and "Repurchase and reverse repurchase transactions", together with the risks set out in this Appendix 2 and, in particular but without limitation, the risks set out under the headings "Management of Collateral – Risk exposure" and "Derivatives – Use of total return swaps and similar derivative instruments". The use of efficient portfolio management techniques may impact positively or negatively on the performance of a Fund.

#### **Reuse of assets**

The Depositary must not reuse UCITS custodial assets except:

- where permitted for stock lending purposes (as explained below); and
- when carrying out the instructions of the ACD on behalf of a Fund.

Reuse of UCITS custodial assets comprises any transaction in the relevant scheme property including but not limited to transferring, pledging, selling and lending.

#### **Stock lending and repurchase agreements**

Stock lending covers techniques relating to transferable securities and approved money market instruments which are used for the purpose of efficient portfolio management. A stock lending arrangement or repurchase contract may only be entered into for account of a Fund if the arrangement or contract is:

- for the account and for the benefit of the Fund; and
- is in the interests of its Shareholders.

An arrangement or contract is not regarded as being in the interests of Shareholders unless it reasonably appears to the Company or the ACD to be appropriate with a view to generating additional income for the Fund with an acceptable degree of risk.

Stock lending involves a lender transferring securities to a borrower otherwise than by way of sale and the borrower transferring those securities, or securities of the same type and amount, back to the lender at a later date. In accordance with market practice, a separate transaction by way of transfer of assets is involved for the purposes of providing collateral to the "lender" to cover him against the risk that the future transfer back of the securities may not be satisfactorily completed.

A Fund may enter into repurchase agreements under which it acquires securities from a seller (for example, a bank or securities dealer) who agrees, at the time of sale, to repurchase the security at a mutually agreed-

upon date (usually not more than seven days from the date of purchase) and price, thereby determining the yield to the Fund during the term of the repurchase agreement. The resale price reflects the purchase price plus an agreed upon market rate of interest which is unrelated to the coupon rate or maturity of the purchases security. The Fund may enter into reverse repurchase agreements under which it sells a security and agrees to repurchase it at a mutually agreed upon date and price.

A stock lending arrangement or repo contract may be entered into in respect of a Fund when it is appropriate with a view to generating additional income with an acceptable degree of risk. The Depositary, at the ACD's request, may enter into a repo contract or a stock lending arrangement of a kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C) on certain terms specified in the FCA Rules. There is no limit on the value of the property of a Fund which may be the subject of stock lending transactions.

A Fund will only lend securities to brokers, dealers and other financial organisations in accordance with normal market practice, and provided such broker, dealer and other financial institution has a minimum credit rating of A-2 or equivalent, or is deemed by the ACD to have an implied rating of A-2, or is an unrated counterparty if the Fund is indemnified against losses suffered as a result of a failure by the counterparty by an entity which has and maintains a rating of A-2 or equivalent.

Where a stock lending arrangement is entered into, the scheme property remains unchanged in terms of value. The securities transferred cease to be part of the scheme property but there is obtained in return an obligation on the part of the counterparty to transfer back equivalent securities. The Depositary will also receive collateral to set against the risk of default and transfer and that collateral is equally irrelevant to the value of the scheme property. The FCA Rules make provision in relation to the reuse of a Fund's custodial assets and for treatment of collateral in that context. Where the scheme generates leverage through the re-investment of collateral, this should be taken into account in the calculation of the scheme's global exposure.

## **Management of Collateral**

### *Criteria for Collateral*

Collateral obtained in respect of OTC derivative transactions or in the context of efficient portfolio management techniques (such as stock lending arrangements or repo contract) ("Collateral"), must satisfy the following criteria:

- **Liquidity:** Collateral received (other than cash) must 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 its pre-sale valuation.
- **Valuation:** Collateral must be capable of being valued on at least a daily basis. Assets received as collateral that exhibit high price volatility shall not be accepted as Collateral unless suitably conservative haircuts are in place. Under the ACD's haircut policy, the adjustment to the value of the Collateral will take into consideration the characteristics of the relevant asset class, including the credit standing of the issuer of the Collateral, the price volatility of the Collateral and the results of any stress testing performed.
- **Issuer credit quality:** Collateral must be of high quality.
- **Counterparty correlation:** Collateral must be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- **Diversification:** Collateral must be sufficiently diversified in terms of country, markets and issuers. In respect of issuer diversification, for non-cash Collateral the aggregate exposure to a given issuer must not exceed 20% of the net asset value of the Fund.
- **Immediately available:** Collateral must be capable of being fully enforced for the Fund at any time without reference to or approval from the counterparty.



### *Permitted types of Collateral*

It is proposed that a Fund will accept the following types of Collateral (provided the criteria specified above are satisfied):

- Cash.
- Government or other public securities.
- Certificates of deposit issued by an EU credit institution, a bank authorised in the remaining Member States of the European Economic Area (EEA) (Norway, Iceland, Liechtenstein), a bank authorised by a signatory state, other than an EU Member State or a Member State of EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States) or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand ("Relevant Institutions").
- Bonds/commercial paper issued by Relevant Institutions or by non-bank issuers where the issue or the issuer are rated A1 or equivalent.
- Letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by Relevant Institutions.
- Equity securities traded on a stock exchange in the EEA, Switzerland, Canada, Japan, the United States, Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

### *Cash Collateral and reinvestment of cash Collateral*

Cash received as Collateral must be:

- placed on deposit with, or invested in certificates of deposit (which mature in no more than 12 months) issued by, Relevant Institutions; or
- invested in high quality government bonds; or
- used for the purpose of reverse repurchase agreements provided that the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on an accrued basis; or
- invested in short term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds.

If cash Collateral is re-invested, it must be diversified in accordance with the diversification requirements applicable to non-cash Collateral (as described above).

### *Risk exposure*

Non-cash Collateral and reinvested cash Collateral will be exposed to counterparty and other investment risks as described under 'Investment matters' in the Risk Factors at section 2.5 above.

### **Power to underwrite or accept placings**

The exposure of a Fund to agreements and understandings which are underwriting or sub underwriting agreements, or contemplate the securities will or may be issued or subscribed for or acquired for the account of the Fund, must, on any day be covered (as explained above in relation to derivative transactions) and such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in the FCA Rules.

## **Guarantees and indemnities**

Neither the Company nor the Depositary (on account of the Company) may provide any guarantee or indemnity in respect of the obligation of any person. None of the property of the Company may be used to discharge any obligation arising under any guarantee, or indemnity with respect to the obligation of any person.

This is subject to exceptions in the case of any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with the FCA Rules (summarised above) or certain indemnities for certain insurances against liability for certain persons and indemnities to the Depositary against certain liabilities for safe keeping of scheme property.

## **Borrowing**

The Company (on the instructions of the ACD) may borrow money for the use of a Fund on terms that the borrowing is to be repayable out of the property of a Fund from an Eligible Institution or an Approved Bank (e.g. a bank or building society). Borrowings may be arranged with the Depositary. The ACD must ensure that any such borrowings comply with the FCA Rules.

Borrowing must be on a temporary basis and not be persistent, and in any event must not exceed 3 months without the prior consent of the Depositary. The Depositary's consent may be given only on conditions which appear appropriate to the Depositary to ensure that the borrowing remains on a temporary basis.

The ACD must ensure that borrowing does not exceed 10% of the value of the property of the relevant Fund on any Business Day.

These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes, i.e. borrowing permitted to reduce or eliminate risk arising by reason of fluctuations in exchange rates.

## **Restrictions on lending**

None of the money in the scheme property of a Fund may be lent and, for the purposes of this prohibition, money is lent by a Fund if it is paid to a person (the payee) on the basis that it should be repaid whether or not by the payee. (This restriction does not prevent the acquiring of a debenture, nor the placing of money on deposit or in a current account. Nor does it prevent the Company from providing an officer of the Company with funds to meet expenditure to be incurred by him for the purpose of the Company (or for the purposes of enabling him properly to perform his duties as an officer of the Company) or from doing anything to enable an officer to avoid incurring such expenditure.

The scheme property of the Company other than money must not be lent by way of deposit or otherwise, although stock lending transactions are not regarded as lending for this purpose. The scheme property must not be mortgaged. This rule does not however prevent the Company or the Depositary at the request of the Company from lending, depositing, pledging or charging the scheme property for margin requirements where transactions in derivatives or forward transactions are used for the account of the Company in accordance with the FCA Rules.

## **Cash and near cash**

At times it is appropriate for a Fund not to be fully invested. However, the ACD may make deposits. Also, a Fund may hold cash or "near cash" where this may reasonably be regarded as necessary in order to enable:

- (i) the pursuit of the Fund's investment objectives; or
- (ii) redemption of Shares; or
- (iii) efficient management of the Fund in accordance with its investment objectives; or

- (iv) other purposes which may reasonably be regarded as ancillary to the investment objectives of the Fund.

During a Fund's initial offer of Shares, the Fund may consist of cash and near cash without limitation.

### **Immovable property**

The Funds shall not invest in immovable property.

### **Risk management**

The ACD must use a risk management process enabling it to monitor and measure at any time the risk of a Fund's positions and their contribution to the overall risk profile of the Fund.

This process must take into account the investment objectives and policy of the Fund. The ACD has taken reasonable care to establish and maintain systems and controls which are appropriate to its business in this connection. The risk management process enables the analysis required to be undertaken at least daily or at each valuation point (whichever is the more frequent). The Depositary is obliged to take reasonable care to review the appropriateness of the risk management process in line with its duties.

### **Breaches of the investment and borrowing powers and limits**

Generally the ACD must, at its own expense, take action to rectify a breach of the investment and borrowing powers and limits as soon as it becomes aware of it. However:

- if the reason for the breach is beyond the control of the ACD and the Depositary, the ACD must take the steps necessary to rectify a breach as soon as it is reasonably practicable having regard to the interests of Shareholders, and, in any event, within six months or, if it is a transaction in derivatives or a forward transaction, five Business Days; and
- if the exercise of rights conferred by an investment held by a Fund would involve a breach, the Company may still exercise those rights if:
  - the prior written consent of the Depositary is obtained; and
  - the ACD then takes the steps necessary to rectify the breach as soon as is reasonably practicable having regard to the interests of Shareholders and, in any event, within six months or, if it is a transaction in derivatives or a forward transaction, five Business Days.

Immediately upon the Depositary becoming aware of any breach of any of the investment and borrowing powers and limits, it must ensure that the ACD takes such appropriate action.

### **The Securities Financing Transactions Regulation**

The ACD and the Company are subject to the provisions of Regulation (EU) 2015/2365 of the European Parliament and of the Council on Transparency of Securities Financing Transactions and of Reuse and on Reporting (the "SFTR"). Amongst other things, the SFTR sets out certain disclosure requirements regarding the ACD's use of certain financing arrangements by the Company's Funds:

- (A) A Fund may enter into securities financing transactions ("SFTs"), being repurchase or reverse repurchase transactions, securities lending transactions, securities borrowing transactions, commodities lending or borrowing transactions, margin lending transactions, and may enter into total return swaps ("TRSs"), in each case, subject to the criteria set out above under the headings "Derivatives" and "Stock lending and repurchase agreements" and to the investment objective and policy for the Fund as set out in Appendix 1, for all commercial purposes including to generate an investment return, to hedge underlying risk and to meet short term financing needs.

- (B) Subject to the requirements of this Appendix 2, there are no limitations on the types of assets of a Fund that may be subject to SFTs and TRSs.
- (C) For each Fund, the maximum proportion of its assets that may be subject to such SFTs and TRSs (provided that the other requirements set out in this Appendix 2 are met) is: 100%.
- (D) For each Fund, it is anticipated that at any time, a significant proportion (which may be greater than 50%) of assets may be subject to such SFTs and TRSs.
- (E) Portfolio transactions, including SFTs and TRS are allocated to brokers and counterparties on a diverse range of criteria. Subject to the provisions of this Appendix 2, there are no pre-specified restrictions on the legal status, country of origin or minimum credit rating of any broker or counterparty in such transactions. In the case of stock-lending and repurchase transactions, the ACD will select counterparties in accordance with the criteria set out in Appendix 2 under the heading "Stock-lending and repurchase agreements" and in the case of TRSs, the ACD will select counterparties in accordance with the criteria set out in Appendix 2 under the headings "Derivatives" and "Use of total return swaps and similar derivative instruments". The ACD seeks to ensure that each counterparty to a TRS is an Eligible Institution or Approved Bank, and that the counterparty has liquidity in the relevant instrument or asset class.
- (F) As collateral in connection with SFTs and TRSs, the Company, in respect of a Fund, will accept cash and other assets which meet the criteria set out above under "Criteria for Collateral" and "Permitted Types of Collateral".
- (G) Collateral values will typically be marked to observable market values each Business Day. To the extent practicable, the prices will be determined from reputable pricing sources, reflecting recently traded prices. Where the Company, in respect of a Fund, has a contractual entitlement to receive a material amount of collateral as variation margin, then the ACD has a policy to request delivery of collateral on behalf of a Fund. The entitlement of the Company, in respect of a Fund, to receive collateral for the Fund will be determined as a matter of contract. The ACD will typically endeavour to negotiate terms that allow a Fund to collect variation margin in respect of mark-to-market movements in favour of such Fund. However, in keeping with normal commercial practice of large dealers in SFTs and TRSs, it is common for the ACD to have to agree to deliver initial margin to dealer counterparties on SFTs and TRSs. This initial margin amounts to a debt obligation of the dealer and is a credit risk on that dealer. Any collateral entitlement of a Fund is typically calculated net of the initial margin requirement, meaning that the aggregate collateral received on the SFTs and TRSs will typically be less than the mark-to-market value in favour of such Fund.
- (H) Shareholders are referred to the section headed "Risk Factors" for a description of the risks linked to the Company's investments and financing arrangements generally, SFTs and TRS and, in addition, are referred to the specific risks set out in Appendix 2 under the headings "Use of total return swaps and similar derivative instruments", "Efficient portfolio management techniques and instruments" and "Management of Collateral - Risk exposure".
- (I) The assets of a Fund that are subject to any SFT or any TRS or that comprise any collateral received in connection with such arrangements shall be held by the Depositary on behalf of the Fund or any permitted delegate of the Depositary.
- (J) Any cash collateral received by the Company on behalf of a Fund in relation to SFTs or TRSs will be reused and reinvested as set out below under "Cash Collateral and reinvestment of cash Collateral". Any non-cash collateral received by the Company on behalf of a Fund in relation to SFTs or TRSs will not be reused or reinvested.
- (K) As is the case for any financial instrument, security or arrangement held by or entered into on behalf of a Fund, the Fund is entitled to receive the entirety of any return (positive or negative) generated by each SFT or TRS entered into on its behalf. Any SFT is likely to bear a fee, which is typically a

rate of interest at an agreed cost of funding rate plus a spread. Further fees relating to the financing arrangements such as arrangement, commitment, minimum utilisation and renewal fees may also be payable. The costs of any such financing arrangements shall be applied pro rata to each Share Class, if applicable.

- (L) The annual and half yearly reports of the Company will include information regarding use of SFTs and TRSs by the Funds.

## Annex to Appendix 2: Eligible Markets

The eligible securities and eligible derivatives markets for the Funds are listed below:

### Eligible Securities Markets

- (i) a regulated market (as defined for the purposes of the FCA Rules);
- (ii) a market in an EEA member or cooperating country which is regulated, operates regularly and is open to the public; or in
- (iii) any stock exchange or market in any of the member countries of the OECD including their territories covered by the OECD Convention; and
- (iv) any of the following exchanges or markets:

Country	Exchange or Market
Bangladesh	Dhaka Stock Exchange
Brazil	BOVESPA – Bolsa de Valores de Bahia-Sergipe-Alagoas BM&F BOVESPA SA Brasilia Stock Exchange Extremo Sul Porto Alegre Stock Exchange Minas Esperito Santo Stock Exchange Parana Curitiba Stock Exchange Regional Fortaleza Stock Exchange
Cayman Islands	Cayman Islands Stock Exchange (CSX)
China	Shanghai Stock Exchange Shenzhen Stock Exchange
Colombia	Bolsa de Valores de Colombia SA
Egypt	Egyptian Exchange
Hong Kong	Hong Kong Stock Exchange Growth Enterprise Market
India	Bombay Stock Exchange National Stock Exchange of India (NSE)
Indonesia	Indonesia Stock Exchange
Jordan	Amman Stock Exchange
Kuwait	Kuwait Stock Exchange

Malaysia	The Bursa Malaysia Berhad
Morocco	Casablanca Stock Exchange
Oman	Muscat Securities Market (MSM)
Pakistan	Karachi Stock Exchange
Peru	Bolsa de Valores de Lima
Philippines	Philippine Stock Exchange
Singapore	Singapore Exchange
South Africa	Bond Exchange of South Africa
	JSE Limited
Sri Lanka	Colombo Stock Exchange
Taiwan	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand
United Arab Emirates	Dubai Financial Market
	Abu Dhabi Securities Exchange
	NASDAQ Dubai

(v) The following exchanges or markets:

- the market organised by the members of the International Capital Market Association;
- the market conducted by the "listed money market institutions" as described in the Bank of England publication "The Regulations of the Wholesale Cash and OTC Derivatives Markets in Sterling, Foreign Exchange and Bullion" dated April 1988 (as amended from time to time);
- (a) NASDAQ in the United States, (b) the market in US government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York; and (c) the over-the-counter market in the United States conducted by primary dealers and secondary dealers regulated by the Securities and Exchange Commission and the National Association of Securities Dealers and by banking institutions regulated by the U.S. Comptroller of Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;
- the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan; and
- the French Market for "Titres des Créances Négociables" (over-the-counter market in negotiable debt instruments)
- the UK market (a) conducted by banks and other institutions regulated by the Financial Conduct Authority (FCA) and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook and (b) in non-investment products which are subject to the guidance contained in the "Non-Investment Products Code" drawn up by the participants in the

London market, including the FCA and the Bank of England (formerly known as "The Grey Paper"); and

- the alternative investment market in the United Kingdom regulated and operated by the London Stock Exchange.
- (vi) any organised exchange or market in the European Economic Area on which futures or options contracts are regularly traded.

#### Eligible Derivatives Markets

- (i) a regulated market (as defined for the purposes of the FCA Rules);
- (ii) a market in an EEA member or cooperating country which is regulated, operates regularly and is open to the public;
- (iii) any stock exchange or market in any member countries of the OECD including their territories covered by the OECD convention; and
- (iv) any of the following exchanges or markets:

<b>Country</b>	<b>Exchange or Market</b>
Brazil	BM&F BOVESPA SA
Cayman Islands	Cayman Islands Stock Exchange (CSX)
Egypt	Egyptian Exchange
Hong Kong	Growth Enterprise Market
	Hong Kong Stock Exchange
Malaysia	The Bursa Malaysia Berhad
	Bursa Malaysia Derivatives
Singapore	Singapore Exchange
South Africa	JSE Limited
	South Africa Futures Exchange
Taiwan	Taiwan Exchange
Thailand	Thailand Futures Exchange



## Appendix 3

### Additional Distribution and Selling Restrictions

The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the accompanying subscription form in any such jurisdiction may treat this Prospectus or such subscription form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such subscription form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such subscription form could lawfully be used without compliance with any registration or other legal requirements.

#### **Argentina**

The Shares are not and will not be marketed in Argentina by means of a public offer of securities, as such term is defined under Section 16 of Law N° 17,811, as amended. No application has been or will be made with the Argentine Comisión Nacional de Valores, the Argentine securities governmental authority, to offer the Shares in Argentina.

#### **Australia**

No offer of securities or any other financial product is being made into Australia other than to investors who are both: (i) "wholesale clients" as defined in section 761G of the Corporations Act (Cth) 2001; and (ii) "Sophisticated investors" as defined in section 708(8) of the Corporations Act (Cth) 2001 or "Professional investors" as defined in section 708(11) of the Corporations Act (Cth) 2001.

This Prospectus has not been, and will not be, lodged with the Australian Securities and Investments Commission as a disclosure document for the purposes of the Corporations Act (Cth) 2001.

Any Shares issued upon acceptance of the offering may not be offered for sale (or transferred, assigned or otherwise alienated) to investors in Australia for at least twelve (12) months after their issue, except in circumstances where disclosure to investors is not required under Chapter 6D of the Corporations Act (Cth) 2001 or unless a disclosure document that complies with the Corporations Act (Cth) 2001 is lodged with the Australian Securities and Investments Commission.

Investors are advised that the Company is not licensed in Australia to provide financial product advice in relation to the Funds or the Shares. No cooling-off regime will apply in respect of the acquisition of Shares.

#### **Bahrain**

This offer is a private placement. It is not subject to the regulations of the Central Bank of Bahrain that apply to public offerings of securities, and the extensive disclosure requirements and other protections that these regulations contain. This Prospectus is therefore intended only for "Accredited Investors". "Accredited Investors" are defined as:

- (a) Individuals holding financial assets (either singly or jointly with their spouse) of USD 1,000,000 or more;
- (b) Companies, partnerships, trusts or other commercial undertakings, which have financial assets available for investment of not less than USD 1,000,000; or
- (c) Governments, supranational organisations, central banks or other national monetary authorities, and state organisations whose main activity is to invest in financial instruments (such as state pension funds)."

The financial instruments offered by way of private placement may only be offered in minimum subscriptions of \$100,000 (or equivalent in other currencies). The Central Bank of Bahrain assumes no responsibility for

the accuracy and completeness of the statements and information contained in this document and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the contents of this document.

The board of directors and the management of the issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the board of directors and the management, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the reliability of such information.

### ***Brazil***

The Company, Funds and Shares in the Funds have not been, nor will they be, registered or qualified under any rules issued by the Brazilian Securities Exchange Commission (the "CVM") or any applicable securities laws of Brazil, and are not, and will not be, subject to public offering in Brazil. Therefore, the Company, Funds and Shares in the Funds cannot be marketed, offered or sold to the general public in Brazil. Any offers or sales of Shares in violation of the foregoing shall be considered as an irregular public offering of securities in Brazil, and treated by the Company as void.

This Prospectus is highly confidential and has been delivered to an exclusive and restricted group of potential investors who have previous and/or regular business relationship with the Distributor and/or such other persons, firms or companies as may from time to time be appointed as distributor or co-distributor or sub-distributor and/or other entities within their group. This Prospectus is personal to the person to whom it has been delivered and does not constitute a public offering of securities or any sort of investment in Brazil. Distribution of this Prospectus to any person other than the person to whom it has been delivered is unauthorised, and any disclosure of any of its contents is prohibited. Each person to whom this Prospectus has been delivered, by accepting delivery of this Prospectus, agrees to the foregoing and agrees not to make any copies of this Prospectus, in whole or in part.

### ***Canada***

The Shares may not be offered or sold, and this Prospectus may not be delivered, in Canada or to a resident of Canada unless and until this Prospectus is accompanied by an appropriate Canadian wrapper. In addition, the Shares may only be offered or sold to qualified investors in Canada, in accordance with the requirements of the securities regulations of the investor's place of residence or domicile.

### ***Cayman Islands***

No invitation to the public in the Cayman Islands to subscribe for Shares is permitted to be made unless the Shares are listed on the Cayman Islands Stock Exchange. As at the date of this Prospectus, no such listing is anticipated to be made.

### ***Chile***

Fecha de inicio de la oferta: 29 June 2017.

(i) La presente oferta se acoge a la Norma de Carácter General N° 336 de la Superintendencia de Valores y Seguros de Chile.

(ii) La presente oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la Superintendencia de Valores y Seguros, por lo que los valores sobre los cuales ésta versa, no están sujetos a su fiscalización;

(iii) Que por tratarse de valores no inscritos, no existe la obligación por parte del emisor de entregar en Chile información pública respecto de estos valores; y

(iv) Estos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el Registro de Valores correspondiente.

## ***China***

The Shares may not be offered, sold or delivered, directly or indirectly, in the People's Republic of China (excluding Hong Kong, Macau and Taiwan) (the "PRC") unless otherwise permitted by the local laws and regulations. The Shares may only be offered or sold to the PRC investors that are authorised to engage in the purchase of the Shares being offered or sold. PRC investors are responsible for obtaining all relevant government regulatory approvals/licences (if any) by themselves, including, but not limited to, any which may be required from the State Administration of Foreign Exchange and other competent regulatory authorities and complying with all relevant PRC regulations (if applicable), including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations.

The Company does not represent that this Prospectus may be lawfully distributed, or that any Shares may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Company which would permit a public offering of any Shares or distribution of this document in the PRC. Accordingly, the Shares are not being offered or sold within the PRC by means of this Prospectus or any other document. Neither this Prospectus nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

## ***Colombia***

The Shares have not and will not be marketed, offered, sold or distributed in Colombia or to Colombian residents except in circumstances which do not constitute a public offer of securities in Colombia within the meaning of Article 6.1.1.1.1 of Decree 2555 of 2010, as amended from time to time. None of the Company, the Funds or the Shares will be publicly offered, marketed or negotiated in Colombia through promotional or advertisement activities (as defined under Colombian Law) except in compliance with the requirements of Colombian regulations (especially, Decree 2555 of 2010 issued by the Ministry of Finance and Public Credit, Law 964 of 2005 and Decree 663 of 1993 or the Organic Statute of the Financial System), as amended and restated, and decrees and regulations made thereunder. The Shares have not been registered in the National Securities and Issuers Registry (Registro Nacional de Valores y Emisores) of the Colombian Financial Superintendency (Superintendencia Financiera de Colombia) and the Shares are not intended to be offered publicly in Colombia.

Pursuant to Decree 2555 of 2010, as amended by, amongst others, Decree 2955 of 2010, certain requirements must be met in order for Colombian pension fund administrators to be able to invest in private equity funds established outside Colombia.

There are Colombian laws and regulations (specifically foreign exchange and tax regulations) that may be applicable to any transaction or investment consummated in connection with this Prospectus. The investor bears sole liability for full compliance with any such laws and regulations.

## ***Costa Rica***

This Prospectus has been produced for the purpose of providing information about the Shares and will be provided to a maximum of 50 investors per fund in Costa Rica who are Institutional or Sophisticated Investors in accordance with the exemptions established in the Regulations on Public Offers of Values. This Prospectus is made available on the condition that it is for the use only by the recipient and may not be passed onto any other person or be reproduced in any part. The Shares have not been and will not be offered in the course of a public offering or of equivalent marketing in Costa Rica.

The Shares are the product of a private offer, in accordance with the exceptions established in the Regulation on Public Offer of Securities. No collective communication media has been used. The holder acknowledges and accepts the legal and tax regimes that apply to the private offer of securities.

### ***Dubai International Financial Centre***

This Prospectus relates to Shares which are not subject to any form of regulation or approval by the Dubai Financial Services Authority ("DFSA"). The DFSA has no responsibility for reviewing or verifying any Prospectus or other documents in connection with the Shares. Accordingly, the DFSA has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus, and has no responsibility for it. The Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the Shares. If you do not understand the contents of this document you should consult an authorised financial adviser.

### ***Guernsey***

The offer of the Shares described in this Prospectus does not constitute an offer to the public in the Bailiwick of Guernsey for the purposes of the Prospectus Rules 2008 (the "Rules") issued by the Guernsey Financial Services Commission (the "GFSC"). Neither this Prospectus nor any other offering material relating to the Shares will be distributed or be caused to be distributed to the public in Guernsey. The Rules do not apply to this Prospectus and, accordingly, this Prospectus has not been, nor is it required to be, submitted to or approved or authorised by the GFSC. The Shares will not be regulated by the GFSC. The GFSC has no on-going responsibility to monitor the performance of the Shares or to protect the interests of Shareholders.

To the extent to which any promotion of the Shares is deemed to take place in the Bailiwick of Guernsey, the Shares are only being promoted in or from within the Bailiwick of Guernsey either: (i) by persons licensed to do so under the Protection of the Investors (Bailiwick of Guernsey) Law, 1987 (as amended) (the "POI Law"); or (ii) to persons licensed under the POI Law, the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended), the Banking Supervision (Bailiwick of Guernsey) Law, 1994 or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000. Promotion is not being made in any other way.

### ***Hong Kong***

**WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.**

This Prospectus has not been approved by the Securities and Futures Commission in Hong Kong and, accordingly: (i) the Shares may not be offered or sold in Hong Kong by means of this Prospectus or any other document other than to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32, Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and (ii) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Shares which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as set out above).

### ***India***

The Shares are not being offered to the Indian public for sale or subscription but are being privately placed with a limited number of sophisticated private and institutional investors. The Shares are not registered and/or approved by the Securities and Exchange Board of India, the Reserve Bank of India or any other governmental/regulatory authority in India. This Prospectus is not and should not be deemed to be a 'Prospectus' as defined under the provisions of the Companies Act, 2013 (18 of 2013) and the same shall not be filed with any regulatory authority in India. Pursuant to the Foreign Exchange Management Act, 1999 and the regulations issued thereunder, any investor resident in India may be required to obtain prior special permission of the Reserve Bank of India before making investments outside of India, including any investment in the Company. The Company has neither obtained any approval from the Reserve Bank of

India or any other regulatory authority in India nor does it intend to do so and hence any eligible investor who is a resident of India will be entirely responsible for determining its eligibility to invest in the Shares.

### ***Indonesia***

The Shares have not been offered or sold and will not be offered or sold in Indonesia or to Indonesian nationals, corporations or Indonesian citizens under the Indonesian Capital Markets Law (Law No.8/1995), wherever they are domiciled or to Indonesian residents, including by way of invitation, offering or advertisement, and neither this Prospectus nor any other offering materials relating to the Shares have been distributed, or will be distributed, in Indonesia or to Indonesian nationals, corporations or residents, in a manner which constitutes a public offering of the Shares under the laws or regulations of the Republic of Indonesia.

### ***Israel***

Neither this Prospectus nor the Application Form attached hereto constitutes a prospectus within the meaning of the Israeli Securities Law, 1968 ("Israeli Securities Law"), and none of them have been approved by the Israeli Securities Authority. A prospectus has not been prepared or filed, and will not be prepared or filed with the Israeli Securities Authority in connection with the offer of the Shares under this Prospectus and subscription form.

Neither the Prospectus nor this subscription form constitutes an offer or sale of Securities and/or Units to the general public in the State of Israel, as such terms are defined in the Israeli Securities Law and the Israeli Joint Investment Trust Law, 1994 ("Israeli Joint Investment Trust Law"), respectively.

The Shares are being offered only to special types of investors that are listed in the First Supplement of the Israeli Securities Law ("Special Investors"), and which have provided their prior written confirmation that they comply with the eligibility criteria set forth therein to be treated as Special Investors, are aware of the meaning of being treated as Special Investors, and consent to be treated as such. The term "Special Investors" shall include: A Mutual Trust Fund, as defined under the Israeli Joint Investment Trust Law, or a trust fund manager; a Provident Fund, as defined under the Israeli Supervision of Financial Services (Provident Funds) Law, 5765-2005, or a company managing a Provident Fund; an Insurer as defined under the Israeli Law of Supervision of Insurance Business, 1981; a Banking Corporation and an Auxiliary Corporations as defined under the Israeli Banking Law (License), 1981 ("Israeli Banking Law") (except for a company licensed as a Joint Services Company under the Israeli Banking Law), purchasing Shares for their own account and/or for investors which are considered as Special Investors; an entity which is licensed to render Portfolio Management services under the Regulation of Investment Advice, Investment Marketing and Portfolio Management Law, 1995 ("Israeli Advice Law") (provided that such entity is purchasing Shares for its own account and for clients who are considered, by themselves, as Special Investors); an entity which is licensed to render Investment Advice and/or Investment Marketing services, under the Israeli Advice Law (purchasing Shares for its own account); a member of the Tel-Aviv Stock Exchange (purchasing Shares for its own account, and/or for clients which are considered, by themselves, as Special Investors); a certain type of underwriter which complies with certain eligibility conditions set forth in Section 56(c) of the Israeli Securities Law (purchasing Shares for its own account); a venture capital fund which is primarily engaged in investment in corporations, which, at the time of its investment, was engaged mainly in research and development activities or in the manufacture of innovative and know-how based products or processes, which involve a relatively high risk; a corporation fully owned by Special Investors; a corporation (with the exception of a corporation incorporated for the purpose of purchasing securities in a certain offer) whose equity capital is in excess of 50 million NIS; and/or an individual, purchasing the Shares for her/his own account, with respect to whom two of the three following conditions are fulfilled: (i) the total value of her/his cash, deposits, financial assets and securities as defined under Section 52 of the Israeli Securities Law exceeds 12 million NIS; (ii) she/he has expertise and capabilities in the capital market field or was employed for at least one (1) year in a professional position which requires expertise in the capital market; and (iii) had performed at least thirty (30) transactions (except for transactions performed by an entity licensed under the Israeli Investment Advice Law to render Portfolio Management services for such individuals).

This Prospectus and the Application Form may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent by the Company and/or its

authorised representatives of the Company. Any offeree who purchases Shares is purchasing such Shares for its own benefit and account and not with the aim or intention of distributing or offering such Shares to other parties. Nothing in this Prospectus and/or in the subscription form shall be considered as render of Investment Advice, Investment Marketing and/or Portfolio Management services, or an Offer to Render Investment Advice, Investment Marketing and/or Portfolio Management Services, as such terms are defined under the Investment Advice Law. Potential investors are encouraged to seek competent investment advice from an Israeli entity licensed under the Investment Advice Law to render Investment Advice and/or Investment Marketing services prior to making the investment.

### ***Japan***

The Shares have not been and will not be registered for a public offering in Japan pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law (the "FIEL"). The Shares may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan or to others for reoffering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements for the FIEL and otherwise in compliance with such law and other relevant laws and regulations. As used in this paragraph, "resident of Japan" means a natural person having his place of domicile or residence in Japan, or a juridical person having its main office in Japan as defined in Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Trade Law of Japan (Law No. 228 of 1949).

### ***Jersey***

Consent under the Control of Borrowing (Jersey) Order 1958 (the "COB Order") has not been obtained for the circulation of this Prospectus. Accordingly, the offer that is the subject of this Prospectus may only be made in Jersey where such offer is not an offer to the public (as defined in the COB Order) or where the offer is valid in the United Kingdom or Guernsey and is circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom or Guernsey as the case may be. The ACD may, but are not obliged to, apply for such consent in the future.

### ***Kenya***

The offer of the Shares does not constitute an offer to the public within the meaning of section 57 of the Companies Act (Chapter 486, laws of Kenya) (the "CA") or an offer of securities to the public within the meaning of regulation 5(1) of The Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulation, 2002 as amended by The Capital Markets (Securities) (Public Offers, Listing and Disclosures) (Amendment) Regulations, 2008 (the "Regulations"). The Company and its local distributors and the investors to whom this Prospectus is provided will agree that the Shares may not be offered or sold directly or indirectly to the public or otherwise in Kenya.

In accordance with the CA and the Regulations, this Prospectus and the offer of the Shares have not been and will not be approved by the Capital Markets Authority in Kenya and will not be delivered to the Registrar of Companies or the Capital Markets Authority in Kenya for registration.

### ***Lebanon***

Neither this Prospectus nor the accompanying Application Form constitutes or forms part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Shares in the Funds in the Lebanese territory, nor shall it (or any part of it), nor the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

The Shares have not been, and will not be, authorised or licensed by the Central Bank of Lebanon (the "CBL") and the Shares cannot be marketed and sold in Lebanon. No public offering of the Shares is being made in Lebanon and no mass-media means of contact are being employed. This Prospectus is aimed at institutions and sophisticated, high net worth individuals only, and this Prospectus will not be provided to any person in Lebanon except upon the written request of such person.

The Shares may not be sold or transferred except as permitted by the Company and will be subject to significant restrictions upon transfer.

Recipients of this Prospectus should pay particular attention to the disclosure under the heading " Risk Factors" in this Prospectus. Investment in the Shares is suitable only for sophisticated investors with the financial ability and willingness to accept the risks and lack of liquidity associated with such an investment, and said investors must be prepared to bear those risks for an extended period of time.

### ***Malaysia***

No approval from the Securities Commission of Malaysia is or will be obtained, nor will any prospectus be filed or registered, nor this Prospectus deposited as an information memorandum, with the Securities Commission of Malaysia for the offering of the Shares in Malaysia. This Prospectus neither constitutes nor is intended to constitute an invitation or offer for subscription or purchase of the Shares to any person in Malaysia. The Shares may not be offered or sold or made available to any person in Malaysia. Neither this Prospectus nor any other offering material or document relating to the Shares may be published or distributed, directly or indirectly, to any person in Malaysia.

### ***Mexico***

The Shares are not authorised to be publicly offered in Mexico. The Shares have not been and will not be registered with the Registro Nacional de Valores (the "National Securities Registry") maintained by the Comision Nacional Bancaria y de Valores (the "National Banking and Securities Commission", or "CNBV"), and may not be offered or sold publicly, or otherwise be the subject of brokerage activities in Mexico, except pursuant to a private placement exemption pursuant to article 8 of the Ley del Mercado de Valores, as amended (the "Mexican Securities Market Law").

The information contained in this Prospectus is exclusively the responsibility of the Company and has not been reviewed or authorised by the CNBV. In making an investment decision, all investors, including any Mexican investors who may acquire shares from time to time, must rely on their own review of this Prospectus, the Company, the ACD as well as their investment regime and applicable taxes.

### ***New Zealand***

This Prospectus is not a product disclosure statement for the purposes of the Financial Markets Conduct Act 2013 (the "FMCA") and does not contain all the information typically included in such offering documentation.

The offer of Shares in the Funds does not constitute a "regulated offer" for the purposes of the FMCA and, accordingly, there is neither a product disclosure statement nor a register entry available in respect of the offer. Shares in the Fund may only be offered in New Zealand in accordance with the FMCA and the Financial Markets Conduct Regulations 2014.

### ***Panama***

The Shares have not been and will not be registered with the Security Market Superintendence of the Republic of Panama under Decree Law N°1 of July 8, 1999, as amended by Law 67 of September 1, 2011 (the "Panamanian Securities Act") and Shares may not be publicly offered or sold within the Republic of Panama, except in certain limited private offerings exempt from the registration requirements of the Panamanian Securities Act. The Shares do not benefit from the tax incentives provided by the Panamanian Securities Act and are not subject to regulation or supervision by the Security Market Superintendence of the Republic of Panama.

### ***Peru***

The Shares have not been, nor will they be, registered or qualified under the Peruvian Securities Act, as amended. Thus, except with respect to Peruvian Qualified Investors (as defined below), the Shares may not be offered, sold, transferred or delivered directly or indirectly in Peru or to any Peruvian person. Any sales or transfers of Shares in violation of the abovementioned shall be prohibited and treated as null and void, unless the Shares are listed on the Peruvian Stock Exchange under the regulations provided by the Peruvian Securities Act. As of the date of this Prospectus, no such listing is anticipated.

In accordance with the applicable Peruvian regulations contemplated in the Peruvian Securities Law the following entities and individuals qualify as "Peruvian Qualified Investors" for the purposes of this Prospectus: (i) banks, finance entities and insurance companies, broker dealers, private pension funds, investment funds, mutual funds and foreign entities that carry out similar activities; (ii) the Public Pension Fund (Oficina de Normalización Previsional), the Public Health Services Entities (EsSalud) and securitization companies; (iii) entities considered as "Qualified Institutional Buyers" under Rule 144-A of the US Securities and Exchange Commission; (iv) other financial entities under the surveillance of the Superintendence of Banking, Insurance and Private Pension Securities Managers; (v) public or private entities engaged in the investment in securities on a regular basis (in the case of private entities, their net worth should be equal to or greater than PEN 750,000.00); (vi) natural persons whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase is equal to or greater than PEN 2,000,000.00, and who had individual net income or joint net income with that person's spouse, equal to or greater than PEN 750,000.00 during the past three (3) years prior to the purchase; (vii) officers and managers of the aforementioned entities; (viii) any corporation in which all of the equity owners are one of the aforementioned persons; and (ix) securities or trusts managed by the aforementioned persons, when they take the investment decisions, if the net worth of said funds or trusts is equal to or greater than PEN 400,000.00.

### ***Philippines***

**THE SECURITIES BEING OFFERED FOR SALE OR SOLD HEREIN (THE "SHARES") HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") OF THE PHILIPPINES UNDER THE SECURITIES REGULATION CODE ("SRC"). ANY FUTURE OFFER TO SELL OR SALE OF THE SECURITIES IS SUBJECT TO THE REGISTRATION REQUIREMENTS UNDER THE SRC UNLESS SUCH OFFER TO SELL OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.**

The Shares do not relate to an investment company registered with the SEC pursuant to Republic Act No. 2629 or the Investment Company Act. Hence, the Shares are not authorised nor recognised by the SEC and the Shares are not allowed to be sold or be offered for sale to the retail public in the Philippines. The Company has not secured the written confirmation of the SEC that the sale or offer for sale of the Shares in the Philippines is exempt from the registration requirements under the SRC. The Company will comply with all applicable selling and distribution restrictions of the SEC.

The distribution of this Prospectus and the sale or offering for sale of the Shares in the Philippines is not subject to the registration requirements under the SRC and will qualify as an exempt transaction under Section 10.1 (I) of the SRC, if the Shares will be sold or offered for sale only to qualified individual and institutional buyers. The qualified individual and institutional buyers should be registered with a registrar authorised by the SEC and said buyers should possess the qualifications provided under SEC Memorandum Circular No. 6, Series of 2007. If you are not such a qualified individual or institutional buyer, please be guided accordingly by consulting with your legal and financial adviser.

Pursuant to SRC Rule 10.1, a notice of exemption in the form of SEC Form 10-1 shall be filed by the Company with the SEC after the sale of the Shares in accordance with the rules of the SEC.

### ***Russian Federation***

No Shares have been offered or sold or transferred or otherwise disposed of, or will be offered or sold or transferred or otherwise disposed of (as part of their initial distribution or at any time thereafter) to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation or to any person located within the territory of the Russian Federation unless and to the extent otherwise permitted under Russian law.

Since neither the issue of the Shares nor a securities prospectus in respect of the Shares has been, or is intended to be, registered with the Federal Service for Financial Markets of the Russian Federation, the Shares are not eligible for initial offering or public circulation in the Russian Federation and may not be offered in the Russian Federation in any way other than to Russian "qualified investors" (as defined under Russian law) in a manner that does not constitute "advertisement", "placement" or "public circulation" (as defined under Russian law) of the Shares in the Russian Federation.



Information set forth in this Prospectus is not an offer, advertisement or invitation to make offers, to sell, exchange or otherwise transfer the Shares in the Russian Federation or to or for the benefit of any Russian person or entity.

### ***Saudi Arabia***

This Prospectus includes information given in compliance with the Investment Fund Regulations (the "KSA Regulations"). This Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted in under the KSA Regulations. It should not be distributed to any other person, or relied upon by any other person. The Capital Market Authority does not take any responsibility for the contents of this Prospectus, does not make any representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus. Prospective purchasers of the Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Shares. If you do not understand the contents of this Prospectus you should consult an authorised financial adviser.

### ***Singapore***

Information for investors in Singapore in relation to marketing and relevant selling restrictions will be contained in a separate information memorandum, which will serve as a country supplement to be provided with the Prospectus when marketing the Company to any investors in Singapore.

### ***South Africa***

The Company is a collective investment scheme as defined in the Collective Investment Schemes Control Act, 2002 (CISCA). The Company has not been approved as a foreign collective investment scheme in South Africa and therefore in terms of the CISCA the Shares may not be solicited to members of the public in South Africa, which includes: (a) members of any section of the public, whether selected as clients, members, shareholders, employees or ex-employees of the person issuing an invitation to acquire a participatory interest in a collective investment scheme; and (b) a financial institution regulated by any law, but excludes persons confined to a restricted circle of individuals with a common interest who receive the invitation in circumstances which can properly be regarded as a domestic or private business venture between those persons and the person issuing the invitation.

Furthermore, a copy of the Company's Instrument of Incorporation, and a list of the names and addresses of its Directors, has not been filed with the Companies and Intellectual Property Commission in South Africa. Nor has this Prospectus been registered in South Africa. Accordingly, in terms of the Companies Act 2008, no Shares under this Prospectus shall be offered to the public in South Africa, which includes an offer of the Shares to any section of public, whether selected: (a) as holders of the Shares; (b) as clients of the person issuing the Prospectus; (c) as the holders of any particular class of property; or (d) in any other manner, but does not include an offer made, inter alia, in the following circumstances:

- (i) if the offer is made only to: (A) persons whose ordinary business, or part of whose ordinary business, is to deal in securities, whether as principals or agents; (B) the Public Investment Corporation as defined in the Public Investment Corporation Act, 2004; (C) a person or entity regulated by the Reserve Bank of South Africa; (D) an authorised financial services provider, as defined in the Financial Advisory and Intermediary Services Act, 2002; (E) a financial institution, as defined in the Financial Services Board Act, 1990; (F) a wholly-owned subsidiary of a person contemplated in subparagraph (C), (D) or (E), acting as agent in the capacity of an authorised portfolio manager for a pension fund registered in terms of the Pension Funds Act, 1956, or as manager for a collective investment scheme registered in terms of CISC; or (G) any combination of persons contemplated in paragraphs (A) to (F);
- (ii) if the total contemplated acquisition cost of the securities, for any single addressee acting as principal, is equal to or greater than the amount prescribed in terms of subsection 96(2) (a) of the Companies Act 2008 (being R1 million as at the date of this Prospectus).

### ***South Korea***

Neither the Company nor GLG Partners LP is making any representation with respect to the eligibility of any recipients of this prospectus to acquire the Shares therein under the laws of Korea, including but without limitation the Foreign Exchange Transaction Act and Regulations thereunder. The Shares have not been registered under the Financial Investment Services and Capital Markets Act of Korea, and none of the Shares may be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea.

### ***Switzerland***

The Company and the Funds are neither registered with nor supervised by the Swiss Financial Market Supervisory Authority FINMA and the Shares are not authorised for public offering and distribution in, into or from Switzerland. Distribution of the Company, Funds and Shares in and from Switzerland is not permitted and the Shares will be offered in Switzerland exclusively to qualified investors pursuant to Article 10 para 3 lit a. or b. of the Collective Investment Schemes Act, ("CISA"), its Ordinance of application ("CISO") and FINMA's Circular 2013/9 on Distribution of Collective Investment Schemes. This Prospectus may neither be distributed, made available nor disclosed to investors which are not qualified investors per Article 10 para 3 lit a or b in Switzerland.

"Qualified Investors pursuant to Article 10 para 3 lit. a or b" are defined as being: (i) financial intermediaries subject to supervision such as banks, securities dealers, fund management companies; and (ii) insurance companies subject to supervision.

### ***Taiwan***

The Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan, the Republic of China pursuant to relevant securities laws and regulations and may not be offered, distributed, or sold in Taiwan, the Republic of China through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Law of Taiwan, the Republic of China that requires a registration or approval of the Financial Supervisory Commission of Taiwan, the Republic of China.

### ***Thailand***

The Shares are not authorised by the Securities and Exchange Commission and the Prospectus has not been approved by or filed with the Securities and Exchange Commission or any other regulatory authority of the Kingdom of Thailand. Accordingly, the Shares may not be offered or sold, or this Prospectus distributed, directly or indirectly, to any person in Thailand except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the Thai government and regulatory authorities in effect at the relevant time.

### ***Trinidad and Tobago***

The Shares are not authorised by the Securities and Exchange Commission and the Prospectus has not been approved by or filed with the Securities and Exchange Commission or any other regulatory authority in Trinidad and Tobago. Accordingly, the Shares may not be offered or sold, or this Prospectus distributed, directly or indirectly, to any person in Trinidad and Tobago except to market actors registered under the Securities Industry Act and in compliance with the Securities Industry Act and its Regulations.

### ***United Arab Emirates residents***

This document and the information contained herein, does not constitute, and is not intended to constitute, a public offer of securities in the United Arab Emirates and accordingly should not be construed as such. The Shares are only being offered to a limited number of sophisticated investors in the UAE who (a) are willing and able to conduct an independent investigation of the risks involved in an investment in such Shares, and (b) upon their specific request. The Shares have not been approved by or licensed or registered with the UAE Central Bank, the Securities and Commodities Authority or any other relevant licensing authorities or

governmental agencies in the UAE. The document is for the use of the named addressee only and should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof). No transaction will be concluded in the UAE and any enquiries regarding the Shares should be made to the local distributor.

#### ***United States***

No Shares shall be issued in the United States or to any U.S. Person. The Shares have not been, nor will they be, registered or qualified under the United States Securities Act of 1933, as amended, or any applicable securities laws of any state or other political sub divisions of the United States of America. The Shares may not be offered, sold, transferred or delivered directly or indirectly in the United States or to any U.S. Person. Any sales or transfers of Shares in violation of the foregoing shall be prohibited and treated by the Company as void. All applicants and transferees of Shares must complete an Application Form which confirms, among other things, that a purchase or a transfer of Shares would not result in a sale or transfer to a person or an entity which is a U.S. Person.

#### ***Uruguay***

The Shares have not been registered with the Central Bank of Uruguay and will be offered in Uruguay only through private offering. In addition, the Company and Funds were not established under the system provided for in Law 16,774 of September 27, 1996 (Investment Funds Act).

#### ***Venezuela***

Under exchange control and securities regulations in effect in Venezuela, the Shares may not be offered to, nor traded with, any individual or entity in Venezuelan territory. Venezuelan investors (whether individuals or entities) may acquire the Shares outside Venezuelan territory.