Prospective investors should review this Prospectus carefully and in its entirety and should consult a stockbroker, bank manager, solicitor, accountant or other financial adviser for independent advice in relation to: (a) the legal requirements within their own countries for the purchase, holding, exchanging, redeeming or disposing of Shares; (b) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, exchanging, redeeming or disposing of Shares; (c) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Shares; and (d) the provisions of this Prospectus.

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

HSBC ETFs PLC

(An umbrella fund, with segregated liability between sub-funds, incorporated as a variable capital investment company in Ireland with registration number 467896 on 27 February 2009)

PROSPECTUS

23 March 2020

This Prospectus describes HSBC ETFs PLC (the "**Company**"), an investment company with variable capital incorporated in Ireland as a public limited company. The Company is constituted as an umbrella fund, with segregated liability between sub-funds, insofar as the share capital of the Company will be divided into different series of Shares with each series of Shares representing a portfolio of assets, which will comprise a separate fund. Shares of any particular series may be divided into different Classes to accommodate different dividend and/or charges and/or fee arrangements and/or currencies including different total expense ratios. The portfolio of assets maintained for each series of Shares and comprising a Fund will be invested in accordance with the investment objectives and policies applicable to such Fund as specified in the relevant Fund Supplement.

The Company is authorised by the Central Bank of Ireland as an Undertaking for Collective Investment in Transferable Securities under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended). **The authorisation of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company**. **Authorisation of the Company by the Central Bank is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus.**

Appendix A lists the current Funds of the Company and the primary stock exchanges on which the Shares of each Fund are listed or in respect of which it is proposed that an application will be made for listing.

Investors should be aware that investment in the Company carries with it the potential for above average risk and is only suitable for people who are in a position to take such risks. The price of Shares may fall as well as rise, and investors may not get back any of the amount invested. The difference at any one time between the issue and repurchase price of Shares due to applicable sales charges (if any) means that an investment in the Company should be viewed as medium- to long-term. Investment in the Company should not constitute a substantial proportion of an investor's portfolio and may not be appropriate for all investors. Risk factors for an investor to consider are set out in the section entitled "Risk Factors" below.

UK-based investors are advised that they may not be protected by the Financial Services Compensation Scheme (the "FSCS"), which covers business conducted by firms authorised by the Financial Conduct Authority. Further details of the FSCS can be obtained from www.fscs.org.uk

This Prospectus does not constitute, and may not be used for, a solicitation of an offer to purchase Shares by any "US Person". The Directors will decline to register a subscription request or transfer of Shares if the offer is made on behalf of or by a "US Person". Prospective investors should read the section "Transfer of Shares", "Subscriptions by and Transfers to US Persons" for more information. When the Company becomes aware that a Shareholder is (a) US person or is holding Shares for the account or benefit a US Person, the Directors will direct the Shareholder to dispose of the Shares, Prospective investors should read the section "Mandatory Redemption of Shares" for more information.

The EEA key investor information document of each Class of each Fund ("EEA KIID"), the latest annual and any semi-annual reports of the Company are available at the registered office of the Company and will be sent to investors upon request. Such reports shall be deemed to form part of this Prospectus.

The EEA KIIDs are available on http://www.etf.hsbc.com. Before subscribing to any Class and to the extent required by local laws and regulations each investor shall consult the EEA KIIDs. The EEA KIIDs provide information in particular on historical performance, the synthetic risk and reward indicator and charges. Investors may download the EEA KIIDs on the website

mentioned above or obtain them in paper form or on any other durable medium agreed between the Company or the intermediary and the investor.

HSBC Holding Plc ("**HSBC**") is regulated by the Federal Reserve in the United States as a Financial Holding Company ("**FHC**") under the Bank Holding Company Act (including the rules and regulations promulgated thereunder) ("**BHCA**"). As an FHC, the activities of HSBC and its affiliates are subject to certain restrictions imposed by the BHCA. Although it does not own a majority of the outstanding shares of the Company (the "**Board**" or the "**Directors**"), given, among other factors, the composition of the Board of Directors of the Company, HSBC may be deemed to "control" the Company within the meaning of the BHCA.

Accordingly, the BHCA may restrict the transactions and relationships between the Management Company, the Investment Manager, the Directors, HSBC and their affiliates, on the one hand, and the Company, on the other hand, and may restrict the investments and transactions by, and the operations of, the Company. For example, the BHCA may, among other things (i) restrict a Fund's ability to make certain investments or the size of certain investments and (ii) impose a maximum holding period on some or all of the investments of a Fund. In addition, the BHCA may require aggregation of the positions owned, held or controlled by related entities for the determination of the control concept.

Therefore, in certain circumstances positions held by HSBC and its affiliates (including the Investment Manager) for client and proprietary accounts may need to be aggregated with positions held by each Fund. In this case, where BHCA imposes a cap on the amount of a position that may be held, HSBC may utilize available capacity to make investments for its proprietary accounts or for the accounts of other clients, which may require a Fund to limit and/or liquidate certain investments, provided that any such liquidation would be executed in compliance with applicable law and in a manner consistent with the best interests of the shareholders of each Fund. Investors should also refer to the Section: "Statutory and General Information: Conflicts of Interest".

These restrictions may materially adversely affect a Fund by, among other things, affecting the Investment Manager's ability to trade in certain securities if such securities are subject to the BHCA trading limitations discussed above or imposing additional restrictions on the Fund. Moreover, there can be no assurance that the bank regulatory requirements applicable to HSBC and the Company as the case may be, will not change, or that any such change will not have a material adverse effect on the investments and/or investment performance of a Fund. Subject to applicable law, HSBC and the Company may in the future, undertake such actions as they deem reasonably necessary (consistent with the best interests of the shareholders of a Fund) in order to reduce or eliminate the impact or applicability of any bank regulatory restrictions on (i) HSBC or (ii) the Company and a Fund.

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SUMMARY

This summary should be read as an introduction to this Prospectus and any decision to invest in the Shares should be based upon consideration of the Prospectus as a whole.

Appendix A lists the current Funds of the Company and the primary stock exchanges on which the Shares of each Fund are listed or in respect of which it is proposed that an application will be made for listing. Other stock exchanges may be selected by the Directors as they may determine from time to time. Appendix B lists the current Paying Agents appointed by the Management Company on behalf of the Company and to disclose the name, address and jurisdiction of each Paying Agent so appointed. Appendix C lists the current sub-custodians appointed by the Depositary.

Investors should be aware that investment in the Company carries with it the potential for above average risk and is only suitable for people who are in a position to take such risks. The price of Shares may fall as well as rise, and investors may not get back any of the amount invested. The difference at any one time between the issue and repurchase price of Shares due to applicable sales charges (if any) means that an investment in the Company should be viewed as medium to long-term. Investment in the Company should not constitute a substantial proportion of an investor's portfolio and may not be appropriate for all investors.

UK-based investors are therefore advised that they may not be protected by the FSCS, which covers business conducted by firms authorised by the Financial Conduct Authority. Further details of the FSCS can be obtained from www.fscs.org.uk

Civil liability will attach to the persons who are responsible for this summary, including any translation thereof, in such member state but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document. Where a claim relating to the information contained in this document is brought before a court in a member state of the European Economic Area, the claimant may, under the national legislation of that member state where the claim is brought, be required to bear the costs of translating this document before the legal proceedings are initiated.

Introduction

The Company is an investment company with variable capital incorporated in Ireland as a public limited company. The Company is constituted as an umbrella fund, with segregated liability between sub-funds, insofar as the share capital of the Company will be divided into different series of Shares with each series of Shares representing a portfolio of assets, which will comprise a separate fund. Shares of any particular series may be divided into different Classes to accommodate different dividend and/or charges and/or fee arrangements and/or currencies including different total expense ratios. The portfolio of assets maintained for each series of Shares and comprising a Fund will be invested in accordance with the investment objectives and policies applicable to such Fund as specified in the relevant Fund Supplement.

The Company

HSBC ETFs PLC is an open-ended investment company with variable capital which was incorporated in Ireland on 27 February 2009 under registration number 467896 and authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations on 15 June 2009.

The object of the Company is the collective investment in transferable securities and/or other liquid financial assets of capital raised from the public, operating on the principle of risk spreading in accordance with the UCITS Regulations.

The Company has been structured as an umbrella fund with segregated liability between sub-funds, in that the Directors may from time to time, with the prior approval of the Central Bank, issue different series of Shares representing separate portfolios of assets. The assets of each Fund will be invested in accordance with the investment objective and policies applicable to such Fund as disclosed in this Prospectus and the relevant Fund Supplement.

Summary of Funds' Investment Objective, Policy and Restrictions

The Company has been established for the purpose of investing in transferable securities in accordance with the UCITS Regulations. The investment objectives and policies for each Fund will be set out in the relevant Fund Supplement.

The assets of each Fund will be invested in accordance with the investment restrictions contained in the UCITS Regulations which are summarised in "**Investment Restrictions**" below and such additional investment restrictions, if any, as may be adopted by the Directors for any Fund and specified in the relevant Fund Supplement.

Unless otherwise stated in the Fund Supplement, each Fund will seek to replicate the performance of an Index while minimising as far as possible the tracking error between the Fund's performance and that of the Index. Each Fund that seeks to track an index will seek to achieve this objective by holding a portfolio of Index Securities. Any change in the investment objectives and any material change in the investment policies of a Fund will require approval by ordinary resolution of the Shareholders in that Fund.

Changes to the composition and/or weighting of the securities constituting the Index which is tracked by a Fund will ordinarily require that Fund to make corresponding adjustments or rebalancings to its investments in order to seek to track the Index.

The Investment Manager will rely solely on each Index Provider for information as to the composition and/or weighting of the Index Securities within each Index. If the Investment Manager is unable to obtain or process such information in relation to any Index on any Business Day, then the most recently published composition and/or weighting of that Index will be used for the purpose of all adjustments.

Notwithstanding the foregoing provisions, the Directors may establish Funds that will seek to track an Index by investing in financial derivative instruments or by investing in a combination of Index Securities, transferable securities other than Index Securities and financial derivative instruments. The Directors may also establish Funds that will not seek to track an Index. In each case, information in relation to the proposed investment strategy will be set out in the relevant Fund Supplement.

Where set out in the relevant Fund Supplement, a Fund (the "Investing Fund") may invest in the Shares of another Fund (the "Target Fund") provided that the Target Fund does not hold Shares in other Funds in the Company. Where such an investment is made, the Target Fund may not charge subscription, conversion or redemption fees to the Investing Fund. The annual management fee levied on the shares held by the Investing Fund in the Targeted Fund cannot be greater than the annual management fee of the Investing Fund in itself.

Subscriptions Valuation and Redemption of Shares

The Directors may issue Shares of any Class in the Company, and create new Classes of Shares in the Company, on such terms as they may from time to time determine. Shares of any particular Fund may be divided into different Classes to accommodate different dividend provisions and/or charges and/or fee arrangements and/or currencies including different total expense ratios. The price at which Shares in any Fund are initially issued will be specified in the relevant Fund Supplement and, thereafter, Shares will be issued at the Net Asset Value per Share.

Shareholders may request the Company to redeem their Shares on any Dealing Day at their Net Asset Value per Share on such Dealing Day in accordance with the redemption procedures set out in this document and the relevant Fund Supplement.

The Net Asset Value of a Fund shall be calculated by ascertaining the value of the assets of the relevant Fund and deducting from such amount the liabilities of the Fund. The Net Asset Value per Share in a Fund shall be calculated by dividing the Net Asset Value of the relevant Fund by the total number of Shares issued in respect of that Fund or deemed to be in issue as of the relevant Dealing Day.

Directed Trading

Institutional investors in the primary markets may request the execution of a transaction, including, without limitation, the sale or purchase of securities on their behalf, either as part of a subscription or a redemption, in accordance with specific terms. These terms may include, without limitation, the use of a particular broker or market or other terms which are not in accordance with the standard terms on which the Investment Manager executes transactions for the Company generally, having regard to its obligation to provide best execution to the Company. Any investor wishing to instruct a transaction on such specific terms should contact the Investment Manager in good time in advance of any proposed trade date to propose the terms of such transaction, provided that neither the Company nor the Investment Manager shall be under any obligation to consent to any such proposal. Investors should note that none of the Company, the Management Company, the Investment Manager or their agents accepts any liability for any loss, damage or delay caused by compliance with any such terms agreed with an investor. Investors should also read the risk warning headed "**Directed Trading Risk**" in the section "**Risk Factors**" below.

Directors

The Directors are responsible for the determination of the Funds' investment objectives and policies and have overall responsibility for the activities of the Company. At the date of the Prospectus, the Directors are Ms. Carmen Gonzalez-Calatayud, Ms. Eimear Cowhey, Mr. Feargal Dempsey and Mr. Vikramaaditya.

Management Company

The Directors have appointed HSBC Investment Funds (Luxembourg) S.A. as the management company and global distributor under the Management Agreement to be responsible on a day-to-day basis, and subject to the supervision of the Directors, for providing administration, marketing, global distribution and investment management services in respect of the Funds.

Investment Manager

The Management Company has appointed HSBC Global Asset Management (UK) Limited as the Investment Manager, with responsibility for all of the investment decisions relating to the Company's investment portfolio.

Registrar, Transfer Agent and Administrator

The Management Company has appointed HSBC Securities Services (Ireland) DAC to act as registrar and transfer agent in respect of the Authorised Participants and administrator of the Company responsible for performing the day to day administration of the Company; for providing fund accounting for the Company, including the calculation of the Net Asset Value of the Company and the Shares.

Depositary

The Company has appointed HSBC France, Dublin Branch as Depositary of its assets.

Summary of Risk Factors

Risk Factors Relating to the Company and the Shares

- The Company or, where applicable, the Management Company (out of the assets of the relevant Funds), have agreed to indemnify the Directors, the Management Company, the Investment Manager, any Distributor, the Administrator and the Depositary as provided for in the relevant agreements.

- The Management Company will rely on the Investment Manager in implementing the investment strategies of the Company.

- There are certain investment risks which apply in relation to techniques and instruments which the Investment Manager may employ for efficient portfolio management purposes including, but not limited to, the techniques listed in this document.

- As the Company may provisionally allot Shares to proposed investors prior to receipt of the requisite subscription monies for those Shares the Company may suffer losses as a result of the non-payment of such subscription monies.

- There can be no certainty that there will be liquidity in the Shares on any stock exchange or that the market price at which the Shares may be traded on a stock exchange will be the same as or approximately equal to the Net Asset Value per Share.

- The Net Asset Value per Share will fluctuate in accordance with changes in the market value of the investments held by the relevant Fund, and with changes in the exchange rate between the currency(ies) in which the investments held are denominated and the Base Currency(ies).

- The Secondary Market price of the Shares is likely to fluctuate with changes in the Net Asset Value per Share, with changes in the exchange rate between the currency(ies) in which the investments held are denominated and the currency in which the Shares are traded and with supply and demand factors on the stock exchange on which the Shares are traded.

- The Company is structured as an umbrella fund with segregated liability between its Funds. As a matter of Irish law, the assets of one Fund will not be available to meet the liabilities of another (a provision which also applies in insolvency and is also generally binding upon creditors).

- There can be no assurance that an Index will continue to be calculated and published on the basis described in the rules or methodology published by the Index Provider or that the Index will not be amended significantly.

Risk Factors Relating to Investments

- The investments of a Fund are subject to normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation will occur.

- Equity securities represent ownership interests in a company or corporation, and include common stock, preferred stock and warrants and other rights to acquire such instruments. Investments in equity securities in general are subject to market risks that may cause their prices to fluctuate over time.

- The value of the assets of a Fund may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in applicable laws and regulations.

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

- In certain circumstances, the Company may not be able to recover some of its assets. Such circumstances may include any acts or omissions or the liquidation, bankruptcy or insolvency of the Depositary or a sub-custodian, retroactive application of legislation and fraud or improper registration of title. An insolvency of the Depositary or a sub-custodian could cause severe disruption to a Fund's investment activity. In some circumstances, this could cause the Directors to temporarily suspend the calculation of the Net Asset Value and dealings in Shares with respect to one or more Funds.

- The Base Currency value of the investments of the relevant Fund designated in another currency may rise and fall due to exchange rate fluctuations in respect of the relevant currencies. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital.

- **Sales, redemption or transaction charges may be payable in respect of a Fund and in the short-term, these charges will have the effect of reducing the value of an investment. Accordingly, an investor should view its investment in a Fund as medium- to long-term.**

- **An investment in a Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account.**

- The equity markets in different countries will have different clearance and settlement procedures and in certain markets there have been times when settlements have been unable to keep pace with the volume of transactions, thereby making it difficult to conduct such transactions.

- Whether or not a Fund is profitable, it is required to pay fees and expenses.

Particular Risks of Financial Derivative Instruments ("FDI")

- To increase access to financial markets in which direct investment is difficult, risky or expensive, the Investment Manager may make use of FDI in a Fund's investment program. Certain swaps, options and other FDI may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. The risks associated with the use of FDI are different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Generally, a derivative is a financial contract the value of which depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to equity securities, bonds, interest rates, currencies or currency exchange rates and related indices.

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

- There can be no assurance that the Company will be able to establish the necessary counterparty business relationships to permit it to effect transactions in the OTC markets. An inability to establish such relationships would limit its activities.

- Although the Investment Manager believes that taking exposure to underlying assets through the use of FDI will benefit Shareholders in certain circumstances there is a risk that the performance of the Fund will be imperfectly correlated with the performance which would be generated by investing directly in the underlying assets.

- Positions in futures contracts and other exchange-traded derivatives may be closed out only on an exchange which provides a Secondary Market for such futures or other exchange-traded derivatives. However, there can be no assurance that a liquid Secondary Market will exist for any particular futures contract or other exchange-traded derivatives at any specific time.

Particular Risks of OTC FDI

- In general, there is less government regulation and supervision of transactions in the over-the-counter markets than of transactions entered into on organised exchanges. In addition, many of the protections afforded to some participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with transactions in OTC FDI.

- There may also be a detrimental impact on a Fund in circumstances where there has been a change in the relevant taxation legislation or practice, regarding the OTC FDI in which the Fund has invested, whereby an unforeseen tax liability may have to be borne by the Fund. In some

circumstances a change in laws and regulations and in particular a change in a local tax law could trigger additional costs that may become payable by a Fund and such costs may, in effect, apply retroactively and this could subject the Fund to charges relating to investments in warrants, notes, options and other OTC FDI made several years previously.

- OTC FDI may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if OTC FDI are deemed not to be legally enforceable or are not documented correctly.

- The Investment Manager may enter into forward contracts and options thereon on behalf of a Fund which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forward contracts.

- There is often no single market value for instruments such as OTC FDI.

- There is no guarantee that the investment objective of any Fund will be achieved.

RISK FACTORS

Potential investors should consider the following risk factors before investing in the Company. Additional risk factors for a Fund (if any) will be set out in the relevant Fund Supplement.

Investment in the Shares carries certain risks, which are described below. Accordingly, prospective investors should carefully consider the specific risk factors set out below in addition to the other information contained in this Prospectus before investing in any Shares. Set out below are the risk factors which the Directors currently consider to be material for potential investors in the Company. There may be additional risks of which the Directors are not currently aware and so the risks described in this Prospectus should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund.

Risk Factors Relating to the Company and the Shares

Indemnification Obligations

The Company or, where applicable, the Management Company (out of the assets of the relevant Fund), has agreed to indemnify the Directors, the Management Company, the Investment Manager, any Distributor, the Administrator, the Depositary as provided for in the relevant agreements. Consequently the Company is exposed to the risk of unforeseen costs due to losses or damages suffered or incurred by the indemnified parties (including legal fees and expenses) in connection with the performance of their duties and/or the exercise of their powers under the relevant agreements. Further information in respect of such indemnities is set out in "**Management and Administration**".

Reliance on the Investment Manager

The Management Company will rely on the Investment Manager in implementing the investment strategies of the Company. The bankruptcy or liquidation of the Investment Manager may have an adverse impact on the Net Asset Value of the relevant Fund. Investors must rely on the judgement of the Investment Manager in making investment decisions. The Investment Manager and its principals and affiliates will however devote a substantial degree of their business time to the Company's business.

Investment Techniques

The Investment Manager may employ techniques and instruments for efficient portfolio management purposes including, but not limited to, the techniques set out in "**Portfolio Investment Techniques**". To the extent that the Investment Manager's expectations in employing such techniques and instruments are incorrect, a Fund may suffer a substantial loss having an adverse effect on the Net Asset Value of the Shares.

Provisional Allotments

As the Company may provisionally allot Shares to proposed investors prior to receipt of the requisite subscription monies for those Shares the Company may suffer losses as a result of the non-payment of such subscription monies, including, for example, the administrative costs involved in updating the records of the Company to reflect Shares allotted provisionally which are not subsequently issued. The Company will attempt to mitigate this risk by obtaining an indemnity from investors, however, there is no guarantee that the Company will be able to recover any relevant losses pursuant to such indemnity.

Secondary Market Trading Risk

It is intended that Shares will be listed and traded on one or more Listing Stock Exchanges. However, there can be no certainty that there will be liquidity in the Shares on any stock exchange or that the market price at which the Shares may be traded on a stock exchange will be the same as or approximately equal to the Net Asset Value per Share. In addition, there can be no guarantee that the Shares will continue to be listed on a Listing Stock Exchange or that the conditions of listing will not change.

Trading in Shares on a stock exchange may be suspended due to market conditions or otherwise in accordance with the rules of the relevant Listing Stock Exchange. If trading on a stock exchange is suspended, investors in Shares may not be able to sell their Shares until trading resumes.

Shares purchased on the Secondary Market cannot usually be sold directly back to the Company. Investors must buy and sell Shares on the Secondary Market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value per Share when buying Shares and may receive less than the current Net Asset Value per Share when selling them.

Risk of Fluctuation of Net Asset Value and Trading Prices on the Secondary Market

The Net Asset Value per Share will fluctuate in accordance with changes in the market value of the investments held by the relevant Fund, and with changes in the exchange rate between the currency(ies) in which the investments which the relevant Fund holds are denominated and the Base Currency(ies). Investors are reminded that, even though the Net Asset Value per Share may be converted and reported in a currency denomination other than the Base Currency, there is no assurance that such converted amount can actually be achieved. Depending on an investor's currency of reference, currency fluctuations may adversely affect the value of an investment in one or more of the Funds. The publication of the Net Asset Value per Share for each Fund is for information purposes only, and is not an invitation to subscribe, redeem or convert Shares at the published Net Asset Value per Share.

The Secondary Market price of the Shares is likely to fluctuate with changes in the Net Asset Value per Share, with changes in the exchange rate between the currency(ies) in which the investments held by the relevant Fund are denominated and the currency in which the Shares are traded and with supply and demand factors on the stock exchange on which the Shares are traded. The Company cannot predict the price at which the Shares will trade and this may differ from the Net Asset Value per Share (when converted to the currency in which the Shares are traded). Price differences may be due, in large part, to the fact that supply and demand forces in the Secondary Market for the Shares of any Fund will be closely related, but not identical, to the same forces influencing the prices of the relevant Index Securities.

The Net Asset Value per Share and the Secondary Market price of Shares are expected to track each other through arbitrage. An Authorised Participant or other professional investor in calculating the price at which it would be willing on the Secondary Market to sell the Shares of a Fund (known as the offer price), or to buy such Shares (known as the bid price), will take account of the notional price at which it could purchase (when selling Shares), or sell (when buying Shares), the requisite amounts of the relevant Index Securities in respect of one or more Creation and Redemption Unit(s) including associated transaction costs and taxes (if applicable). Where the notional price of purchasing the Index Securities corresponding to a subscription for a Creation and Redemption Unit is less, or the notional price of selling Index Securities corresponding to a redemption of a Creation and Redemption Unit is more, than the Secondary Market price of Shares in a Creation and Redemption Unit, as the case may

be, then an Authorised Participant may choose to arbitrage the Fund by subscribing for or redeeming Creation and Redemption Units. The Directors believe such arbitrage will help to ensure that the deviation of the trading bid and offer price per Share from the Net Asset Value per Share (after currency conversion) is generally minimised. However, if the calculation of the Net Asset Value of a Fund is suspended, the right to redeem Shares in that Fund would ordinarily also be suspended. In the event that the Company has to suspend the subscription and/or redemption of Shares of a Fund, or if the Fund cannot trade its underlying investments, it is expected that larger discounts or premiums could arise.

Directed Trading Risk

Investors transacting on the primary market only may request the execution of a transaction, including, without limitation, the sale or purchase of securities on their behalf, in accordance with specific terms, which may include, without limitation, the use of a particular broker, counterparty or market or in any way other than in accordance with the standard terms on which the Investment Manager executes transactions for the Company generally, having regard to its obligation to provide best execution to the Company. Where such a request is agreed to, neither the Company, the Management Company nor their agents, including, for the avoidance of doubt, the Investment Manager, shall be liable for any loss, damage or delay, including any delay in effecting or failure to effect a subscription or redemption, caused by any omission, error, failed or delayed trade or settlement on the part of the investor or the designated broker or other counterparty. Should the investor or the designated broker or other counterparty default on, or otherwise fail to complete, any part of the relevant transaction, the investor shall bear all associated risks and costs and the Company shall have the right to amend the terms of the transaction (including the choice of broker) and the investor's subscription or redemption, to take into account such default and/or failure and in order to complete the transaction.

Segregated liability

The Company is structured as an umbrella fund with segregated liability between its Funds. As a matter of Irish law, the assets of one Fund will not be available to meet the liabilities of another (a provision which also applies in insolvency and is also generally binding upon creditors). Furthermore, and by operation of Irish law, any contract entered into by the Company in respect of a Fund (or Funds) will include an implied term to the effect that recourse by the contract counterparty may not be had to assets of Funds other than the Fund or Funds in respect of which the contract was entered into.

The Company is a single legal entity that may operate or have assets held on its behalf or be subject to claims in other jurisdictions that may not necessarily recognise such segregation and so, in the event an action to enforce a debt or liability of a Fund was brought against the Company in a jurisdiction other than Ireland, there remains a risk that a creditor may seek to seize or attach assets of one Fund in satisfaction of a debt or liability owed by another Fund in a jurisdiction which may not recognise the principle of segregated liability between Funds.

Cross-Class Liability Risk

Multiple Classes may be issued in relation to a Fund. These Classes may be denominated in various currencies introducing currency risk. Given that there is no legal segregation of liabilities between Classes, there may be a remote risk that, under certain circumstances, currency hedging transactions in relation to a currency hedged Class could result in liabilities which might affect the Net Asset Value of the other Classes of the same Fund.

Where the liabilities of a particular Class exceed the assets pertaining to that Class, creditors pertaining to one Class may have recourse to the assets attributable to other Classes. Although for the purposes of internal accounting, a separate account will be established for each Class, in the event of an insolvency or termination of a Fund (i.e., when the assets of a Fund are insufficient to meet its liabilities), all assets will be used to meet a Fund's liabilities, not just the amount standing to the credit of any individual Class. However, the assets of a Fund may not be used to satisfy the liabilities of another Fund.

Risk relating to Indices

An Index is generally constituted by an Index Provider pursuant to the Index Provider's own criteria or methodologies. Certain methodologies are designed to obtain an optimum return from an Index at a

specific point in time and this may result in a limited increase in value of the Index.

An Index Provider normally retains discretion in relation to the methodology underlying an Index and an Index may or may not take account of fees, and, accordingly, there can be no assurance that an Index will continue to be calculated and published on the basis described in the rules or methodology published by the Index Provider or that the Index will not be amended significantly.

International Central Securities Depositary

Investors that settle or clear through an International Central Securities Depositary ("**ICSD**") will not be a registered shareholders in the Company, they will hold an indirect beneficial interest in such Shares. The rights of such investors, where such person is a Participant (as defined in the section "**Subscriptions, Valuations and Redemptions – Registration and Settlement of Shares – International Central Securities Depositary**") in the ICSD, shall be governed by the terms and conditions applicable to the arrangement between such Participant and their ICSD and where the holder of the indirect beneficial interests in the Shares is not a Participant, shall be governed by their arrangement with their respective nominee, broker or Central Securities Depositary (as defined in the section "**Subscriptions, Valuations and Redemptions – Registration and Settlement of Shares – International Central Securities Depositary**"), as appropriate, which may be a Participant or have an arrangement with a Participant. The Company will issue any notices and associated documentation to the global paying agent (the "**Global Paying Agent**") for onward transmission to the ICSD, with such notice as is given by the Company in the ordinary course when convening general meetings. The Global Paying Agent has a contractual obligation to relay any such notices received by it to the applicable ICSD, pursuant to the terms of its appointment by the Management Company. The applicable ICSD will in turn relay notices received from the Global Paying Agent to its Participants in accordance with its rules and procedures. The Common Depositary is contractually bound to collate all votes received from the applicable ICSDs (which reflects votes received by the applicable ICSD from Participants) and the Common Depositary's Nominee is obligated to vote in accordance with such instructions. The Company has no power to ensure the applicable ICSD or the Common Depositary relays notices of votes in accordance with their instructions. The Company cannot accept voting instructions from any persons other than the Common Depositary's Nominee.

Any dividends declared and any liquidation and mandatory redemption proceeds are paid by the Company to the Global Paying Agent for onward transmission to the applicable ICSD. Investors, where they are Participants, must look solely to the applicable ICSD for their share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the Company or, where they are not Participants, they must look to their respective nominee, broker or Central Securities Depositary (as appropriate, which may be a Participant or have an arrangement with a Participant of the applicable ICSD) for any portion of each dividend payment or any liquidation or mandatory redemption proceeds paid by the Company that relates to their investment. Investors shall have no claim directly against the Company in respect of dividend payments and any liquidation and mandatory redemption proceeds due on Shares represented by the global share certificate (i.e. the certificate issued in the name of the Company or relevant clearing agent as appropriate, the "**Global Share Certificate**"), and the obligations of the Company will be discharged by payment to the applicable ICSD.

Cyber Security Risk

Security breaches of computer systems used by the Company and its service providers (such as the Management Company, Investment Manager, Administrator, Depository, sub-custodians or Authorised Participants) have the potential to cause financial losses and costs for the Company, for example disrupting or preventing trading or interfering with the administration systems used by the Company. While the Company and its service providers have established business continuity plans and other systems and procedures to minimize the impact of attempted security breaches, investors must be aware that the risk of losses to the Company or the Funds cannot be eliminated.

Risk Factors Relating to Investments

Market Risk

The investments of a Fund are subject to normal market fluctuations and the risks inherent in investment

in international securities markets such as political and economic risk. There can be no assurances that appreciation in value of investments in a Fund will occur or that the objectives of any Fund will actually be achieved. Stock markets can be volatile and stock prices can change substantially. Debt securities are interest rate sensitive and may be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. The magnitude of these price fluctuations will be greater when the maturity of the outstanding securities is longer. Since investment in securities may involve currencies other than the Base Currency, the value of a Fund's assets may also be affected by changes in currency rates and exchange control regulations, including currency blockage. The performance of a Fund will therefore depend in part on the ability of the Investment Manager to anticipate and respond to such fluctuations in stock prices, market interest rates and currency rates and to utilise appropriate strategies to maximise returns, while attempting to reduce the associated risks to investment capital.

Equity Securities

Equity securities represent ownership interests in a company or corporation, and include common stock, preferred stock and warrants and other rights to acquire such instruments. Investments in equity securities in general are subject to a number of factors which may include political, geographic or economic events that may cause their prices to fluctuate over time. The value of convertible equity securities is also affected by prevailing interest rates, the credit quality of the issuer and any call provisions. Fluctuations in the value of equity securities comprised in any Index, the performance of which is replicated by a Fund, would cause the Net Asset Value of the relevant Fund to fluctuate.

Political and/or Regulatory Risks

The value of the assets of a Fund may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in applicable laws and regulations.

Custodial Risk

As a Fund may invest in markets where custodial and/or settlement systems are not fully developed, including in emerging markets, the assets of a Fund which are traded in such markets which have been entrusted to sub-custodians in circumstances where the use of such sub-custodian is necessary, may be exposed to risk in circumstances where the Depositary may have no liability. Such risks include (but are not limited to): a non-true delivery versus payment settlement, poor information in relation to corporate actions, poor registration procedures that impact upon the availability of securities, lack of appropriate legal/fiscal regulation, lack of safeguards in respect of central depositories, a physical market and the circulation of poor securities. In certain circumstances, the Company may not be able to recover some of its assets. Such circumstances may include any acts or omissions or the liquidation, bankruptcy or insolvency of a sub-custodian, retroactive application of legislation and fraud or improper registration of title.

In order to provide custody and settlement facilities in all jurisdictions in which the Company may invest from time to time, the Depositary or its appointed global sub-custodian may delegate custodial functions to third parties located in jurisdictions where custodial or settlement systems do not offer the standards of protection which would normally be required by a reasonably prudent Depositary and in particular where standards and procedures prevailing among provider of postal, telecommunications, legal, custody or banking services are not in accordance with those generally accepted internationally.

The Company is subject to a number of risks relating to the insolvency, administration, liquidation or other formal protection from creditors ("Insolvency") of its depositary and sub-custodians. These risks include without limitation: the loss of all cash held which is not recorded as belonging to the Funds; the loss of some or all of any securities held on trust which have not been properly segregated and so identified at the level of a depositary and sub-custodians ("trust assets") or cash held by or with a depositary and sub-custodians in connection with a reduction to pay for administrative costs of an Insolvency and/or the process of identifying and transferring the relevant trust assets and/or cash for other reasons according to the particular circumstances of the Insolvency; losses of some or all assets due to the incorrect operation of the accounts by a depositary and sub-custodians; and losses caused by prolonged delays in receiving transfers of balances and regaining control over the relevant assets.

An insolvency could cause severe disruption to a Fund's investment activity. In some circumstances, this could cause the Directors to temporarily suspend the calculation of the Net Asset Value and dealings in Shares with respect to one or more Funds.

Currency Risk

The Net Asset Value per Share of a Fund will be computed in the Base Currency, whereas the investments held for the account of such Fund may be acquired in other currencies. The Base Currency value of the investments of the relevant Fund designated in another currency may rise and fall due to exchange rate fluctuations in respect of the relevant currencies. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital. The investments of each Fund may be fully hedged into its Base Currency or in the case of a Class hedged to the Class currency. Currency hedging transactions, while potentially reducing the currency risks to which a Fund or Class would otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty.

Where a Fund engages in foreign exchange transactions which alter the currency exposure characteristics of its investments the performance of a Fund may be strongly influenced by movements in exchange rates as currency positions held by that Fund may not correspond with the securities positions held.

Where a Fund enters into "**cross hedging**" transactions (e.g., utilising currency different than the currency in which the security being hedged is denominated), such Fund will be exposed to the risk that changes in the value of the currency used to hedge may not correlate with changes in the value of the currency in which the securities are denominated, which could result in loss on both the hedging transaction and the securities.

In respect of unhedged Classes of Shares, the value of a Share expressed in a class currency will be subject to exchange rate risk in relation to the underlying portfolio currencies. The hedging strategy applied to hedged Classes of Shares may vary from one Fund to another. Each Fund with currency hedged Classes of Shares will apply a hedging strategy which aims to reduce currency risk but may not totally eliminate currency exposure. Countries' currency rates may fluctuate significantly for a number of reasons, including the forces of supply and demand in the foreign exchange markets, actual or perceived changes in interest rates, and intervention (or the failure to intervene) by governments or central banks, or by currency controls or political developments in such countries.

Shareholders should also note that in respect of unhedged Classes of Shares a currency conversion will take place on subscriptions, redemptions, conversions and distributions at prevailing exchange rates.

Euro Currency Risk

Member States and European businesses and financial institutions and counterparties are currently being affected, some adversely, by severe political and economic difficulties and concerns, including in relation to sovereign and non-sovereign funding and debt. European, the International Monetary Fund and bilateral emergency funding arrangements have already been extended and/or are contemplated in respect of certain Member States and European based financial institutions.

These developments have had a negative effect in political terms and also in economic terms. Financial markets, investor sentiment and credit ratings of institutions and Member States have already been adversely affected and may continue to be so. In addition, investment activity has been affected, as has the willingness of financial institutions to extend credit.

Member States within the Euro area, and certain other Member States, are in ongoing discussions with a view to agreeing stricter financial disciplines. However, it remains unclear whether agreement on these matters will be reached, and even if reached, whether adequate measures will be adopted.

There are increasing concerns that one or more Member States within the Euro area may not be able to meet their debt obligations or funding requirements. The depressed economic environment and cost of funding may cause short and medium term budget deficits to expand in these economies, further increasing the risk of default. A sovereign default is likely to have adverse consequences for the

economy of the relevant Member State and that of Europe and the wider world economy. The effect on creditors of a sovereign default is likely to be adverse.

The possibility of Member States that have adopted the Euro abandoning or being forced to withdraw from the Euro remains. It is not possible to predict accurately the precise nature of the consequences of a Member State leaving the Euro as there has been no legal framework put in place in preparation for such an event. However, it is likely that any Euro-denominated assets or obligations that the Company acquired that are converted into a new national currency would suffer a significant reduction in value if the new national currency falls in value against the Euro or other currencies. In the event of the collapse of the Euro as a currency, any Fund whose Base Currency is Euro and any Class designated in Euro would need to be re-designated into an alternative currency, as determined by the Directors, which could result in significant losses to Shareholders in the relevant Fund and/or Class.

These economic developments and their consequences both in Europe and the wider world economy, have significantly increased the risk of market disruption and governmental intervention in markets. Such disruption and intervention may result in unfavourable currency exchange rate fluctuations, restrictions on foreign investment, imposition of exchange control regulation by governments, trade balances and imbalances and social, economic or political instability.

Predicting accurately the consequences of developments of this kind is difficult. Events affecting the Euro could result in either separate new national currencies, or a new single European currency, and consequently the redenomination of assets and liabilities currently denominated in Euro. In such circumstances, there would be a definite risk of the Company's Euro-denominated investments becoming difficult to value. This could result in negative consequences for the Company including suspension of Net Asset Value valuations and, consequently, redemptions. If the redenomination of accounts, contracts and obligations becomes litigious, difficult conflict of laws questions are likely to arise.

Adverse developments of this nature may significantly affect the value of the Company's investments. They may also affect the ability of the Company to transact business including with financial counterparties, to manage investment risk and to hedge currency and other risks affecting the portfolio and individual Classes of any Fund. Fluctuations in the exchange rate between the Euro and the US Dollar or other currencies could have a negative effect upon the performance of investments.

Investments in Other Eligible Collective Investment Schemes Risk

Where a Fund invests in one or more Eligible Collective Investment Schemes (including other Funds or schemes managed by the Investment Manager or its affiliates), it will be subject to the risks associated with the underlying collective investment schemes. The relevant Fund will not have control of the underlying investments of the collective investment schemes and there is no assurance that the investment objective and strategy of the underlying collective investment schemes will be successfully achieved which may have a negative impact on the Net Asset Value of the Fund.

As a shareholder of a collective investment scheme, a Fund would bear, along with other shareholders, its pro rata portion of the expenses of the other collective investment scheme, including management and/or other fees. These fees would be in addition to the management fees and other expenses which a Fund bears directly in connection with its own operations. The relevant Fund will be responsible for paying its fees and expenses regardless of the level of its profitability.

There is also no guarantee that underlying collective investment schemes will have sufficient liquidity to meet a Fund's redemption requests as and when made.

Transaction Charges

Sales, redemption or transaction charges may be payable in respect of a Fund if specified in the section entitled "**Fees and Expenses**". In the short-term, these charges will have the effect of reducing the value of an investment. Accordingly, an investor should view its investment in a Fund as medium- to long-term.

No Investment Guarantee equivalent to Deposit Protection

An investment in a Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account.

Settlement Risk of Assets Within a Fund

The equity markets in different countries will have different clearance and settlement procedures and in certain markets there have been times when settlements have been unable to keep pace with the volume of transactions, thereby making it difficult to conduct such transactions. Delays in settlement could result in temporary periods when assets of a Fund are uninvested and no return is earned thereon. The inability of a Fund to make intended purchases due to settlement problems could cause it to miss attractive investment opportunities. Inability to dispose of portfolio securities due to settlement problems could result either in losses to a Fund due to subsequent declines in value of the portfolio security or, if it has entered into a contract to sell the security it could result in a possible liability of it to the purchaser.

Where cleared funds are not received in a timely fashion in respect of a subscription, overdraft interest may be incurred. Losses could be incurred where the Investment Manager has entered into a contract to purchase securities in anticipation of subscription monies which subsequently do not settle, due to subsequent declines in the value of the portfolio security upon disposal.

Fees and Expenses

Whether or not a Fund is profitable, it is required to pay fees and expenses including organisation and offering expenses, brokerage commissions, management, administrative and operating expenses and depositary fees. A portion of these expenses may be offset by interest income.

Debt Securities Risk

Debt securities and other income-producing securities are obligations of their issuers to make payments of principal and/or interest on future dates. As interest rates rise, the values of debt securities or other income-producing investments are likely to fall. This risk is generally greater for obligations with longer maturities. Debt securities and other income-producing securities also carry the risk that the issuer or the guarantor of a security will be unable or unwilling to make timely principal and/or interest payments or otherwise to honour its obligations. This risk is particularly pronounced for lower-quality, high-yielding debt securities.

Additional general risks that may be part of debt securities include the following:

Credit Risk

The ability, or perceived ability, of the issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of an issuer to meet its obligations will decline substantially during the period when a Fund owns securities of that issuer or that the issuer will default on its obligations. An actual or perceived deterioration of the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities. With certain exceptions, credit risk is generally greater for investments issued at less than their face values and that require the payment of interest only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition and does not reflect an assessment of an investment's volatility or liquidity. Although investment-grade securities generally have lower credit risk than securities rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default. Consequently, there can be no assurance that investment grade securities will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities.

Extension Risk

During periods of rising interest rates, the average life of certain types of securities may be extended because of slower-than-expected principal payments. This may lock in a below-market interest rate, increase the security's duration, and reduce the value of the security. Extension risk may be heightened

during periods of adverse economic conditions generally, as payment rates decline due to higher unemployment levels and other factors.

Income Risk

To the extent a Fund's income is based on short-term interest rates, which may fluctuate over short periods of time, income received by the Fund may decrease as a result of a decline in interest rates.

Interest Rate Risk

The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the values of existing debt instruments. Interest rate risk is generally greater for investments with longer durations or maturities and may also be greater for certain types of debt securities such as zero coupon and deferred interest bonds. Interest rate risk also is relevant in situations where an issuer calls or redeems an investment before its maturity date. See also "**Prepayment Risk**" below. Adjustable rate instruments also generally react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors).

Lower-Rated Securities Risk

Securities rated below investment grade (i.e., high-yield bonds or junk bonds) typically lack outstanding investment characteristics and have speculative characteristics and are subject to greater credit and market risks than higher-rated securities. The lower ratings of junk bonds reflect a greater possibility that adverse changes in the financial condition of the issuer or in general economic conditions, or an unanticipated rise in interest rates, may impair the ability of the issuer to make payments of interest and principal. If this were to occur, the values of such securities held by a Fund may become more volatile and the Fund could lose some or all of its investment.

Prepayment Risk

A debt security held by a Fund could be repaid or "called" before the money is due, and the Fund may be required to reinvest the proceeds of the prepayment at lower interest rates and therefore might not benefit from any increase in value as a result of declining interest rates. Intermediate-term and long-term bonds commonly provide protection against this possibility, but mortgage-backed securities do not. Mortgage-backed securities are more sensitive to the risks of prepayment because they can be prepaid whenever their underlying collateral is prepaid.

Variable and Floating Rate Securities

In addition to traditional fixed-rate securities, a Fund may invest in debt securities with variable or floating interest rates or dividend payments. Variable or floating rate securities bear rates of interest that are adjusted periodically according to formulae intended to reflect market rates of interest. These securities allow the Fund to participate in increases in interest rates through upward adjustments of the coupon rates on such securities. However, during periods of increasing interest rates, changes in the coupon rates may lag the change in market rates or may have limits on the maximum increase in coupon rates. Alternatively, during periods of declining interest rates, the coupon rates on such securities readjust downward and this may result in a lower yield.

Taxation

The taxation risks associated with investment in the Shares of the Company are described in the section headed "**Taxation**" of this Prospectus.
Changes in taxation legislation

The tax information provided in the "**Taxation**" section is based, to the best knowledge of the Company, upon tax law and practice as at the date of this Prospectus and is subject to change from time to time. Any change in the taxation legislation in Ireland or in any jurisdiction where a Fund is registered, cross-listed, marketed or invested could affect the tax status of the Company and the relevant Fund, affect the value of the relevant Fund's investments in the affected jurisdiction, affect the relevant Fund's ability to achieve its investment objective, and/or alter the post tax returns to Shareholders. Where a Fund invests in FDIs the preceding sentence may also extend to the jurisdiction of the governing law of the FDI

contract and/or the FDI counterparty and/or to the market(s) comprising the underlying exposure(s) of the FDI.

The availability and value of any tax reliefs available to Shareholders depend on the individual circumstances of each Shareholder. The information in the "**Taxation**" section is not exhaustive and does not constitute legal or tax advice. Prospective Shareholders are urged to consult their tax advisors with respect to their particular tax situations and the tax effects of an investment in the Funds.

Foreign Taxes

The Company may be liable to taxes (including withholding taxes) in countries other than Ireland on income earned and capital gains arising on its investments. The Company may not be able to benefit from a reduction in the rate of such foreign tax by virtue of the double taxation treaties between Ireland and other countries. The Company may not, therefore, be able to reclaim any foreign withholding tax suffered by it in particular countries. If this position changes and the Company obtains a repayment of foreign tax, the Net Asset Value of a Fund will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment.

Tax liability in new jurisdictions

Where a Fund invests in a jurisdiction where the tax regime is not fully developed or is not sufficiently certain, for example the Middle East, the Company, the relevant Fund, the Investment Manager, the Depositary and the Administrator shall not be liable to account to any Shareholder for any payment made or suffered by the Company or the relevant Fund in good faith to a fiscal authority for taxes or other charges of the Company or the relevant Fund notwithstanding that it is later found that such payments need not or ought not have been made or suffered.

Treatment of tax by index providers

Shareholders should be aware that the performance of Funds, as compared to an Index, may be adversely affected in circumstances where the assumptions about tax made by the relevant index provider in their index calculation methodology, differ to the actual tax treatment of the underlying securities in the Index held within Funds.

European Benchmarks Regulation

The Benchmarks Regulation ('BMR') was published in the Official Journal of the EU on 29 June 2016 and entered into force on 30 June 2016. It is directly applicable law across the EU. The majority of its provisions applied from 1 January 2018.

The BMR applies principally to benchmark administrators and also, in some respects, to contributors and certain users of benchmarks which in certain circumstances can include investment funds such as the Funds.

A benchmark will be in scope of the BMR if it is used by the Funds for tracking the return of the benchmark, or defining the asset allocation of the Fund or for computing performance fees. Any other mention of a benchmark in the Prospectus, KIID and any other fund documentation, for the sole purpose of comparing past performances does not fall within the remit of the BMR.

For a benchmark to be used by an EU/EEA supervised entity including the Funds, the BMR will among other things:

(i) require benchmark administrators domiciled in a Member State to be authorised or registered by the Member State's relevant competent authority. Benchmark administrators must submit their application by 31 December 2019; and

(ii) require benchmark administrators not located in a Member State, to be approved via recognition or endorsement by a Member State competent authority, unless an equivalence decision has been made by the European Commission on the jurisdictions where the benchmark administrators are located. Indeed, the European Commission can declare the regulatory and supervisory frameworks

in certain jurisdictions equivalent under Article 30 of the BMR. Third country benchmark administrators and benchmarks falling in scope of those equivalence decisions are not required to seek further approval to a Member State competent authority. Benchmark administrators must submit their application by 31 December 2021.

(iii) require benchmark administrators domiciled in a Member State and administrating "critical benchmarks" to be authorised or registered by the Member State's relevant competent authority. Benchmark administrators must submit their application by 31 December 2021.

The BMR makes significant changes to the way in which benchmarks falling within its scope are governed (including reforms of governance and control arrangements, obligations in relation to input data, certain transparency and record-keeping requirements and detailed codes of conduct for contributors); and (ii) prevent certain uses of benchmarks provided by unauthorised benchmark administrators by supervised entities in the EU/EEA.

Potential effects of BMR include (among other things): an index which is a benchmark could not be used by a Fund in certain ways if such index's administrator does not obtain relevant authorisation or, the administrator is not otherwise recognised as equivalent; and the methodology or other terms of the benchmark could be changed in order to comply with the terms of the BMR, and such changes could (among other things) have the effect of reducing or increasing the rate or level, or affecting the volatility, of the published rate or level of the benchmark.

If any proposed changes change the way in which the benchmarks are calculated or a benchmark is discontinued or is not otherwise permitted to be used by the Funds, this could adversely affect a Fund and its Net Asset Value.

The European Securities and Markets Authority (ESMA) maintains two official registers of approved benchmark administrators and approved third country benchmarks under BMR, however benchmark administrators may be taking advantage of transitional arrangements.

Status of the Benchmarks used by the Funds

At the date of this Prospectus no third country benchmark administrators or benchmarks used by the Funds can benefit from an equivalence decision made by the European Commission.

In addition:

(i) The following benchmark administrators are located in a Member State, are authorised or registered by their home state competent authority and appear on the ESMA register: *FTSE International Limited, MSCI Limited, STOXX Ltd.*

(ii) The following benchmark administrators are not domiciled in a Member State, have been approved by endorsement or recognition by a Member State competent authority, are on the ESMA register of approved benchmark administrators, and the benchmarks they administrate also appear on the ESMA register of approved third country benchmarks*: S&P Dow Jones Indices LLC.*

A robust written plan has been adopted by the Company to address the contingency of a benchmark changing materially or ceasing to be provided in accordance with the BMR.

Withdrawal of the UK from the EU

Following the UK Government's notification to the EU of its intention to leave the Union (i.e. "Brexit"), on 23 January 2020, the UK Government enacted the European Union (Withdrawal Agreement) Act 2020 (WAA). The WAA implemented the withdrawal agreement into UK law. The EU also ratified the withdrawal agreement in accordance with its procedures, with the European Parliament consenting to the Withdrawal Agreement on 29 January 2020.

As part of the Withdrawal Agreement, the UK and the EU agreed a Transition Period (referred to in the UK as an 'Implementation Period') in order to provide continuity and certainty. During this time, the UK will generally continue to apply EU law as it does now. UK domiciled UCITS will continue to be referred

to as UCITS and enjoy the rights conferred by the UCITS Directive during the Transition Period. EU UCITS will continue to use their cross-border passporting rights to passport into the UK.

Currently, the Transition Period will run from 12:00 midnight CET on 31 January 2020 until 12:00 midnight CET on 31 December 2020. Under the Withdrawal Agreement, before 1 July 2020, the UK Government and the EU are able to agree to extend the Transition Period for up to one or two years. However, the UK Government's stated policy is that it will not seek an extension and so it is highly likely that the Transition Period will end on 31 December 2020.

Investors should note that during the Transition Period reference to the EU in this Prospectus shall be taken to include the UK.

Once the Transition period expires, all cross-border passporting rights to the UK for EU UCITS funds will cease; however, the UK's commitment to a Temporary Permission Regime will mitigate the cliff-edge risks associated with a no-deal end of the Transition Period. The UK Government has also committed to bringing forward domestic legislation to streamline the process to allow overseas (including EU) investment funds to be sold in the UK post-Brexit.

Notwithstanding the above, the UK's future economic and political relationship with the EU (and with other non-EU countries by agreement) continues to remain uncertain. This uncertainty is likely to generate further global currency and asset price volatility. This may negatively impact the returns of a Fund and its investments resulting in greater costs if a Fund decides to employ currency hedging policies. Ongoing uncertainty could adversely impact the general economic outlook and as such, this may impact negatively on the ability of a Fund and its investments to execute their strategies effectively, and may also result in increased costs to the Company.

It is possible that there will be more divergence between UK and EU regulations post-Brexit, limiting what cross-border activities can take place. However it is unlikely to affect a Fund's ability to receive portfolio management services. At the date of this Prospectus, the Funds continue to be recognised by the FCA and can be marketed to UK investors. The nature and extent of the impact of any Brexit related changes are uncertain, but may be significant.

The information provided in this section is correct as at the date of this Prospectus.

Particular Risks of Financial Derivative Instruments ("FDI")

(a) General

To increase access to financial markets in which direct investment is difficult, risky or expensive, the Investment Manager may make use of FDI in a Fund's investment program. Certain swaps, options and other FDI may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, swaps and other derivatives can involve significant economic leverage (although the global exposure of a Fund through the use of FDI will not exceed the Fund's Net Asset Value at any time) and may, in some cases, involve significant risks of loss.

The risks associated with the use of FDI are different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Generally, a derivative is a financial contract the value of which depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to equity securities, bonds, interest rates, currencies or currency exchange rates, commodities, and related indices. There is no assurance that any derivative strategy used by a Fund will succeed.

(b) Liquidity; Requirement to Perform

From time to time, the counterparties with which a Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, a Fund might be unable to enter into a desired transaction or to enter into any offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments, forward foreign exchange contracts do not provide a trader with the right to offset its obligations through an equal and opposite transaction. For this reason, entering into forward foreign exchange contracts,

the Company may be required to and must be able to, perform its obligations under the contract.

(c) Necessity for Counterparty Trading Relationships

Participants in the over-the-counter ("**OTC**") markets typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While the Investment Manager believes that the Company will be able to establish the necessary counterparty business relationships to permit it to effect transactions in the OTC markets, including the swaps markets, there can be no assurance that it will be able to do so. An inability to establish such relationships would limit its activities and could require it to conduct a more substantial portion of such activities in the futures markets. Moreover, the counterparties with which it expects to establish such relationships will not be obligated to maintain the credit lines extended to it, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

(d) Correlation Risk

Although the Investment Manager believes that taking exposure to underlying assets through the use of FDI will benefit Shareholders in certain circumstances, due to reduced operational costs and other efficiencies which investment through FDI can bring, there is a risk that the performance of the Fund will be imperfectly correlated with the performance which would be generated by investing directly in the underlying assets.

(e) Futures and Other Exchange Traded Derivatives Risks

Positions in futures contracts and other exchange-traded derivatives may be closed out only on an exchange which provides a Secondary Market for such futures and other exchange-traded derivatives. However, there can be no assurance that a liquid Secondary Market will exist for any particular futures contract or other exchange-traded derivatives at any specific time. Thus, it may not be possible to close a futures position or other exchange-traded derivatives. In the event of adverse price movements, a Fund would continue to be required to make daily cash payments to maintain its required margin. In such situations, if a Fund has insufficient cash, it may have to sell portfolio securities short to meet daily margin requirements at a time when it may be disadvantageous to do so. In addition, a Fund may be required to make delivery of the instruments underlying futures contracts or other exchange-traded derivatives it holds.

The inability to close options and futures positions also could have an adverse impact on the ability to effectively hedge a Fund.

The risk of loss in trading futures contracts in some strategies can be substantial, due both to the low margin deposits required, and the extremely high degree of leverage involved in futures pricing. As a result, a relatively small price movement in a futures contract may result in immediate and substantial loss (as well as gain) to the investor. For example, if at the time of purchase, 10% of the value of the futures contract is deposited as margin, a subsequent 10% decrease in the value of the futures contract would result in a total loss of the margin deposit, before any deduction for the transaction costs, if the account were then closed out. A 15% decrease would result in a loss equal to 150% of the original margin deposit if the contract were closed out. Thus, a purchase or sale of a futures contract may result in losses in excess of the amount of investment in the contract. The relevant Fund also assumes the risk that the Investment Manager will incorrectly predict future stock market trends.

It is also possible that a Fund could both lose money on futures contracts and also experience a decline in value of its portfolio securities. There is also a risk of loss by a Fund of margin deposits in the event of bankruptcy of a broker with whom a Fund has an open position in a futures contract or related option.

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

market may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. This constraint could prevent the Investment Manager from promptly liquidating unfavourable positions and subject a Fund to substantial losses. This could also impair a Fund's ability to withdraw its investments in order to make distributions to a redeeming Shareholder in a timely manner. Therefore, although the Company is open to all classes of investors and while it is anticipated that these investments made by the Company on behalf of a Fund will enable it to satisfy redemption requests for that Fund, such Fund may be more suitable for sophisticated investors that will not be materially impacted by postponements of a Fund's normal redemption dates.

Particular Risks of OTC FDI

(a) Absence of Regulation; Counterparty Default

In general, there is less government regulation and supervision of transactions in the over-the-counter markets than of transactions entered into on organised exchanges. In addition, many of the protections afforded to some participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with transactions in OTC FDI. Therefore, although any counterparty with whom a Fund enters into an OTC FDI transaction will be rated at or in excess of the requirements of the Central Bank by a Recognised Rating Agency and the Fund may further reduce its exposure to the counterparty through the use of collateral, the Fund will be subject to the risk that the counterparty will not perform its obligations under the transactions. In the event that the counterparty is unable or unwilling to meet its contractual liabilities, there may be a limited but detrimental impact on the Fund.

(b) Tax

There may also be a detrimental impact on a Fund in circumstances where there has been a change in the relevant taxation legislation or practice, regarding the OTC FDI in which the Fund has invested, whereby an unforeseen tax liability may have to be borne by the Fund. There is also a risk of loss due to the unexpected application of a law or regulation, and in particular a change in a local tax law that triggers additional costs that may become payable by the Fund and such costs may, in effect, apply retroactively and this could subject the Fund to charges relating to investments in warrants, notes, options and other OTC FDI made several years previously.

(c) Legal

Unlike exchange-traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC FDI, are generally established through negotiation with the other party to the instrument. While this type of arrangement allows a Fund greater flexibility to tailor the instrument to its needs, OTC FDI may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if OTC FDI are deemed not to be legally enforceable or are not documented correctly.

There also may be a legal or documentation risk that the parties to the OTC FDI may disagree as to the proper interpretation of its terms. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for a Fund to enforce its contractual rights may lead the Fund to decide not to pursue its claims under the OTC FDI. The Fund thus assumes the risk that it may be unable to obtain payments owed to it under OTC arrangements, that those payments may be delayed or made only after the Fund has incurred the costs of litigation.

(d) Forward Contracts

The Investment Manager may enter into forward contracts and options thereon on behalf of a Fund which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forward contracts. Banks and other dealers with whom a Fund may maintain accounts may require the relevant Fund to deposit margin with respect to such trading, although margin requirements are often minimal or non-existent. The Funds' counterparties are not required to continue to make markets in such contracts and these contracts can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain counterparties have refused to

continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of a Fund. Market illiquidity or disruption could result in major losses to a Fund. In addition, a Fund may be exposed to credit risks with regard to counterparties with whom they trade as well as risks relating to settlement default. Such risks could result in substantial losses to a Fund.

(e) Valuation Risk

Derivative instruments and forward exchange contracts which are not dealt on a Recognised Market shall be valued by the counterparty at least daily, provided that the valuation is verified at least weekly either by the Investment Manager or other independent party such person to be independent of the counterparty and approved for that purpose by the Depositary.

Investors should note that there is often no single market value for instruments such as OTC FDI. The discrepancies between bid offer spread on OTC FDI may be partly explained by various estimates on their pricing parameters. The Company has put procedures in place to reconcile any differences in valuation between the counterparties as well as pricing anomalies.

Tracking Error

The tracking error is the annualised standard deviation of the difference between the returns of a Fund and its Index.

A series of factors may give rise to a tracking error:

- Transaction costs, operating expenses, custody costs, taxes, as a result of changes in the investments of a Fund and re-weightings of the relevant Index, corporate actions, cash flows into and out of a Fund from dividend/reinvestments and any costs and expenses which are not taken into account in the calculation of the Index.

- Internal restrictions, which may result in screening for any company involved in cluster munitions, anti-personnel land-mines, depleted uranium shieldings and ammunition (as detailed in the section: INVESTMENT RESTRICTIONS - Other Restrictions) or other market or regulatory driven trading restrictions that apply to a Fund but not the relevant Index.

Moreover, in the event of the temporary suspension or interruption of trading in the investments comprising an Index, or of market disruptions, rebalancing a Fund's investment portfolio may not be possible and may result in deviations from the returns of the relevant Index.

There is no guarantee that the investment objective of a Fund will be achieved. In particular, no financial instrument enables the returns of the relevant Index to be reproduced exactly.

Particular Risks of Investment in Chinese Securities

Certain Funds may invest in securities or instruments which have exposure to the Chinese market. A Fund may have direct access to certain eligible China A Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (the ''Stock Connects''). A Fund may have exposure to China A Shares indirectly via investments in other collective investment schemes that invest primarily in China A Shares and other financial instruments, such as structured notes, participation notes, equity-linked notes, and derivative instruments, where the underlying assets consist of securities issued by companies quoted on regulated markets in China, and/or the performance of which is linked to the performance of securities issued by companies quoted on regulated markets in China. Investing in the securities markets of China is subject to emerging market risks as well as China-specific risks. The stock markets in China are emerging markets which are undergoing rapid growth and changes. This may lead to trading volatility, difficulties in settlement and in interpreting and applying the relevant regulations. In addition, there is a lower level of regulation and enforcement activity in these securities

markets compared to more developed international markets. There also exists control on foreign investment in China and limitations on repatriation of invested capital. Less audited information may be available in respect of companies and enterprises located in China. Such legal and regulatory restrictions or limitations may have an adverse effect on the liquidity and performance of a Fund's investments in the Chinese market due to factors such as fund repatriation and dealing restrictions. The securities industry in China is relatively young, and the value of the investments may be affected by uncertainties arising from political and social developments in China or changes in Chinese law or regulations. A Fund may be subject to withholding and other taxes imposed under Chinese tax law or regulations. Investors should be aware that their investments may be adversely affected by changes in Chinese tax law and regulations, which may apply with retrospective effect and which are constantly in a state of flux and will change constantly over time.

A Fund is also subject to counterparty risk associated with the issuer of financial instruments that invest in or are linked to the performance of China A Shares. A Fund may suffer substantial loss if there is any default by the issuer of such financial instruments. In addition, such investments may be less liquid as they may be traded over-the-counter and there may be no active market for such investments.

Investments in China A Shares through other collective investment schemes and other financial instruments, (such as structured notes, participation notes, equity-linked notes), and derivative instruments issued by third parties in Renminbi will be exposed to any fluctuation in the exchange rate between the Base Currency of a Fund and the Renminbi in respect of such investments. There is no assurance that Renminbi will not be subject to devaluation. Any devaluation of Renminbi could adversely affect a Fund's investments that are denominated in Renminbi. Renminbi is currently not a freely convertible currency as it is subject to foreign exchange control policies of the Chinese government. The Chinese government's policies on exchange control and repatriation restrictions are subject to change, and the value of the relevant Fund's investments may be adversely affected.

A Fund may invest in CAAPs. Issuers of CAAPs may deduct various charges, expenses or potential liabilities from the prices of the CAAPs (including but not limited to any actual or potential tax liabilities determined by the CAAPs issuer at its discretion) and such deductions are not normally refundable. CAAPs may not be listed and are subject to the terms and conditions imposed by an issuer. These terms may lead to delays in implementing the Investment Manager's investment strategy. Investment in CAAPs can be less liquid as there may not be an active market in the CAAPs. In order to liquidate investments, a Fund relies upon the counterparty issuing the CAAPs to quote a price to unwind any part of the CAAPs. An investment in a CAAPs is not an investment directly in the underlying investments (such as shares) themselves. An investment in a CAAPs does not entitle the holder of such instrument to the beneficial interest in the shares nor to make any claim against the company issuing the shares. A Fund will be subject to credit risk of the issuers of the CAAPs invested by a Fund. A Fund may suffer a loss if the issuer of a CAAP invested in by a Fund becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties.

Risks Associated with the Stock Connects

Certain Funds may invest in China A Shares listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange (together "SSE") through the Stock Connects, via local sub-custodians that are considered to be "Custody Participants" on the Stock Connects. Securities listed and traded on the SSE that may be traded by Hong Kong and overseas investors through the Stock Connects are herein referred to as "SSE Securities". In addition to the risks associated with investing in China above, investing through the Stock Connects is also subject to the following additional risks:

Quota Limitations

The Stock Connects are subject to a daily quota measuring total purchases and sales of securities via the Stock Connects. Buy orders and sell orders offset each other for purposes of the quota. If the daily quota is exceeded, further buy orders will be rejected, until the next trading day. The daily quota is not particular to a Fund or the Investment Manager; instead, they apply to all market participants generally. Thus, the Investment Manager of a Fund will not be able to control the use or availability of the quota. If the Investment Manager is unable to purchase additional Stock Connects securities, it may affect the Investment Manager's ability to implement a Fund's respective investment strategy.

Restrictions on extent of foreign holding of China A Shares

There are restrictions on the amount of China A Shares which a single foreign investor is permitted to hold and restrictions on the combined holdings of all foreign investors in a single company's China A Shares. Where those limits are reached, no further purchase of those shares will be permitted until the holding is reduced below the threshold and if the thresholds are exceeded, the relevant issuer of the China A Shares may sell those shares to ensure compliance with Chinese law which may mean that the relevant China A Shares are sold at a loss.

Suspension Risk

Both the SSE and the Stock Exchange of Hong Kong Limited ("SEHK") have the right to suspend trading of SSE Securities if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant local regulator would be sought before a suspension of Northbound trading is triggered. Where a suspension in the Northbound trading through the Stock Connects is effected, a Fund's ability to access the China A Share market will be adversely affected.

Differences in Trading Day

The Shanghai-Hong Kong Stock Connect will only operate on days when both the Shanghai and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Shanghai Stock Exchange but Hong Kong or overseas investors (such as a Fund) cannot carry out any China A Share trading. A Fund may be subject to a risk of price fluctuations in China A Shares during the time when Shanghai-Hong Kong Stock Connect is not trading as a result.

The Shenzhen-Hong Kong Stock Connect will only operate on days when both the Shenzhen and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Shenzhen Stock Exchange but Hong Kong or overseas investors (such as a Fund) cannot carry out any China A Share trading. A Fund may be subject to a risk of price fluctuations in China A Shares during the time when Shenzhen-Hong Kong Stock Connect is not trading as a result.

Restrictions on intra-day trading

It is not possible to buy and sell shares on the same day on the Stock Connects.

Operational Risk

The Stock Connects provides a new channel for investors from Hong Kong and overseas to access the China A Share market directly. The Stock Connects are premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in the Stock Connects subject to meeting certain information technology capability, risk management and other requirements as may be specified by the SSE, the SEHK and/or the relevant clearing house.

The launch of the Stock Connects was premised on relevant trading and clearing rules and systems having been finalised, all regulatory approvals having been granted, market participants having had sufficient opportunity to configure and adapt their operational and technical systems. However, it should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the Stock Connects to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connects program requires routing of orders across the border. New information technology systems were developed and set up by the SEHK and participants on that exchange ("Exchange Participants"), i.e. a new order routing system known as the China Stock Connect System to which Exchange Participants have connected. These new systems of the SEHK and Exchange Participants have been operational only since 2014 and there is no assurance that these systems will continue to function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. A Fund's ability to access the China A Share market (and

hence to pursue its investment strategy) will be adversely affected.

Nominee Arrangements in Holding China A Shares

The Hong Kong Securities Clearing Company Limited ("HKSCC"), a wholly-owned subsidiary of the Hong Kong Exchanges and Clearing Limited, is the "nominee holder" of SSE Securities acquired by Hong Kong and overseas investors, including a Fund, through the Stock Connects. The China Securities Regulatory Commission ("CSRC") Stock Connects rules expressly provide that investors enjoy the rights and benefits of the SSE Securities acquired through the Stock Connects in accordance with applicable laws. However, the courts in the People's Republic of China (''PRC'') may consider that any nominee or custodian as registered holder of SSE Securities would have full ownership thereof, and that even if the concept of beneficial owner is recognised under PRC law those SSE Securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently, the Company and the Depositary cannot ensure that a Fund's ownership of these securities or title thereto is assured in all circumstances.

Under the rules of the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on SEHK ("CCASS"), HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SSE Securities in the PRC or elsewhere. Therefore, although the relevant Fund's ownership may be ultimately recognised, the Fund may suffer difficulties or delays in enforcing their rights in China A Shares.

To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Depositary and a Fund will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that a Fund suffers losses resulting from the performance or insolvency of HKSCC.

Restrictions on Selling Imposed by Front-End Monitoring

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A Share sell orders of its Exchange Participants (i.e. the stock brokers) to ensure there is no over-selling. To facilitate investors whose SSE Securities are maintained with custodians to sell their SSE Securities without having to pre-deliver the SSE Securities from their custodians to their executing brokers, an Enhanced Pre-trade Checking Model (or "SPSA Model") was introduced with effect from 30 March 2015. Under the SPSA Model, an investor whose SSE Securities are maintained with a custodian that is, under the Rules and Operational Procedures of KHSCC, as amended from time to time, registered and admitted to participate in CCASS as a "Direct Clearing Participant" or a "General Clearing Participant" (collectively, a "Custodian Participant") or a non-Exchange Participant General Clearing Participant ("non-EP GCP"), can request such Custodian Participant or non-EP GCP to open a special segregated account ("SPSA") in CCASS to maintain its holdings in SSE Securities. Each SPSA will be assigned a unique investor identification number ("Investor ID") by CCASS. The investor may designate at most 20 Exchange Participants as executing brokers which are authorised to use its Investor ID to execute sell orders in SSE Securities on its behalf. The SPSA Model, unlike the Existing Pre-trade Checking Model, allows pre-trade checking to be done without the investor transferring its SSE Securities from its custodian to its selling Exchange Participant (i.e. designated broker) before the market opens on the day of selling ("trading day"). Under the SPSA Model, an investor will only need to transfer SSE Securities from its SPSA to its designated broker's account after execution and not before placing the sell order.

The Company intends to work with the Depositary to utilise the SPSA Model, under which a Fund will be able to sell its China A Shares through the Stock Connects without having to pre-deliver the SSE Securities from the Depositary to a Fund's executing brokers. However, if the SPSA Model ceases to be available to a Fund for any reason at any time, a Fund will need to operate under the Existing Pre-trade Checking Model. Under the Existing Pre-trade Checking Model, if a Fund desires to sell certain China A Shares it holds, it must transfer those China A Shares to the respective accounts of its brokers before the market opens on the trading day. If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, if a Fund is unable to utilise the SPSA Model

and must rely on the Existing Pre-trade Checking Model, a Fund may not be able to dispose of holdings of China A Shares in a timely manner.

Recalling of Eligible Stocks

When a stock is recalled from the scope of eligible stocks for trading via the Stock Connects, the stock can only be sold but is restricted from being bought. This may affect the investment portfolio or strategy of a Fund, for example, when the Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

Clearing and Settlement Risk

The HKSCC and China Securities Depository and Clearing Corporation Limited ("ChinaClear") have established the clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades through the Stock Connects. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, a Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

No Protection by investor compensation fund

Investment through the Stock Connects programmes is conducted through brokers, and is subject to the risks of default by such brokers in discharging their obligations. In particular, a Fund's investments through Northbound trading under the Stock Connects are not covered by any investor compensation fund. Therefore a Fund is exposed to the risks of default of the brokers it engages in its trading in China A Shares through the Stock Connects.

Trading Costs

In addition to paying trading fees and stamp duties in connection with China A Share trading, a Fund may be subject to new portfolio fees, dividend withholding tax and tax concerned with income arising from stock transfers which are yet to be determined by the relevant authorities.

Regulatory Risk

The Stock Connects are novel in nature, and subject to regulations promulgated by regulatory authorities (the CSRC and Hong Kong's Securities and Futures Commission ("SFC")) and implementation rules made by the stock exchanges (the SSE and SEHK) and the clearing houses (ChinaClear and HKSCC). Further, new regulations may be promulgated from time to time by relevant regulators, including the SFC and the CSRC, in connection with operations and cross-border legal enforcement with respect to cross-border trades under the Stock Connects.

Currency risk/currency conversion as shares denominated in Renminbi (CNY)

China A Shares are denominated in Renminbi (CNY) and as Renminbi (CNY) is not the Base Currency of the Funds, the payments from Renminbi (CNY) may have to be converted into the Base Currency of a Fund when realising China A Shares and the Base Currency may have to be converted into Renminbi (CNY) when purchasing China A Shares. The exchange rate for Renminbi (CNY) may be affected by,

amongst other things, any exchange control restrictions imposed by the government in the PRC which may adversely affect the market value of the Fund.

Uncertainty of tax position

The Company's tax treatment of China A Shares is uncertain and particularly whether capital gains tax applies. There is a risk that capital gains realised may be subject to additional taxation in the future.

It should be noted that the regulations establishing and governing the operation of the Stock Connects are novel and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. The Stock Connects infrastructure has not yet been fully tested and may not operate as described in all circumstances. There can be no assurance that the Stock Connects will not be abolished. A Fund, which may invest in the PRC markets through the Stock Connects, may be adversely affected as a result of such changes.

Segregation risk

The China A Shares are held by third party securities settlement systems in Hong Kong and the PRC where they are mixed with other investors' assets and may be subject to lower safekeeping, segregation and record keeping requirements than investments held domestically or in the EU.

DISTRIBUTION AND SELLING RESTRICTIONS

The distribution of this Prospectus and the offering or purchase of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute and may not be treated as an offer or solicitation by or to anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction.

Shares are offered only on the basis of the information contained in this Prospectus. Any further information or representations given or made by any dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorised to give any information or to make any representation in connection with the offering of Shares other than those contained in this Prospectus for the Company and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors, the Management Company or the Investment Manager. Statements in this Prospectus are in accordance with the law and practice in force in Ireland at the date hereof and are subject to change. Neither the delivery of this Prospectus nor the issue of Shares shall, under any circumstances, create any implication or constitute any representation that the affairs of the Company have not changed since the date hereof.

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

This Prospectus does not constitute, and may not be used for, a solicitation of an offer to purchase Shares by any "US Person". The Directors will decline to register a subscription request or transfer of Shares if the transfer is on the behalf of or for the benefit of a "US Person". Prospective investors should read the section "Transfer of Shares", "Subscriptions by and Transfers to US Persons" for more information. When the Company becomes aware that a Shareholder is (a) US person or is holding Shares for the account or benefit a US Person, whether held directly on the register or via a nominee, the Directors will direct the Shareholder to dispose of the Shares. Prospective investors should read the section "Mandatory Redemption of Shares" for more information. A non-US Person who invests through a US nominee will only be considered a non-US Person if the decision making process takes place off-shore.

RESTRICTIONS ON OFFERS AND SALES TO US PERSONS

Shares of the Company may not be offered or sold to any "US Person". For the purposes of this restriction, the term US Person shall mean the following:

1. An individual who:

   is a resident of the US under any US Law;

2. A corporation, partnership, limited liability company, collective investment vehicle, investment company, pooled account, or other business, investment, or legal entity:

   a. created or organised under US Law;
   b. created (regardless of domicile of formation or organisation) principally for passive investment (e.g. an investment company, fund or similar entity excluding employee benefit or pension plans):

- and owned directly or indirectly by one or more US Persons who hold, directly or indirectly, in aggregate a 10% or greater beneficial interest, provided that any such US Person is not defined as a Qualified Eligible Person under CFTC Regulation 4.7(a)
- where a US Person is the general partner, managing member, managing director or other position with authority to direct the entity's activities;
- where the entity was formed by or for a US Person principally for the purpose of investing in securities not registered with the SEC unless such entity is comprised of non-natural Accredited Investors as defined in Regulation D CFR230.801 (a); or
- where more than 50% of its voting ownership interests or non-voting ownership interests are directly or indirectly owned by US Persons;

c. that is an agency or branch of a non-US entity located in the US; or
d. that has its principal place of business in the US;

3. A trust created or organised under US Law. A trust (regardless of domicile of formation or organisation) where:

a. any settlor, founder, trustee, or other person responsible in whole or in part for investment decisions for the trust is a US Person;
b. the administration of the trust or its formation documents are subject to the supervision of one or more US courts; or
c. the income of which is subject to United States income tax regardless of source.

4. An estate of a deceased resident of the United States at the time of death or the income of which is subject to United States income tax regardless of source. An estate of a deceased person, regardless of the deceased person's residence while alive, where an executor or administrator having sole or shared investment discretion is a US Person or the estate is governed by US Law.

5. An employee benefit or pension plan established and administered in accordance with US Law. An employee benefit or pension plan established for employees of a legal entity that is a US Person or has its principal place of business in the US.

6. A discretionary or non-discretionary or similar account (including a joint account) where one beneficial owner is a US Person or held for the benefit of a US Person. A discretionary or similar account held by a dealer or fiduciary organized in the US.

If, subsequent to a shareholder's investment in the Company, the shareholder becomes a US Person, such shareholder (i) will be restricted from making any additional investments in the Company and (ii) may have its shares compulsorily redeemed by the Company (subject to the requirements of applicable law).

The Company may, from time to time, waive or modify the above restrictions.

RESTRICTIONS ON OFFERS AND SALES TO CANADIAN RESIDENTS

The Shares described in this Prospectus may be distributed in Canada exclusively through HSBC Global Asset Management (Canada) Limited by way of exempt distribution to accredited investors as defined in National Instrument 45-106 - Prospectus and Registration Exemptions who qualify as permitted clients under National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligation. This Prospectus may not be used to solicit, and will not constitute a solicitation of, an offer to buy shares in Canada unless such solicitation is made by HSBC Global Asset Management (Canada) Limited.

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INTRODUCTION

HSBC ETFs PLC is an open-ended investment company with variable capital which was incorporated in Ireland on 27 February 2009 under registration number 467896 and authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations on 15 June 2009.

The object of the Company, as set out in Clause 2 of the Memorandum, is the collective investment in transferable securities and other liquid financial assets of capital raised from the public, operating on the principle of risk spreading in accordance with the UCITS Regulations. All holders of Shares are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Memorandum and Articles of Association of the Company, a summary of which is set out in this document and copies of which are available as described in the "**Documents for Inspection**" section of this Prospectus.

The Company has been structured as an umbrella fund with segregated liability between sub-funds, in that the Directors may from time to time, with the prior approval of the Central Bank, issue different series of Shares representing separate portfolios of assets. The assets of each Fund will be invested in accordance with the investment objective and policies applicable to such Fund as specified in the relevant Fund Supplement. Although each Fund will be treated as bearing its own liabilities, the Company as a whole will remain liable to third parties for all of the liabilities of the Company. Please refer to Appendix A for a list of the current Funds of the Company.

Under the Articles, the Directors are required to establish a separate Fund, with separate records, for each series of Shares in the following manner:

a. the Company will keep separate books and records of account for each Fund. The proceeds from the issue of each series of Shares will be applied to the Fund established for that series of Shares, and the assets and liabilities and income and expenditure attributable thereto will be applied to such Fund;

b. any asset derived from another asset comprised in a Fund will be applied to the same Fund as the asset from which it was derived and any increase or diminution in value of such an asset will be applied to the relevant Fund;

c. in the case of any asset which the Directors do not consider as readily attributable to a particular Fund or Funds, the Directors and/or the Management Company have the discretion to determine, with the consent of the Depositary, the basis upon which any such asset will be allocated between Funds and the Directors may at any time and from time to time vary such basis;

d. any liability will be allocated to the Fund or Funds to which in the opinion of the Directors it relates or if such liability is not readily attributable to any particular Fund the Directors will have discretion to determine, with the consent of the Depositary, the basis upon which any liability will be allocated between Funds and the Directors may at any time and from time to time vary such basis;

e. the Directors may, with the consent of the Depositary, transfer any assets to and from Funds if, as a result of a creditor proceeding against certain of the assets of the Company or otherwise, a liability would be borne in a different manner from that in which it would have been borne under paragraph (d) above or in any similar circumstances; and

f. where the assets of the Company (if any) attributable to the Subscriber Shares give rise to any net profit, the Directors may allocate assets representing such net profits to such Fund or Funds as they may deem appropriate.

Shares of any particular series may be divided into different Classes to accommodate different subscription and/or redemption charges and/or charges and/or dividend and/or fee arrangements.

THE SHARE CAPITAL

The authorised share capital of the Company is 500,000,300,002 Shares of no par value divided into 2 Subscriber Shares of no par value, 300,000 Capitalisation Shares of no par value and 500,000,000,000 Shares of no par value. The Directors are empowered to issue up to 500,000,000,000 Shares of no par value in the Company on such terms as they think fit.

The Subscriber Shares, which are held by the Investment Manager and its nominees, entitle the holders to attend and vote at general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding-up. The Capitalisation Shares, entitle the holders to attend and vote at general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding-up. The Shares entitle the holders to attend and vote at general meetings of the Company and to participate equally (subject to any differences between fees, charges and expenses applicable to different Classes of Shares) in the profits and assets of the Company. The Subscriber Shareholders shall have one vote for each Subscriber Share held. The Capitalisation Shareholders shall have one vote for each Capitalisation Share held.

From time to time, a HSBC entity may hold Shares as part of the initial investment in a Fund which will allow HSBC to support the operations of the Fund in its early existence prior to material external investment. As the Net Asset Value of the Fund increases, HSBC reserves the right to redeem such Shares but will do so taking into account the best interests of the remaining Shareholders.

The Company may from time to time by ordinary resolution increase its capital, consolidate the Shares or any of them into a smaller number of Shares, sub-divide the Shares or any of them into a larger number of Shares or cancel any Shares not taken or agreed to be taken by any person. The Company may by special resolution from time to time reduce its share capital in any way permitted by law.

VOTING RIGHTS

Subject to any rights or restrictions for the time being attached to any class of Shares, all votes shall be cast by a show of hands, with every holder of Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative shall have one vote at the relevant Shareholder meeting unless a poll is demanded by the Chairman or by any Shareholder present in person or by proxy. On a poll, subject to any special rights or restrictions for the time being attached to any Class of Shares, each Shareholder shall be entitled to such number of votes as shall be produced by dividing the aggregate net asset value of that Shareholder's shareholding (expressed or converted into US$ and calculated as of the relevant record date) by one. The "relevant record date" for these purposes shall be a date being not more than thirty (30) days prior to the date of the relevant general meeting or written resolution as determined by the Directors. In relation to a resolution which in the opinion of the Directors gives or may give rise to a conflict of interest between the Shareholders of any series or Class, such resolution shall be deemed to have been duly passed only if, in lieu of being passed through a single meeting of the Shareholders of such series or Class, such resolution shall have been passed at a separate meeting of the Shareholders of each such series or Classes.

VARIATION OF SHAREHOLDERS RIGHTS

Under the Articles, the rights attached to each series or Class of Share may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that series or Class or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of that series or Class. The rights attaching to any series or Class of Shares shall not be deemed to be varied by the creation or issue of further Shares ranking *pari passu* with Shares already in issue, unless otherwise expressly provided by the terms of issue of those Shares. The provisions of the Articles relating to general meetings shall apply to every such separate general meeting except that the necessary quorum at such a meeting shall be two persons present in person or by proxy holding Shares of the series or Class in question or, at an adjourned meeting, one person holding Shares, of the series or Class in question or his proxy. Major Shareholders will not be entitled to voting rights different from other Shareholders in accordance with the Memorandum and Articles of Association of the Company.

INVESTMENT OBJECTIVE AND POLICIES

The Company has been established for the purpose of investing in transferable securities in accordance with the UCITS Regulations. The investment objectives and policies for each Fund will be set out in the relevant Fund Supplement. Unless disclosed otherwise in the relevant Fund Supplement, typical investors are expected to be retail and institutional investors seeking returns over the medium term with a low degree of risk.

The assets of each Fund will be invested in accordance with the investment restrictions contained in the UCITS Regulations which are summarised in "**Investment Restrictions**" below and such additional investment restrictions, if any, as may be adopted by the Directors for any Fund and specified in the relevant Fund Supplement.

Unless otherwise stated in the Fund Supplement, each Fund will seek to replicate the performance of an Index while minimising as far as possible the tracking error between the Fund's performance and that of the Index. Each Fund that seeks to track an index will seek to achieve this objective by holding a portfolio of Index Securities and using an investment strategy of Replication or Optimisation or other strategy, as determined to be the most appropriate strategy for the particular Fund by the Investment Manager and the relevant Fund Supplement will specify and describe the strategy employed. The Index Securities in which a Fund invests will be traded or dealt in on one of the Recognised Markets set out in Schedule I. Any change in the investment objectives and any material change in the investment policies of a Fund will require approval by ordinary resolution of the Shareholders in that Fund. In the event of a change of investment objectives and/or the investment policy, a reasonable notification period will be provided by the Fund to enable Shareholders to redeem their Shares prior to implementation of the change. Any determination by the Directors that a particular Fund should track another Index at any time shall be subject to the provision of reasonable notice to Shareholders to enable any Shareholders who wish to do so to redeem their Shares prior to implementation of this change and the relevant Fund Supplement will be updated accordingly.

Changes to the composition and/or weighting of the securities constituting the Index which is tracked by a Fund will ordinarily require that Fund to make corresponding adjustments or rebalancings to its investments in order to seek to track the Index. The Investment Manager will accordingly seek to rebalance the composition and/or weighting of the securities held by a Fund from time to time to the extent practicable and possible to conform to changes in the composition and/or weighting of Index Securities. Other rebalancing measures may be taken from time to time to seek to maintain the correspondence between the performance of a Fund and the performance of the Index.

The Investment Manager will rely solely on each Index Provider for information as to the composition and/or weighting of the Index Securities within each Index. If the Investment Manager is unable to obtain or process such information in relation to any Index on any Business Day, then the most recently published composition and/or weighting of that Index will be used for the purpose of all adjustments.

Notwithstanding the foregoing provisions, the Directors may establish Funds that will seek to track an Index by investing in financial derivative instruments or by investing in a combination of Index Securities, transferable securities other than Index Securities and financial derivative instruments. The Directors may also establish Funds that will not seek to track an Index. In each case, information in relation to the proposed investment strategy will be set out in the relevant Fund Supplement.

Shareholders should note that it may not be possible, practicable or desirable for a Fund to purchase all of the Index Securities of its respective Index in their proportionate weightings or to purchase them at all due to various factors, including the costs and expenses involved. It is intended to select only indices that will comply with the investment restrictions described herein. In these circumstances, the Investment Manager of a Fund may decide to hold a representative sample of the Index Securities selected by it. There may also be instances where the Fund holds securities which are not component securities in the Index, if the Investment Manager believes this to be appropriate. Each Fund may also use financial derivative instruments for efficient portfolio management and/or investment purposes, where disclosed in the relevant Fund Supplement. Each Fund may, if disclosed in the relevant Fund Supplement, also invest in other collective investment undertakings (including undertakings linked by common management or control) and hold ancillary liquid assets, in each case subject to the restrictions set out in the "**Investment Restrictions**" section of this Prospectus.

INVESTMENT RESTRICTIONS

The assets of each Fund will be invested in accordance with the investment restrictions contained in the UCITS Regulations which are summarised below and such additional investment restrictions, if any, as may be adopted by the Directors and further details in relation to which will be set out in the relevant Fund Supplement.

1 **PERMITTED INVESTMENTS**

INVESTMENTS OF A FUND ARE CONFINED TO:

(a) transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State;

(b) recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year;

(c) money market instruments, as defined in the Central Bank UCITS Regulations, other than those dealt on a regulated market;

(d) units of UCITS;

(e) units of alternative investment funds as set out in the Central Bank UCITS Regulations;

(f) deposits with credit institutions as prescribed in the Central Bank UCITS Regulations;

(g) financial derivative instruments as prescribed in the Central Bank UCITS Regulations.

2 **INVESTMENT RESTRICTIONS**

(a) A Fund may invest no more than 10% of its net assets in transferable securities and money market instruments other than those referred to in paragraph 1 above.

(b) A Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1(a)) within a year. This restriction will not apply in relation to investment by a Fund in certain US securities known as Rule 144A securities provided that

- such securities are issued with an undertaking to register with the US Securities & Exchanges Commission within one year of issue; and

- the securities are not illiquid securities, i.e. they may be realised by a Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.

(c) A Fund may invest no more than 10% of its net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is no more than 40%.

(d) The limit of 10% in paragraph (c) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.

(e) The transferable securities and money market instruments referred to in paragraph (d) shall not be taken into account for the purpose of applying the limit of 40% referred to in paragraph (c).

(f) Cash booked in accounts and held as ancillary liquidity, must not exceed 10% of net assets. This limit may be raised to 20% in the case of cash booked in an account with the Depositary.

(g) The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.

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

(h) Notwithstanding paragraphs (c), (f) and (g) above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:

(i) investments in transferable securities or money market instruments;

(ii) deposits; and/or

(iii) risk exposures arising from OTC derivatives transactions.

(i) The limits referred to in (c), (d), (f) and (g) above may not be combined, so that exposure to a single body shall not exceed 35% of the net assets of the relevant Fund.

(j) Group companies are regarded as a single issuer for the purposes of paragraphs (c), (d), (f) and (g). However, a limit of 20% of net assets of a Fund may be applied to investments in transferable securities and money market instruments within the same group.

(k) Subject to the restrictions and limits set out in the UCITS regulations and to the approval of the Central Bank, a Fund may invest up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or by one of the following supranational or public international bodies of which one or more Member States are members: OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority or Straight-A Funding LLC.

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

3 **INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES ("CIS")**

(a) A Fund may not invest more than 10% of net assets in total in other CIS. Such CIS must themselves be prohibited from investing more than 10% of net assets in total in other CIS.

(b) Where a Fund invests in the units of other CIS that are managed directly or by delegation by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Company's investment in the shares of the other CIS.

(c) Where a commission (including a rebated commission) is received by the Company, the Management Company or the Investment Manager by virtue of an investment in the units of another CIS, this commission must be paid into the assets of the relevant Fund.

4 **INDEX TRACKING UCITS**

(a) A Fund may invest up to 20% of its net assets in shares and/or debt securities issued by the same body where the investment policy of the relevant Fund is to replicate an index which satisfies the criteria set out in the UCITS Regulations and is recognised by the Central Bank.

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

5 **GENERAL PROVISIONS**

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

(b) A Fund may acquire no more than:

(i) 10% of the non-voting shares of any single issuer;

(ii) 10% of the debt securities of any single issuer;

(iii) 25% of the shares or units of any single CIS;

(iv) 10% of the money market instruments of any single issuing body.

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

(c) Paragraphs (a) and (b) shall not be applicable to:

(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;

(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;

(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;

(iv) shares held by a Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies with the registered offices in that non-Member State, where under the legislation of that non-Member State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that non-Member State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in paragraphs 2(c) to 2(i), 3(a), 5(a), 5(b), 5(d), 5(e) and 5(f) and provided that where these limits are exceeded, paragraphs 5(e) and 5(f) below;

(v) shares held by the Company in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of units at unit-holders' request exclusively on their behalf.

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

(e) The Central Bank has allowed each Fund to derogate from certain of the above provisions for a period of up to six months from the date of authorisation of such Fund, provided that such Fund observes the principle of risk spreading.

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

(g) A Fund may not carry out uncovered sales of:

(i) transferable securities;

(ii) money market instruments;

(iii) units of collective investment undertakings; or

(iv) financial derivative instruments.

(h) A Fund may hold ancillary liquid assets.

6 **FINANCIAL DERIVATIVE INSTRUMENTS ("FDIS")**

(a) A Fund's global exposure (as prescribed in the Central Bank UCITS Regulations) relating to FDI must not exceed its total net asset value.

(b) Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)

(c) A Fund may invest in FDIs dealt in over-the-counter (OTC) provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

(d) Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

7 **OTHER RESTRICTIONS**

(a) United Nations Conventions on Cluster Munitions and Anti-Personnel Landmines: The Investment Manager will arrange for the screening of companies for their involvement in the use, development, manufacturing, stock piling, transfer or trade of cluster munitions and / or anti-personnel landmines, and depleted uranium shieldings and ammunition. Where such involvement is apparent, it is the policy of the Board not to knowingly invest in such companies.

(b) The Company may acquire real and personal property that is required for the purpose of its business.

(c) The Company shall not acquire either precious metals or certificates representing them.

(d) The Company shall not (except as a permitted investment technique described in the "**Portfolio Investment Techniques**" section of this Prospectus) make any loan of its assets provided that, for the purpose of this restriction, the holding of ancillary liquid assets such as deposits, and the acquisition of bonds, notes, commercial paper, certificates of deposit, bankers acceptances, and other debt securities or obligations permitted by the UCITS Regulations, and the acquisition of transferable securities, money market instruments or other financial instruments that are not fully paid, shall not be deemed to constitute the making of a loan.

(e) A Fund may borrow up to 10% of its Net Asset Value for temporary purposes. A Fund may acquire foreign currency by means of a back-to-back loan. Foreign currency acquired in this manner is not classified as borrowing for the purpose of the restriction on borrowing provided that the offsetting deposit (a) is denominated in the Base Currency of the relevant Fund and (b) equals or exceeds the value of the foreign currency loan outstanding.

(f) Without limitation, the Directors, in accordance with the requirements of the Central Bank, may adopt additional investment restrictions to facilitate the distribution of Shares to the public in a particular jurisdiction. In addition, the investment restrictions set out above may be changed from time to time by the Directors in accordance with a change in the applicable law and regulations in any jurisdiction in which Shares are currently offered, provided that the assets of a Fund, at all times, will be invested in accordance with the restrictions on investments set out in the UCITS Regulations. In the event of any such addition to, or change in, the investment restrictions applicable to the relevant Fund, a reasonable notification period will be provided by the Company to enable Shareholders to redeem their Shares prior to implementation of these changes. A Fund will not amend such investment restrictions except in accordance with the requirements of the Central Bank.

PORTFOLIO INVESTMENT TECHNIQUES

A Fund may employ investment techniques and instruments for efficient portfolio management of the assets of the Company including hedging against market movements, currency exchange or interest rate risks under the conditions and within the limits stipulated by the Central Bank under the UCITS Regulations and described below. In this context, efficient portfolio management refers to techniques and instruments which relate to transferable securities which fulfil the following criteria:

They are economically appropriate in that they are realised in a cost-effective way and investment decisions involving transactions that are entered into for one or more of the following specific aims:

- the reduction of risk (e.g. to perform an investment hedge on a portion of a portfolio);
- the reduction of cost (e.g. short term cash flow management or tactical asset allocation); and
- the generation of additional capital or income for the Company with an appropriate level of risk,

taking into account the risk profile of the Company as described in this Prospectus and the general provisions of the UCITS Regulations.

USE OF FINANCIAL DERIVATIVE INSTRUMENTS

In addition to any use of FDI by any Fund for investment purposes as described in the relevant Fund Supplement, a Fund may, if disclosed in the relevant Fund Supplement, utilise FDI for efficient portfolio management purposes (i.e. the reduction of risks or costs to the Company or the generation of additional capital or income for the Company), or for hedging against market movements, currency exchange or interest rate risks, subject to the general restrictions outlined in the "Investment Restrictions" section above. An appropriate RMP Statement has been prepared and submitted to the Central Bank. If additional types of FDI are to be used by any Fund, a revised RMP Statement must be prepared and submitted to the Central Bank in advance of the Fund utilising such instruments. The use of FDI introduces an additional exposure of counterparty risk to the relevant Fund, although this is controlled and monitored according to the diversification and concentration requirements of the UCITS Regulations. The use of instruments/techniques for efficient portfolio management purposes will not change the objective of the relevant Fund or add substantial risks in comparison to the original risk policy of the relevant Fund.

When using FDI as part of efficient portfolio management techniques and instruments, a relevant Fund will incur operational costs and such costs will be paid by the relevant Fund to the counterparty with which the Company and/or the Management Company has entered into a relevant agreement. The Company and/or the Management Company will ensure that all revenues arising from efficient portfolio management techniques, net of direct and indirect costs, are returned to the relevant Fund. Such counterparties will be disclosed in the annual report of the Company which will also contain details of (i) the counterparty exposure obtained through efficient portfolio management techniques, (ii) the type and amount of collateral received by the relevant Fund to reduce counterparty exposure and (iii) revenues arising from efficient portfolio management techniques for the reporting period, together with direct and indirect costs and fees incurred (which will not include any hidden revenue). Where relevant, any relationship between the counterparty and the Management Company, Investment Manager or Depositary will be disclosed.

FDI used for efficient portfolio management may be used by a Fund for hedging purposes. Hedging is a technique used for minimising an exposure created from an underlying position by counteracting such exposure by means of acquiring an offsetting position. The positions taken for hedging purposes will not be allowed to exceed materially the value of the assets that they seek to offset. Where a Fund enters into OTC FDI transactions, they will only be executed with approved counterparties and will at all times be governed by a legally enforceable bilateral ISDA and an accompanying Credit Support Annex. The Company does not currently intend to accept any collateral from a counterparty to a OTC FDI transaction and this Prospectus will be updated to disclose the relevant collateral policy with respect to OTC FDI transactions or for efficient portfolio management techniques should the Company decide to accept collateral in the future.

To the extent that a Fund uses FDI, there may be a risk that the volatility of the Fund's Net Asset Value may increase. However, a Fund is not expected to have an above average risk profile as a result of use of FDI. Although a Fund will be leveraged as a result of its use of FDI, the Fund's global exposure (as prescribed in the Central Bank UCITS Regulations) relating to the use of FDI will not exceed its total net assets, i.e. the Fund may not be leveraged in excess of 100% of its Net Asset Value. The global exposure and leverage of each Fund which uses FDI will be calculated using the commitment approach. The commitment approach converts a Fund's FDI positions into the equivalent positions in the underlying assets and seeks to ensure that the FDI risk is monitored in terms of any future "commitments" to which it is (or may be) obligated. Investors should refer to the section entitled "**Risk Factors**" for information in relation to the risks associated with the use of FDI.

The Management Company employs a risk management process in respect of each Fund which enables it, together with the Investment Manager, to accurately measure, monitor and manage the various risks associated with FDI. A statement of this risk management process has been prepared and submitted to the Central Bank in accordance with the Central Bank requirements. Any FDI not included in the risk management process in respect of the Company will not be utilised until such time as a revised risk management process has been submitted to the Central Bank. The Management Company will, on

request, provide supplementary information to Shareholders relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

TOTAL RETURN SWAPS AND CONTRACTS FOR DIFFERENCE

Where set out in the relevant Fund Supplement, a Fund may use total return swaps and contracts for difference subject to the requirements of the Securities Financing Transactions Regulation and in accordance with normal market practice, the Central Bank UCITS Regulations, the UCITS Regulations and any other statutory instrument, regulations, rules, conditions, notices, requirements or guidance of the Central Bank issued from time to time applicable to the Company. Such total return swaps and contracts for difference may be entered into for any purpose that is consistent with the investment objective of a Fund, including to generate income or profits in order to increase portfolio returns or to reduce portfolio expenses or risks.

Subject to the limitations referred to above, any assets of a Fund may be subject to total return swaps and contracts for difference.

The categories of collateral which may be received by the Fund includes assets that are consistent with the Fund's investment policy, including cash and non-cash assets such as equities, debt securities and money market instruments. Collateral received by the Fund will be valued in accordance with the valuation methodology set out under the section entitled "Determination of Net Asset Value". Collateral received by the Fund will be marked-to-market daily and daily variation margins will be used.

Where a Fund provides collateral as a result of entering into total return swaps and contracts for difference, it typically does so under a full title transfer and therefore it is exposed to the risk that the counterparty will be unable or unwilling to honour its obligations to return the collateral provided. In addition, there can also be no assurance that the liquidation of any collateral provided to a Fund to secure a counterparty's obligations under a total return swaps and contracts for difference would satisfy the counterparty's obligations in the event of a default by the counterparty. Where a Fund provides collateral as a result of entering into total return swaps and contracts for difference, it is exposed to the risk that the counterparty will be unable or unwilling to honour its obligations to return the collateral provided. Where the Fund receives collateral as a result of entering into total return swaps and contracts for difference, there is a risk that the collateral held by the Fund may decline in value or become illiquid.

All the revenues arising from total return swaps and contracts for difference shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees are all fully transparent and will not include hidden revenue. Details of Fund revenues arising and attendant direct and indirect operational costs and fees shall be included in the Company's semi-annual and annual reports.

The Company will conduct appropriate due diligence in the selection of counterparties, including but not limited to consideration of the legal status, country of origin, credit rating and minimum credit rating (where relevant), noting the requirements of applicable to the Company in respect of eligibility criteria for counterparties to a Fund's total return swaps and contracts for difference.

From time to time, a Fund may engage counterparties that are related parties to the Depositary or other service providers of the Company. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the Company. Please refer to section entitled "Conflicts of Interest" for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the Company's semi-annual and annual reports.

The assets of a Fund that are subject to total return swaps and contracts for difference, and any collateral received, are held by the Depositary.

LIQUIDITY RISK MANAGEMENT

The Management Company has established a liquidity risk management policy which forms part of the Management Company's risk management policy with the aim to enable it to identify, monitor, manage

and mitigate the liquidity risks of the Funds and to ensure that the liquidity risk profile of the investments of the Funds will facilitate compliance with the Funds' obligation to meet redemption requests. Such policy, combined with the governance framework in place and the liquidity management tools of the Management Company, also seeks to achieve fair treatment of shareholders and safeguard the interests of the remaining or existing shareholders in case of sizeable redemptions or subscriptions.

The Management Company's liquidity risk management policy takes into account the investment strategy, the dealing frequency, the underlying assets' liquidity (and whether they are priced at fair value) and the ability to defer redemptions in compliance with the Prospectus.

The liquidity risk management policy also involves monitoring the profile of investments held by the Funds on an on-going basis with the aim to ensure that such investments are appropriate to the redemption policy as stated in the Prospectus and the relevant Fund Supplement as the case may be. Further, the liquidity risk management policy includes details on periodic stress testing carried out to manage the liquidity risk of the Funds in times of exceptional market conditions.

The Management Company's risk management function is independent from the investment portfolio management function and is responsible for performing monitoring of the Funds' liquidity risk in accordance with the Management Company's liquidity risk management policy. Exceptions on liquidity risk related issues are escalated to the Management Company's management committee and/or UCITS risk oversight forum with appropriate actions properly documented.

The Management Company may employ one or more tools to manage liquidity risks including, but not limited to:

- limiting the number of Shares redeemed for a Fund on any Dealing Day to 10% or more of the Net Asset Value of any Fund (subject to the conditions under the heading entitled "Redemption of Shares, Primary Market"); and

- recommending to the Directors to declare a suspension of the issue, valuation, sale, purchase, redemption or conversion of Shares of any Fund as outlined in the section entitled "Temporary Suspension of Dealings".

CURRENCY TRANSACTIONS

A Fund is permitted to invest in securities denominated in a currency other than the Base Currency and may purchase currencies to meet settlement requirements. In addition, subject to the restrictions imposed on the use of financial derivative instruments described above and by the UCITS Regulations, a Fund may enter into various currency transactions (i.e. forward foreign currency contracts, currency swaps whereby a Fund agrees to swap a payment or payment in one currency for a payment or payments in another currency, and spot currency contracts) to protect against uncertainty in future exchange rates. Forward foreign currency contracts are agreements to exchange one currency for another - for example, to exchange a certain amount of Sterling for a certain amount of Euro - at a future date. The date (which may be any agreed-upon fixed number of days in the future), the amount of currency to be exchanged and the price at which the exchange will take place are negotiated and fixed for the term of the contract at the time that the contract is entered into.

Currency transactions which alter currency exposure characteristics of transferable securities held by a Fund may only be undertaken for the purposes of a reduction in risk, a reduction in costs and/or an increase in capital or income returns to a Fund. Any such currency transactions will be used in accordance with the investment objective of the relevant Fund.

A Fund may "cross-hedge" one foreign currency exposure by selling a related foreign currency into the Base Currency. Also, in emerging or developing markets, local currencies are often expressed as a basket of major market currencies such as the US Dollar, Euro or Japanese Yen. A Fund may hedge out the exposure to currencies other than its Base Currency in the basket by selling a weighted average of those currencies forward into the Base Currency.

A Fund may create additional Classes which seek to hedge all or some of the underlying portfolio currencies to the currency of the class. Currency hedged Classes will be hedged irrespective of whether

the relevant currencies are declining or increasing in value. Class-specific transactions, such as class currency hedging transactions, must be clearly attributable to a specific Class. Any transaction costs and gains or losses from currency hedging shall be accrued solely to, and therefore reflected in the NAV per Share of, the relevant Class. A Fund shall not combine or offset currency exposures of different currency hedged Classes and shall not allocate currency exposures of assets of the Fund to separate Classes.

The Administrator (or other appointed party) will execute the currency hedging policy. The main financial derivative instruments used are forward foreign exchange contracts however other derivatives may be used including, but not limited to, currency options and currency swaps.

There can be no assurance or guarantee that the Administrator (or other appointed party) will be able to successfully implement currency hedging for currency hedged Classes at any time or at all. Investors should note that although the aim is to maintain at the time of this Prospectus a hedge ratio from 95% to 105% of NAV of the hedged Class there may be occasions when the hedge ratio falls outside these parameters which may be due to factors which cannot be controlled such as investor trade activity, volatility in the NAV per Share and/or currency volatility.

Whilst not the intention of the Investment Manager, over-hedged or under-hedged positions may arise due to factors outside the control of the Investment Manager. Hedged positions will be kept under review to ensure that: (i) over-hedged positions do not exceed 105% of the Net Asset Value of the Class in aggregate; and (ii) under-hedged positions do not fall short of 95% of the portion of the Net Asset Value of the Class which is to be hedged. Hedged positions will be kept under review to ensure that over-hedged and under-hedged positions do not exceed these levels, and this review shall include a procedure to ensure that over-hedged positions materially in excess of 100% of the Net Asset Value of the Class, or an under-hedged positions short of 95% of the portion of the Net Asset Value of the Class which is to be hedged, will not be carried forward from month to month. In the event there is an unrealised gain or unrealised loss on FDIs, which are used to implement the hedge in respect of currency hedged Classes, the Fund may either be underinvested (in the case of a gain) or leveraged (in the case of a loss). Any underinvestment or leverage will be removed or reduced when the currency hedge is adjusted or reset as required for the relevant currency hedged Class.

Movements in currency exchange rates can materially impact investment returns and investors should ensure they fully understand the difference between investment in currency hedged Classes versus investment in those Classes which are not currency hedged Classes. To the extent that the hedging is successful, the performance of the hedged Class is likely to move more in line with the performance of the underlying assets because some of the currency exposures have been reduced. However investors in a currency hedged class will not benefit if the Class currency falls against the Base Currency of the Fund and/or the currency in which the assets of the Fund are denominated.

BORROWING POLICY

Under the Articles the Directors are empowered to exercise all of the borrowing powers of the Company subject to any limitations under the UCITS Regulations and to charge the assets of the Company as security for such borrowings.

A Fund may not borrow money, grant loans or act as guarantor on behalf of third parties, except:

(i) foreign currency may be acquired by means of a back-to-back loan, i.e. borrowing one currency against the deposit of an equivalent amount of another currency (provided that where foreign currency borrowings exceed the value of the "back-to-back" deposit, any excess shall be regarded as borrowing and therefore aggregated with other borrowing for the purposes of the 10% limit referred to below). Foreign currency obtained in this manner is not classified as borrowing for the purposes of Regulation 103 of the UCITS Regulations provided that the offsetting deposit is (a) denominated in the Base Currency of the Fund and (b) equals or exceeds the value of the foreign currency loan outstanding; and

(ii) a Fund may incur temporary borrowings in an amount not exceeding 10% of its net asset value and may charge its assets as security for such borrowings.

DISTRIBUTION POLICY

The Articles empower the Directors to declare dividends in respect of any Shares out of net income (including dividend and interest income) and the excess, if any, of realised and unrealised capital gains over realised and unrealised losses in respect of investments of the Company. Any dividend unclaimed after a period of six years from the date of declaration of such dividend shall be forfeited and shall revert to the Company for the benefit of the relevant Fund. Dividends will be paid up to four times per year as detailed in the relevant Fund Supplement. The distribution policy and the frequency of dividend payments may vary for each Fund and different share Classes may be created within a single Fund that have different distribution policies, or provide for different frequency of dividend payment, or provide that dividends will not be declared.

The distribution policy of each Fund and Class will be specified in the relevant Fund Supplement. The distribution policy of any Fund or of any Class may be changed by the Directors, or by the Management Company acting on behalf of the Company, upon reasonable notice to Shareholders of that Fund or Class, as the case may be and, in such circumstances, the distribution policy will be disclosed in an updated Prospectus and/or Supplement.

For the accounting period to 31 December 2009, the Directors maintained a dividend policy that enabled the Company to qualify as a "distributing fund" for UK tax purposes and therefore paid a Redemption Dividend in the event a Shareholder had submitted an application for redemption in respect of the Shares in any Fund. A Redemption Dividend will reflect the net accrued income (if any) in respect of the Shares concerned and will become due immediately prior to the redemption of the Shares and paid to the Shareholder on the same day as the redemption proceeds. The Redemption Dividend is additional to any dividends declared on any class of Shares.

The Directors have obtained UK "reporting fund" status for certain share Classes and intend to maintain this status. In doing so the Company will meet the reporting requirements by making available to shareholders the information required in The Offshore Funds (Tax) Regulations 2009.

SUBSCRIPTIONS, VALUATIONS AND REDEMPTIONS

PRIMARY MARKET SUBSCRIPTIONS

The Directors, or the Management Company acting on behalf of the Company, may issue Shares of any Class in the Company, and create new Classes of Shares in the Company, on such terms as they may from time to time determine. The creation of new Classes of Shares must be notified to, and cleared in advance by the Central Bank. Shares of any particular Fund may be divided into different Classes to accommodate different dividend provisions and/or charges and/or fee arrangements and/or currencies including different total expense ratios.

Initial Offer Period and Initial Subscriptions

The price at which Shares in any Fund are initially issued will be specified in the relevant Fund Supplement and, thereafter, Shares will be issued at the Net Asset Value per Share plus an appropriate provision for Duties and Charges.

Subscriptions for Shares at the Initial Offer Price will be considered during the Initial Offer Period, upon receipt by the Administrator of completed share applications which satisfies the application requirements and including, but not limited to full Anti-Money Laundering documentation, cleared funds, and any other appropriate consideration as specified below. Such Shares will be issued only following the Closing Date of the Initial Offer Period in accordance with the provisions of the relevant Fund Supplement. Investors must acquire Shares with a value at least equal to the amount of the Minimum Initial Subscription.

Subsequent Subscriptions

For subscriptions after the Initial Offer Period has expired (and, in the case of all other Classes, from the date of this Prospectus), Shares will be issued at their Net Asset Value per Share plus an appropriate provision for Duties and Charges and in accordance with the provisions of the relevant Fund Supplement. The requirements in respect of the Minimum Subscription (for cash) for a Primary Market investor may be waived by the Directors or their applicable delegates in their absolute discretion.

Investors may submit subsequent applications for Shares in a Fund to the Administrator either by fax or electronically in such format or method as shall be agreed in advance in writing with the Administrator in accordance with the requirements of the Central Bank.

Application Forms

Signed original subscription application forms and supporting anti-money laundering documentation should be sent by post, or facsimile if an appropriate fax indemnity is in place, (with the original documentation to follow promptly by post) to the Administrator in accordance with the details set out in the subscription application form or to the Company at the following address. For documents submitted by facsimile, a redemption block will be placed on the account pending receipt of the original documentation.

HSBC Securities Services (Ireland) DAC
1 Grand Canal Square
Grand Canal Harbour
Dublin 2
Ireland
Fax No.: +353 1 649 7546

Amendments to an investor's registration details and payment instructions will only be effected upon receipt of original documentation.

Cash Subscriptions

Subscription Price

The Initial Offer Price per Share and per Creation and Redemption Unit for each Fund during the Initial Offer Period is set out in the relevant Fund Supplement. Shares will be issued in Creation and Redemption Units in accordance with the provisions of the relevant Fund Supplement.

Subscription Procedures for Cash Transactions

Investors may subscribe for Shares for cash on each Dealing Day by making an application before the Dealing Deadline in accordance with the following provisions.

Subscription monies should be received in the relevant account specified in the subscription application form no later than the time specified in the relevant Fund Supplement.

If cleared funds representing the subscription monies are not received by the Company by the time and date specified in the relevant Fund Supplement, the Directors and/or the Management Company reserve the right to cancel any provisional allotment of Shares. In such an event the investor shall indemnify the Company and the Administrator for any loss suffered by the Company as a result of the investor's failure to transmit the subscription monies in a timely fashion including, but not limited to, any overdraft interest payable as a result. In the event that the Directors and/or the Management Company decide not to cancel a provisional allotment of Shares notwithstanding that cleared funds have not been received by the Company by the relevant cut-off time, the Directors and/or the Management Company reserve the right to charge interest at such rate as the Directors may from time to time determine on such subscription monies commencing on the Business Day following the relevant Dealing Day. Subscription monies received from applicants prior to the receipt of a completed subscription form will be maintained (without interest) for a period of 10 business days prior to being returned to the remitter. These monies will not be available for investment and will remain the property of the applicant until the relevant share application is accepted by the Company and/or the Management Company.

Any properly made application received by the Administrator after the Dealing Deadline will not be accepted until the following Dealing Day.

Direct Dealing (Cash Transaction) Fee

All subscriptions in cash will be subject to a Direct Dealing (Cash Transaction) Fee, as specified for each Fund in the relevant Fund Supplement. The Direct Dealing (Cash Transaction) Fee is payable to the Administrator as agent for the Company to offset the costs and expenses incurred by the Administrator in dealing in cash for that subscription. It will be added to the requisite subscription amount.

The Administrator, acting in accordance with instructions of, or policies formulated by, the Directors or the Management Company, may reduce the amount of the Direct Dealing (Cash Transaction) Fee, or if this is a requirement of the local law or practice of any country in which the Shares are offered.

In-Kind Subscriptions

Where permitted in the relevant Fund Supplement, a Fund will allow investors to subscribe for Shares in-kind, only in Creation and Redemption Units, on each Dealing Day (except during any period in which the calculation of the Net Asset Value per Share is suspended). In this context, "*in-kind*" means that, rather than receiving cash in respect of a subscription, the Company will receive securities (or predominantly securities) and a Cash Portion.

Securities delivered in connection with in-kind subscription requests must be securities which the Fund may acquire pursuant to its investment objective, policies and restrictions, and will be valued in accordance with the provisions of this Prospectus. The value attributed to securities delivered in connection with in-kind subscription requests will be equivalent to that for cash subscriptions, and no Shares shall be issued until all securities and cash payable to the Depositary have been vested with the Depositary or arrangements have been made to ensure that such assets have vested with the depositary. In addition, the Depositary must be satisfied that there is unlikely to be any material prejudice

to the existing Shareholders of the relevant Fund.

Subscription Price

The Initial Offer Price per Share and per Creation and Redemption Unit for each Fund during the Initial Offer Period is set out in the relevant Fund Supplement. Thereafter, the subscription price for each further Creation and Redemption Unit will be the aggregate of the Net Asset Value per Share of all of the Shares comprising the Creation and Redemption Unit plus, in respect of each Creation and Redemption Unit, the relevant In-Kind Transaction Fee (the amount of which is available upon request from the Administrator). Investors may be subject to additional payments in the event of failure to deliver the Portfolio Deposit as described under "**Failure to Deliver Securities**" below. The subscription price per Creation and Redemption Unit will be payable by transferring the securities portion of the Portfolio Deposit and the Cash Portion of the Portfolio Deposit, plus a cash amount equal to the relevant In-Kind Transaction Fee.

The minimum number of Shares for in-kind subscriptions is one Creation and Redemption Unit. Applications for the subscription of Shares in-kind in that Fund must be in integer multiples of that Fund's Creation and Redemption Unit size.

Publication of Portfolio Composition File

The Portfolio Composition File will be available from the Investment Manager upon request.

Subscription Procedures for In-Kind Subscriptions

Where permitted in the relevant Fund Supplement, applications for in-kind subscriptions for Creation and Redemption Units must be made to the Administrator before the Dealing Deadline in accordance with the specific procedures made available by the Administrator. Except when the calculation of the Net Asset Value per Share is suspended, or as otherwise determined by the Company, all applications for in-kind subscriptions will be binding and irrevocable. The Directors and/or the Management Company may, in their sole discretion, decide to reject any application for subscription in whole or in part.

If a properly made application is received before the Dealing Deadline (as set out in the relevant Fund Supplement), the Administrator will accept receipt of the application on that Dealing Day. Any properly made application received by the Administrator after the Dealing Deadline will not be accepted until the following Dealing Day (provided that the Administrator may, in accordance with instructions received from, or policies formulated by, the Directors, acknowledge receipt on that Dealing Day of an application received prior to the Valuation Point).

Notification of Cash Portion and In-Kind Transaction Fee

On the business day following the Dealing Day on which receipt is accepted, a contract note will be sent to the applicant reporting the amounts of the In-Kind Transaction Fee to be delivered by the applicant to the Depositary with the Portfolio Deposit. The Administrator will also identify the Cash Portion of the In-Kind subscription. In limited circumstances, the securities portion of the Portfolio Deposit may differ from the Portfolio Composition File as a result of corporate actions or events affecting the securities detailed therein. The Company reserves the right to permit delivery of a previously agreed basket of securities by way of a Portfolio Deposit which is different from the Portfolio Composition File. Delivery of securities in the Portfolio Deposit will be on a delivery versus payment settlement basis. In certain circumstances, and with advanced disclosure to the applicant, the Administrator, acting in accordance with instructions received from, or policies formulated by, the Directors, may permit or require that a portion of the Cash Portion itself be deliverable in-kind in one or more securities which are eligible security holdings of the Fund.

Settlement Period

Unless disclosed otherwise in the relevant Fund Supplement, the standard settlement period for in-kind subscriptions is three Business Days following the Business Day on which the application for subscription is accepted, but this may vary depending upon the standard settlement periods of the different stock exchanges on which the Shares are traded and the nature of the securities comprised in

the Portfolio Deposit but shall not in any event exceed 10 Business Days from the Dealing Day. Shares will be allotted to the applicant on the Business Day on which the application for subscription is accepted at the Net Asset Value per Share plus an appropriate provision for Duties and Charges on that Dealing Day, subject to the provisions below in relation to delivery of the securities in the Portfolio Deposit, the requisite Cash Portion and the In-Kind Transaction Fee.

Failure to Deliver Securities

In the event that an applicant fails to deliver the required Securities and/or Cash Portion in relation to an in-kind subscription or cash in relation to a cash subscription in the settlement times outlined in the relevant Fund Supplement, the Company and/or the Management Company may cancel the relevant trade and the applicant will be responsible for compensating the Company for any loss incurred by the Company as a result of this failure to supply the Securities and/or Cash Portion or cash in a timely manner. As a result the Company and/or the Management Company may also cancel any provisional allotment of shares.

The Directors and/or the Management Company have the discretion to determine not to cancel a subscription and provisional allotment of shares where an applicant has failed to provide the necessary Securities and/or Cash Portion or cash within the required time. The Company may temporarily borrow funds to cover the amount equal to the subscription in accordance with the investment objective and policies of the Fund. Once the subscription proceeds have been received, the Company will use this to repay the loan. The Company may charge the applicant for any costs incurred as a result of the borrowing. If the applicant refuses to pay the Company for any costs incurred, the Company is entitled to sell all or part of the applicant's holdings to cover the borrowing costs.

Applications for Shares are irrevocable and the provisions described above may be applied to any application for Shares that is not fully settled in the manner described above.

Use of Proceeds

The proceeds of a subscription received from an investor will be used in the manner outlined in the relevant Fund Supplement in order to seek to achieve the Fund's investment objective.

Anti-Money Laundering Measures

Measures aimed at the prevention of money laundering and terrorist financing will require a detailed verification of the applicant's identity, address, source of wealth and source of funds and where applicable the beneficial owner on a risk sensitive basis and ongoing monitoring of the business relationship with the Company.

By way of example an individual will be required to produce a certified copy of a passport or identification card which includes a date of birth together with an original or certified piece of evidence of his/her address such as utility bill or bank statement (not more than six months old). In the case of corporate applicants, such measures may require production of a certified copy of the certificate of incorporation (and any change of name), a certified copy of the memorandum and articles of association (or equivalent), a certified copy of the corporation's authorised signatory list, the names, occupations, dates of birth and resident and business address of all directors and beneficial owners (who may also be required to verify their identity as described above).

All certified copies should be certified by a Notary Public, Solicitor, Company Registrar, Police Officer or FATF regulated financial institution or any person so authorised under the laws of the applicant's country or domicile.

Politically exposed persons ("**PEPs**"), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, and immediate family members, or persons known to be close associates of such persons, must also be identified.

The Administrator and the Company each reserves the right to request such information as is necessary to verify the identity, address, source of wealth and source of funds of an applicant. In the event of delay or failure by an applicant to produce any information required for verification purposes, the Administrator or the Company will refuse to accept the application and subscription monies. The Administrator will refuse

to process redemption requests or pay redemption proceeds in such circumstances. Applicants should note specifically that redemption proceeds will not be paid to an account which is not in the name of the applicant. Applicants should note that there is a risk that any delay in providing any documents to the Administrator required in connection with the obligations to prevent money laundering and terrorist financing may result in Shares not being issued on a particular Dealing Day.

Each applicant for Shares acknowledges that the Administrator and the Company shall be held harmless and indemnified against any loss arising as a result of a failure to process his/her application for Shares or redemption request, if such information and documentation as has been requested by the Administrator has not been provided by the applicant. The applicant acknowledges that the Company may take such steps as it considers appropriate or necessary to discontinue the relationship with the investor where required to do so under applicable law and regulation.

Registration and Settlement of Shares – International Central Securities Depositary

All Shares issued will be in registered form. Written confirmation of ownership will be sent to investor that have subscribed for Shares within 2 Business Days of the Dealing Day. Shares may only be issued as fully paid in whole units.

The settlement of trading in Shares of a Fund is centralised in an ICSD structure. Shares in the Fund will not be issued in Dematerialised Form and no temporary documents of title or share certificates will be issued, other than the Global Share Certificate issued to the Common Depositary's Nominee (as defined below) which is required for the ICSD settlement model (the ICSD being the Recognised Clearing and Settlement Systems through which the Fund's Shares will be settled). The Fund will apply for admission for clearing and settlement through the applicable ICSD. The ICSD for the Fund will be Euroclear Bank SA/NV ("Euroclear").

Under the ICSD settlement model, all Shares in the Fund will ultimately settle in an ICSD but investors may have their holdings within Recognised Clearing and Settlement Systems which are national settlement systems for individual national markets ("Central Securities Depositaries") which will be an accountholder in the relevant ICSD (a "Participant"). All Shares in issue will be represented by a Global Share Certificate and the Global Share Certificate will be deposited with an entity appointed as a depositary for the ICSD, currently HSBC Bank plc (the "Common Depositary") (being the entity nominated by the ICSD to hold the Global Share Certificate) and will be held in its nominee name, HSBC Issuer Services Common Depositary Nominee (UK) Limited (the "Common Depositary's Nominee") (being the registered holder of the Shares of the Fund as nominated by the Common Depositary) on behalf of Euroclear and accepted for clearing through Euroclear. The applicable ICSD for an investor is dependent on the market in which the Shares are traded.

A purchaser of interests in Shares in the Fund will not be a registered shareholder in the Company, but will hold an indirect beneficial interest in such Shares. Legal title to the Shares of the Fund will be held by the Common Depositary's Nominee. The rights of the holder of the indirect beneficial interests in the Shares, where such person is a Participant in the ICSD, shall be governed by the terms and conditions applicable to the arrangement between such Participant and their ICSD and where the holder of the indirect beneficial interests in the Shares is not a Participant, shall be governed by their arrangement with their respective nominee, broker or Central Securities Depositary (as appropriate) which may be a Participant or have an arrangement with a Participant. The extent to which, and the manner in which, Participants may exercise any rights arising under the Shares will be determined by the respective rules and procedures of their ICSD. All references herein to actions by holders of the Global Share Certificate will refer to actions taken by the Common Depositary's Nominee as registered Shareholder following instructions from the applicable ICSD upon receipt of instructions from its Participants. All distributions, notices, reports, and statements issued to the Global Paying Agent by the Company shall be distributed to the Participants in accordance with such applicable ICSD's procedures.

Interests in the Shares represented by the Global Share Certificate will be transferable in accordance with applicable laws, any rules and procedures issued by the ICSDs and this Prospectus. Beneficial interests in such Shares will only be transferable in accordance with the rules and procedures for the time being of the relevant ICSD and this Prospectus.

Each Participant must look solely to its ICSD for documentary evidence of the amount of such Participant's

interests in any Shares. Any certificate or other document issued by the relevant ICSD, as to the interest in such Shares standing to the account of any person shall be conclusive and binding as accurately representing such records. Each Participant must look solely to its ICSD for such Participant's (and therefore any person with an interest in the Shares) portion of each payment or distribution made by the Fund and in relation to all other rights arising under the Shares.

Participants shall have no claim directly against the Company, the Fund, any entity appointed to act as Global Paying Agent or any other person (other than their ICSD) relating to payments or distributions due in respect of the Shares which are made by the Company or the Fund and such obligations of the Company shall be discharged thereby. The ICSD shall have no claim directly against the Company, the Fund, any paying agent or any other person (other than the Common Depositary).

The Company or its duly authorised agent may from time to time require the holder of the indirect beneficial interest in the Shares to provide them with information relating to: (a) the capacity in which they hold an interest in Shares; (b) the identity of any other person or persons then or previously interested in such Shares; (c) the nature of any such interests; and (d) any other matter where disclosure of such matter is required to enable compliance by the Company with applicable laws or the constitutional documents of the Company.

The Company or its duly authorised agent may from time to time request the applicable ICSD to provide the Company with certain details in relation to Participants that hold interests in Shares in the Fund including (but not limited to): ISIN, ICSD Participant name, ICSD Participant type (e.g. fund/bank/individual), residence of ICSD Participants, number of ETFs and holdings of the Participant within Euroclear, including which Funds, types of Shares and the number of such interests in the Shares held by each such Participant, and details of any voting instructions given and the number of such interests in the Shares held by each such Participant. Euroclear Participants which are holders of interests in Shares or intermediaries acting on behalf of such account holders will provide such information upon request of the ICSD or its duly authorised agent and have been authorised pursuant to the respective rules and procedures of Euroclear to disclose such information to the Company of the interest in Shares or to its duly authorised agent. Similarly, the Company or its duly authorised agent may from time to time request any Central Securities Depositary to provide the Company with details in relation to Shares in the Fund or interests in Shares in the Fund held in each Central Securities Depositary and details in relation to the holders of those Shares or interests in Shares, including (without limitation) holder types, residence, number and types of holdings and details of any voting instructions given by each holder. Holders of Shares and interests in Shares in a Central Securities Depositary or intermediaries acting on behalf of such holders agree to the Central Securities Depositary, pursuant to the respective rules and procedures of the relevant Central Securities Depositary, disclosing such information to the Company or its duly authorised agent.

The holder of the indirect beneficial interest in the Shares may be required to agree to the applicable ICSD providing the identity of a Participant or investor to the Company upon their request.

Notices of Meetings and the Exercise of Voting Rights through the International Central Securities Depositary

Notices of general meetings and associated documentation will be issued by the Company to the registered holder of the Shares, i.e. the Common Depositary's Nominee. Each Participant must look solely to its ICSD and the rules and procedures for the time being of the relevant ICSD governing onward delivery of such notices to the Participants and the Participant's right to exercise voting rights. Investors who are not Participants in the relevant ICSD would need to rely on their broker, nominee, custodian bank or other intermediary which is a Participant, or which has an arrangement with a Participant, in the relevant ICSD to receive any notices of Shareholder meetings of the Company and to relay their voting instructions to the relevant ICSD.

The Common Depositary's Nominee has a contractual obligation to promptly notify the Common Depositary of any Shareholder meetings of the Company. The Global Paying Agent is under a contractual obligation to relay any associated documentation issued by the Company to the relevant ICSD. Each ICSD will, in turn, relay notices received from the Common Depositary to its Participants in accordance with its rules and procedures. In accordance with their respective rules and procedures, each ICSD is contractually bound to collate and transfer all votes received from its Participants to the

Common Depositary and the Common Depositary is, in turn, contractually bound to collate and transfer all votes received from each ICSD to the Common Depositary's Nominee, which is obligated to vote in accordance with the Common Depositary's voting instructions.

Profile of a Typical Investor

The Company has been established for the purpose of investing in transferable securities in accordance with the UCITS Regulations. The investment objectives and policies for each Fund will be set out in the relevant Fund Supplement. Unless otherwise disclosed in the relevant Fund Supplement, investors are expected to be retail and institutional investors. Further details in regarding the profile of a typical investor for each Fund are set out in the relevant Fund Supplement.

Qualified Investors

The Company will not knowingly issue any Shares to any US Person except in a transaction which does not contravene US securities laws. Each applicant for Shares will be required to provide such representations, warranties or documentation as may be required by the Company to ensure that these requirements are met prior to the issue of Shares.

SECONDARY MARKET PURCHASES

It is the intention of the Company that each of its Funds, through the listing of its Shares on one or more Listing Stock Exchange(s), will be an exchange traded fund. Upon such listings there is an expectation that one or more members of the relevant Listing Stock Exchange(s) will act as market makers and provide offer and bid prices at which the Shares can be purchased or sold, respectively, by investors. Such investors are able to buy and sell Shares on the Secondary Market through a stockbroker, share dealing service or third party administrator, in smaller quantities than would be possible if they were to subscribe and/or redeem Shares through the Company in the Primary Market.

The market price of a Share listed or traded on a stock exchange may not necessarily reflect the Net Asset Value per Share of a Fund, and may be subject to brokerage commissions and/or transfer taxes associated with the trading and settlement through the relevant stock exchange. There can be no guarantee that once the Shares are listed on a stock exchange they will remain listed. Investors should also read the risk warning headed "**Secondary Market Trading Risk**" and "**Risk of Fluctuation of Net Asset Value and Trading Prices on the Secondary Market**" in the "**Risk Factors**" section.

DETERMINATION OF NET ASSET VALUE

The Management Company has delegated the calculation of the Net Asset Value of each Fund and the Net Asset Value per Share to the Administrator.

The Net Asset Value of a Fund shall be calculated by ascertaining the value of the assets of the relevant Fund and deducting from such amount the liabilities of the Fund, which shall include all fees and expenses payable and/or accrued and/or estimated to be payable out of the assets of the Fund.

The Net Asset Value per Share in a Fund shall be calculated by dividing the Net Asset Value of the relevant Fund by the total number of Shares issued in respect of that Fund or deemed to be in issue as of the relevant Dealing Day.

The Net Asset Value per Share in each Fund shall be calculated to the nearest four decimal places in the Base Currency of the relevant Fund on each Dealing Day in accordance with the valuation provisions set out in the Articles and summarised below.

In the event that the Shares of any Fund are divided into different classes of Shares, the amount of the Net Asset Value of the Company attributable to a class shall be determined by establishing the number of Shares issued in the class at the relevant Valuation Point and by allocating the relevant fees and class expenses to the class, making appropriate adjustments to take account of distribution, subscriptions, redemptions, gains and expenses of that class and apportioning the Net Asset Value of the Company accordingly. The Net Asset Value per Share in respect of a class will be calculated by dividing the Net Asset Value of the relevant class by the number of Shares of the relevant class in issue. The Net Asset Value of the Company attributable to a class and the Net Asset Value per Share in respect of a class

will be expressed in the class currency of such class if it is different to the Base Currency.

The Net Asset Value per Share in the Company in respect of any Dealing Day will be calculated using the value of each of the relevant assets or liabilities as at their respective Valuation Points and will be determined at the time set out in this Prospectus.

In calculating the Net Asset Value of each Fund and the Net Asset Value per Share in each Fund, the Administrator may rely on such automatic pricing services as it shall determine and the Administrator shall not be liable (in the absence of fraud, negligence or wilful misconduct) for any loss suffered by the Company or any Shareholder by reason of any error in calculation of the Net Asset Value resulting from any inaccuracy in the information provided by any pricing service. The Administrator shall use reasonable endeavours to verify any pricing information supplied by the Investment Manager or any connected person including a connected person who is a broker or market maker or other intermediary, however in certain circumstances it may not be possible or practicable for the Administrator to verify such information and in such circumstances the Administrator shall not be liable (in the absence of fraud, negligence or wilful misconduct) for any loss suffered by the Company or any Shareholder by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by the Investment Manager or its delegates provided that the use of such information in the circumstances was reasonable.

In circumstances where the Administrator is directed by the Investment Manager or its delegates to use particular pricing services, brokers, market makers or other intermediaries, the Administrator shall not be liable for any loss suffered by the Company or any Shareholder by reason of any error in the calculation of the Net Asset Value of the Fund and the Net Asset Value per Share in each Fund resulting from any inaccuracy in the information provided by such pricing services, brokers, market makers or other intermediaries.

Each asset which is quoted, listed or traded on or under the rules of any Recognised Market shall be valued using the index method of stock valuations which, unless otherwise stated in the relevant Fund Supplement, is (i) the last traded price for equity securities or, if the last traded price is unavailable and if bid and offer quotations are made, then the latest available middle market quotation (i.e. the mean of the bid and offer price quoted) on the relevant Recognised Market at the close of business on such Recognised Market on each Dealing Day; (ii) for Bond securities, the closing mid-market price on the principal Recognised Market. Please refer to the relevant Fund Supplement for the pricing policy of each Fund. If the investment is normally quoted, listed or traded on or under the rules of more than one Recognised Market, the relevant Recognised Market shall be that which the main market for the investment is. If prices for an investment quoted, listed or traded on the relevant Recognised Market are not available at the relevant time, or are unrepresentative in the opinion of the Management Company, such investment shall be valued at such value as shall be estimated with care and in good faith as the probable realisation value of the investment by a competent professional person, firm or corporation appointed for such purpose by the Management Company and approved for the purpose by the Depositary. If the investment is quoted, listed or traded on a Recognised Market but acquired or traded at a premium or discount outside of or off the Recognised Market, the investment shall be valued taking into account the level of premium or discount as of the date of valuation of the instrument and the Depositary must ensure the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security. Neither the Directors or their delegates nor the Depositary shall be under any liability if a price reasonably believed by them to be the last known market price or, as the case may be, middle market quotation for the time being, may be found not to be such.

The value of any investment which is not normally quoted, listed or traded on or under the rules of a Recognised Market, will be valued at its probable realisation value estimated with care and in good faith by the Management Company in consultation with the Administrator or by a competent person, firm or corporation appointed by the Management Company and approved for such purpose by the Depositary.

Cash in hand or on deposit shall be valued at face value together with accrued interest where applicable, unless in the opinion of the Management Company (in consultation with the Administrator and the Depositary) any adjustment should be made to reflect the fair value thereof. Derivative instruments including swaps, interest rate futures contracts and other financial futures contracts which are traded on a Recognised Market shall be valued at the settlement price as determined by the relevant Recognised Market at the close of business on such Recognised Market, provided that where it is not the practice of

the relevant Recognised Market to quote a settlement price, or if a settlement price is not available for any reason, such instruments shall be valued at their probable realisation value estimated with care and in good faith by the Management Company in consultation with the Administrator. The value of forward foreign exchange contracts which are dealt in on a Recognised Market shall be calculated by reference to freely available market quotations.

Derivative instruments and forward exchange contracts which are not dealt on a Recognised Market shall be valued by the counterparty at least daily, provided that the valuation is verified at least weekly either by the Investment Manager or other independent party such person to be independent of the counterparty, appointed by the Management Company and approved for that purpose by the Depositary.

Certificates of deposit shall be valued by reference to the latest available sale price for certificates of deposit of like maturity, amount and credit risk on each Dealing Day or, if such price is not available, at the latest bid price or, if such price is not available or is unrepresentative of the value of such certificate of deposit in the opinion of the Management Company, at probable realisation value estimated with care and in good faith by a competent person appointed by the Management Company and approved for the purpose by the Depositary. Treasury bills and bills of exchange shall be valued with reference to prices ruling in the relevant markets for such instruments of like maturity, amount and credit risk at close of business on such markets on the relevant Dealing Day.

Units or shares in collective investment schemes shall be valued on the basis of the latest available net asset value per unit as published by the collective investment scheme. If units or shares in such collective investment schemes are quoted, listed or traded on or under the rules of any Recognised Market then such units or shares will be valued in accordance with the rules set out above for the valuation of assets which are quoted, listed or traded on or under the rules of any Recognised Market. If such prices are unavailable, the units will be valued at their probable realisation value estimated with care and in good faith by the Management Company in consultation with the Administrator or by a competent person, firm or corporation appointed for such purpose by the Management Company and approved for the purpose by the Depositary.

Notwithstanding the above provisions the Management Company may, with the approval of the Depositary (a) adjust the valuation of any listed investment where such adjustment is considered necessary to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant; or (b) in relation to a specific asset permit an alternative method of valuation approved by the Depositary to be used if they deem it necessary.

In determining the Company's Net Asset Value per Share, all assets and liabilities initially expressed in foreign currencies will be converted into the Base Currency of the Company using the market rates prevailing at the Valuation Point. If such quotations are not available, the rate of exchange will be determined to be the probable realisation value estimated with care and in good faith by the Management Company.

Save where the determination of the Net Asset Value per Share in respect of the Company has been temporarily suspended in the circumstances described under "**Temporary Suspension of Dealings**" below, the Net Asset Value per Share the Company shall be made public at the registered office of the Investment Manager and shall also be published by the Administrator in various publications as notified to any Listing Stock Exchange in accordance with the rules of the relevant Listing Stock Exchange. The manner of publication of the Net Asset Value per Share for each Fund will be specified in the relevant Fund Supplement.

CONVERSION OF SHARES – PRIMARY MARKET

A conversion request will be treated as a cash redemption request in respect of the originally held Shares and as a cash subscription application in respect of Shares of the new Fund and/or Class. On this basis and unless otherwise stated in the relevant Fund Supplement, Shareholders will be entitled on any Dealing Day to apply to convert any or all of their Shares of any Class in any Fund into Shares of another Class in the Fund or any other Fund, except where dealings in the relevant Shares have been temporarily suspended in the circumstances described in this Prospectus and where the Dealing Deadlines are different for the Class of Shares in the Funds being converted. Shareholders should consider the terms of the relevant Fund Supplement for further details.

When requesting the conversion of Shares as an initial investment in a Fund, Shareholders should ensure that the aggregate Net Asset Value per Share of the Shares converted is equal to or exceeds any minimum holding for the relevant Fund. In the case of a conversion of a partial holding only, the value of the remaining holding must also be at least equal to any minimum holding for the relevant Fund. If the number of Shares of the new Class to be issued on conversion is not an integral number of Shares, the Company may issue fractional Shares of the new Class or return the surplus arising to the Shareholder seeking to convert the Shares of the original Class.

Conversions will attract a Conversion Transaction Fee, being the fee payable to the Administrator as agent for the Company where, as part of a conversion of Shares, Shares are redeemed for cash and subsequently invested for cash in a different Fund. The fee payable is deducted from the redemption proceeds at the same rate as the Conversion Transaction Fee as specified in the relevant Fund Supplement of the subscribed for Fund.

REDEEMING SHARES – PRIMARY MARKET

Shareholders may request the Company to redeem their Shares on any Dealing Day at their Net Asset Value per Share less an appropriate provision for Duties and Charges on such Dealing Day in accordance with the following redemption procedures.

Shareholders may request the redemption of all or any of their Shares on any Dealing Day at their Net Asset Value per Share less an appropriate provision for Duties and Charges as of the relevant Dealing Day provided that a properly completed signed original redemption instruction is received by the Administrator before the Dealing Deadline for the relevant Dealing Day or such other time as the Directors may agree and notify in advance to the Shareholders. Redemption instructions may be sent by fax or electronically in such format or method as shall be agreed in writing in advance with the Administrator in accordance with the requirements of the Central Bank. As such, the original of the redemption request may not be required prior to payment of redemption proceeds in relation to electronically sent instructions received by the Administrator. Redemption requests will only be processed on receipt of electronically sent instructions where payment is made to a bank account on record. In addition, the Administrator or the Directors may refuse to process a redemption request until proper information has been provided. Any amendments to a Shareholder's registration detail or payment instructions will only be effected upon receipt of original documentation by the Administrator.

Where the original application was made by fax, redemptions proceeds (in-kind and/or in cash) will only be released where the Administrator holds full original anti-money laundering documentation.

Redemption instructions received after the above deadlines will be held over and dealt with on the following Dealing Day, unless the Directors and/or the Management Company otherwise determine. Redemption instructions should be sent by post or facsimile (with the original followed by post) to the Administrator at the address specified above under "**Subscriptions**". No redemption payment may be made unless the original subscription application form has been received by the Administrator and all documentation required in connection with anti-money laundering procedures has been received and anti-money laundering procedures have been completed.

Shareholders will not be entitled to withdraw redemption requests unless otherwise agreed by the Directors and the Management Company in consultation with the Administrator. The original of all requests for redemptions must be received by the Administrator in order for payment to be made, provided, however, that payment may be made where a redemption request has been submitted by fax where payment is made to the account specified by the Shareholder in its original subscription application form, or such other account as may be specified by original notice in writing to the Administrator.

The Shares shall be redeemed at the Net Asset Value per Share less an appropriate provision for Duties and Charges on the Dealing Day on which redemption is effected.

If outstanding redemption requests from all holders of Shares of a particular Fund on any Dealing Day total an aggregate of more than 10% of all the Shares of such Fund in issue on such Dealing Day, the Directors shall be entitled, at their absolute discretion, to refuse to redeem such number of Shares in issue in that Fund on that Dealing Day in respect of which redemption requests have been received as the Directors

shall determine. If the Directors refuse to redeem Shares for this reason, the requests for redemption on such date shall be reduced rateably and the Shares to which each request relates which are not redeemed shall be treated as if they were redemption requests received on each subsequent Dealing Day, provided that the Directors shall not be obliged to redeem more than 10% of the number of Shares of a particular Fund outstanding on any Dealing Day, until all the Shares of the Fund to which the original request related have been redeemed.

Redemptions for Cash

If a redemption request relates to Shares which were entirely purchased for cash, those Shares may be redeemed for cash on each Dealing Day by making an application before the Dealing Deadline in accordance with the procedure set out below. In the case of such Shares, if (i) the consent of the redeeming Shareholder is obtained or (ii) the redemption relates to Shares with a value equal to 5% or more of the Net Asset Value of any Fund on any Dealing Day, the Directors may, at their absolute discretion, distribute underlying investments rather than cash provided the asset allocation is subject to the approval of the Depositary and that any such distribution shall not materially prejudice the interest of other Shareholders. In such circumstances, the relevant Shareholder will have the right to instruct the Company to procure the sale of such underlying investments on their behalf. In all other circumstances, redemption requests will, unless otherwise determined by the Directors, or in the case of a conversion of shares (see page 50 for details), be processed on an "*in-kind*" basis as described below.

Direct Dealing (Cash Transaction) Fee

All redemptions for cash will be subject to a Direct Dealing (Cash Transaction) Fee, as specified for each Fund in the relevant Fund Supplement. The Direct Dealing (Cash Transaction) Fee is payable to the Administrator as agent for the Company to offset the costs and expenses incurred by the Administrator in dealing in cash for that redemption. It will be deducted from the redemption proceeds.

Payment Procedures for Redemptions for Cash

Unless disclosed otherwise in the relevant Fund Supplement, payment for Shares redeemed will be effected no later than 10 Business Days after the relevant Dealing Day. Redemption proceeds in either the Base Currency of the Fund or other local currency (at a competitive rate provided by the Administrator) will be paid by telegraphic transfer to the appropriate bank account as notified by the redeeming Shareholder. The cost of any transfer of proceeds by telegraphic transfer will be deducted from such proceeds. Payment will be made only to an account in the name of the registered Shareholder.

Redemption Proceeds

The redemption proceeds will be paid less an appropriate provision for Duties and Charges and any telegraphic transfer costs, and the Administrator will identify the portion of such proceeds represented by any accrued income that is being paid to the redeeming Shareholder.

Redemption of Creation and Redemption Units in-kind

Each Fund will allow investors to redeem only in Creation and Redemption Units, or in fractions of Creation and Redemption Units at the discretion of the Directors, on each Dealing Day. In this context, "*in-kind*" means that, rather than delivering cash proceeds in respect of a redemption, the Company will deliver securities (or predominantly securities).

Publication of Portfolio Composition File

The Portfolio Composition File will be available from the Investment Manager upon request.

Applications for Redemption

Applications for in-kind redemptions of Creation and Redemption Units must be made to the Administrator before the Dealing Deadline in accordance with the specific procedures made available by the Administrator. Except when the calculation of the Net Asset Value per Share is suspended, or as otherwise determined by the Company, all applications for in-kind redemptions will be binding and irrevocable.

If a properly made application for redemption is received before the Dealing Deadline, the Administrator will accept receipt of that application on that Dealing Day. Receipt of any properly made application for redemption received by the Administrator after the Dealing Deadline will not be accepted until the following Dealing Day (provided that the Administrator may, in accordance with instructions received from, or policies formulated by, the Directors, acknowledge receipt on that Dealing Day of an application received prior to the Valuation Point).

Delivery of securities will be on a delivery versus payment settlement basis. The cost of any settlement by telegraphic transfer will be charged to and payable by the applicant for redemption.

Notification of Cash Portion, In-Kind Transaction Fee and any Transfer Taxes

On the Dealing Day on which receipt is accepted, a contract note will be sent to the applicant stating the In-Kind Transaction Fee deducted from the final redemption proceeds. The Administrator will also identify the portion of such proceeds represented by any Redemption Dividend that is being paid to the redeeming Shareholder. In limited circumstances, the securities portion of the Portfolio Deposit may differ from the Portfolio Composition File as a result of corporate actions or events affecting the securities detailed therein. The Company reserves the right to have the Depositary deliver to a person redeeming a previously agreed basket of securities by way of a Portfolio Deposit which is different from the Portfolio Composition File. In certain circumstances, and with advanced disclosure to the applicant, the Administrator, acting in accordance with instructions received from, or policies formulated by, the Directors, may permit or require that a percentage of the Cash Portion itself be deliverable in kind in one or more securities which are comprised in the Portfolio Composition File.

Settlement Period

The standard settlement period for in-kind redemptions will be specified in the relevant Fund Supplement but may vary depending upon the standard settlement periods of the different stock exchanges on which the Shares are traded and the securities in the Portfolio Deposit. Any cash to be paid in respect of an in-kind redemption will be for value on the same day as settlement of the securities.

Partial Cash Settlement

The Directors may, in their absolute discretion, satisfy part of the application for in-kind redemption in cash, e.g. in cases in which it believes that a security held by a Fund is unavailable for delivery or where it believes that an insufficient amount of that security is held for delivery to the applicant for redemption in-kind.

Where satisfaction of a redemption request would result in a Shareholder holding a number of Shares in a class with a value less than the Minimum Holding for that class, the Directors shall be entitled, at their discretion, to treat the application for redemption as an application for the redemption of all of that Shareholder's Shares of the relevant class or to offer the Shareholder an opportunity to amend or withdraw the redemption request.

REDEEMING SHARES – SECONDARY MARKET

Investors that purchased their Shares on the Secondary Market i.e. through a stock exchange, are advised to contact their stockbroker, share dealing service or third party administrator should they wish to sell their Shares.

Shares purchased on the Secondary Market cannot usually be sold directly back to the Company. In exceptional circumstances, whether as a result of disruptions in the Secondary Market or otherwise,

the Company will make a stock exchange announcement when such circumstances arise to notify investors that purchased Shares on the Secondary Market to contact the Company for information on the process to redeem Shares. Investors may then apply to the Company, in writing, for details of the process to be followed in order to redeem the Shares. Investors wishing to do so should contact the Administrator to provide such proper information, including original documentation, as the Administrator shall require in order to register the investor as a Shareholder. Shareholders may then access redemption facilities described above in the section **"Redeeming Shares - Primary Market"**. The Shares may then be redeemed at the Net Asset Value per Share less an appropriate provision for Duties and Charges on the Dealing Day on which redemption is affected.

The market price of a Share listed or traded on a stock exchange may not necessarily reflect the Net Asset Value per Share of a Fund, and may be subject to brokerage commissions and/or transfer taxes associated with the trading and settlement through the relevant stock exchange. There can be no guarantee that once the Shares are listed on a stock exchange they will remain listed. Shareholders should also read the risk warning headed "**Secondary Market Trading Risk**" and "**Risk of Fluctuation of Net Asset Value and Trading Prices on the Secondary Market**" in the "**Risk Factors**" section.

TEMPORARY SUSPENSION OF DEALINGS

The Directors may at any time, with prior notification to the Depositary, temporarily suspend the issue, valuation, sale, purchase, redemption or conversion of Shares of any Fund, or the payment of redemption proceeds, during:

(a) any period when any Recognised Market on which a substantial portion of the investments for the time being comprised in the Company are quoted, listed or dealt in is closed otherwise than for ordinary holidays, or during which dealings on any such Recognised Market are restricted or suspended;

(b) any period when, as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the Directors, the disposal or valuation of investments for the time being comprised in the Company cannot, in the opinion of the Directors, be effected or completed normally or without prejudicing the interests of Shareholders;

(c) any breakdown in the means of communication normally employed in determining the value of any investments for the time being comprised in the Company or during any period when for any other reason the value of investments for the time being comprised in the Company cannot, in the opinion of the Directors, be promptly or accurately ascertained;

(d) any period when the Company is unable to repatriate funds for the purposes of making redemption payments or during which the realisation of investments for the time being comprised in the Company, or the transfer or payment of funds involved in connection therewith cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange;

(e) any period when, as a result of adverse market conditions, the payment of redemption proceeds may, in the opinion of the Directors, have an adverse impact on the Company or the remaining Shareholders in the Company;

(f) any period when the Directors determine that it is in the best interests of the Shareholders to do so.

Notice of any such suspension shall be published by the Company at its registered office and in such newspapers and through such other media as the Directors may from time to time determine, if in the opinion of the Directors, it is likely to exceed thirty (30) days, and shall be transmitted immediately to the Central Bank and the Shareholders. Shareholders who have requested the issue or redemption of Shares of any series or class will have their subscription or redemption request dealt with on the first Dealing Day after the suspension has been lifted unless applications or redemption requests have been withdrawn prior to the lifting of the suspension. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

TRANSFER OF SHARES

Subject to and in accordance with the rules of the relevant stock exchange(s) and settlement systems, Shares are freely transferable except that the Directors may decline to register a transfer of Shares (a) if the transfer is in breach of US securities laws.

Subscriptions by and Transfers to US Persons

The Directors will decline to register a subscription request or transfer of Shares if the transfer is on the behalf of or for the benefit of a "US Person". When the Company becomes aware that a Shareholder is (a) US Person or is holding Shares for the account or benefit a US Person, whether held directly on the register or via a nominee the Directors will direct the Shareholder to dispose of the Shares. Prospective investors should read the section "Mandatory Redemption of Shares" for more information. A non-US Person who invests through a US nominee will only be considered a non-US Person if the decision making process takes place outside of the United States.

Non-resident US investors may subscribe for Shares, or Shares may be transferred to non-resident US investors through a nominee, and only if:-

(i) The nominee:

- is a participating or deemed compliant Foreign Financial Institution ("FFI"), or
- has confirmed that it will apply to become a participating FFI or a deemed compliant FFI by January 2014, or
- is governed by one of the Inter-Governmental Agreements.

(ii) There is no breach in:

- US securities laws; or
- the law of Ireland; or
- this Prospectus or the Articles.

For these purposes, we define non-resident US investors as US tax residents (which will include both US citizens and Green Card holders) who are not currently residents of the United States (including all persons born in the US, who have not effectively renounced their citizenship, and persons with dual nationality or citizenship even though they may reside outside of the US and have no intention of residing in the US).

DEALING IN THE SECONDARY MARKET

It is the intention of the Company that each of its Funds, through the listing of its Shares on one or more Listing Stock Exchange(s), will be an exchange traded fund. Upon such listings there is an expectation that one or more members of the relevant Listing Stock Exchange(s) will act as market makers and provide offer and bid prices at which the Shares can be purchased or sold, respectively, by investors. Certain Authorised Participants who subscribe for Creation and Redemption Units may act as market makers; other Authorised Participants are expected to subscribe for Creation and Redemption Units in order to be able to offer to buy Shares from or sell Shares to retail customers as part of their broker/dealer business. The Directors expect that the activities of Authorised Participants will generate a liquid and efficient Secondary Market on one or more Listing Stock Exchange(s). Persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation and Redemption Units will be able to buy Shares from or sell Shares on the Secondary Market to other retail investors or market makers or brokers or Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value per Share. Investors should be aware that on days other than Business Days or Dealing Days of a Fund when one or more Listing Stock Exchanges are trading Shares but the underlying Recognised Market(s) on which the Index Securities are traded are closed, the spread between the quoted bid and offer prices in the Shares may widen and the difference between the market price of a Share and the last calculated Net Asset Value per Share may, after currency conversion, increase. The settlement of trades in Shares on Listing Stock Exchange(s) will be through the facilities of one or more Recognised Clearing and Settlement Systems following applicable procedures which are available from the Listing Stock Exchange(s). Investors should also be aware that on such days the

underlying Index value would not necessarily be calculated and available for investors in making their investment decisions because prices of Index Securities in the underlying Recognised Market(s) would not be available on such days. Nonetheless, one or more Listing Stock Exchange(s) may provide a calculation of such Index based upon trading, if any, of such Index Securities on markets other than the underlying Recognised Market(s). Further details of the Listing Stock Exchange(s) for each Fund are set out in each relevant Fund Supplement and are specified in Appendix A.

The Directors may, at their discretion, make available, or may designate other persons to make available, on each Business Day, an intra-day Fund value for one or more Funds. This indicative net asset value per share ("**INAV**") is an estimate of the Net Asset Value per Share calculated using market data. If such information is made available on any Business Day, the INAV will be calculated based upon information available during the trading day or any portion of the trading day, and will ordinarily be based upon the current value of the securities portion of a Portfolio Deposit in effect on such Business Day, together with a cash amount which is generally approximately equal to the Cash Portion as at the previous Business Day. Premiums and discounts between the INAV and the market price may occur and the INAV should not be viewed as a "real-time" update of the Net Asset Value per Share, which is calculated only once a day. Neither the Company, the Management Company, nor the Investment Manager or any of their affiliates, nor any third party calculation agents involved in, or responsible for, the calculation or publication of such INAVs makes any warranty as to their accuracy. The Directors will make available the INAV if this is required by any Listing Stock Exchange.

MANDATORY REDEMPTION OF SHARES

Shares acquired directly or indirectly by a US Person (except pursuant to an exemption under applicable US Securities laws), persons in breach of any law or requirement of any country or persons who directly or indirectly may result in the Company or any relevant Fund incurring any liability to taxation or pecuniary disadvantage (for example if your holding consistently falls below the minimum holding requirement of the Class), are subject to compulsory transfer by the Company.

Shareholders are required to notify the Company immediately in the event that they become Irish Residents~~,~~ or US Persons, as defined in this Prospectus under "Restrictions On Offers and Sales to US Persons". Shareholders are also required to notify the Company immediately in the event that they hold Shares for the account or benefit of Irish Residents or US persons. In addition, Shareholders are required to notify the Company if any information provided or representations made by them on any subscription application form is no longer correct.

Where the Company becomes aware that a Shareholder is (a) a US Person or is holding Shares for the account or benefit of a US Person and such person is not an "accredited investor" (as defined in Rule 501(a) of Regulation D under the 1933 Act) and a "qualified purchaser" (as defined in Section 2(a)(51) of the 1940 Act); or (b) not holding Shares equal to or greater than the Minimum Holding, the Directors, at their absolute discretion, may: (i) direct the Shareholder to dispose of those Shares to a person who is entitled to own the Shares within such time period as the Company stipulates; or (ii) redeem the Shares at their Net Asset Value per Share as at the next Business Day after the date of notification to the Shareholder or following the end of the period specified for disposal pursuant to (i) above.

Under the Articles, any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer, or deliver for redemption, his Shares pursuant to the above provisions or who fails to make the appropriate notification to the Company shall indemnify and hold harmless each of the Directors, the Company, the Investment Manager, the Administrator, the Depositary and the Shareholders (each an "**Indemnified Party**") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

The Company shall be entitled to redeem Shares in respect of any series or class in the Company in circumstances described in the section entitled "**Termination**".

TERMINATION

A Fund is established for an unlimited period and may have unlimited assets. However, a Fund may (but

is not obliged to) redeem all of the Shares of any series or class in issue if:

(a) the Shareholders of the relevant Fund pass a special resolution providing for such redemption at a general meeting of the holders of the Shares of that class;

(b) the redemption of the Shares in that class is approved by a resolution in writing signed by all of the holders of the Shares in that class of the relevant Fund;

(c) the Directors deem it appropriate because of adverse political, economic, fiscal or regulatory changes affecting the relevant Fund in any way; or

(d) the Net Asset Value of the relevant Fund falls below US$50,000,000 or the prevailing currency equivalent in the currency in which Shares of the relevant Fund are denominated;

(e) the Shares in the relevant Fund cease to be listed on a Listing Stock Exchange; or

(f) the Directors deem it appropriate for any other reason, in which case thirty days' notice shall be provided to Shareholders.

If the Depositary has given notice of its intention to retire and no new depositary acceptable to the Company and the Central Bank has been appointed within ninety (90) days of such notice, the Company shall apply to the Central Bank for revocation of its authorisation and shall redeem all of the Shares of any series or class in issue.

In each such case, the Shares of class shall be redeemed after giving not less than one month's but not more than three months' prior notice to all holders of such Shares. The Shares will be redeemed at the Net Asset Value per Share on the relevant Dealing Day less such sums as the Directors in their discretion may from time to time determine as an appropriate provision for estimated realisation costs of the assets of the Company.

Unamortised establishment and organisational expenses shall be borne by the Company.

THE DIRECTORS AND SECRETARY

The Directors are responsible for managing the business affairs of the Company. The Directors have appointed HSBC Investment Funds (Luxembourg) S.A. as the management company and global distributor under the Management Agreement to be responsible on a day-to-day basis under the supervision of the Directors, for providing administration, marketing, global distribution and investment management services in respect of all Funds. The Directors have delegated the safe-keeping of the Company's assets to the Depositary.

The Directors are listed below with their principal occupations. None of the Directors has entered into an employment or service contract with the Company nor is any such contract proposed. Consequently, the Directors are all non-executive Directors. The Company has granted indemnities to the Directors in respect of any loss or damages which they may suffer save where this results from the Directors' negligence, default, breach of duty or breach of trust in relation to the Company. The Articles do not stipulate a retirement age for Directors and do not provide for retirement of Directors by rotation. The address of the Directors is the registered office of the Company.

Carmen Gonzalez-Calatayud (**Spanish**) has over 20 years' experience in the financial services industry working in a variety of roles focused on offering investment products. She joined HSBC Global Asset Management in 2012 as a Director and Senior Product Specialist for Beta Strategies, including the Exchange Traded Funds range. As part of her role, Ms. Gonzalez-Calatayud develops the product and commercial strategy of our passive offering and ensures the offering matches client requirements. In addition, she also oversees the ETF Capital Market function. Prior to joining HSBC Global Asset Management, she was a Director of Multi-Asset Structured Products with Bank of America Merrill Lynch in London, responsible for retail structured products sales trading, including electronic trading. At Bank of America Merrill Lynch, Ms. Gonzalez-Calatayud also supported the launch and distribution of the first ETFs in Europe in 2000. She holds a degree in European Business from the FH Münster (Germany) and the Chamber of Commerce in Madrid (Spain).

Eimear Cowhey (Irish Resident) (Independent) has over 30 years' experience in the offshore funds industry and currently acts as a non-executive independent chairman, director and committee member of various investment fund and management boards in Dublin, Luxembourg and the U.K. From 1999 to 2006 she held various executive positions within Amundi Pioneer, including Head of Legal and Compliance and Head of International Product Development. From 1992 to 1999, she held various executive positions within Invesco Asset Management, including Managing Director, Global Fund Director and Head Legal Counsel. Ms. Cowhey is a qualified Irish lawyer with a Diploma in Accounting and Finance, Diploma in Company Direction (IoD), Certificate in Financial Services Law and is in the course of achieving Chartered Director status from the IoD (London).

Ms Cowhey was a member of the Committee on Collective Investment Governance (CCIG) which was established by the Central Bank of Ireland in December 2013 and which issued an expert report in July 2014 on recommendations for good governance practice for investment funds.

She is a former Council member and past Chairman of Irish Funds (formerly IFIA) and is a former member of the IFSC Funds Group a joint government/industry group to advise the government of investment fund related matters. She is a founder and director of basis.point which is the Irish investment fund industry charity focused on alleviating poverty through education, particularly among the youth of Ireland.

Feargal Dempsey (Irish Resident) (Independent) is a provider of independent consulting and directorship services with over 20 years' experience in financial services. He serves on the boards of several investment funds and management companies. Mr. Dempsey has held senior positions at Barclays Global Investors/BlackRock including Head of Product Governance, Head of Product Strategy iShares EMEA and Head of Product Structuring EMEA. Previously he has also served as Group Legal Counsel, Eagle Star Life Ireland (now Zurich Financial Services), Head of Legal to ETF Securities and as a senior lawyer in Pioneer Amundi.

Mr. Dempsey holds a BA(Hons) and an LLB(Hons) from University College Galway and a Diploma in Financial Services Law from University College Dublin. He was admitted to the Roll of Solicitors in Ireland in 1996 and to the England and Wales Law Society in 2005. He has served on the Legal and Regulatory committee of Irish Funds and the ETF Working Group at the European Fund Asset Management Association.

Vikramaaditya ("Vikram") (Chairperson) (Indian) is Chief Transformation & Administration Officer for HSBC's Global Asset Management business with responsibility for leading the global portfolio of business and regulatory change initiatives as well as strategic initiatives within Operations including global infrastructure change and optimisation of operating models.

Mr. Vikram has over two decades of experience in the financial services sector across diverse businesses and functions with about 20 years with the HSBC Group in the UK and India. Prior to his current role, Mr. Vikram was responsible for global business strategy for HSBC's Global Asset Management business and was CEO for HSBC's Asset Management business in India. Mr. Vikram has also led HSBC's Securities Services business in India.

The Secretary is Goodbody Secretarial Limited.

CORPORATE GOVERNANCE

The Company is incorporated in Ireland and is therefore subject to the UCITS Regulations and, as applicable, company law in Ireland and is required to comply with the corporate governance requirements of the UCITS Regulations and company law in Ireland. The Directors have committed to maintain a high standard of corporate governance and will seek to comply with the Act, the Irish Regulations and the Central Bank's requirements for UCITS companies.

THE MANAGEMENT COMPANY

The Directors have appointed HSBC Investment Funds (Luxembourg) S.A. as the management company and global distributor under the management agreement dated 1 April 2019 (the "**Management Agreement**") to be responsible on a day-to-day basis, and subject to the supervision of the Directors, for providing administration, marketing, global distribution and investment management services in respect of the Funds.

Under the Management Agreement, the Management Company is authorised to appoint affiliate companies of the HSBC Group as Distributors, who may in turn, subject to their terms of appointment, appoint sub-distributors.

The Management Company was incorporated on 26 September 1988 as a société anonyme under the laws of the Grand Duchy of Luxembourg and is registered with the register of commerce and companies under the number B28 888. Its articles of incorporation are deposited with the register of commerce and companies. The Management Company is authorised by the CSSF as a management company subject to Chapter 15 of the Luxembourg Law of 17 December 2010 on undertakings for collective investment, implementing UCITS IV directive 2009/65/EC into the Luxembourg law (the "**2010 Law**"). The share capital of the Management Company is GBP 1,675,000.00 and will be increased to comply at all times with article 102 of the 2010 Law.

The secretary of the Management Company is HSBC France, Luxembourg Branch. Further details on the directors of the Management Company are set out below.

Timothy Caverly (American) is a non–executive independent director based in Luxembourg. He currently serves as a board member for Luxembourg investment management and fund entities including INVESCO and HSBC. Mr. Caverly retired from State Street Corporation as an Executive Vice President in November 2013. During his thirty-year career at State Street Corporation, he held several senior management positions both in Europe and in the United States. At State Street, he led the Global Services business in Continental Europe as well as EMEA Offshore (Luxembourg, Ireland, Channel Islands). He also was responsible for State Street's Global Services business development and relationship management activities across Europe, the Middle East and Africa. He served as Chairman of the Boards of Directors of State Street Bank Luxembourg and State Street Banque France. In addition he was a member of the Board of Directors of State Street Ireland, State Street Poland and State Street

Channel Islands. While in Luxembourg Mr. Caverly has served on the Executive Committee and as member of the Board of Directors of the Luxembourg Banker's Association (ABBL) and as President of the American Banker's Club, Mr. Caverly also chaired State Street's company-wide United Way Charity Campaign. He is a graduate of Colgate University (Bachelors of Arts) and Thunderbird School of Global Management (Masters in International Management).

Tony Corfield (British) is Chief Operating Officer for HSBC Global Asset Management (UK) Limited and has been working in the industry since 1997. Prior to joining HSBC in 2008, Mr. Corfield worked as Chief Operating Officer at Singer & Friedlander Bank. He is a qualified Internal Auditor (UK) and holds a number of professional qualifications in Project Management and Development.

Cecilia Lazzari (Italian) is a Conducting Officer and Chief Risk Officer for HSBC Investment Funds (Luxembourg) S.A. since December 2013. Ms. Lazzari has 16 year of experience of working within financial services in both Luxembourg and Argentina. Prior to joining HIFL, Ms. Lazzari was a Conducting Officer and held senior Risk Management roles for MDO Management Company SA, an independent management company offering services to asset management clients. Ms. Lazzari is a Certified International Investment Analyst (CIIA) and Certified European Financial Analyst (CEFA).

Richard Long (British) is Head of Global Funds Operations for HSBC Investment Funds (Luxembourg) S.A. Mr. Long was educated at Kingswood School in Bath, UK, (GCE O levels) and Cambridge Tutors in Croydon, UK, (GCE A levels, Law and Government & Political Studies). Mr. Long joined HSBC in 1986. Mr. Long moved into Asset Management in 1991 to look after unit trust administration and worked in Luxembourg between 1999 and 2002 as senior product manager for the Luxembourg funds. Mr. Long returned to London to look after the global funds operations for the HSBC funds domiciled in Dublin and Luxembourg, before relocating to Luxembourg in October 2011 to head up the Management Company. In September 2018, Mr. Long took on additional responsibility for the day to day fund operations for the UK OEIC ranges and the Dublin domiciled fund ranges promoted by HSBC Global Asset Management. Mr. Long is a Director of HSBC Investment Funds (Luxembourg) S.A. and is a member of the HSBC Luxembourg Country Executive Committee.

Tim Palmer (British) is Chief Risk Officer of HSBC Global Asset Management and has over 30 years of experience in asset management. Mr. Palmer joined HSBC in this role in March 2005 having previously been Head of Global Risk Management at AXA Investment Managers. He had joined Sun Life as an actuarial trainee and worked in life and pensions before moving into asset management. Tim went on to hold a number of senior roles within AXA and Sun Life Assurance; these included Managing Director Sun Life Investment Management, in which he was responsible for managing Sun Life's securities asset management business, and director of Sun Life Investment Management, managing equity and balanced funds. Mr. Palmer has a BSc (Hons) in Mathematics from Bristol University, is a Fellow of the Institute and Faculty of Actuaries and is a member of the Chartered Institute for Securities and Investment.

Edmund Stokes (British) is Global Head of Product and is based in the UK. Prior to taking on his current role, Mr. Stokes was COO of HSBC Global Asset Management Asia Pacific. Mr. Stokes has extensive experience in asset management and capital markets having joined HSBC in 1993, initially in Global Banking & Markets, and has undertaken a variety of Client Management, Sales, Structuring and Management roles in the UK, Hong Kong and Germany. Having studied Business at Sheffield Polytechnic and Japanese at Durham University, Mr. Stokes qualified as an Associate of both the Chartered Institute of Bankers and the Association of Corporate Treasurers.

Susanne Van Dootingh (Dutch) is an independent director and member of the Board since November 2017. Ms van Dootingh was at State Street Global Advisors from 2002 to 2017 with her final position being as Senior Managing Director, Head of European Governance and Regulatory Strategy, EMEA. In addition she was the Chair of the SSGA Sicav and Management Company and has been a member of various ESMA consultative working groups since 2013. Prior to this she held positions within State Street Global Investors as the Global Head of Institutional Product Development and Research, Head of European Product Development and Management, EMEA, Head of Fixed Income Product Engineering, EMEA and Senior Fixed Income Strategist and Product Engineer. Before 2002, Ms van Dootingh worked at Fortis Investment Management as Senior Product Manager, European Fixed Income, at Barclays Global Investors as Product Manager, Fixed Income, and at ABN AMRO Asset Management as Portfolio Manager Global Fixed Income. She graduated from Vrije Universiteit Amsterdam with a Master's in

Business Administration. Ms van Dootingh is currently a Director of several Sicav boards in Luxembourg.

Sylvie Vigneaux (French) is Head of Legal Asset Management-Regulatory and Wealth Engineering of HSBC Global Asset Management (France) and has been working in the industry since 2000. Prior joining HSBC, Ms. Vigneaux held a number of different positions since 1985 in the bank and insurance industry including Back-Middle-Office of international payments, Risk Control and Financial Planning on international subsidiaries of BNP Paribas Group and Planning and Development of saving products in the International Department of Cardif SA.

The Management Agreement covers the appointment of the Management Company, the standard of care to be applied by the Management Company and the control and supervision of the Management Company.

The Management Agreement details the representations that need to be made by the Company and the Management Company. In conjunction with this, the Management Agreement defines the duties and powers of the Management Company together with its responsibilities.

The Management Agreement also details activities related to the delegation of activity by the Management Company. Concerning the operational aspects, the agreement also defines such matters as 'proper instructions' and matters related to the charges and expenses of the Management Company. The Management Agreement also contains appendices which detail reporting requirements under the European Market Infrastructure Regulation as well as requirements under Data Protection Legislation.

Liability of the parties is included in the Management Agreement which provides for liability of one party to the other party for any losses, actions, proceedings, claims, damages, costs, demands and expenses including reasonable legal and professional expenses suffered or incurred to the extent caused by the breach of contract or the negligence, fraud or wilful misconduct in the performance of duties and obligations pursuant to the Management Agreement.

A clause covering 'force majeure' is included together with matters related to conflicts of interest. The Management Agreement also details obligations around confidentiality, anti-bribery and corruption, the effective date, the duration and termination. The Management Agreement may be terminated by either party by giving not less than three months' prior written notice to the other party. In certain cases, either party may terminate the Management Agreement with immediate effect by written notice to the other party. The Management Agreement also covers obligations around notices, severability, waivers, assignments and amendments, plus the governing law and jurisdiction.

The Management Company and the Investment Manager are members of the HSBC Group, which serves customers worldwide in over 70 countries and territories in Asia, Europe, North and Latin America, and the Middle East and North Africa.

The Management Company shall ensure compliance of the Company with its investment instructions and oversee the implementation of the Company's strategies and investment policies.

The Management Company has delegated responsibility for the investment management and disposal of the assets of the Company to the Investment Manager. The Investment Manager, in accordance with the investment objectives, policies and investment and borrowing restrictions of the Company makes and implements asset management and portfolio selection recommendations in connection with the investment and reinvestment of the assets of the relevant Funds of the Company.

In addition, the Management Company may from time to time delegate the marketing, distribution and sale of Shares to a Distributor or Distributors.

The Management Company has delegated the administration of the Company's affairs, including responsibility for the preparation and maintenance of the Company's records and accounts and related fund accounting matters (including the calculation of the Net Asset Value per Share) and Shareholder registration and transfer agency services to the Administrator.

THE INVESTMENT MANAGER

The Management Company has appointed HSBC Global Asset Management (UK) Limited (the "**Investment Manager**") as the Investment Manager, with responsibility for all of the investment decisions relating to the Company's investment portfolio. The Investment Manager's registered office is 8 Canada Square, London E14 5HQ. It is a limited liability company incorporated under the laws of England and a wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in the UK and listed on the London Stock Exchange. The Investment Manager is authorised and regulated by the Financial Conduct Authority.

The Investment Management Agreement dated 1 April 2019 between the Management Company and the Investment Manager (the "**Investment Management Agreement**") provides that each party will be liable to the other party in case of negligence, fraud, or wilful misconduct in the performance of its duties and obligations pursuant to the Investment Management Agreement.

The Investment Manager shall indemnify and hold harmless the Company, and/or the Management Company, as well as their officers, directors, staff or shareholders from and against all costs, expenses, losses, damages, liabilities, demands, charges, penalties, actions, claims, judgements, measures imposed by the courts, that may be sustained, caused to or incurred by any of them and that result from the non-performance of duties and obligations pursuant to the Investment Management Agreement. The Management Company shall indemnify the Investment Manager against the same arising out of (i) the non-performance by the Management Company any of its duties and obligations pursuant to the Investment Management Agreement; or (ii) any action properly taken by the Investment Manager as agent for the Management Company in accordance with the Investment Management Agreement.

Under the Investment Management Agreement, the Investment Manager shall be at liberty in the performance of its duties with respect to the selection of investments and in the exercise of the powers, discretions, privileges and duties vested in it hereunder to act by responsible officers or employees and, with the approval of the Management Company, to employ and pay out of its assets a sub-adviser (including but not limited any of its affiliates) to perform or concur in performing any of the investment advisory services required to be performed under the Investment Management Agreement. The Investment Manager shall remain responsible to the Management Company for acts or omissions of such entity. The Investment Manager is required under the Investment Management Agreement to carry out initial and ongoing due diligence and report thereon to the Management Company. The Investment Manager may also employ agents (including affiliates, brokers, dealers and other financial intermediaries) to perform any administrative, dealing or ancillary services required to enable the Investment Manager to perform its services and is required to act in good faith and with reasonable skill and care in the selection, use and monitoring of agents.

The Investment Management Agreement shall continue in force unless and until terminated by one party giving not less than three months' prior written notice to the other party. Either Party may terminate the Investment Management Agreement with immediate effect by written notice if the other party has committed any breach of the Investment Management Agreement and fails to correct such breach within thirty days of receipt of written notice from the other party or within such other period as agreed between the parties. Either party may also terminate the Investment Management Agreement with immediate effect by written notice if the other party shall go into liquidation (save for the voluntary liquidation of a solvent company for the purposes of amalgamation or reconstruction) or if either party shall otherwise become insolvent or make any composition or arrangement with creditors or in the event of the appointment of a receiver over any of the assets of either party or if an examiner is appointed to either party or if either party shall otherwise cease or threaten to cease to carry on business. The Management Company may terminate the Investment Management Agreement with immediate effect if it is of the reasonable view and states so in writing that a change of the Investment Manager is in the interests of the Shareholders.

THE ADMINISTRATOR

The Management Company has appointed HSBC Securities Services (Ireland) DAC (the "**Administrator**") to act as registrar and transfer agent in respect of the Authorised Participants and administrator of the Company responsible for performing the day to day administration of the Company; for providing fund accounting for the Company, including the calculation of the Net Asset Value of the Company and the Shares.

The Administrator was incorporated as a private limited company incorporated under the laws of Ireland on 29 November 1991 and is engaged in the business of providing administration and accounting services to collective investment schemes. The Administrator is an indirect wholly owned subsidiary of HSBC Holdings plc, a public limited company incorporated in the UK. As at 30 June 2012, HSBC Holdings plc had consolidated gross assets of approximately US$2,652 billion.

The amended and restated Administration Agreement between the Company, the Management Company and the Administrator dated 23 March 2020 (the "**Administration Agreement**") shall continue in force until terminated by any of the parties giving to the other 90 days' written notice. The Administration Agreement may however be terminated without regard to the 90 days' written notice in certain circumstances including if a) any party is found to be in unremedied material breach of the terms of the Agreement; or b) either party shall go into liquidation.

The Administrator maintains a collection account for the Company which is used to manage subscription, redemption and dividend monies of investors in accordance with the Investor Money Regulations. The Administrator is responsible for ensuring that these monies are held separately from non-investor money, that the investor money is clearly identifiable in its records and that the books and records provide an accurate record of the investor money held by it for each investor at any time. No interest will be paid on amounts in these accounts prior to the payment of any redemption or dividend proceeds.

The Administrator shall not, in the absence of fraud, negligence or wilful misconduct on the part of the Administrator or any affiliates, directors, officers or employees be liable to the Company or the Management Company for any act or omission in the course of or in connection with the services rendered by it under the Administration Agreement. The Management Company, out of the assets of the Company, has agreed to indemnify the Administrator, its delegated affiliates, directors, officers or employees from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from fraud, negligence or wilful misconduct on the part of the Administrator, its delegated affiliates, directors, officers or employees) which may be imposed on, incurred by or asserted against the Administrator in performing its obligations or duties under the Administration Agreement.

THE DEPOSITARY

Pursuant to the amended and restated agreement dated 1 April 2019 between the Company, the Management Company and the Depositary (the "Depositary Agreement") and for the purposes of and in compliance with the UCITS Regulations, the Depositary has been appointed as depositary to the Company.

The Depositary is the Dublin branch of HSBC France, a *société anonyme* incorporated in France under French law and having its registered office at 103, Avenue de Champs-Elysées, 75008 Paris. HSBC France is an indirect wholly-owned subsidiary of HSBC Holdings plc, a public limited company incorporated in England and Wales.

The Depositary provides services to the Company as set out in the Depositary Agreement and, in doing so, shall comply with the UCITS Regulations.

The Depositary's duties include the following:-

(i) safekeeping the assets of the relevant Funds which includes (i) holding in custody all financial instruments that may be held in custody in accordance with Regulations 34(4)(a) of the UCITS Regulations; and (ii) verifying the ownership of other assets and maintaining records accordingly, in each case in accordance with Regulation 34(4)(b) of the UCITS Regulations;

(ii) ensuring that the relevant Fund's cash flows are properly monitored and in particular that all payments made by or on behalf of applicants upon the subscription to shares of the Funds have been received and that all cash of the relevant Fund has been booked in cash accounts that are in accordance with Regulation 34(3) of the UCITS Regulations;

(iii) ensuring that the sale, issue, redemption, repurchase and cancellation of Shares is carried out in accordance with the UCITS Regulations and the Articles and that the valuation of the shares of the Funds are calculated in accordance with the UCITS Regulations and the Articles;

(iv) carrying out the instructions of the Company and/or the Management Company unless they conflict with the UCITS Regulations or the Articles;

(v) ensuring that in transactions involving the relevant Fund's assets any consideration is remitted to the Company within the usual time limits;

(vi) ensuring that the Fund's income is applied in accordance with the UCITS Regulations and the Articles;

(vii) enquiring into the conduct of the Company in each accounting period and report thereon to the Shareholders. The Depositary's report shall state whether in the Depositary's opinion the Company has been managed in that period:

(1) in accordance with the limitations imposed on the borrowing powers of the Company by the Articles and by the Central Bank of Ireland under the powers granted to the Central Bank of Ireland by the UCITS Regulations;

(2) otherwise in accordance with the provisions of the Articles and the UCITS Regulations; and

(3) if the Company has not been managed in accordance with (1) or (2) above, the Depositary must state why this is the case and outline the steps which the Depositary has taken to rectify the situation.

The Depositary may delegate its safekeeping functions to one or more delegates in accordance with, and subject to the UCITS Regulations and on the terms set out in the Depositary Agreement. The performance of the safekeeping function of the Depositary in respect of certain of the relevant Fund's assets has been delegated to the delegates listed in Appendix C An up to date list of any such delegate(s) is available from the Company and/or the Management Company on request.

The Depositary will have certain tax information-gathering, reporting and withholding obligations relating to payments arising in respect of assets held by the Depositary or a delegate on its behalf.

Subject to the paragraph below, and pursuant to the Depositary Agreement, the Depositary will be liable to the Company and its Shareholders for the loss of a financial instrument of the Company which is entrusted to the Depositary for safekeeping. The Depositary shall also be liable for all other losses suffered by the Company as a result of its negligence or intentional failure to properly fulfil its obligations under the UCITS Regulations.

The liability of the Depositary will not be affected by the fact that it has delegated safekeeping to a third party.

The Depositary shall not be liable for the loss of a financial instrument held in custody by the Depositary where the loss of the financial instrument arises as a result of an external event beyond the reasonable control of the Depositary, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall not be liable for any indirect, special or consequential loss.

The Company, out of the assets of the relevant Fund, shall indemnify the Depositary, every delegate and their respective officers, agents and employees ("Indemnified Persons") on an after-tax basis in respect of any and all Liabilities (as defined in the Depositary Agreement) brought against, suffered or incurred by that Indemnified Person as a result of or in connection with:

(i) the appointment of the Depositary under the Depositary Agreement or the performance by the Depositary of the services set out in the Depositary Agreement;

(ii) any breach by the Company or the Management Company of Applicable Law (as defined in the Depositary Agreement), the Articles, the Depositary Agreement, this Prospectus or fraud, negligence or wilful default of the Company or the Management Company to disclose to the Shareholders any information required by the Depositary Agreement or the UCITS Regulations, or to provide to the Depositary with any information required by the Depositary in order to provide the services listed in the Depositary Agreement;

(iii) any Identified Custody Risk or any Identified Segregation Risk (as defined in the Depositary Agreement);

(iv) the registration of Financial Instruments and Other Assets in the name of the Depositary or any delegate or Settlement System (as defined in the Depositary Agreement);

(v) any breach of or default under any of the representations, warranties, covenants, undertakings or agreements made by the Depositary, a delegate or sub-delegate of a delegate (or a nominee of the Depositary, a delegate or sub-delegate of a delegate) on behalf of the Company in connection with any subscription agreements, application forms, shareholder questionnaires, purchase agreements, related documentation or similar materials relating to the relevant Fund's investment in any collective investment scheme, managed account, investment company or similar pooled investment vehicle on behalf of the Company, provided that such indemnity shall not apply to any Liabilities (as defined in the Depositary Agreement) arising out of the negligence, fraud or wilful default of the Indemnified Person or to the extent that such indemnity would require the Company and the Management Company to indemnify the Depositary for any loss for which the Depositary is liable to the Company under the UCITS Regulations.

The Depositary's liability to the Shareholders of the Company may be invoked directly or indirectly though the Company provided this does not lead to duplication of redress or to unequal treatment of Shareholders.

The appointment of the Depositary under the Depositary Agreement may be terminated without cause by not less than (90) days written notice provided that the Depositary Agreement does not terminate until a replacement Depositary has been appointed. The Depositary Agreement may be terminated by the Company or the Management Company giving notice in writing to the Depositary if at any time: (i) the Depositary is subject to an insolvency event as defined in the Depositary Agreement; (ii) the Central Bank determines to replace the Depositary with another depositary; (iii) the Depositary ceases to be qualified to be appointed as a depositary under the UCITS Regulations; (iv) the Depositary has committed a material breach of any material term of the Depositary Agreement and, if such breach is capable of remedy it has not been remedied within thirty days after service of written notice requiring it to be remedied. The Depositary Agreement may also be terminated by the Depositary giving notice in writing to the Company if at any time: (i) the Company or the Management Company is subject to an insolvency event as defined in the Depositary Agreement; (ii) the authorisation of the Company is revoked by the Central Bank; (iii) the authorisation of the Management Company is revoked by the CSSF; (iv) the Company or the Management Company has committed a breach of the Depositary Agreement which in the opinion of the Depositary increases the risks incurred by the Depositary in providing the services as set out in the Depositary Agreement, or prejudices the ability of the Depositary to provide the services; (v) the Company of the Management Company has committed a material breach of any material term of the Depositary Agreement and, if such breach is capable of remedy it has not been remedied within thirty days after service of written notice requiring it to be remedied; or (vi) the Management Company ceases to be the designated management company of the Company without the prior written consent of the Depositary or ceases to be qualified to act as such under the UCITS Regulations and/or Luxembourg laws.

From time to time actual or potential conflicts of interest may arise between the Depositary and its delegates, for example, and without prejudice to the generality of the foregoing, where an appointed delegate is an affiliated group company and is providing a product or service to the Company and has a financial or business interest in such product or service, or receives remuneration for other related products or services it provides to the Company. The Depositary maintains a conflict of interest policy to address this.

Potential conflicts of interest may arise from time to time from the provision by the Depositary and/or its affiliates of other services to the Company and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, trustee and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Company and/or other funds for which the Depositary (or any of its affiliates) act. Potential conflicts of interest may also arise between the Depositary and its delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Company. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will have regard to the applicable laws.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the Company and will treat the Company and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the Company than if the conflict or potential conflict had not existed.

The Depositary in no way acts as guarantor or offeror of the Company's shares or any underlying investment. The Depositary is a service provider to the Company and has no responsibility or authority to make investment decisions, or render investment advice, with respect to the assets of the Company .Save as required by the UCITS Regulations, the Depositary is not responsible for, and accepts no responsibility or liability for, any losses suffered by the Company or any Shareholders in the Company as a result of any failure by the Company or the Investment Manager to adhere to the Company's investment objectives, policy, investment restrictions, borrowing restrictions or operating guidelines.

Up to date information regarding the name and duties of the Depositary, any conflicts of interest and delegations of the Depositary's safekeeping functions will be made available to Shareholders on request.

The Depositary is a service provider to the Company and is not responsible for the preparation of this document or for the activities of the Company and therefore accepts no responsibility for any information contained, or incorporated by reference, in this document.

THE SECRETARY

The Secretary is Goodbody Secretarial Limited ("**GSL**"). GSL provides a range of services such as preparing AGM documentation, reminding clients when annual returns are due, preparing and filing same on their behalf, preparing board resolutions relating to changes in directors, transfers of shares etc. and preparing the requisite statutory forms for filing in the Companies Registration Office. GSL also monitor any change in the Act on behalf of the Company and are the registered office for the Company.

PAYING AGENTS

Shareholders should note that local laws/regulations may require the appointment of facilities agents/paying agents/representatives/distributors/correspondent banks (any such appointee hereafter referred to as a "**Paying Agent**") and maintenance of accounts by such Paying Agents through which subscription and redemption monies or dividends may be paid. Shareholders who choose or are obliged to under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to the Administrator (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against the intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Administrator for the account of the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder. Fees and expenses of the Paying Agents appointed by the Management Company which will be at normal commercial rates will be borne by the Company in respect of which a Paying Agent has been appointed. All Shareholders of the relevant Fund on whose behalf a Paying Agent is appointed may avail of the services provided by Paying Agents appointed by the Management Company on behalf of the Company. Appendix B lists the Paying Agents which have been appointed by the Management Company at the date of the appendix.

REMUNERATION POLICY

The Management Company has established a remuneration policy 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 profiles of the Management Company or the Company. The main features of the remuneration policy are as follows:

- It is compliant with and promotes a sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles of the Company or the Instrument and which does not interfere with the obligation of the Management Company to act in the best interests of the Company. It takes into account the business strategy, objectives, values and interests of the Management Company, the Company and its shareholders, and includes measures to avoid conflicts of interest;

- It ensures that fixed and variable components of the total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component; and

- It provides for remuneration decisions to be based on a combination of business results and performance against objectives and is consistent with a medium to long-term strategy, shareholders' interests and adherence to HSBC values. A portion of the variable component of the total remuneration may be paid using deferred shares depending on the total level of remuneration. The deferral period for these shares is currently three years with 50% of the deferred shares being vested after two years and the remaining 50% vesting at the end of the three year deferral period. The deferred shares are awarded subject to a 'clawback' clause and all or part can be recovered under certain circumstances, including where the bonus is found to be based on the use of fraudulent data.

The up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are determined, the governance arrangements for determining remuneration and benefits are available on the website http://www.global.assetmanagement.hsbc.com/luxembourg. A paper copy is available free of charge upon request at the Management Company's registered office.

The following is a summary of certain Irish, UK and other jurisdictions tax consequences of the purchase, ownership and disposal of Shares. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant. The summary relates only to the position of persons who are the absolute beneficial owners of Shares (other than dealers in securities). The summary is based on tax legislation and the practice of the tax authorities in effect at the date of this Prospectus (and is subject to any prospective or retroactive change). Potential investors in Shares should consult their own advisors as to the tax consequences of the purchase, ownership and disposal of Shares.

IRISH TAX INFORMATION

Taxation of the Company

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

Provided the Shares remain held in a recognised clearing system (which includes CREST), the Company will not be obliged to account for any Irish tax in respect of the Shares. However, if the Shares cease to be held in a recognised clearing system, the Company would be obliged to account for Irish tax to the Irish Revenue Commissioners in certain circumstances.

Taxation of Non-Irish Shareholders

Shareholders who are not resident (or ordinarily resident) in Ireland for Irish tax purposes will have no liability to Irish income tax or capital gains tax in respect of their Shares. However, if a Shareholder is a company which holds its Shares through an Irish branch or agency, the Shareholder may be liable to Irish corporation tax (on a self-assessment basis) in respect of the Shares. Explanations of the terms 'resident' and 'ordinarily resident' are set out at the end of this summary.

Taxation of Irish shareholders

Shareholders who are resident (or ordinarily resident) in Ireland for Irish tax purposes will be obliged to account (on a self-assessment basis) for any Irish tax due arising on distributions, redemptions and disposals (including deemed disposals where Shares are held for eight years) in respect of the Shares. For Shareholders who are individuals, the applicable Irish tax rate is currently 41%. For Shareholders who are companies (other than dealers in securities), the applicable Irish tax rate is currently 25%.

Stamp Duty

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

Irish Gift and Inheritance Tax

Irish capital acquisitions tax (at a rate of 33%) could apply to gifts or inheritances of the Shares (irrespective of the residence or domicile of the donor or donee) because the Shares could be treated as Irish situate assets. However, any gift or inheritance of Shares will be exempt from Irish capital acquisitions tax once:

(a) the Shares are comprised in the gift/inheritance both at the date of the gift/inheritance and at the 'valuation date' (as defined for Irish capital acquisitions tax purposes);

(b) the person from whom the gift/inheritance is taken is neither domiciled nor ordinarily resident in Ireland at the date of the disposition; and

(c) the person taking the gift/inheritance is neither domiciled nor ordinarily resident in Ireland at the date of the gift/inheritance.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the US Internal Revenue Code ("FATCA") impose a 30% withholding tax on certain payments to a foreign financial institution ("FFI") if that FFI is not compliant with FATCA. The Company is a FFI and thus, subject to FATCA.

Beginning 1 July 2014, this withholding tax applies to payments to the Company that constitute interest, dividends and other types of income from US sources (such as dividends paid by a US corporation) and beginning on 1 January 2019, this withholding tax is extended to the proceeds received from the sale or disposition of assets that give rise to US source dividend or interest payments.

Ireland has entered into an Intergovernmental Agreement ("IGA") with the US to facilitate FATCA compliance and reporting. Under the terms of the IGA and the Irish legislation implementing the IGA into Irish law, the Company may be required to report to the Irish tax authorities certain information about US investors (including indirect investments held through certain passive investment entities) as well as non-US financial institutions that do not comply with FATCA. Such information will be onward reported by the Irish tax authorities to the US Internal Revenue Service.

The Company intends to comply with the terms of the IGA and relevant implementing legislation in Ireland. Therefore the Company expects to be treated as a compliant financial institution and does not expect any FATCA withholding to apply on payments made to it.

If a Shareholder or an intermediary through which it holds its interest in the Company fails to provide the Company, the Management Company, their agents or authorised representatives with any correct, complete and accurate information that may be required for the Company to comply with the requirements of the IGA, the Company may direct the Shareholder to dispose of their interest in the Company within a specified time limit and where this is not done within the specified time, may redeem the Shares.

Investors should consult their own tax advisors regarding the FATCA requirements with respect to their own situation. In particular, investors who hold their shares through intermediaries should confirm the FATCA compliance status of those intermediaries to ensure that they do not suffer FATCA withholding tax on their investment returns.

The Common Reporting Standard

The Common Reporting Standard (CRS) is a new information-gathering and reporting requirement for financial institutions. It builds upon other legislation such as FATCA to allow for the automatic exchange of investors' financial information between participating countries. However, unlike FATCA, the CRS does not impose a withholding tax obligation.

The CRS has been developed by the 'Organisation for Economic Co-operation and Development' (OECD) to help protect the integrity of tax systems. As at 1 January 2016, 100 jurisdictions have committed to implementing the CRS. All EU Member States including Ireland but (with the exception of Austria) have committed to the early adoption of CRS from 1 January 2016. Austria will be adopting the CRS from 1 January 2017.

In Ireland the CRS has been enacted in law following a revised Directive on Administrative Co-operation (DAC2) which came into force in December 2014. It essentially imports the CRS into EU legislation. Legislation to implement the Directive in Ireland was introduced in Finance Act 2015 by inserting Section 891G of the Taxes Consolidation Act 1997. Regulations were approved by the Irish Parliament on the 18th December 2015.

CRS replaces the previous European information reporting regime in respect of savings income under Directive 2003/48/EC (commonly known as the EU Savings Directive regime), which was repealed in Ireland with effect from 1 January 2016.

Under these measures, the Company is expected to be required to report information to the Irish Revenue Commissioners relating to Shareholders, including the identity, residence and tax identification number of Shareholders and details as to the amount of income and sale or redemption proceeds received by Shareholders in respect of the Shares. This information may then be shared by the Irish Revenue Commissioners with tax authorities in other EU Member States and other jurisdictions which implement the CRS.

Shareholders should consult their own tax advisors regarding the DAC2/CRS requirements with respect to their own situation.

Meaning of Terms

Meaning of 'Residence' for Companies

A company which has its central management and control in Ireland is tax resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which was incorporated in Ireland on or after 1 January 2015 is tax resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

A company which does not have its central management and control in Ireland but which was incorporated before 1 January 2015 in Ireland is resident in Ireland except where:

1. the company (or a related company) carries on a trade in Ireland and either the company is ultimately controlled by persons resident in EU Member States or in countries with which Ireland has a double tax treaty, or the company (or a related company) are quoted companies on a recognised stock exchange in the EU or in a tax treaty country; or

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

Finally, a company that was incorporated in Ireland before 1 January 2015 will be regarded as resident in Ireland if the company is (i) managed and controlled in a territory with which a double taxation agreement with Ireland is in force (a 'relevant territory'), and such management and control would have been sufficient, if exercised in Ireland, to make the company Irish tax resident; and (ii) the company would have been tax resident in that relevant territory under its laws had it been incorporated there; and (iii) the company would not otherwise be regarded by virtue of the law of any territory as resident in that territory for the purposes of tax.

Meaning of 'Residence' for Individuals

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

1. spends 183 days or more in Ireland in that calendar year; or

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

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

Meaning of 'Ordinary Residence' for Individuals

The term '*ordinary residence'* (as distinct from '*residence*') relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2007 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2010.

Meaning of 'Intermediary'

An '*intermediary*' means a person who:

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

2. holds units in such an investment undertaking on behalf of other persons.

UNITED KINGDOM

THE COMPANY

It is the intention of the Board of Directors to conduct the affairs of the Company so that it does not become resident in the United Kingdom. On the basis that the Company is not resident in the United Kingdom for tax purposes it should not be subject to United Kingdom corporation tax on its income and capital gains.

SHAREHOLDERS

Holders of shares who are resident in the United Kingdom or carrying on a trade in the United Kingdom will, depending on their individual circumstances, be liable to United Kingdom Income Tax or Corporation Tax in respect of any dividends or other income distributions of the Company (including Redemption Dividends and any dividends funded out of realised capital profits of the Company). There is no withholding by the Company for Irish tax on dividends payable to United Kingdom investors on the basis that it is the current intention that all shares will be held in CREST or in another "recognised clearing system" (see previous section headed "IRELAND" for further details). Shareholders should note that dividends paid by the Company comprise foreign dividends for UK tax purposes.

The Offshore Funds (Tax) Regulations 2009 (as amended) contain provisions that may affect United Kingdom tax resident investors in offshore funds which are not certified by the United Kingdom HM Revenue & Customs as distributing offshore funds or not approved as UK reporting funds during the United Kingdom investor's entire period of ownership. The broad effect of which is that any United Kingdom resident investor who realises a gain on the disposal of his investment in an offshore fund will normally be charged to United Kingdom Income Tax (or Corporation Tax) on the gain made rather than to United Kingdom Capital Gains Tax (Corporation Tax on chargeable gains in the case of corporate investors). The Company has and intends to continue to apply for UK reporting fund status for certain share classes for its accounting period beginning 1 January 2010 and forward. In doing so the Company will meet the reporting requirements by making available to shareholders the information required by The Offshore Funds (Tax) Regulations 2009.

Details of which Share Classes have UK reporting fund status can be found on the United Kingdom HM Revenue & Customs' website at https://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds.

Shareholders in reporting status funds may be taxed on the reportable income arising in an accounting period whether or not that income is distributed to them. The amount taxable per share will be the total reportable income for the period (adjusted by any qualifying equalisation) divided by the number of relevant shares in issue at the end of that period.

The Company will make available to shareholders the reportable income information that they will require for their UK tax returns at www.etf.hsbc.com by 30 June each year. If investors do not have access to the internet they can apply in writing for a copy of this information to HSBC ETFs PLC, 25/28 North Wall Quay, IFSC, Dublin 1, Ireland.

Genuine Diversity of Ownership

The intended category of investor in the Company are Eligible Investors (as defined in the "**Schedule II: Definitions**") located in the countries and territories where the shares of the Company are registered for distribution.

The Shares in the Company will be made widely available to Eligible Investors by being available to purchase through the subscription procedure as set out in this Prospectus, or through stockbrokers or share dealing services as a consequence of the listing of its shares on one or more Listing Stock Exchange(s). The Global Distributor and/or local Distributors (as appointed from time to time) will actively promote investment in the Shares of the Company to a wide variety of Eligible Investors and make the Company's Prospectus available to them. In addition, the Prospectus and application form can be obtained directly from the registered office of the Company and the Management Company. As a consequence the Company considers it allows any Eligible Investor the opportunity to obtain information about the Company and to purchase its Shares.

The Company intends, through the Global Distributor and/or local Distributors (as appointed from time to time) for its Shares to be promoted and made available in a manner designed to attract Eligible Investors.

UK Resident Corporate Shareholders

Shareholders should note that any corporate shareholder that is resident in the United Kingdom or one which carries on a trade in the United Kingdom will be subject to tax under the loan relationship provisions of United Kingdom tax legislation during any accounting period of that shareholder when more than 60% of the investments of the Company comprise of (broadly) interest bearing investments (including interests in collective investment schemes which themselves have more than 60% of their investments as interest bearing assets or financial derivative instruments whose subject matter is broadly linked to interest bearing investments). Under these provisions the change in value of the shares in the Company during the corporate's accounting period will be taxed as part of the corporate's income for that accounting period, the change in value being assessed on the basis of fair value accounting.

UK Resident Individual Shareholders

Shareholders should note that dividends paid by the Company comprise foreign dividends for UK income tax purposes and that those dividends will carry a tax credit equivalent to one ninth of the gross dividend payment by the Company, unless the dividends are taxed as interest for UK tax purposes as described below.

Generally, where at any time in the accounting period in which the dividend is paid (or the prior accounting period or twelve months prior to the start of the accounting period in which the dividend is paid if longer) more than 60% of the investments of the Fund (in which the Shares are held) broadly comprise of interest bearing investments (including cash, bonds and other securities together with interests in collective investment schemes which themselves have more than 60% of their investments as interest bearing assets and financial derivative instruments whose subject matter is broadly linked to interest bearing investments, currency, creditworthiness or currency) then the dividend will be treated as a payment of interest to the shareholder for UK income tax purposes and will carry no tax credit.

Shareholders resident or ordinary resident in the United Kingdom should note the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007. These provisions are directed at the prevention of avoidance of income tax through transactions resulting in the transfer of assets or incomes to persons (including companies) abroad and may render them liable to income received by those persons on their behalf. The legislation is not directed towards the taxation of capital gains.

Shares in the Company will be classified as foreign assets for the purposes of United Kingdom inheritance tax.

UK Resident Individuals who are not domiciled in the UK and who claim the remittance basis of taxation

Dividends paid by the Company will constitute 'relevant foreign income' for United Kingdom income tax purposes, however, whether the dividends will be taxed as dividends and potentially carry a tax credit will be determined in the same way as for UK resident individual shareholders outlined above.

Subject to their personal circumstances, shareholders who are individuals resident or ordinary resident

but not domiciled in the United Kingdom (and who claim the remittance basis) for taxation purposes will be liable to United Kingdom income tax in respect of dividends paid by the Company to the extent that those dividends are remitted or deemed to be remitted to the United Kingdom.

Shares in the Company will constitute 'foreign assets' for United Kingdom capital gains purposes.

Stamp Duty Reserve Tax and Stamp Duty

Transfer taxes may be payable by the Company in the United Kingdom and elsewhere in relation to the acquisition and/or disposal of securities. In particular, stamp duty reserve tax at the rate of 0.5% (or, if the transfer does not take place in Dematerialised Form, stamp duty at an equivalent rate) will be payable by the Company in the United Kingdom on the acquisition of shares in companies incorporated in the United Kingdom or which maintain a share register in the United Kingdom. This liability will arise in the course of the Company's normal investment activity and on the acquisition of securities from subscribers on subscription for shares.

In the absence of an exemption applicable to a prospective Shareholder (such as that available to intermediaries under section 88A of the Finance Act 1986) stamp duty reserve tax (or stamp duty) at the same rate as above may arise on the transfer of securities to Shareholders on redemption.

Because the Company is not incorporated in the United Kingdom and the register of holders of shares will be kept outside the United Kingdom, no liability to stamp duty reserve tax will arise by reason of the transfer, subscription for or redemption of shares except as stated above. Liability to stamp duty will not arise provided that any instrument in writing transferring shares in the Company is executed and retained at all times outside the United Kingdom.

OTHER JURISDICTIONS

German Tax Information - Taxation of German Shareholders

The information given in this section is a high level summary of certain aspects of the German Taxation System, based on the law and official guidance currently available and subject to change. The information is not intended be exhaustive and does not constitute legal or tax advice.

New Investment Fund Tax Regime effective as from 1 January 2018

The Management Company aims to manage the Funds listed below in accordance with the so-called partial exemption regime for equity funds under Sec. 20 para. 1 of the German Investment Tax Act (as in effect since 1 January 2018).

Accordingly, the Funds listed below will seek to continuously invest a minimum percentage of their net assets in equity assets as defined in sec. 2 para 8 German Investment Tax Act (2018).

% of Fund's Net Assets	Funds
At least 51%	HSBC Economic Scale Worldwide Equity UCITS ETF HSBC FTSE 100 UCITS ETF HSBC FTSE 250 UCITS ETF HSBC MSCI AC Far East ex Japan UCITS ETF HSBC MSCI EM Far East UCITS ETF HSBC MSCI EM Latin America UCITS ETF HSBC Euro Stoxx 50 UCITS ETF HSBC MSCI Brazil UCITS ETF HSBC MSCI Canada UCITS ETF

	HSBC MSCI China UCITS ETF HSBC MSCI China A Inclusion UCITS ETF HSBC MSCI Emerging Markets UCITS ETF HSBC MSCI Europe UCITS ETF HSBC MSCI Indonesia UCITS ETF HSBC MSCI Japan UCITS ETF HSBC MSCI Korea UCITS ETF HSBC MSCI Mexico Capped UCITS ETF HSBC MSCI Malaysia UCITS ETF HSBC MSCI Pacific ex Japan UCITS ETF HSBC MSCI Saudi Arabia 20/35 Capped UCITS ETF HSBC MSCI South Africa Capped UCITS ETF HSBC MSCI Russia Capped UCITS ETF HSBC MSCI Taiwan Capped UCITS ETF HSBC MSCI USA UCITS ETF HSBC MSCI World UCITS ETF HSBC MSCI Turkey UCITS ETF HSBC S&P 500 UCITS ETF HSBC Multi Factor Worldwide Equity UCITS ETF

COLLECTION OF SHAREHOLDER INFORMATION

Shareholder Information may be collected, generated or requested by the Company, the Investment Manager or another Service Provider from the Shareholder from time to time, and may be processed and stored by the Investment Manager (or by HSBC Group or third parties in the circumstances described below) in relation to or in connection with any Services, Compliance Obligations and/or Financial Crime Risk Management Activities.

A Shareholder's failure to supply Shareholder Information reasonably requested by the Investment Manager or a Service Provider, or to consent to the use of such Shareholder Information (which may include transferring and disclosing such information) in the circumstances set out in this Prospectus, or to take such other action as may be reasonably requested by the Investment Manager (in writing) in connection with any Tax Information, may result in the Investment Manager (or a Service Provider) being unable to provide or continue to provide directly or indirectly all or part of its Services to the Shareholder, and/or any of the following:

(a) taking whatever actions are necessary or appropriate for HSBC Group to comply with local or foreign disclosure and reporting obligations to the relevant Authorities;

(b) reaching appropriate conclusions as to the status of the Shareholder's account(s) (including that any account(s) fall(s) within the terms of any demand for information made by the appropriate Tax Authorities or is otherwise reportable to such Tax Authorities, irrespective of the actual status of any such account(s);

(c) directing the Shareholder to dispose of their interest in the Company within a specified time limit and where this is not done within the specified time, redeeming the Shares.

The Shareholder agrees to inform in a timely manner, or respond within the time specified in any request from the Investment Manager or a member of the HSBC Group, if there are any changes to Shareholder Information and/or Entity Status Information (as applicable) previously provided to the Investment Manager or a member of the HSBC Group.

Provisions specific to Shareholders that are entities:

It is for the Shareholder to notify and/or obtain any and all requisite consents from its employees, directors, officers, "substantial owners", "controlling persons" (as defined above), and the companies in the Shareholder's group (and such companies' employees), to the processing, storage, disclosure and transfer, of any such person's Personal Data and Tax Information by the Investment Manager or HSBC Group arising from or in connection with the 'Collection of Shareholder Information' section of the Prospectus. The Management Company, the Investment Manager or any other member of the HSBC Group shall not be liable to Shareholder or any third party in respect of any Losses suffered or incurred in this regard.

In respect of Tax Information, the Shareholder shall: (i) provide an entity level written waiver or consent and an owner reporting statement annually; and/or (ii) upon request by the Investment Manager, obtain a written waiver or consent from each entity's "substantial owners" or "controlling persons" (as defined above). Such consents shall be provided to the Investment Manager to allow it to maintain, disclose and report tax and account specific financial information to any local or foreign tax or fiscal authority.

Financial crime risk management activities

Notwithstanding and in addition to the above, the Investment Manager may take any other action which in its sole and absolute discretion it considers appropriate to comply with laws, regulations, sanctions regimes, international guidance, HSBC Group internal policies and procedures, and/or demands from any Authorities, relating to or in connection with or furtherance of any Financial Crime Risk Management Activity. Such action may include, without limitation, intercepting, investigating, delaying, blocking or

refusing any payment or provision of all or part of the Services or an application for Services, or drawdown or utilisation of a credit facility; processing Shareholder Information (which includes but is not limited to matching Shareholder Information with other data in possession of HSBC Group); and the disclosure of Shareholder information relating to the same.

Any Authorities may also take any action under relevant laws and regulations relating to financial crime which may result in any of the above actions.

The Management Company, the Investment Manager or any other member of HSBC Group shall not be liable to the Shareholder or any third party in respect of any Losses howsoever arising, suffered or incurred by the Shareholder or third party caused in whole or in part in connection with or arising in respect of any Financial Crime Risk Management Activities.

FEES AND EXPENSES

The Company has a fee structure where, in respect of each Fund, fees and expenses are paid as one single fee. This is referred to as the "**Total Expense Ratio**" or "**TER**". The TER also includes any due proportion of expenses of the Company which may be allocated to the funds from time to time.

The TER is paid to the Management Company, and the Management Company is then responsible for the payment of the other operational expenses of the Company. These include, but are not limited to, fees and expenses of the Directors, the Management Company, Investment Manager, Distributors, Depositary, Administrator, Auditors, Secretary, and such other person as the Management Company may determine at its discretion, and the operating administrative and services expenses as referred to below.

The TER covers all of the fees and expenses, except transaction charges and taxes or duty charges for portfolio re-balancing, all of which will be paid separately out of the assets of the relevant Fund.

In addition, the Transfer Agent may recover from a Primary Market maker any operational expenses relating to Primary Market transactions that form part of the Duties and Charges, as set out in the relevant Fund Supplement.

Directors' fees will not exceed the sum of €50,000 per annum per Director without the approval of the Directors (with each Director abstaining on any resolution relating to that Director's remuneration).

The following list is indicative but not exhaustive of the types of services that the operating, administrative and services expenses cover:

(i) all establishment costs of the Company;
(ii) the cost of listing and maintaining a listing of Shares on any stock exchange;
(iii) registration fees;
(iv) financial index licencing fees;
(v) the cost of convening and holding Directors' and Shareholders' meetings;
(vi) professional fees and expenses for legal, auditing and other consulting services;
(vii) the costs and expenses of preparing, printing, publishing and distributing prospectuses, supplements, annual and semi-annual reports and other documents to current and prospective Shareholders;
(viii) the costs and expenses of any investment adviser appointed by the Investment Manager;
(ix) for currency hedged Classes, fees to third parties to cover the execution of the share class currency hedging policy. An additional fee for this service will apply to currency hedged Classes as detailed in the relevant Fund's Supplement;
(x) such other costs and expenses (excluding non-recurring and extraordinary costs and expenses) as may arise from time to time and which have been approved by the Directors as necessary or appropriate for the continued operation of the Company or of any Fund;

The TER is calculated and accrued daily from the Net Asset Value of each fund and payable monthly in arrears. The TER of each fund of the Company is as listed in the relevant Fund Supplement. If a fund's expenses exceed the TER outlined above in relation to operating the funds, the Management Company will cover any shortfall from its own assets.

The TER is not expected to exceed the amounts disclosed in the relevant Fund Supplement. However, if an increase is required it will require prior approval by Shareholders of the relevant fund, which must be approved by a majority vote at a meeting of Shareholders or by written resolution of all Shareholders.

The Company has not agreed to any commissions, discounts, brokerage or any other special arrangements in relation to the issue or sale of any capital of the Company except as specifically disclosed in this Prospectus.

Shareholders should note that, from time to time, there may be restrictions preventing HSBC Group dealing in certain securities. In such circumstances, and/or where foreign government policies prevent the Investment Manager from physically replicating the exposure of certain index constituents, financial derivative instruments may be used as an alternative. Transaction costs associated with the use of financial derivative instruments in such circumstances will be paid out of the assets of the relevant Fund.

CONFLICTS OF INTEREST

The Depositary, the Administrator, the Management Company and the Investment Manager may from time to time act as manager, registrar, transfer agent, administrator, trustee, depositary, investment manager, adviser or distributor in relation to, or be otherwise involved in, other funds or collective investment schemes which have similar investment objectives to those of the Company. It is, therefore, possible that any of them may, in the due course of their business, have potential conflicts of interests with the Company. Each will at all times have regard in such event to its obligations under the Memorandum and Articles of Association of the Company and/or any agreements to which it is party or by which it is bound in relation to the Company and, in particular, but without limitation to its obligations to act in the best interests of the Shareholders when undertaking any investments where conflicts of interest may arise and will endeavour to ensure that such conflicts are resolved fairly and, in particular, the Management Company will procure that the Investment Manager agrees to act in a manner which the Investment Manager in good faith considers fair and equitable in allocating investment opportunities to the Company.

There is no prohibition on dealing in assets of the Company by the Depositary, the Management Company or Investment Manager, or by delegates or sub-delegates of such parties (excluding any non-group company sub-custodians appointed by the Depositary), and any associated or group company of such Depositary, Management Company, Investment Manager, delegate or sub-delegate, provided that such transactions are conducted at arms' length and are in the best interests of Shareholders. Permitted transactions between the Company (or the Management Company on behalf of the Company) and such parties are subject to (i) a certified valuation by a person approved by the Depositary (or a person approved by the Management Company in the case of a transaction involving the Depositary) as independent and competent; or (ii) execution on best terms on organised investment exchanges under their rules; or (iii) where (i) and (ii) are not practical, execution on terms the Depositary (or the Management Company in the case of a transaction involving the Depositary) is satisfied conform to the principles set out in this paragraph. The Depositary (or the Directors in the case of a transaction involving the Depositary or an affiliate of the Depositary) shall document how it has complied with (i), (ii), or (iii) above. Where transactions are conducted in accordance with (iii), the Depositary (or the Management Company in the case of a transaction involving the Depositary or an affiliate of the Depositary) shall document its rationale for being satisfied that the transaction conformed to the principles outlined in this paragraph. The Depositary may hold funds for the Company subject to the provisions of the Central Bank Acts 1942 to 1998 as amended by the Central Bank and Financial Services Authority of Ireland Act, 2003.

There is no prohibition on the Management Company, the Depositary, the Administrator, the Investment Manager or any other party related to the Company acting as a "competent professional person" for the purposes of determining the probable realisation value of an asset of a Fund in accordance with the valuation provisions outlined in the "**Determination of Net Asset Value**" section above. Investors should note however, that in circumstances where fees payable by the Company to such parties are calculated based on the Net Asset Value, a conflict of interest may arise as such fees will increase if the Net Asset Value increases. Any such party will endeavour to ensure that such conflicts are resolved fairly and in the best interests of the Shareholders.

A Director may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is interested, provided that he has disclosed to the Directors prior to the conclusion of any such transaction or arrangement the nature and extent of any material interest of his therein. Unless the Directors determine otherwise, a Director may vote in respect of any contract or arrangement or any proposal whatsoever in which he has a material interest, having first disclosed such interest. At the date of this Prospectus other than as disclosed under the "**Directors and Secretary**" section of this Prospectus, no Director or connected person of any Director has any interest, beneficial or non-beneficial, in the share capital of the Company or any material interest in the Company or in any agreement or arrangement with the Company except that one or more of the Directors may hold Subscriber Shares. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

In selecting brokers, who may in some cases be an affiliate of the Investment Manager, to make purchases and sales for the Company, the Management Company will require the Investment Manager to choose those brokers who provide best execution to the Company. In determining what constitutes best execution, the Investment Manager will be required to consider the over-all economic result of the Company, (price of commission plus other costs), the efficiency of the transaction, the broker's ability to effect the transaction if a large block is involved, availability of the broker for difficult transactions in the future and the financial strength and stability of the broker.

MEETINGS

At least one general meeting of the Company shall be held in each year as the Company's annual general meeting. At least twenty one (21) days' notice (inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) shall be given to Shareholders. The notice shall specify the place, day and hour of the meeting and the terms of the resolutions to be proposed. A proxy may attend on behalf of any Shareholder. The voting rights attached to the Shares are set out under the heading "**Voting Rights**" in this Prospectus.

REPORTS AND ACCOUNTS

The Company's accounting period ends on 31 December in each year.

The Directors shall cause to be prepared an annual report and audited annual accounts for the Company for the period ending 31 December in each year. The annual report and audited annual accounts will be forwarded to Shareholders within four months of the end of the relevant accounting period end and at least twenty one (21) days before the annual general meeting. In addition, the Directors shall cause to be prepared a half-yearly report which shall include unaudited half-yearly accounts for the Company. The semi-annual accounts will be prepared to 30 June in each year. Half-yearly accounts for the Company will be forwarded to Shareholders in the Company within two months of the end of the relevant accounting period. The annual report and the half-yearly report will be sent to Shareholders by electronic mail or other electronic means of communication, although Shareholders and prospective investors may also, on request, receive reports by hard copy mail.

INCORPORATION OF THE COMPANY

The Directors confirm that the Company was incorporated in Ireland on 27 February 2009.

WINDING UP

The Articles contain provisions to the following effect:

(a) If the Company shall be wound up the liquidator shall apply the assets of the Company in such manner and order as he thinks fit in satisfaction of creditors' claims. The liquidator shall, in relation to the assets available for distribution among the Shareholders, make in the books of the Company such transfers thereof as may be necessary in order that the effective burden of such creditors' claims may be shared between the holder of Shares of different classes in such proportions as the liquidator in his absolute discretion may think equitable.

(b) The assets available for distribution among the Shareholders shall then be applied in the following priority:

(i) First, in the payment to the holders of the Shares of each series of a sum in the currency in which that series is designated (or in any other currency selected by the liquidator) as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares of such series held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the Company to enable such payment to be made. In the event that, as regards any series of Shares, there are insufficient assets available in the Company to enable such payment to be made recourse shall be to the payment to the holders of each series of Shares of any balance then remaining in the Company, such payment being made in proportion to the number of Shares of that series held.

(ii) Secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal

amount paid thereon out of the assets of the Company not comprised remaining after any recourse thereto under sub-paragraph (i) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets of the Company.

(iii) Thirdly, in the payment to the holders of each series of Shares of any balance then remaining in the Company, such payment being made in proportion to the number of Shares of that series held.

(c) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of a special resolution and any other sanction required by the Act, divide among the Shareholders in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. Shareholders may request that assets which are to be distributed to them in specie will be first liquidated to cash. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no Shareholder shall be compelled to accept any assets in respect of which there is liability.

MATERIAL CONTRACTS

The following contracts, which are summarised in the "**Management and Administration**" and "**Fees and Expenses**" sections in this Prospectus, have been entered into and are, or may be, material:

(b) Management Agreement dated 1 April 2019, between the Company and the Management Company pursuant to which the Management Company has been appointed as the management company and the global distributor of the Company, the details of which are summarised in the "**Management and Administration**" section in this Prospectus;

(c) Investment Management Agreement dated 1 April 2019, between the Management Company and the Investment Manager pursuant to which the Investment Manager has been appointed as investment manager in respect of the Company, the details of which are summarised in the "**Management and Administration**" section in this Prospectus;

(d) Administration Agreement dated 23 March 2020, between the Company the Management Company and the Administrator pursuant to which the Administrator has been appointed to provide administration and accounting services to the Management Company in respect of the Company, the details of which are summarised in the "**Management and Administration**" section in this Prospectus; and

(e) Depositary Agreement dated 1 April 2019, between the Company, the Management Company and the Depositary, pursuant to which the Depositary has been appointed as depositary of the Company's assets, the details of which are summarised in the "**Management and Administration**" section in this Prospectus.

MEMORANDUM AND ARTICLES OF ASSOCIATION

The principal provisions of the Memorandum and Articles of Association of the Company have been summarised in this Prospectus in the sections headed "**HSBC ETFs PLC**" and "**SUBSCRIPTIONS, VALUATIONS AND REDEMPTIONS**".

DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 25/28 North Wall Quay, IFSC, Dublin 1, Ireland during normal business hours on any Dealing Day:

(a) the Memorandum and Articles of Association of the Company; and

(b) the UCITS Regulations and the Central Bank UCITS Regulations issued pursuant thereto.

In addition, the Memorandum and Articles of Association of the Company and any yearly or half-yearly reports may be obtained from the Administrator free of charge or may be inspected at the registered office of the Company during normal business hours on any Dealing Day.

The most recent audited financial statements for the Company will be available when published at the registered office of the Company during normal business hours on any Dealing Day.

In addition, the EEA KIIDs are available on www.assetmanagement.hsbc.com/fundinfo. Before subscribing to any Class and to the extent required by local laws and regulations each investor shall consult the EEA KIIDs. The EEA KIIDs provide information in particular on historical performance, the synthetic risk and reward indicator and charges. Investors may download the EEA KIIDs from the above website or obtain it in paper form or on any other durable medium agreed between the Directors or the intermediary and the investor.

Additional information is made available by the Management Company, at its registered office, upon request, in accordance with the provisions of Luxembourg laws and regulations. This additional information includes the procedures relating to complaints handling, the strategy followed for the exercise of voting rights of the Company, the policy for placing orders to deal on behalf of the Company with other entities, the best execution policy as well as the arrangements relating to the fee, commission or non-monetary benefit in relation with the investment management and administration of the Company.

UNITED KINGDOM REPRESENTATIVE

HSBC Global Asset Management (UK) Limited acts as the Representative of the Company in the United Kingdom. The UK Representative is required to maintain certain facilities in the United Kingdom on behalf of the Company, as provided by Chapter 9 of the COLL Sourcebook of the Financial Conduct Authority Handbook, whereby certain documents and information may be made available in English. The following documents may be obtained or inspected, free of charge from the offices of the UK Representative: Copies of the Memorandum and Articles of Association of the Company and any amending resolutions, the latest Prospectus, relevant Fund Supplements and the latest annual and half-yearly reports. The UK Representative also provides information about the price of Shares. Requests for purchases, redemptions and conversions of Shares by UK residents may be made through the UK Representative who will send to the Company forthwith such requests and any complaints in connection with matters arising from dealings in the Company's Shares. HSBC Global Asset Management (UK) Limited is authorised and regulated in the United Kingdom by the Financial Conduct Authority.

DATA PROTECTION NOTICE

Prospective investors should note that by completing the application form they are providing personal information, which may constitute "personal data" within the meaning of the Data Protection Legislation.

Investors' personal data will be used by the Company for the following purposes:

- to manage and administer an investor's holding in the Company and any related accounts on an ongoing basis;
- to carry out statistical analysis and market research as the Company's legitimate business interest; and
- to comply with legal and regulatory obligations applicable to the investor and the Company from time to time including applicable anti-money laundering and counter terrorist financing legislation. In particular, in order to comply with the CRS (as implemented in Ireland by Section 891E, Section 891F and Section 891G of the TCA 1997 and regulations made pursuant to those sections) and FATCA, Shareholders' personal data (including financial information) may be shared with the Irish Revenue Commissioners. They in turn may exchange information (including personal data and financial information) with foreign tax authorities (including the US Internal Revenue Service and foreign tax authorities located outside the EEA). Please consult the AEOI

(Automatic Exchange of Information) webpage on www.revenue.ie for further information in this regard.

Investors' personal data may be disclosed by the Company to its delegates, professional advisors, service providers, regulatory bodies, auditors, technology providers and any duly authorised agents or related, associated or affiliated companies of the foregoing for the same purpose(s).

Investors' personal data may be transferred to countries which may not have the same or equivalent data protection laws as Ireland. If such transfer occurs, the Company is required to ensure that such processing of investors' personal data is in compliance with Data Protection Legislation and, in particular, that appropriate measures are in place such as entering into model contractual clauses (as published by the European Commission) or ensuring that the recipient is privacy shield certified, if appropriate. More information on the means of transfer of investors' data and a copy of the relevant safeguards, can be found at http://www.global.assetmanagement.hsbc.com/privacy-notices.

Pursuant to the Data Protection Legislation, investors have a number of rights which may be exercised in respect of their personal data, *i.e.*:

- the right of access to personal data held by the Company;
- the right to amend and rectify any inaccuracies in personal data held by the Company;
- the right to erase personal data held by the Company;
- the right to data portability of personal data held by the Company;
- the right to request restriction of the processing of personal data held by the Company; and
- **the right to object to processing of personal data by the Company**. In certain circumstances it may not be feasible for the Company to discharge these rights, for example, because of the structure of the Company or the manner in which the shareholder holds shares in a Fund.

These rights will be exercisable subject to limitations as provided for in the Data Protection Legislation. Details of how investors may make a request to the Company to exercise these rights can be found at http://www.global.assetmanagement.hsbc.com/privacy-notices.

Please note that personal data may be retained by the Company for the duration of an investor's investment and afterwards in accordance with the Company's legal and regulatory obligations.

The Company is a data controller within the meaning of the Data Protection Legislation and undertakes to hold any personal information provided by investors in confidence and in accordance with the Data Protection Legislation. For queries, requests or comments in respect of this notice or the way in which the Company uses investors' personal data, please contact ifsinvestorqueries@hsbc.com or visit http://www.global.assetmanagement.hsbc.com/privacy-notices. Note that investors have the right to lodge a complaint with the Office of the Data Protection Commissioner.

SCHEDULE I
RECOGNISED MARKETS

The exchanges/markets are set out below in accordance with the regulatory criteria as defined in the Central Bank UCITS Regulations. The Central Bank does not issue a list of approved markets.

With the exception of permitted investment in unlisted securities, investment in securities will be limited to the following stock exchanges and regulated markets:

(i) Any stock exchange or market in any EU Member State or in any of the following member countries of the OECD: Australia, Canada, Iceland, Japan, New Zealand, Norway, Switzerland, the United Kingdom (in the event that the U.K. is no longer an EU Member State) and the United States of America.

(ii) Any of the following exchanges or markets:

Argentina	Buenos Aires Stock Exchange, Cordoba Stock Exchange, La Plata Stock Exchange, Mendoza Stock Exchange, Mercado Abierto Electronico, Rosario Stock Exchange, Mercado a Termino de Buenos Aires S.A. (MATba)
Bahrain	Manama Stock Exchange
Bangladesh	Dhaka Stock Exchange, Chittagong Stock Exchange
Bermuda	Bermuda Stock Exchange
Botswana	Botswana Stock Exchange
Brazil	Bolsa de Valores, Mercadorias & Futuros de São Paulo
Chile	Santiago Stock Exchange, Valparaiso Stock Exchange, La Bolsa Electronica de Chile
China	Shanghai Stock Exchange, Shenzhen Stock Exchange
Colombia	Bolsa de Valores de Colombia (BVC)
Croatia	Zagreb Stock Exchange
Egypt	Egyptian Stock Exchange
Ghana	Ghana Stock Exchange
Hong Kong	Stock Exchange of Hong Kong
India	The National Stock Exchange of India Limited, Madras Stock Exchange, Delhi Stock Exchange, Ahmedabad Stock Exchange, Bangalore Stock Exchange, Cochin Stock Exchange, Gauhari Stock Exchange, Magadh Stock Exchange, The Bombay Stock Exchange, Pune Stock Exchange, Hyderabad Stock Exchange, Ludhiana Stock Exchange, Uttar Pradesh Stock Exchange, Calcutta Stock Exchange
Indonesia	Indonesia Stock Exchange

Israel	Tel Aviv Stock Exchange
Jordan	Amman Stock Exchange
Kazakhstan	Central Asian Stock Exchange, Kazakhstan Stock Exchange
Kenya	Nairobi Stock Exchange
Kuwait	Kuwait Stock Exchange
Lebanon	Beirut Stock Exchange
Malaysia	The Bursa Malaysia Berhad,
Mauritius	Stock Exchange of Mauritius
Mexico	Mexico Stock Exchange
Morocco	Casablanca Stock Exchange
Nigeria	Nigeria Stock Exchange
Oman	Oman Stock Exchange
Pakistan	Karachi Stock Exchange (Guarantee) Ltd, Lahore Stock Exchange, Islamabad Stock Exchange
Palestine	Nablus Stock Exchange
Peru	Lima Stock Exchange
Philippines	Philippines Stock Exchange Inc.
Qatar	Doha Securities Market
Russia	RTS Stock Exchange, Moscow Interbank Currency Exchange
Saudi Arabia	Saudi Stock Exchange (Tadawul)
Serbia	Belgrade Stock Exchange
Singapore	Singapore Exchange Limited
South Africa	Johannesburg Stock Exchange
South Korea	Korea Stock Exchange
Sri Lanka	Colombo Stock Exchange
Taiwan	Taiwan Stock Exchange Corporation, Gretai Securities Market
Thailand	Stock Exchange of Thailand, Bangkok
Tunisia	Bourse de Valeurs Mobiliers de Tunis
Turkey	Istanbul Stock Exchange
Uganda	Uganda Securities Exchange

United Arab Emirates	Abu Dhabi Stock Exchange, Dubai Financial Market, Dubai International Financial Exchange
Vietnam	Ho Chi Minh Securities Trading Center, Hanoi Securities Trading Center
Zambia	Lusaka Stock Exchange
Zimbabwe	Zimbabwe Stock Exchange

(iii) The following markets:

– the market organised by the International Capital Markets Association;

– the UK market (i) conducted by banks and other institutions regulated by the Financial Conduct Authority (FCA) and subject to the Inter-Professional Conduct provisions of the FSA's Market Conduct Sourcebook and (ii) in non-investment products which are subject to the guidance contained in the "Non-Investment Product Code" drawn up by the participants in the London market, including the FSA and the Bank of England (formerly known as "The Grey Paper");

– (a) NASDAQ in the United States, (b) the market in the US government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York; (c) the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and the National Association of Securities Dealers and by banking institutions regulated by the US Controller of Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;

– (a) NASDAQ Japan, (b) the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan, and (c) Market of the High-Growth and Emerging Stocks ("**MOTHERS**")

– the alternative investment markets in the United Kingdom regulated and operated by the London Stock Exchange;

– the Hong Kong Growth Enterprise Market ("**GEM**");

– TAISDAQ

– the Stock Exchange of Singapore Dealing and Automated Quotation ("**SESDAQ**")

– the Taiwan Innovative Growing Entrepreneurs Exchange ("**TIGER**")

– the Korean Securities Dealers Automated Quotation ("**KOSDAQ**")

– the French Market for Titres de Créances Négotiables (over the counter market in negotiable debt instruments)

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

– EASDAQ (European Association of Securities Dealers Automated Quotation)

Financial Derivative Instruments

NASDAQ, the Chicago Mercantile Exchange American Stock Exchange, Chicago Board of Trade, Chicago Board of Options Exchange, Coffee, Sugar and Cocoa Exchange, Iowa Electronic Markets, Kansas City Board of Trade, Mid-American Commodity Exchange, Minneapolis Grain Exchange, New York Cotton Exchange, Twin Cities Board of Trade, New York Futures Exchange, New York Board of Trade, New York Mercantile Exchange, Hong Kong Futures Exchange, Singapore International Monetary Exchange, Singapore Commodity Exchange, Tokyo International Futures Exchange, New Zealand Futures and Options Exchange and any exchange or market, including any board of trade or similar entity, or automated quotation system, which exchanges and markets are regulated, operating regularly, recognised and open to the public in a Member State, the UK (in the event that the UK is no longer a Member State) or a member state of the EEA.

With the exception of permitted investments in unlisted securities, and off-exchange derivative instruments, investment in securities or financial derivative instruments will be made only in securities or financial derivative instruments listed or traded on a Recognised Market which meets the regulatory criteria (regulated, operating regularly, recognised and open to the public) and which is listed in the Prospectus. The Recognised Markets in the Prospectus will be drawn from the foregoing list. These exchanges and markets are listed in accordance with the requirements of the Central Bank and the Central Bank does not issue a list of approved markets.

SCHEDULE II DEFINITIONS

Act	the Companies Act 2014, as may be amended;
1940 Act	the US Investment Company Act of 1940, as amended;
1933 Act	the US Securities Act of 1933, as amended;
Administrator	HSBC Securities Services (Ireland) DAC, or such other company as may from time to time be appointed to provide administration, accounting, registrar and transfer agency services in respect of the Authorised Participants and related support services to the Company in accordance with the requirements of the Central Bank;
Appendix A	the appendix entitled the "Master Schedule of Funds" which is issued with the Prospectus and the relevant Fund Supplement for each Fund and which lists the current Funds of the Company and which contains information regarding the primary stock exchanges on which the Shares of each Fund are listed or in respect of which it is proposed that an application will be made for listing;
Appendix B	the appendix entitled the "Master Schedule of Paying Agent Appointments" which is issued with the Prospectus and the relevant Fund Supplement for each Fund and which lists the current Paying Agents which have been appointed by the Management Company on behalf of the Company and which discloses the name, address and jurisdiction of each such Paying Agent so appointed;
Appendix C	the appendix entitled the "Master Schedule of Sub-Custodian Appointments" which is issued with the Prospectus and the relevant Fund Supplement for each Fund and which lists the current sub-custodians which have been appointed by the Depositary;
Articles	the Articles of Association of the Company for the time being in force and as may be modified from time to time;
Authorised Participant	HSBC Bank plc and any other entity or person which is authorised by the Company for the purposes of subscribing for and redeeming Creation and Redemption Units;
Authorities	judicial, regulatory, public or government agency authorities, Tax Authorities, securities or futures exchange, or law enforcement bodies having jurisdiction over any part of HSBC Group, or any agents thereof;
Base Currency	the currency in which the Net Asset Value of each Fund is calculated;
Benchmarks Regulation or BMR	means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014;

Business Day	as specified in the relevant Fund Supplement;
CAAPs	China A Shares Access Products, being transferable securities generally listed on Recognised Markets, or occasionally unlisted, and issued by a third party CAAP issuer in respect of China A Shares which themselves are listed or traded on the Shanghai Securities Exchange or the Shenzhen Stock Exchange and which represent an obligation of the CAAP issuer to pay to a Fund an economic return equivalent to holding the underlying China A Shares;
Capitalisation Shares	the 300,000 shares of no par value designated as Capitalisation Shares;
Capitalisation Shareholder	a person registered in the register of members of the Company as a holder of Capitalisation Shares;
Cash Portion	the amount of cash required to equalise any differences between the value of the securities set out in the Portfolio Composition File and the value of each Creation and Redemption Unit (being the Net Asset Value per Share multiplied by the number of Shares in a Creation and Redemption Unit). Ordinarily the Cash Portion will be the same for subscriptions and redemptions; however it may be different in cases in which the Portfolio Composition File is different for subscriptions and redemptions on a given day for one or more Funds;
Central Bank	the Central Bank of Ireland;
Central Bank UCITS Regulations	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as may be amended from time to time;
China A Shares	shares in PRC incorporated companies listed on either the Shanghai Stock Exchange or the Shenzhen Stock Exchange, the prices of which are quoted in Renminbi and which are available to PRC investors and foreign strategic investors approved by the China Securities Regulatory Commission;
Class	Shares of a particular Fund representing an interest in the Fund but designated as a class of Shares within such Fund for the purposes of attributing different proportions of the Net Asset Value of the relevant Fund to such Shares to accommodate different subscription, conversion and redemption charges, Dividend arrangements, Base Currencies and/or fee arrangements specific to such Shares;
Company	HSBC ETFs plc;
Secretary	Goodbody Secretarial Limited and/or such other company as may from time to time be appointed to provide company secretarial services to the Company in accordance with the requirements of the Central Bank;
Compliance Obligations	means compliance by any member of HSBC Group with

	any reporting, disclosure or other obligations under any applicable local or foreign laws, regulations or voluntary codes, directives, court orders, agreements with or demands from the appropriate Authorities;
Confidential Information	means non-public banking information;
Conversion Transaction Fee	the fee payable to the Administrator as agent for the Company where, as part of a Conversion of Shares, Shares are redeemed for cash and subsequently invested for cash in a different Fund. The fee payable is deducted from the redemption proceeds at the rate specified in the "**General**" section of the relevant Fund Supplement of the subscribed for Fund;
Courts Service	The Courts Service is responsible for the administration of moneys under the control or subject to the order of the Courts;
Creation and Redemption Unit	for each Fund, the predetermined number of Shares specified on the Website or on request from the Investment Manager, provided that the Directors may vary such number of Shares so specified from time to time;
CSSF	the Commission de Surveillance du Secteur Financier, the Luxembourg supervisory authority;
Data Protection Legislation	the Irish Data Protection Acts 1988 and 2003, the EU Data Protection Directive 95/46/EC, the EU ePrivacy Directive 2002/58/EC (as amended) and any relevant transposition of, or successor or replacement to, those laws (including, when they come into force, the General Data Protection Regulation (Regulation (EU) 2016/679) and the successor to the ePrivacy Directive);
Dealing Day	unless specified otherwise in the relevant Fund Supplement for any Fund, every Business Day or such other day or days as the Directors may determine and notify to the Administrator and to Shareholders in advance, provided there shall be at least one (1) Dealing Day per fortnight;
Dealing Deadline	the time on each Dealing Day by which applications for subscriptions and redemptions must be received by the Administrator in order to be processed on that Dealing Day, as specified for each Fund in the relevant Fund Supplement;
Declaration	a valid declaration in a form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D TCA 1997 (as may be amended from time to time);
Dematerialised Form	Shares title to which is recorded as being in uncertificated form and which may be transferred by means of a computer based settlement system in accordance with the Companies Act, 1990 (Uncertificated Securities) Regulations, 1996 (of Ireland);
Depositary	HSBC France, Dublin Branch or such other company as may from time to time be appointed to provide depositary

	services to the Company in accordance with the requirements of the Central Bank;
Direct Dealing (Cash Transaction) Fee	the fee payable to the Administrator as agent for the Company to offset the costs and expenses incurred by the Administrator in dealing in cash where Shares are subscribed or redeemed for cash, as specified in the relevant Fund Supplement;
Directors	the directors of the Company for the time being and any duly constituted committee thereof;
Distributor	affiliate companies of the HSBC Group appointed by the Management Company (acting as Global Distributor), in accordance with the terms of the distribution agreements entered into with the Distributors and the requirements of the Central Bank, to carry out distribution services in their local jurisdiction;
Duties and Charges	all stamp duties and other duties, taxes, governmental charges, imposts, levies, exchange costs and commissions (including foreign exchange spreads), depositary and sub-custodian charges, transfer fees and expenses, agents' fees, brokerage fees, commissions, bank charges, registration fees and other duties and charges, whether payable in respect of the constitution, increase or reduction of the cash or other assets of the Company or the creation, acquisition, issue, conversion, exchange, purchase, holding, repurchase, redemption, sale or transfer of Shares or Investments by or on behalf of the Company and, if appropriate, any provision for the spread or difference between the price at which any Investment was valued for the purpose of calculation of the Net Asset Value per Share of any Fund and the estimated or actual price at which any such Investment may be purchased, in the case of subscriptions to the relevant Fund, or sold, in the case of redemptions from the relevant Fund, including, for the avoidance of doubt, any charges or costs arising from any adjustment to any swap or other derivative contract required as a result of a subscription or redemption, or in respect of the issue or cancellation of share certificates or otherwise which may have become or will become payable in respect of or prior to or upon the occasion of any transaction, dealing or valuation;
Economic or Trade Sanctions	financial restrictions such as asset freezing measures, prohibitions on providing economic resources or financial assistance, or similar restrictions placed by governmental authorities or intergovernmental or regional bodies, international bodies (such as the United Nations Security Council) or regional multilateral bodies (such as the EU) on trade or financial dealings with specified territories, governments, entities and individuals;
EEA	European Economic Area;
EEA KIIDs	EEA key investor information documents;
Eligible Collective Investment Schemes	schemes established in Member States which are authorised as UCITS and which may be listed on a

	regulated market in the EU and/ or any of the following open-ended collective investment schemes: (a) schemes established in Guernsey and authorised as Class A schemes; (b) schemes established in Jersey as recognised funds; (c) schemes established in the Isle of Man as authorised schemes; (d) retail investor alternative investment funds authorised by the Central Bank provided such investment funds comply in all material respects, with the provisions of the UCITS Regulations and the Central Bank UCITS Regulations; (e) alternative investment funds authorised in a member state of the EEA, the UK (in the event that the UK is no longer a Member State), the US, Jersey, Guernsey or the Isle of Man and which comply, in all material respects, with the provisions of the UCITS Regulations and the Central Bank UCITS Regulations; and (f) such other schemes as may be permitted by the Central Bank and set out in this Prospectus.
Eligible Investor	any person, corporation or entity other than a US Person and/or that does not meet the "**Distribution and Selling Restrictions**" as provided for in this Prospectus. An application form and supporting anti-money laundering documentation must be completed by each new investor and received by the Company in accordance with the details set out in the subscription application form. The Company retains the right to refuse any application in whole or in part;
Entity Status information	any information relating to a business, non-profit or other entity, including but not limited to, its "substantial owners" or "controlling persons" (as appropriate) (as defined under local or foreign laws, regulatory guidance or intergovernmental agreements or intergovernmental cooperation agreements), its place of organisation, tax residence status, forms W9, W8-BEN-E as appropriate, a "self-certification" form (as defined under local law or foreign laws, regulatory guidance, or intergovernmental agreement or intergovernmental cooperation agreements), or other documentation as may be required to establish the entity's status;
ESMA	means the European Securities and Markets Authority, or such replacement or successor authority as may be appointed from time to time;
€ or Euro	the single currency of participating member states of the European Monetary Union introduced on 1 January 1999;
EU	European Union;

Exempt Investor any of the following Irish Residents:

(i) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA 1997, or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the TCA 1997, applies;

(ii) a company carrying on life business within the meaning of Section 706 of the TCA 1997;

(iii) an investment undertaking within the meaning of Section 739B(1) of the TCA 1997, or an investment limited partnership within the meaning of Section 739J of the TCA 1997;

(iv) a special investment scheme within the meaning of Section 737 of the TCA 1997;

(v) a charity being a person referred to in Section 739D(6)(f)(i) of the TCA 1997;

(vi) a qualifying management company within the meaning of Section 739B(1) of the TCA 1997;

(vii) a unit trust to which Section 731(5)(a) of the TCA 1997 applies;

(viii) a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the TCA 1997 where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;

(ix) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA 1997, and the Shares are assets of a PRSA;

(x) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;

(xi) the National Asset Management Agency

(xii) the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance of Ireland is the sole beneficial owner or Ireland acting through the National Treasury Management Agency;

(xiii) a company within the charge to corporation tax in accordance with Section 110(2) of the TCA 1997 (securitisation companies);

(xiv) in certain circumstances, a company within the charge to corporation tax in respect of payments made to it by the Company; or

(xv) any other person who is resident or ordinarily resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising the tax exemptions associated with the Company.

provided that a Declaration is in place;

Financial Crime Risk Management Activity (a) the detection and prevention of money laundering, terrorist financing, proliferation financing, corruption, tax evasion, fraud, and/or violations, or attempts to circumvent or violate laws, regulations, and/or directives, and fulfilling Compliance Obligations relating to the same; (b) the detection and prevention of the provision of financial and/or other services or support to any persons or entities which may be subject to Economic or Trade Sanctions, and fulfilling Compliance Obligations relating to the same; (c) the interception and investigation of any payment, communication, drawdown request or instruction or any other information otherwise related to any application for Services in connection with any payment screening requirements; and/or (d) the performance of Shareholder due diligence;

Fund a portfolio of assets established by the Directors (with the prior approval of the Depositary and the Central Bank) and constituting a separate fund represented by a separate series of Shares and invested in accordance with the investment objective and policies applicable to such Fund;

Fund Supplement a document containing information relating to each Fund;

Global Distributor HSBC Investment Funds (Luxembourg) S.A.;

HSBC Group collectively and individually, HSBC Holdings plc, its affiliates, subsidiaries, associated entities and any of their branches and offices, and any member of the HSBC Group;

Index any financial index which a Fund will aim to track, pursuant to its investment objective and in accordance with its investment policies, as specified in the relevant Fund Supplement;

Index Provider or Index Sponsor in relation to a Fund, the entity or person who by itself or through a designated agent compiles, calculates and publishes information on an Index as specified in the relevant Fund Supplement;

Index Securities those securities constituting the Index;

In-Kind Transaction Fee the fee amount payable by an Authorised Participant in the currency specified in the relevant Fund Supplement, in addition to the value of the Creation and Redemption Units subscribed for, or deducted from the value of the Creation and Redemption Units redeemed in the case of in-kind subscriptions and redemptions respectively. This fee reflects the transfer fees, depositary or sub-custodian

	charges, governmental charges, registration fees and all other costs and expenses of the relevant Fund incurred either in receiving the requisite securities and cash on a subscription for Creation and Redemption Units, or in delivering the requisite securities and cash on a redemption of Creation and Redemption Units, and will not exceed the amount notified to investors in the manner specified in the relevant Fund Supplement;
Investment Manager	HSBC Global Asset Management (UK) Limited or such other company as may from time to time be appointed to provide investment management services to the Company in accordance with the requirements of the Central Bank;
Irish Resident	any company resident, or other person resident or ordinarily resident, in the Republic of Ireland for the purposes of Irish tax. Please see the "**Taxation**" section below for the summary of the concepts of residence and ordinary residence issued by the Irish Revenue Commissioners;
Listing Stock Exchange	such selected exchanges as the Directors may determine from time to time in respect of each Fund and which are specified in Appendix A;
Loss	claims, charges, costs (including, but not limited to, any legal or other professional costs), damages, debts, expenses, taxes, liabilities, and any other payments or losses of any kind (including, but not limited to, any currency or exchange loss), obligations, allegations, suits, actions, demands, causes of action, proceedings or judgments of any kind however calculated or caused, and whether direct or indirect, consequential, punitive or incidental;
Luxembourg Law	the Luxembourg Law of 17 December 2010 on undertakings for collective investment, implementing UCITS IV Directive 2009/65/EC into the Luxembourg Law;
Management Company	HSBC Investment Funds (Luxembourg) S.A.;
Member State	a member state of the European Union;
Minimum Initial Subscription	for any Fund, the value of one Creation and Redemption Unit or such other amount as the Directors may determine and notify to Shareholders;
Net Asset Value	the net asset value of a Fund calculated as described in the "**Determination of Net Asset Value**" section of this Prospectus;
Net Asset Value per Share	the net asset value of a Share in any Fund, including a Share of any Class of Shares issued in a Fund calculated as described in the "**Determination of Net Asset Value**" section of this Prospectus;
OECD	the Organisation for Economic Co-Operation and Development;

OTC	over-the-counter;
Optimisation	where the relevant Fund will use optimisation techniques which take account of tracking error and trading costs when constructing a portfolio. Consequently a Fund may not hold each of the underlying Index constituents or hold Index constituents close to their Index weights. Furthermore, a Fund may hold securities which are not Index constituents but which are expected to provide similar performance and risk characteristics to certain Index constituents;
Personal Data	any information relating to an individual or an entity which can identify that individual or entity, and which can include sensitive personal data;
Portfolio Composition File	for in-kind subscriptions and redemptions, the statement identifying each of the securities and the quantities thereof which the Company will expect to be delivered to it when one Creation and Redemption Unit is subscribed for, or delivered by it, when one Creation and Redemption Unit is redeemed. Such statement will be available upon request from the Investment Manager. Ordinarily the Portfolio Composition File will be the same for subscriptions and redemptions; however, in certain circumstances, it may be different for subscriptions and redemptions on a given day for one or more Funds. The Portfolio Composition File will comprise securities in which the Fund may invest in accordance with its investment objective, investment policies and restrictions;
Portfolio Deposit	for in-kind subscriptions and redemptions, the securities comprising the Portfolio Composition File, plus or minus (as the case may be) the Cash Portion, to be delivered to the Company in subscribing for one Creation and Redemption Unit or to be delivered by the Company in redeeming one Creation and Redemption Unit;
Portfolio Holdings File	the statement illustrating a breakdown of the constituents held by a Fund subject to any applicable restrictions under the licence which the Investment Manager has in place with the relevant benchmark index providers. Such statement will be published as outlined in the relevant Fund Supplement.
Primary Market	a market on which the Shares of a Fund are subscribed or redeemed (off exchange) directly with the Company;
Prospectus	this document, Appendix A, Appendix B, Appendix C, the relevant Fund Supplement for any Fund and any other supplement or addendum designed to be read and construed together with and to form part of this document, as each may be amended or replaced from time to time;
Publication Time	the time on each Dealing Day by which the Portfolio Composition File(s) applicable for subscriptions and redemptions in-kind during that Dealing Day is or are first published, as specified for each Fund in the relevant Fund Supplement;

Recognised Clearing and Settlement System	any clearing system for the settlement of transactions in relation to securities designated by the Irish Revenue Commissioners of Ireland as a recognised clearing system for the purposes of Chapter 1(a) of Part 27 of the Taxes Consolidation Act, 1997 which at the date hereof comprise Clearstream Banking SA, Clearstream Banking AG, Euroclear, Crest-UK, National Securities Clearing System, Sicovam SA, SIS Sega Intersettle AG and NECIGEF;
Recognised Market	any recognised exchange or market listed or referred to in Schedule I to this Prospectus and such other markets as Directors may from time to time determine in accordance with the UCITS Regulations and specify in Schedule I to this Prospectus;
Recognised Rating Agency	Standard & Poor's Ratings Group ("**S&P**"), Moody's Investors Services ("**Moody's**"), Fitch IBCA or an equivalent rating agency;
Redemption Dividend	a dividend paid in respect of Shares which are the subject of a valid application for redemption;
Relevant Institution	(a) a credit institution authorised in the EEA (Member States, Norway, Iceland, Liechtenstein); (b) a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or (c) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;
Replication	where the relevant Fund will aim to invest in the constituents of the Index in generally the same proportions in which they are included in the Index. However, there may be circumstances when it is not possible or practicable for a Fund to invest in all constituents of the Index. Such circumstances may include (but are not limited to): (i) a limited availability of the Index constituents; (ii) trading suspensions on constituents of the Index; (iii) cost inefficiencies; (iv) if the assets under management of a Fund are relatively small, or (v) where there are internal or regulatory driven trading restrictions (as detailed in the "Investment Restrictions" and "Investment Restrictions - Other Restrictions" sections above) that apply to a Fund or Investment Manager but not the Index;
RMP Statement	any risk management process statement adopted by the Management Company, from time to time, in accordance with the requirements of the Central Bank;
Secondary Market	a regulated market on which shares are traded via a Recognised Market or OTC market;
Securities Financing Transactions	has the meaning set out in the Securities Financing Transactions Regulation;
Securities Financing Transactions Regulation	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, as such may be

	amended, supplemented or replaced from time to time;
Services	(a) the opening and maintaining of the Shareholder's accounts, (b) the provision of credit facilities and other banking products and services to the Shareholder, including broker, agency, depositary, clearing or technology procuring services, (c) investment advisory or other services to the Company and (d) the maintenance of the Investment Manager's overall relationship with the Shareholder, including marketing or promoting the Services or other financial services or related products to the Shareholder;
Service Provider	any entity that provides services to the Fund;
Share or Shares	a share or shares of whatsoever Class in the capital of the Company (other than Subscriber Shares) entitling the holders to participate in the profits of the Company attributable to the relevant Fund as described in this Prospectus;
Shareholder	a person registered in the register of members of the Company as a holder of Shares;
Shareholder Information	means Personal Data, Confidential Information and/or Tax Information;
Subscriber Shares	the issued share capital of two (2) subscriber shares of no par value issued at €1 each and initially designated as "**Subscriber Shares**" and which are held by HSBC group companies but which do not entitle the holders to participate in the profits of the Company;
Sterling or £	the lawful currency of the United Kingdom;
Subscriber Shareholder	a person registered in the register of members of the Company as a holder of Subscriber Shares;
Tax Authorities	domestic or foreign tax, revenue, fiscal or monetary authorities;
Tax Information	(a) In respect of an individual Shareholder, any documentation or information relating to an individual, an individual's identity or tax status including but not limited to an individual's name(s), residential address(es), age, date of birth, place of birth, nationality, citizenship, tax residence, domicile for tax purposes, tax identification number (if appropriate) personal and marital status, and shall include where applicable Forms W9 and W8-BEN, as issued by the Internal Revenue Service of the United States of America as amended, supplemented or substituted from time to time, or a self-certification form as defined under local or foreign laws, regulatory guidance, intergovernmental agreements or intergovernmental cooperation agreements; or (b) In respect of a Shareholder that is an entity, any documentation or information for the entity or the entity's individual beneficial owner, "substantial owners" or "controlling persons" relating, directly or indirectly, to (i) Entity Status Information; or (ii) an individual or an

	individual's identity or tax status (where such individual is a "controlling person", "substantial owner" (as defined above) or beneficial owner of a designated account), including but not limited to such individual's name(s), residential address(es), age, date of birth, place of birth, nationality, citizenship, tax residence, domicile for tax purposes, tax identification number (if appropriate) personal and marital status (and where applicable Forms W9 and W8-BEN, as issued by the Internal Revenue Service of the United States of America as amended, supplemented or substituted from time to time);
TCA 1997	the Taxes Consolidation Act, 1997 (of Ireland) as amended;
UCITS	an undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations;
UCITS Regulations	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) and all applicable Central Bank regulations or guidance made or conditions imposed or derogations granted thereunder;
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland, its territories and possessions;
US or United States	The United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;
US$ or US Dollars	the lawful currency of the United States of America;
USD Foreign Exchange Market	the USD foreign exchange market is a market in which participants are able to buy, sell and exchange US Dollars. Foreign exchange markets are made up of banks, commercial companies, central banks, investment management firms, hedge funds, and retail foreign exchange brokers and investors;
US Law	the laws of the United States. US Law shall additionally include all applicable rules and regulations, as supplemented and amended form time to time, as promulgated by any US regulatory authority, including, but not limited to, the Securities and Exchange Commission, the Commodity Futures Trading Commission and the Internal Revenue Service;
US Person	as defined in this Prospectus under "**RESTRICTIONS ON OFFERS AND SALES TO US PERSONS**";
Valuation Point	means the time specified for each Fund in the relevant Fund Supplement or such other time as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after such time as the Directors shall determine as the dealing deadline;
Website	www.etf.hsbc.com the website for each Fund as specified in the relevant Fund Supplement, on which the Net Asset

Value per Share and any other relevant information relating to any Fund will be published and on which this Prospectus and any other information in respect of the Company, including various shareholder communications, may be published.