

**VanEck Vectors™ UCITS ETFs plc**  
**(an umbrella fund with segregated liability between sub-funds)**

**A company incorporated with limited liability**  
**as an open-ended investment company with variable capital**  
**under the laws of Ireland with**  
**registered number 548554**

## **PROSPECTUS**

**This Prospectus is dated 14 February 2018**

The Directors of VanEck Vectors™ UCITS ETFs plc whose names appear in this Prospectus accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. This Prospectus should be read in conjunction with the Supplements dealing with the relevant Fund(s).

This Prospectus may not be distributed unless accompanied by, and must be read in conjunction with the Supplement for the Shares of the Company being offered.

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

**Investment Manager**

**Van Eck Associates Corporation**

**This document contains important information and should be read carefully before investing. If you have any questions about the content of this Prospectus you should consult your broker, intermediary, bank manager, legal adviser, financial accountant or other independent financial adviser.**

**The authorisation of VanEck Vectors™ UCITS ETFs plc (the Company) by the Central Bank of Ireland (the Central Bank) shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company.**

The Company is an umbrella investment company with segregated liability between its sub-funds and with variable capital incorporated on 26 August 2014 and is authorised in Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) and the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 as amended and as may be further amended, supplemented or consolidated from time to time. **Such authorisation is not an endorsement or guarantee of the Company or any Fund by the Central Bank, nor is the Central Bank responsible for the contents of this Prospectus.**

**The value of and income from Shares in the Company may go up or down and you may not get back the amount you have invested in the Company. Where a preliminary and/or redemption charge is payable the difference at any one time between the sale and repurchase price of Shares means that the investment should be viewed as medium to long term.**

**Information applicable to the Company generally is contained in this Prospectus. Shares constituting each Fund offered by the Company are described in the Supplements to this Prospectus. An investment in the Funds of the Company should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors. Prices of Shares in the Company may fall as well as rise.**

**The Company may levy a redemption charge not exceeding 3% of the Net Asset Value per Share. Details of any such charge with respect to one or more Funds will be set out in the relevant Supplement.**

Before investing in the Company, you should consider the risks involved in such investment. Please see **Risk Factors** below and where applicable to each Fund in the relevant Supplement.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves of and to observe any such restrictions. **This Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised.**

The Company may make application to register and distribute its Shares in jurisdictions outside Ireland. In the event that such registrations take place, local regulations may require the appointment of paying/facilities agents and the maintenance of accounts by such agents through which subscription and redemption monies may be paid. Investors who choose or are obliged under local regulations to pay/receive subscription/redemption monies via an intermediary rather than directly to the Depositary bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Depositary and (b) redemption monies payable by such intermediate entity to the relevant investors.

The Articles give powers to the Directors to impose such restrictions as they think necessary on the holding of Shares by (and consequently to redeem Shares held by), or the transfer of Shares to, (i) any United States Persons or by any person who appears to be in breach of the laws or requirements of any country or government authority or (ii) by any person or persons in circumstances (whether directly or

indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company or a relevant Fund incurring (a) any liability to taxation or suffering any other pecuniary, regulatory, legal or material administrative disadvantage or (b) being in breach of any law or regulation which the Company or a relevant Fund might not otherwise have incurred, suffered or breached. The Articles also permit the Directors where necessary to redeem and cancel Shares held by a person who is, or is deemed to be or is acting on behalf of, an Irish Taxable Person on the occurrence of a chargeable event for Irish taxation purposes.

**Potential subscribers and purchasers of Shares should consult a stockbroker, bank manager, solicitor, accountant or other financial advisor and inform themselves as to (a) the possible tax consequences, (b) the legal requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Shares.**

This Prospectus may be translated into other languages. Any such translation shall only contain the same information and have the same meanings as this English language document. Where there is any inconsistency between this English language document and the document in another language, this English language document shall prevail except to the extent (but only to the extent) required by the laws of any jurisdiction where the Shares are sold so that in an action based upon disclosure in a document of a language other than English, the language of the document on which such action is based shall prevail, solely for the purposes of such action. Any disputes as to the terms of the Prospectus, regardless of the language of the Prospectus, shall be governed by and construed in accordance with the laws of Ireland.

Shares are offered only on the basis of the information contained in the current Prospectus and the latest annual report and audited financial statements and any subsequent semi-annual report and unaudited financial statements. These reports will form part of this Prospectus.

Any information given, or representations made, by any dealer, salesman or other person not contained in this Prospectus or in any reports and accounts of the Company forming part hereof must be regarded as unauthorised and accordingly must not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall under any circumstances constitute a representation that the information contained in this Prospectus is correct as of any time subsequent to the date of this Prospectus. To reflect material changes, this Prospectus may from time to time be updated and intending subscribers should enquire of the Administrator as to the issue of any later Prospectus or as to the issue of any reports and accounts of the Company.

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. Prospective applicants for Shares should inform themselves as to the legal requirements so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

Distribution of this Prospectus and the relevant Supplement is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus. Shares are offered only on the basis of the information contained in the Prospectus, the relevant Supplement and, where appropriate, the latest audited annual accounts and any subsequent half-yearly report of the Company. Such reports, this Prospectus and the relevant Supplement together form the prospectus for the issue of Shares in the Company. The latest published annual and half-yearly reports of the Company will be available to prospective investors free of charge at [www.vaneck.com](http://www.vaneck.com).

The Key Investor Information Document of each Fund will be available at the registered office of the Company and will be sent to investors upon request.

The Key Investor Information Documents are available on [www.vaneck.com](http://www.vaneck.com). Before subscribing to any Class and to the extent required by local laws and regulations each investor shall consult the relevant Key Investor Information Documents. The Key Investor Information Documents provide information in particular on historical performance, the synthetic risk and reward indicator and charges relating to each Fund. Investors may download the Key Investor Information Documents 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.

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

Defined terms used in this Prospectus shall have the meaning attributed to them in Appendix I.

It is also intended that Shares will be listed and admitted for trading on a number of other stock exchanges but the Company does not warrant or guarantee that such listings will take place or continue to exist. In the event that such listings do take place, the primary listing of the Shares of the Funds will normally be on the London Stock Exchange and any other listings shall be secondary to the listing on the London Stock Exchange.

This Prospectus, including all information required to be disclosed by the Irish Stock Exchange plc listing requirements, comprises listing particulars for the purpose of the listing of such shares on the Irish Stock Exchange plc.

It is possible that in certain jurisdictions, parties entirely unaffiliated with the Company (and any Fund), the Manager or the Investment Manager, may make the Shares of any Fund(s) available for investment by investors in those jurisdictions through off market trading mechanisms. None of the Company, the Manager, nor the Investment Manager, endorse or promote such activities and are not in any way connected to such parties or these activities and do not accept any liability in relation to their operation and trading.

It is the responsibility of any person wishing to make an application for Shares to inform themselves of, and comply with, all applicable laws and regulatory requirements.

## **United States**

The Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the **1933 Act**) or the laws of any state and may not be directly or indirectly offered or sold in the United States or to any United States Person. Any re-offer or re-sale of any of the Shares in the United States or to United States Persons may constitute a violation of US law. The Shares offered hereby have not been approved or disapproved by the SEC, by the securities regulatory authority of any US state, or by any similar authority of any other country or jurisdiction, and neither the SEC nor any such authority will do so. The offering and sale of the Shares to Non-United States Persons will be exempt from registration pursuant to Regulation S promulgated under the 1933 Act.

The Funds have not been and will not be registered under the United States Investment Company Act of 1940 (as amended) (the 1940 Act). Shares may not be acquired by a person who is deemed to be a United States Person under the 1940 Act and regulations thereunder or a person who is deemed to be a United States Person under the United States Commodity Exchange Act and regulations thereunder.

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## **1. DIRECTORY**

VanEck Vectors™ UCITS ETFs plc  
25/28 North Wall Quay  
Dublin 1  
Ireland

### **MANAGER AND DISTRIBUTOR**

VanEck Investments Limited  
25/28 North Wall Quay  
Dublin 1  
Ireland

### **INVESTMENT MANAGER**

Van Eck Associates Corporation  
666 Third Avenue - 9th Floor  
New York,  
NY 10017 USA

### **DEPOSITARY**

BNY Mellon Trust Company (Ireland) Limited  
One Dockland Central  
Guild Street  
IFSC  
Dublin 1  
Ireland

### **ADMINISTRATOR**

BNY Mellon Fund Services (Ireland) DAC  
One Dockland Central  
Guild Street  
IFSC  
Dublin 1  
Ireland

### **REGISTRAR**

Computershare Investor Services (Ireland) Limited  
Heron House  
Corrig Road  
Sandyford Industrial Estate  
Dublin 18

### **SECRETARY**

Goodbody Secretarial Limited  
International Financial Services Centre  
North Wall Quay  
Dublin 1  
Ireland

### **AUDITORS**

KPMG  
1 Stokes Place  
St Stephen's Green  
Dublin 2

**IRISH LEGAL ADVISERS TO THE COMPANY**

A & L Goodbody  
International Financial Services Centre  
North Wall Quay  
Dublin 1

**UK FACILITIES AGENT**

Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol BS99 6ZZ  
United Kingdom

## 2. INTRODUCTION

The Company is structured as an umbrella investment company with variable capital incorporated in Ireland as a public limited company. 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, establish different Funds 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 Supplement.

The particulars of each Fund will be set out in a separate supplement to the Prospectus (each a **Supplement**). Any such Supplement shall list all of the existing Funds. Shares of more than one Class may be issued in relation to a Fund. Information contained within the Supplements is selective and should be read in conjunction with this Prospectus. The Central Bank shall be notified and must clear in advance the creation of any new Classes of Shares. On the introduction of any new Class of Shares, the Company will prepare and the Directors will issue documentation setting out the relevant details of each such Class of Shares. A separate portfolio of assets shall be maintained for each Fund and shall be invested in accordance with the investment objective applicable to such Fund.

Shares in any of the Funds may be subscribed for or redeemed in cash and/or on an in specie basis or in a combination of both, further details of which are set out in the section entitled **Applications for Shares**. Shares may also be bought or sold on the secondary market (as described below).

The Company may decline any application for Shares in whole or in part without assigning any reason therefor and will not accept an initial subscription for Shares of any amount (exclusive of the preliminary charge, if any) which is less than the Minimum Initial Subscription as set forth in the Supplement for the relevant Fund, unless the Minimum Initial Subscription is waived by the Directors.

After the initial issue, Shares will be issued and redeemed at the Net Asset Value per Share plus or minus Duties and Charges (as the case may be) including any preliminary or redemption charge specified in the relevant Supplements. The Net Asset Value of the Shares of each Class and the issue and redemption prices will be calculated in accordance with the provisions summarised in the section entitled **Issue and Redemption Prices/Calculation of Net Asset Value/Valuation of Assets** in this Prospectus.

The Shares of each Fund may be listed on one or more stock exchanges, further details of which will be set out in the relevant Supplement, and are fully transferable to Shareholders. It is envisaged that Shares will be bought and sold by retail and institutional investors and professional traders in the secondary market like the ordinary shares of a listed company. However, the Company cannot guarantee that a liquid secondary market will develop in relation to the Shares of any particular Fund.

Shares in the relevant Fund which are purchased on the secondary market (as further described below) cannot usually be redeemed directly from the Company. Investors normally buy and sell their Shares on the secondary market with the assistance of an intermediary (e.g. a stockbroker or other investment broker) and may incur fees for investing in this manner. In addition, please note that such investors may pay more than the current Net Asset Value per Share when purchasing Shares on the secondary market and may receive less than the current Net Asset Value when selling their shareholding.

Details of Dealing Days in respect of each Fund are set out in the relevant Supplement.

All holders of Shares will be entitled to the benefit of, will be bound by and deemed to have notice of the provisions of the Articles summarised in the section entitled **General Information** in this Prospectus, copies of which are available as detailed in this Prospectus.

Activities which may adversely affect the interests of the Company's Shareholders (for example, activities that disrupt the Company's investment strategies or impact expenses for the Company) are not permitted. The Directors may, in their discretion, if they deem such activities adversely affect the interests of the Company's Shareholders, take action as appropriate to deter such activities.

### **3. Directors of the Company**

The Directors of the Company are described below:

#### ***Adam Phillips***

Mr Phillips joined VanEck in 2006 as the Director of Strategic Business and Capital Markets Relationships for all Market Vectors Exchange-Traded Funds. He currently serves as Chief Operating Officer of Market Vectors ETFs. Mr Phillips' previous experience includes roles such as Founder and Managing Member of LB Trading, LLC, a proprietary ETF trading firm on the American Stock Exchange and Junior General Partner and Management Committee Member at Orbit II Partners, L.P., a proprietary trading firm specializing in equity options, index options and ETF market making. Mr Phillips was a member of the American Stock Exchange and was an Amex Floor Official. He holds a Bachelor of Arts degree in Economics and American Civilization from Lafayette College.

#### ***Jonathan R. Simon***

Mr Simon joined VanEck in 2006. He is Senior Vice President and General Counsel of Van Eck Associates Corporation, Van Eck Securities Corporation and Van Eck Absolute Return Advisers Corporation. He is a director of numerous affiliates of Van Eck Associates Corporation.

Prior to joining VanEck, Mr Simon worked as an associate at Sidley Austin LLP, Carter Ledyard & Milburn LLP and Schulte Roth & Zabel LLP. Mr Simon is a member of the New York State Bar. Mr Simon has a JD from Fordham University School of Law and a BS from Cornell University.

#### ***Bruce Smith, CPA***

Mr. Smith joined VanEck in 1983. He is Senior Vice President and Chief Financial Officer, Treasurer and Director of Van Eck Associates Corporation, Van Eck Securities Corporation, and Van Eck Absolute Return Advisers Corporation. Mr. Smith also has responsibility for the Corporate Accounting and Human Resources/Administration departments.

Prior to joining VanEck, he was employed by McGladrey & Pullen, CPAs. Mr. Smith received a BS in Accounting from Fordham University.

#### ***Jon Lukomnik***

Mr Lukomnik, a recognised expert in corporate governance and institutional investing, has extensive business and financial experience, particularly in the investment management industry. He currently serves as Managing Partner of Sinclair Capital LLC, a consulting firm to the investment management industry, Executive Director of the Investor Responsibility Research Center Institute, a not-for-profit organisation that funds research on corporate responsibility and investing, and is a trustee of the Van Eck family of mutual funds and investment trusts. From 2009-2011, Mr Lukomnik was the lead consultant for the Global Corporate Governance Forum (World Bank/IFC) Financial Market Recovery Project, which built capacity to train bank directors in emerging markets. From 1998-2000, Mr Lukomnik was Managing Director and Head of Business Development and Strategic Planning at CDC Investment Management Corp. From 1994-1998, Mr Lukomnik was the Deputy Comptroller for Pensions and Asset Management at the City of New York.

In addition, Mr Lukomnik co-founded the International Corporate Governance Network, co-founded GovernanceMetrics International, is a former interim chair of the Executive Committee of the Council of Institutional Investors, and has served on various Boards of Directors and on the official creditors committees in the restructurings of Worldcom and Adelphia. He is co-author of "The New Capitalists", selected as a pick of the year by the Financial Times, and of "What They Do With Your Money". He has also contributed to "Directors and Boards", "Plan Sponsor", "Corporate Governance in the Wake of the Financial Crisis" and a number of academic publications such as the Rotman Journal and the "Journal of Risk Management in Financial Institutions".

Mr Lukomnik was awarded the 2013 International Corporate Governance Network (ICGN) Award for Excellence in Corporate Governance. Mr Lukomnik received a B.A. degree from Columbia University in

1977.

### ***Eimear Cowhey***

Mrs. Cowhey (Irish Resident) has over 25 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 and Luxembourg. From 1999 to 2006 she held various executive positions within The Pioneer Group, including Head of Legal and Compliance and Head of 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. Eimear 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).

Eimear 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. Ms Cowhey lectures at the Law Society of Ireland on Financial Services and Investment Funds law and is a regular conference speaker.

### ***Adrian Waters***

Mr. Waters (Irish Resident) is a Fellow of The Institute of Chartered Accountants in Ireland and of The Institute of Directors. He is a Chartered Director (UK Institute of Directors) and he specializes in risk management and governance. He has over 25 years' experience in the funds industry. He is a director of several other investment funds. From 1993 to 2001, he held various executive positions within The BISYS Group, Inc. (now part of the Citi Group), including Chief Executive Officer of BISYS Fund Services (Ireland) Limited and finally as Senior Vice President – Europe for BISYS Investment Services out of London. From 1989 to 1993, he was employed by the Investment Services Group of PricewaterhouseCoopers in New York and prior to that by Oliver Freaney and Company, Chartered Accountants, in Dublin. Mr. Waters holds a Bachelor of Commerce degree and a Post Graduate Diploma in Corporate Governance both received from University College Dublin in 1985 and 2005, respectively. Additionally, he received a Master of Science degree in Risk Management from the Stern Business School at New York University in 2013.

No Director has ever:

- (i) had any unspent convictions in relation to indictable offences; or
- (ii) been a director of any company or partnership which, while he was a director with an executive function or partner at the time of or within the 12 months preceding such events, been declared bankrupt, went into receivership, liquidation, administration or voluntary arrangements; or
- (iii) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of affairs of any company.

For the purposes of this Prospectus, the address of all the Directors is the registered office of the Company.

The Company has delegated the day to day management and running, and, in the case of the Depositary, the custody of the assets of each Fund in accordance with policies approved by the Directors to the Manager and Distributor, the Administrator and the Investment Manager in respect of each Fund. Consequently, all Directors are non-executive.

#### **4. The Manager and Distributor**

The Manager of the Company is VanEck Investments Limited which is part of the VanEck group of companies. The Investment Manager is the parent of the Manager. The Manager has been appointed pursuant to a management and marketing agreement dated 8 December 2014 and is responsible for the day to day management, administration and distribution of the Company but it has delegated investment management and administration responsibilities to the Investment Manager and the Administrator. The Manager was incorporated as a private limited company on 12 June 2014. The authorised share capital of the Manager is €10,000,000 of which €199,990 is, at the date of this Prospectus, in issue and fully paid.

The Manager shall also act as a distributor in respect of the Shares of each Fund.

The directors of the Manager are Eimear Cowhey, Adrian Waters, Bruce Smith, Jonathan R. Simon and Adam Phillips. Details in respect of each director are set out above.

The secretary of the Manager is Goodbody Secretarial Limited.

The Manager has in place remuneration policies, procedures and practices as required pursuant to the UCITS Directive (the **Remuneration Policy**). The Remuneration Policy is consistent with and promotes sound and effective risk management. It is designed to discourage risk-taking which is inconsistent with the risk profile of the Company and the Funds. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the Company or the Funds, and ensures that no individual will be involved in determining or approving their own remuneration. The Remuneration Policy will be reviewed annually. Details of the up-to-date remuneration policy are available from [www.vaneck.com](http://www.vaneck.com) and a paper copy of the remuneration policy will be made available to Shareholders free of charge upon request.

## **5. Investment Manager**

The Investment Manager and promoter is Van Eck Associates Corporation incorporated in the United States of America. The Investment Manager has been appointed to provide investment management services to the Company pursuant to an investment management agreement dated 8 December 2014.

The Investment Manager's principal offices are at 666 Third Avenue, 9th Floor, New York, NY 10017, USA.

Subject to controls imposed by the Directors under the investment management agreement, all relevant laws and regulations, this Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments in relation to the investment management of the Company.

The Investment Manager is regulated by the Securities and Exchange Commission.

As at 31 March 2016, Van Eck Associates Corporation and its affiliates had approximately US\$ 29 billion in assets under management.

## **6. Depositary**

The Company has appointed BNY Mellon Trust Company (Ireland) Limited to act as the depositary of the Company's assets pursuant to the Depositary Agreement. The Depositary is a private limited liability company incorporated in Ireland on 13th October 1994. The principal activity of the Depositary is to act as the depositary of the assets of collective investment schemes. The Depositary is authorised by the Central Bank under the Investment Intermediaries Act, 1995 (as amended).

The duty of the Depositary is to provide safekeeping, oversight and asset verification services in respect of the assets of the Company and each Sub-Fund in accordance with the provisions of the Regulations.

The Depositary will be obliged, inter alia, to ensure that the sale, issue, repurchase and cancellation of Shares in the Company is carried out in accordance with the Regulations and the Articles of Association. The Depositary will carry out the instructions of the Company, unless they conflict with the Regulations or the Articles of Association. The Depositary is also obliged to enquire into the conduct of

the Company in each financial year and report thereon to Shareholders.

Pursuant to the Depositary Agreement, the Depositary will be liable for loss of financial instruments held in custody or in the custody of any sub-custodian, unless it can prove that loss has arisen as a result of an external event beyond its control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall also be liable for all other losses suffered as a result of the Depositary's negligent or intentional failure to fulfil its obligations under the Regulations.

Under the Depositary Agreement, the Depositary has power to delegate the whole or any part of its depositary functions, however, its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary has delegated its safe-keeping duties in respect of financial instruments in custody to The Bank of New York Mellon SA/NV and/or The Bank of New York Mellon. The list of sub delegates appointed by The Bank of New York Mellon SA/NV or The Bank of New York Mellon is set out in Appendix V hereto. The use of particular sub delegates will depend on the markets in which the Company invests.

Potential conflicts of interest affecting the Depositary and its delegates may arise from time to time, including, without limitation, where the Depositary or a delegate has an interest in the outcome of a service or an activity provided to the Company, or a transaction carried out on behalf of the Company, which is distinct from the Company's interest, or where the Depositary or a delegate has an interest in the outcome of a service or activity provided to another client or group of clients which is in conflict with the Company's interests. From time to time conflicts may also arise between the Depositary and its delegates or affiliates, such as 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. The Depositary maintains a conflict of interest policy to address such conflicts.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the Company, applicable law, and its conflicts of interest policy. Up-to-date information regarding the duties of the Depositary, any conflicts of interest that may arise and the Depositary's delegation arrangements will be made available to investors by the Company on request.

The Depositary is a wholly-owned indirect subsidiary of The Bank of New York Mellon Corporation. BNY Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. BNY Mellon is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. As at 31 December 2016, it had US\$29.9 trillion in assets under custody and administration and US\$1.6 trillion in assets under management.

## **7. Administrator**

BNY Mellon Fund Services (Ireland) DAC is a private limited liability company. It was incorporated in Ireland on 31 May, 1994 under registration number 218007. The Administrator is authorised by the Central Bank under the Investment Intermediaries Act 1995.

The duties and functions of the Administrator will include, inter alia, the calculation of the Net Asset Value, the provision of facilities for the registration of Shares in respect of the Authorised Participants, the keeping of all relevant records and accounts of the Company as may be required with respect to the obligations assumed by it pursuant to the administration agreement and assisting the auditors in relation to the audit of the financial statements of the Company.

Both the Administrator and the Depositary are wholly-owned indirect subsidiaries of The Bank of New York Mellon Corporation. The Bank of New York Mellon Corporation is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. The Bank of New York Mellon Corporation is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. As at 30 September 2015, it had US\$28.5 trillion in assets under custody and administration and US\$1.6 trillion in assets under management.

## **8. Registrar**

Computershare Investor Services (Ireland) Limited has been appointed by the Manager to act as the registrar and transfer agent in relation to the shares pursuant to the agreement for the provision of registry, transfer agent and paying agent and representation services. This agreement also provides for the appointment of Computershare Investor Services PLC as the Company's UK facilities agent.

The Registrar is a private limited company incorporated in Ireland on 10 October, 1995 and is ultimately a wholly owned subsidiary of Computershare Limited, an Australian company and one of the world's largest share registry provider. Since gaining regulatory approval in 2000, Computershare Investor Services (Ireland) Limited has been providing transfer agency and paying agency solutions to the international funds service industry.

The Registrar shall establish, maintain and update on a timely basis the register of Shareholders of the Funds, which shall remain the property of the Company and hold the same open for inspection by persons entitled to inspect the register. The Registrar shall keep or cause to be kept at its premises in Ireland the register of Shareholders of the Company and all other books and records to give a complete record of all activities carried out by it in relation to the shares of the Company and such other books, records and statements as may be required by law.

## **9. Investment Objective and Policies**

The Articles provide that the investment objective and policies of each Fund will be formulated by the Directors at the time of creation of the Fund.

The investment objective of each Fund shall be to track or replicate the performance of a particular Index (or indices) through (i) direct investment in some or all of the constituents of the relevant Index (assuming that those constituents are eligible assets); (ii) direct investments in eligible assets that provide indirect exposure to the relevant Index (or the constituents thereof); (iii) financial derivative instruments that provide indirect exposure to the relevant Index or the constituents thereof; or (iv) a combination of (i) to (iii) above.

Details of the investment objective and policies for each Fund shall be set out in the Supplement for the relevant Fund.

In addition, the Funds may utilise efficient portfolio management techniques as further described below.

### **Full Index Replication**

Funds which employ full index replication seek to replicate as closely as possible the constituents of the relevant Index by holding all the securities comprising the relevant Index in similar proportion to their weightings in the relevant Index. However, it may not always be possible and practicable to purchase each and every constituent of the relevant Index in accordance with the weightings of the relevant Index, or doing so may be detrimental to Shareholders (due to considerable costs or practical difficulties involved in compiling a portfolio of the constituents of the relevant Index in order to replicate the relevant Index, or where a constituent of the relevant Index becomes temporarily illiquid, unavailable or less liquid).

### **Optimised Index Replication**

It may not be practical or cost efficient for a Fund to fully replicate its Index. In such instances, the Fund may use optimisation techniques. Optimisation techniques may include the strategic selection of some (rather than all) of the securities that make up the Index, holding securities in proportions that differ from the proportions of the Index and/or the use of FDI to track the performance of certain securities that make up the Index. The Investment Manager may also select securities which are not underlying constituents of the Index where it believes such securities may provide similar performance (with matching risk profile) to certain securities that make up the Index. The extent to which a Fund utilises optimisation techniques will partly depend on the nature of the constituents of the relevant Index. For example, the Fund may utilise optimisation techniques and may be able to provide a return similar to

that of its Index by investing in a sub-set of the constituents on its Index.

### **Use of Financial Derivative Instruments**

A Fund may (subject to the terms of its investment policy as set out in the relevant Supplement) invest in financial derivatives in order to achieve its investment objective. Such financial derivative investments shall include options, futures, swaps, forwards, credit derivatives (such as single name credit default swaps and credit default swap indices), spot foreign exchange transactions, caps and floors, contracts for difference or other derivative transactions. In all instances, the purpose of investing in such financial derivative instruments shall be to assist in achieving the investment objective of the Fund and for reasons such as generating efficiencies in gaining exposure to the relevant Index or to the constituents of relevant Index, to produce a return similar to the return of the relevant Index, to reduce transaction costs or taxes or to allow exposure in the case of illiquid stocks or stocks which are unavailable for market or regulatory reasons or to minimise tracking errors or for such other reasons as the Directors deem of benefit to a Fund.

Use of these investment techniques, the implementation of which is subject to a number of constraints detailed in the section entitled **UCITS Investment Restrictions** of this Prospectus, may not produce the intended results. Notwithstanding the foregoing, it should be noted that exceptional circumstances, such as, but not limited to, disruptive market conditions or extremely volatile markets, may arise which cause a Fund's tracking accuracy to diverge substantially from the relevant Index. Due to various factors, including, without limitation, the Fund's fees and expenses involved, the concentration limits detailed in the investment restrictions, other legal or regulatory restrictions, and, in certain instances, certain securities being illiquid, it may not be possible and practicable to purchase all of the constituents in proportion to their weighting in the Index or purchase certain Index constituents at all.

Investors should consult the section entitled **Risk Factors** below for a description certain risks involved in the use of such techniques.

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 securities holdings 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 and to the extent practicable and possible to conform to changes in the composition and/or weighting of Index Securities constituting the Index corresponding to the Fund in a timely manner and as efficiently as possible, but subject to the Investment Manager's overall discretion in accordance with the investment policies of the Fund. 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.

Any change in the investment objective of a Fund and/or material change to the investment policy of a Fund may only be made with the approval of an ordinary or written resolution of the Shareholders of the relevant Fund. Subject to giving reasonable prior notice to Shareholders to enable them to request the redemption of their Shares prior to the implementation of any change, the Directors have the power to change the investment objective and policies of a Fund. For the avoidance of doubt, in the case of a change of name only of a relevant Index such change shall not be deemed to be a change in the investment objective of a Fund and/or material change to the investment policy of a Fund and Shareholders will be notified in advance of any change of name of a relevant Index.

The Directors reserve the right, if they consider it in the interests of the Company or a Fund to do so, to change or substitute another index for the Index. The Directors may change the name of a Fund, particularly if the Index is changed. Any such change to the Index or to the name of a Fund must be notified to and cleared in advance by the Central Bank and noted in the annual and semi-annual reports of the relevant Fund issued after such change takes place.

## **10. UCITS Investment Restrictions**

The particular investment restrictions for each Fund will be formulated by the Directors at the time of the creation of the Fund and will appear in the Supplement for the relevant Fund.

Details of the investment restrictions laid down in accordance with the Regulations in respect of each Fund are set out in sections 11 to 16 (inclusive) below.

## **11. Permitted Investments**

Investments of each Fund are confined to:

- 11.1. Transferable Securities and Money Market Instruments, as prescribed in the CBI UCITS Regulations, 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, recognised and open to the public in a Member State or non-Member State (and which in each case is listed in Appendix II).
- 11.2. Recently issued Transferable Securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 11.3. Money Market Instruments, as defined in the CBI UCITS Regulations, other than those dealt in on a Market.
- 11.4. Units of UCITS.
- 11.5. Units of AIFs as set out in the CBI UCITS Regulations and Guidance Note 2/03.
- 11.6. Deposits with credit institutions as prescribed in the CBI UCITS Regulations.
- 11.7. Financial derivative instruments (**FDI**) as prescribed in the CBI UCITS Regulations.

## **12. Investment Restrictions**

- 12.1. Each Fund may invest no more than 10% of net assets in Transferable Securities and Money Market Instruments other than those referred to in paragraph 11.
- 12.2. Subject to the second paragraph of this section 12.2, a Fund shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the Regulations (as amended) apply.

The first paragraph of this section 12.2 does not apply to an investment by a Fund in US Securities known as "Rule 144 A securities" provided that;

- the relevant securities have been issued with an undertaking to register the securities with the Securities and Exchange Commission within one year of issue; and
  - the securities are not illiquid securities (i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the Company).
- 12.3. Each Fund may invest no more than 10% of net assets in Transferable Securities or Money Market Instruments issued by the same body provided that the total value of Transferable Securities and Money Market Instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
  - 12.4. Subject to the prior approval of the Central Bank, the limit of 10% (as described in paragraph 12.3 above) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the

#### Net Asset Value of the Fund.

- 12.5. The limit of 10% (as described in paragraph 12.3 above) 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.
- 12.6. The Transferable Securities and Money Market Instruments referred to in 12.4 and 12.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 12.3.
- 12.7. Deposits with any single credit institution, other than a credit institution specified in Regulation 7 of the Central Bank Regulations held as ancillary liquidity shall not exceed:
- 10% of the NAV of the UCITS); or
  - Where the deposit is made with the Depositary 20% of the net assets of the Fund.
- 12.8. The risk exposure of each Fund to a counterparty in an over the counter (**OTC**) derivative transaction may not exceed 5% of net assets.
- This limit is raised to 10% in the case of credit institutions authorised in the EEA, a credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States), or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- 12.9. Notwithstanding paragraphs 12.3, 12.7 and 12.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
- investments in Transferable Securities or Money Market Instruments;
  - deposits, and/or
  - counterparty risk exposures arising from OTC derivatives transactions.
- 12.10. The limits referred to in 12.3, 12.4, 12.5, 12.7, 12.8 and 12.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
- 12.11. Group Companies are regarded as a single issuer for the purposes of 12.3, 12.4, 12.5, 12.7, 12.8 and 12.9. However, a limit of 20% of net assets may be applied to investment in Transferable Securities and Money Market Instruments within the same group.
- 12.12. Each Fund may invest up to 100% of net assets in different Transferable Securities and Money Market Instruments issued or guaranteed by any Member State, local authorities of a Member State, non-Member States or public international body of which one or more Member States are members or OECD Governments (provided the relevant issues are investment grade), European Union, European Investment Bank, European Central Bank, European Coal and Steel Community, Euratom, Eurofima, Council of Europe, The Asian Development Bank, Inter-American Development Bank, European Bank for Reconstruction and Development, International Bank for Reconstruction and Development (the World Bank), International Finance Corporation, International Monetary Fund, the Government National Mortgage Association (Ginnie Mae), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Tennessee Valley Authority (TVA) and the Student Loan Marketing Association (Sallie Mae) and Straight-A Funding LLC.

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

### 13. Investment in Collective Investment Schemes

- 13.1. A Fund may not invest more than 20% of net assets in any one collective investment scheme.
- 13.2. Investment by a Fund in AIFs collective investment schemes may not, in aggregate, exceed 30% of the Fund's net assets.
- 13.3. A Fund may invest in other collective investment schemes if such collective investment schemes are prohibited from investing more than 10% of net assets in other open ended collective investment schemes.
- 13.4. When a Fund invests in the units of other collective investment schemes that are managed, directly or by delegation, by the Fund's investment manager or by any other collective investment scheme with which the investment manager is linked by common management or control, or by a substantial direct or indirect holding, neither the investment manager nor that other collective investment scheme may charge subscription, conversion or redemption fees on account of that Fund's investment in the units of such other collective investment scheme.
- 13.5. Where a commission (including a rebated commission) is received by a Fund's investment manager or the Manager by virtue of an investment in the units of another collective investment scheme, this commission must be paid into the property of the Fund.

#### **14. Index Tracking**

- 14.1. A Fund may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the CBI UCITS Regulations and is recognised by the Central Bank.
- 14.2. The limit in 14.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

#### **15. General Provisions**

- 15.1. The Fund may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 15.2. Each Fund may acquire no more than:
  - (i) 10% of the non-voting shares of any single issuing body;
  - (ii) 10% of the debt securities of any single issuing body;
  - (iii) 25% of the shares or units of any single collective investment scheme;
  - (iv) 10% of the Money Market Instruments of any single issuing body.

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

- 15.3. 15.1 and 15.2 shall not be applicable to:
  - (i) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
  - (ii) Transferable Securities and Money Market Instruments issued or guaranteed by a non-Member State;
  - (iii) Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States are members;

- (iv) shares held by each Fund in the capital of an entity incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their 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 each 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 entity from the non-Member State complies with the limits laid down in 12.3 to 12.11, 13.1, 13.2, 15.1, 15.2, 15.4, 15.5 and 15.6 and provided that where these limits are exceeded, 15.5 and 15.6 are observed;
  - (v) shares held by the Fund in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at Shareholders' request exclusively on their behalf.
- 15.4. 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.
- 15.5. The Central Bank may allow recently authorised Funds to derogate from the provisions of 12.3 to 12.12, 13.1, 13.2, 14.1 and 14.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
- 15.6. 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, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
- 15.7. A Fund may not carry out uncovered sales of:
- Transferable Securities;
  - Money Market Instruments<sup>1</sup>;
  - units of collective investment schemes; or
  - financial derivative instruments (**FDIs**).
- 15.8. A Fund may hold ancillary liquid assets.

## **16. Financial Derivative Instruments**

- 16.1. A Fund may invest in FDIs dealt in over the counter (**OTC**) provided that the counterparties to over-the counter transactions (**CTCs**) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank and subject to the conditions and limits laid down by the Central Bank in accordance with the terms of the CBI UCITS Regulations.
- 16.2. Position exposure to the underlying assets of FDI, including embedded FDI in Transferable Securities or Money Market Instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI 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 CBI UCITS Regulations)
- 16.3. Each Fund's global exposure (as prescribed in the CBI UCITS Regulations and as calculated on the basis of the commitment approach) relating to FDI must not exceed its total net asset value.
- 16.4. Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

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<sup>1</sup> *any short selling of money market instruments by UCITS is prohibited*

## **17. Use of Financial Derivative Instruments and Efficient Portfolio Management**

Subject to the Regulations and to the conditions within the limits laid down by the Central Bank, the Investment Manager, on behalf of a Fund may invest in FDIs dealt on a regulated market and/or over the counter derivatives (**OTCs**) which will be used for investment purposes, hedging and/or efficient portfolio management purposes. The FDIs in which a Fund may invest shall be set out in the Supplement for the relevant Fund.

There may be instances where the weighting of a constituent security of the relevant Index if replicated by a Fund could cause the Fund to breach the investment restrictions. For example, the weighting of a constituent security of an Index could exceed the prescribed limit in respect of a single issuer. In order to seek to maintain the same economic exposure to the composition and weighting of the securities in the relevant Index without breaching the investment restrictions, it is intended that each Fund may employ futures, forwards and equity swap contracts transacted over-the-counter, and other FDIs derivative contracts subject to the conditions and limits laid down by the Central Bank. This would enable the Fund to gain an economic exposure to an equity security, a combination of equity securities or an Index, whilst the Fund's primary credit risk would be to the derivative counterparty or to the issuer of the note. The notes in which a Fund invests for this purpose will be Transferable Securities traded on a Market.

The Company must employ through its service providers a risk-management process which enables it to accurately monitor, measure and manage at any time the risks attached to a Fund's FDI positions and their contribution to the overall risk profile of the portfolio of assets of a Fund. It must employ a process for accurate and independent assessment of the value of OTC FDI. The Company must provide the Central Bank with details of its FDI activity and risk assessment methodology and, in accordance with particular requirements of the Central Bank shall specify, for that purpose, the permitted types of FDI, the underlying risks, the quantitative limits and how these will be monitored and enforced and the methods which are chosen in order to estimate the risks associated with transactions in any FDI applicable to a Fund. The Company will ensure that a Fund's global exposure to FDIs does not exceed the total net asset value of its portfolio and that counterparty risk exposure to any OTC derivative transactions never exceeds the limits permitted under the Regulations.

The 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 investments in respect of the relevant Fund.

The Funds may employ techniques and instruments relating to Transferable Securities and Money Market Instruments subject to the Regulations and to conditions imposed by the Central Bank. Techniques and instruments which relate to Transferable Securities or Money Market Instruments and which are used for the purposes of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:

- 17.1. they are economically appropriate in that they are realised in a cost effective way;
- 17.2. they are entered into for one or more of the following specific aims;
  - 17.2.1. reduction of risk;
  - 17.2.2. reduction of cost;
  - 17.2.3. generation of additional capital or income for the relevant Fund with a level of risk, which is consistent with the risk profile of the Fund and the risk diversification rules set out in the CBI UCITS Regulations.
- 17.3. their risks are adequately captured by the risk management process of the Company; and
- 17.4. they cannot result in a change to the Funds' declared investment objective or add substantial supplementary risk in comparison to the general risk policy as described in its sales documents.

Financial derivative instruments used for efficient portfolio management purposes, must also comply with the provisions of the CBI UCITS Regulations.

The Company may not leverage a Fund through the use of derivative instruments or forward currency transactions, i.e., the total exposure of a Fund, including but not limited to, its exposure from the use of any derivative instruments or forward currency transactions must not exceed the total Net Asset Value of the Fund.

Repurchase and stock lending agreements may if deemed advisable by the Investment Manager be used for the purposes of efficient portfolio management subject to the conditions and limits laid down by the Central Bank in accordance with the terms of the CBI UCITS Regulations.

Any revenues arising from repurchase agreements, reverse repurchase agreements and stock lending agreements will, after deduction of any direct and indirect operational costs, expenses and fees, be returned to the Fund. These direct and indirect operational costs will not contain any hidden revenue. The identity of the entities to which the direct and indirect costs and fees are paid (including details of their existing relationship, if any, with the Company and/or the Depositary) will be disclosed in the periodic reports and accounts of the Company.

The following is a description of the types of financial derivative instruments which may be used by a Fund:

### **Spot and Forward Contracts**

The Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by Central Bank from time to time, in order to reduce the risks of adverse changes in exchange rates, to settle portfolio transactions in other than base currency as well as to enhance the return of the Fund by gaining an exposure to a particular foreign currency.

The Fund may enter into spot foreign exchange transactions which involve the purchase of one currency with another, a fixed amount of the first currency being paid to receive a fixed amount of the second currency. "Spot" settlement means that delivery of the currency amounts normally takes place two business days, but may take up to seven business days, in both relevant centres after the trade is executed.

A forward contract is a non-standardized, negotiated, over-the-counter contract between two parties to buy or sell an asset at a specified future time at a price agreed upon today. Forward contracts may be cash or physically settled between the parties and these contracts cannot be transferred.

The Fund may use forward foreign exchange contracts for hedging foreign exchange risks arising for share classes of the Fund denominated in a currency other than the base currency. In addition, some of the assets of the Fund may be held in currencies other than the base currency. Accordingly, the Fund may at the discretion of the Investment Manager also enter into such forward foreign exchange contracts to seek to hedge such currency exposures back into the base currency of the Fund or the currency of denomination of the relevant share class.

### **Rights to purchase Common Stocks**

A Fund may hold equity rights from time to time as a result of a rights issue. A rights issue is an issue of additional shares by a company to raise capital under an equity offering. Rights provide the holder with the right, but not the obligation, to buy a specified number of new shares of a company's common stock at a predetermined price, the subscription price within a specified time. A rights issue is directly offered to all shareholders of record or through broker dealers of record and may be exercised in full or partially. Subscription rights may either be transferable, allowing the holder to sell them privately, on the open market or not at all. The right may be exercised until its expiry date. The Investment Manager may enter into rights issues to gain additional exposure to an issuer.

### **Warrants**

A warrant is a contract which gives the contractual buyer the right, but not the obligation, to exercise a feature of the warrant, such as buying a specified quantity of a particular product, asset or financial instrument, on, or up to and including, a future date (the exercise date). The 'writer' (seller) has the obligation to honour the specified feature of the contract. A warrant in the classic sense is a security that entitles the holder to buy stock of the company that issued it at a specified price. Warrants have similar characteristics to call options, but are typically issued together with preferred stocks or bonds or in connection with corporate actions and are usually of little value. Warrants are longer-dated options and are generally traded over the counter. The commercial purpose of warrants can be to hedge against the movements of a particular market or financial instrument or to gain exposure to a particular market or financial instrument instead of using a physical security.

## **Swaps**

Subject to the requirements laid down by the Central Bank, the Company on behalf of a Fund may enter into transactions in swaps or options on swaps (including equity swaps and swaps on the Index). Swap agreements are two-party contracts for periods ranging from a few weeks to more than one year. In a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realised on particular agreed investments or instruments.

In a swap, the gross returns to be exchanged or "swapped" between the parties are generally calculated with respect to a "notional amount", i.e. the return or increase in value of a particular security or "basket" of securities or securities index.

The Funds may enter into swaps both to hedge existing long positions.

## **Options**

Put options are contracts that gives the buyer the right, but not the obligation, to sell to the seller of the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are contracts sold for a premium that gives the buyer the right, but not the obligation, to buy the securities underlying the option at the specified exercise price from the seller of the option at any time during the term of the option contract. In return for granting the option the seller of the option collects a payment, or premium, from the buyer. Options may be cash or physically settled.

The purpose behind the purchase of call options by the Funds is to provide exposure to increases in the market (e.g., with respect to temporary cash positions) or to hedge against an increase in the price of securities or other investments that a Fund intends to purchase. The purpose behind the purchase of put options by a Fund is to hedge against a decrease in the market generally or to hedge against the price of securities or other investments held by a Fund. The Funds may purchase or sell options contracts with a greater or lesser value than the securities it wishes to hedge or intends to purchase in order to attempt to compensate for differences in volatility between the contract and the securities, although this may not be successful in all cases.

## **Contracts for Difference (CFDs)**

CFDs may be held as part of a swap arrangement described above. CFDs allow a direct exposure to the market, a sector or an individual security. Unlike a forward contract, there is no final maturity, the position being closed out at the discretion of the position taker. A CFD on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement to pay out cash on the difference between the starting share price and when the contract is closed. CFDs are used to gain exposure to share price movements without buying the shares themselves.

## **Futures**

Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. Futures contracts allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. The purchase of such

contracts may provide a cost effective and efficient mechanism for taking position in an equity, an equity market or an index. The sale of such contracts may provide a means to hedge a Fund against a decline in value of the Index.

## **Convertible Bonds**

A convertible bond is a bond that can be converted into a predetermined amount of shares of common stock in the issuing company at certain times during its life usually at the discretion of the bondholder. A convertible bond may be viewed as a bond with an embedded option to exchange the bond for equity. The Investment Manager may purchase convertible bonds when they view the security to offer an attractive risk/reward profile.

## **Structured Finance Transaction Regulations**

While the Company is authorised to enter into securities financing transactions (**SFTs**) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the **SFTR**), it is not anticipated that the Company will enter into any SFTs. However, in the event that the Company contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR.

## **18. Borrowing and Lending Powers**

A Fund may borrow up to 10% of its net assets at any time for the account of any Fund and the Depositary may charge the assets of such Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes. Any particular borrowing restrictions for a Fund will appear in the Supplement for the relevant Fund. Without prejudice to the powers of the Company to invest in Transferable Securities, the Company may not lend to, or act as guarantor on behalf of, third parties. A Fund may acquire debt securities and securities which are not fully paid.

The Company may acquire for each Fund foreign currency by means of a back-to-back loan. Foreign currency obtained in this manner is not classed as borrowings for the purpose of the borrowing restriction in paragraph (a), provided that the offsetting deposit: (i) is denominated in the Base Currency of the Company and (ii) equals or exceeds the value of the foreign currency loan outstanding. However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purposes of the limits detailed above.

## **19. Collateral Arrangements**

In order to reduce its exposure to any counterparty through the use of OTC derivatives or efficient portfolio management techniques or instruments the Funds may adopt collateral arrangements, as described below.

### **19.1. *Permitted Types of Collateral***

### **19.2. *Non-Cash Collateral***

19.2.1. Non-cash collateral must at all times meet with the following requirements:

- (i) **Liquidity:** Non-cash collateral should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the Regulations;
- (ii) **Valuation:** Collateral must be capable of being valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (iii) **Issuer credit quality:** Collateral received should be of high quality;

- (iv) Correlation: Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty;
- (v) Diversification (asset concentration): Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Net Asset Value. When Funds are exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer;
- (vi) Immediately available: Collateral received should be capable of being fully enforced by the Company on behalf of a Fund at any time without reference to or approval from the relevant counterparty; and
- (vii) Non-cash collateral received cannot be sold, pledged or reinvested by the Fund.

### 19.3. *Cash Collateral*

19.3.1. Reinvestment of cash collateral must at all times, meet with the following requirements:

- (i) Cash received as collateral may only be invested in the following:
  - (a) deposits with an EU credit institution, a bank authorised in the remaining Member States of the European Economic Area (EEA) (Norway, Iceland, Liechtenstein), a bank authorised by a signatory state, other than an EU Member State or a Member State of EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States) or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand (the **Relevant Institutions**);
  - (b) high quality government bonds;
  - (c) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Company on behalf of a Fund is able to recall at any time the full amount of cash on an accrued basis;
  - (d) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049);
- (ii) meet the requirements in section 19.2.1 (v) above, where applicable;
- (iii) Invested cash collateral may not be placed on deposit with the counterparty or a related entity.

### 19.4. *Level of Collateral Required*

The levels of collateral required are as follows:

Repurchase agreements	at least 100% of the exposure to the counterparty.
Reverse repurchase agreements	at least 100% of the exposure to the counterparty.
Lending of portfolio securities	at least 100% of the exposure to the counterparty.
OTC derivatives	Such collateral to ensure, in any event, that counterparty exposure is managed

	within the limits set out in section entitled <b>UCITS Investment Restrictions</b> of the Prospectus.
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#### 19.5. *Haircut Policy*

The Company will require that the market value of non-cash collateral received is between 100% - 120% of the relevant counterparty exposure. The percentage applied will depend on factors such as liquidity, price volatility, issuer credit quality and remaining maturity and will take into account the results of stress tests. The Company may be over collateralised from time to time.

## 20. **Risk Factors**

### **General**

The discussion below is of general nature and is intended to describe various risk factors which may be associated with an investment in the Shares of a Fund to which the attention of investors is drawn. Investors' attention is also drawn to the section entitled **Risk Factors** of the Supplement of each relevant Fund for a discussion of certain additional risks particular to Shares of that Fund. However, these are not intended to be exhaustive and there may be other considerations that should be taken into account in relation to an investment. Investors should consult their own advisors before considering an investment in the Shares of a particular Fund. What factors will be of relevance to the Shares of a particular Fund will depend upon a number of interrelated matters including, but not limited to, the nature of the Shares, the relevant Index, the investments and assets of the Fund and the techniques used to link the investments and assets of the Fund to the relevant Index.

No investment should be made in the Shares of a particular Fund until careful consideration of all those factors has been made.

The investments of the Fund in securities are subject to normal market fluctuations and other risks inherent in investing in securities. The value of investments and the income from them, and therefore the value of, and income from, Shares relating to each Fund can go down as well as up and an investor may not get back the amount he invests. Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of investments to diminish or increase when calculated in the functional currency of the relevant Fund (or the functional currency of the investor, if different). An investment in Shares of each Fund should be viewed as medium to long term. An investment in a Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. In certain circumstances, Shareholders' rights to redeem Shares may be deferred or suspended.

Investors should note that in certain market conditions, securities held by the Funds may not be as liquid as they would be in normal circumstances. If a security cannot be sold in a timely manner, then it may be harder to obtain a reasonable price and there is a risk that the price at which the security is valued may not be realisable in the event of sale. The Funds may therefore be unable to readily sell such securities.

Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of the Shares. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Shares.

### **Segregated Liability**

While the provisions of the Companies Act provide for segregated liability between sub-funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditors' claims. Accordingly, it is not free from doubt that the assets of any Fund of the Company may not be exposed to the liabilities of other Funds of the Company. As at the date of this Prospectus, the Directors are not aware of any existing or contingent liability of any Fund of the Company.

### **Lack of Operating History**

The Company is a recently formed entity and has little operating history upon which prospective investors can evaluate the likely performance of the Company or any Fund. The past investment performance of the Investment Manager or any of its affiliates, or entities with which it has been associated, may not be construed as an indication of the future results of an investment in a Fund. The Funds' investment policies should be evaluated on the basis that there can be no assurance that the assessment of the investment of the short-term or long-term prospects of investments will prove accurate or that the Funds will achieve their investment objectives.

### **Lack of Control**

The Company and the Investment Manager generally will not have control over the activities of any collective investment scheme invested in by a Fund. Managers of collective investment schemes and companies in which a Fund may invest may take undesirable tax positions, employ excessive leverage, or otherwise manage the collective investment schemes or be managed in a manner not anticipated by the Investment Manager.

### **Withholding Tax**

The income and gains of the Fund from its assets may suffer withholding tax which may not be reclaimable in the countries where such income and gains arise. If this position changes in the future and the application of a lower rate results in a repayment to the Fund, the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

### **Use of Repurchase Agreements**

A Fund may enter into repurchase agreements subject to the conditions and limits set out in the Regulations. If the other party to a repurchase agreement should default, the Fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and other collateral held by the Fund in connection with the repurchase agreement are less than the repurchase price. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or its failure to repurchase the securities as agreed, the Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement.

### **Investment Risk**

Past performance is not a guide to the future. The prices of Shares and the income from them may fall as well as rise and an investor may not recover the full amount invested. There can be no assurance that any Fund will achieve its investment objective or that a Shareholder will recover the full amount invested in a Fund. The capital return and income of each Fund are based on the capital appreciation and income on the securities it holds, less expenses incurred and any relevant Duties and Charges. Therefore, each Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income.

### **Currency Risk**

In circumstances where a Fund employs hedging techniques in respect of non-Base Currency denominated debt securities to hedge the currency exchange risk back to Base Currency, a risk remains that such hedging techniques may not always achieve the objective of seeking to limit losses and exchange rate risks.

### **Valuation Risk**

Fair value pricing involves subjective judgments and it is possible that that a fair value determination of an investment is materially different than the value that could be realised on the sale of the investment. In addition, it could result in a difference between the prices used to calculate the Net Asset Value of a Fund and the prices used by the Index.

### **Secondary Market Trading Risk**

Even though the Shares are to be listed on one or more stock exchanges, 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. As the Shares may be dealt in by means of subscription and redemption, the Directors consider that large discounts or premiums in the Net Asset Value of a Fund would not be sustainable. There can be no guarantee that once the Shares are listed on a stock exchange they will remain listed or that the conditions of listing will not change.

Trading in Shares on a stock exchange may be halted or suspended due to market conditions or for the reason that, in the stock exchange's view, trading in the Shares is inadvisable, or otherwise pursuant to the stock exchange's rules. If trading on a stock exchange is halted, investors in Shares may not be able to sell their Shares until trading resumes however such investors should be able to apply to the Company to redeem Shares in accordance with the provisions set out below.

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

The Net Asset Value per Share will fluctuate with changes in the market value of the securities which the relevant Fund holds, and with changes in the exchange rate between the currency(ies) in which the securities 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 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 securities 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 whether the Shares will trade below, at, or above their 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 Fund's Shares will be closely related, but not identical, to the same forces influencing the prices of the Index Securities of that Fund's Index trading individually or in the aggregate at any point in time.

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 to sell the Shares of 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 Index Securities of the Index in respect of one or more Creation 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 Unit is less, or the notional price of selling Index Securities corresponding to a redemption of a Creation Unit is more, than the secondary market price of Shares in a Creation Unit, as the case may be, then an Authorised Participant may choose to arbitrage the Fund by subscribing for or redeeming Creation 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. Authorised Participants and other investors are reminded that if the calculation of the Net Asset Value of a Fund is suspended, then their 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 a stock exchange on which a Fund's underlying investments are traded is closed, it is expected that larger discounts or premiums could arise. Whilst the Funds will seek to track an Index, there can be no guarantee of this.

### **Tracking of Index**

A Fund is not expected to track its respective Index at all times with perfect accuracy. There is no guarantee that the Fund will achieve perfect tracking and the Fund may potentially be subject to tracking error risk, which is the risk that their returns may not track exactly those of their respective Index, from time to time. This tracking error may result from an inability to hold the exact constituents of the Index, for example where there are local market trading restrictions, small illiquid components and/or where

the Regulations limit exposure to the constituents of the Index. Each Fund is, however, expected to provide investment results that, before expenses, generally correspond to the price and yield performance of its respective Index.

The following factors may adversely affect the tracking by a Fund of its respective Index:

- the Fund must pay various expenses, while the Index does not reflect any expenses;
- a Fund must comply with regulatory constraints, such as the Investment and Borrowing restrictions, that do not affect the calculation of its respective Index;
- the existence of uninvested assets in the Fund (including cash and deferred expenses);
- the timing difference between when the Index reflects the event of dividends and when a Fund reflects the event of dividends;
- the temporary unavailability of certain Index Securities;
- to the extent that a Fund is not invested identically in respect of the composition and/or weighting of the Index Securities of its respective Index, and securities in which it is underweighted or overweighted in relation to its respective Index perform differently from its respective Index as a whole; and
- Errors in the relevant Index's data, the relevant Index's computations and/or the construction of the relevant Index in accordance with its methodology may occur from time to time and may not be identified and corrected by the relevant Index provider for a period of time or at all.

Although the Investment Manager will regularly monitor the level of correspondence of the performance of a Fund with the performance of the relevant Index (i.e. the **tracking accuracy**), there can be no assurance that any Fund will achieve any particular level of tracking accuracy. The annual and semi-annual reports of the Company will disclose the level of tracking accuracy for each Fund over the relevant periods.

In seeking to track an Index, the Investment Manager will not normally reduce or increase a Fund's holdings in or exposure to any Index Security when to do so would reduce the tracking accuracy. Therefore, if an Index Security is decreasing in value, the Fund will generally continue to hold such security (or any other securities which give exposure or equivalent price performance to such an Index Security's price performance), until the weight of the Index Security is reduced in the Index, or the Index Security is removed from the Index, by the Index Provider.

A Fund may value certain of its investments and/or underlying currencies based on fair value prices. In addition, any issues a Fund encounters with regard to currency convertibility and repatriation may also increase index tracking risk. Changes to the composition of the relevant Index for each Fund in connection with a rebalancing or reconstitution of the relevant Index may cause a Fund to experience increased volatility, during which time a Fund's index tracking risk may be heightened.

Further details of any risk factors which are applicable to a particular Fund are set out in the relevant Supplement. The risk factors set out in this Prospectus do not purport to be an exhaustive or complete explanation of all the risks. Investors should seek professional advice before investing.

### **Optimising Strategy**

It may not be practical or cost efficient for the Fund to replicate its Index. Where it is not part of a Fund's investment policy to replicate its Index, such Fund may use optimisation techniques to track the performance of its Index. Optimising funds may potentially be subject to tracking error risk, which is the risk that their returns may not track exactly those of its Index.

### **Legal and Regulatory Risk**

The Company must comply with regulatory constraints or changes in the laws affecting it, the Funds, or the Investment Restrictions, which might require a change in the investment objective and policies followed by a Fund. A Fund's assets may also be subject to change in laws or regulations and/or regulatory action which may affect their value. The Company and the Investment Manager may be or may become subject to unduly burdensome and restrictive regulation. In particular, in response to significant recent events in international financial markets, governmental intervention and certain regulatory measures which have been or may be adopted in certain jurisdictions. Any changes in global financial regulation may present the Company with significant challenges and could result in losses to the Company.

### **Political Factors, Emerging Market and Non-OECD Member State Assets**

The performance of the Shares and/or the possibility to purchase, sell, or repurchase the Shares may be affected by changes in general economic conditions and uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and changes in regulatory requirements. Such risks can be heightened in investments in, or relating to, emerging markets or non-OECD member states. In addition, local custody services remain underdeveloped in many non-OECD and emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances, a Fund may not be able to recover or may encounter delays in the recovery of some of its assets. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging markets or non-OECD member states, may not provide the same degree of investor information or protection as would generally apply to major markets.

### **Delivery Failure**

In some securities markets, deliveries of securities and other Fund Assets and payments therefor may not be or are not customarily made simultaneously. Further due to the nature of the investment policy and structuring of transactions involving the Fund Assets the deliveries of securities and payments may not be made simultaneously. The Depositary or a sub-custodian may make or accept payment for or delivery of Fund Assets in such form and manner and shall not be contrary to the customs prevailing in the relevant market or among securities dealers or in accordance with the terms of the Depositary Agreement. The Company shall bear the risk that: (i) the recipient of Fund Assets delivered by the Depositary or any sub-custodian may fail to make payment, for or return such Fund Assets or hold such Fund Assets or the proceeds of their sale in trust for the Depositary or the Company; and (ii) the recipient of payment for Fund Assets made by the Depositary or any sub-custodian including without limitation amounts paid as premium or margin on derivatives contracts may fail to deliver the Fund Assets (such failure to include, without limitation, delivery of forged or stolen Fund Assets) or to return such payment, or hold such payment in trust for the Depositary or the Company in each case whether such failure is total or partial or merely a failure to perform on a timely basis. Neither the Depositary nor any sub-custodian shall be liable to the Company for any loss resulting from any of the foregoing events or from the liquidation, insolvency or bankruptcy of such recipient.

### **Authorised Participant Concentration Risk**

A Fund may have a limited number of financial institutions that act as Authorised Participants (APs), none of which are obligated to engage in creation and/or redemption transactions. To the extent that those APs exit the business, or are unable to or choose not to process creation and/or redemption orders, and no other AP is able to step forward to create and redeem, there may be a significantly diminished trading market for Shares or Shares may trade like closed-end funds at a discount (or premium) to NAV and possibly face trading halts and/or de-listing. The AP concentration risk may be heightened in scenarios where APs have limited or diminished access to the capital required to post collateral.

### **Use of Derivatives**

As a Fund may be invested in securities which differ from the constituents of the Index, derivative techniques may be used to achieve the investment objective of such Fund. While the prudent use of such derivatives can be beneficial, derivatives also involve risks which, in certain cases, can be greater than the risks presented by investing directly in the constituents of the Index. If so provided in their

investment policies, the Funds may engage in various strategies in view of reducing certain of their risks and for attempting to enhance return. Such strategies may be unsuccessful and incur losses for the Funds.

The following is a general discussion of important risk factors and issues concerning the use of derivatives that investors should understand before investing in a Fund. There may be transaction costs associated with the use of derivatives.

#### Control and Monitoring of Derivative Instruments

Derivative products are highly specialised instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities. The use of derivative techniques requires an understanding not only of the relevant Index but also of the derivative itself. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Fund and the ability to forecast the relative price, interest rate or currency rate movements correctly.

#### Liquidity Risk

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

#### Counterparty Risk

The Company on behalf of a Fund may enter into transactions in over-the-counter markets, which will expose the Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, the Company on behalf of the Fund may enter into repurchase agreements, forward contracts, options and swap arrangements or other derivative techniques, each of which exposes the Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of the bankruptcy or insolvency of a counterparty, the Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to recover any losses incurred. Derivative contracts such as swaps entered into by the Company on behalf of a Fund on the advice of the Investment Manager involve credit risk that could result in a loss to the relevant Fund.

#### Legal Risk

The Company must comply with regulatory constraints or changes in the laws affecting it, the Shares, or the Investment Restrictions, which might require a change in the investment objective and policies followed by a Fund. The Fund Assets, the Index and the derivative techniques used to link the two may also be subject to changes in law or regulations and/or regulatory action which may affect their value.

#### Market Risk

This is a general risk that applies to all investments meaning that the value of a particular derivative may change in a way which may be detrimental to a Fund's interests.

#### Settlement Risk

Delays in settlement may result from disputes over the terms of the contract (whether or not bona fide) since such markets may lack the established rules and procedures for swift settlement of disputes among market participants found in "exchange-based" markets.

#### Contracts for Differences

Futures and options contracts can also be referred to, as well as include, contracts for differences. These can be options and futures on any Index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for differences carries the same risks as investing in a future or option. Transactions in contracts for differences may also have a contingent liability and an investor should be aware of the implications of this as set out below.

#### Contingent Liability Transactions

Contingent liability transactions which are margined require the Fund to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If the Fund trades in futures, contracts for differences or sells options, the Fund may sustain a total loss of the margin it deposits with the broker to establish or maintain a position. If the market moves against the Fund, the Fund may be called upon to pay substantial additional margin at short notice to maintain the position. If the Fund fails to do so within the time required, its position may be liquidated at a loss and the Fund will be liable for any resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the contract was entered into. Contingent liability transactions which are not traded on or under the rules of a recognised or designated investment exchange may expose you to substantially greater risks.

#### Other Risks relating to the Use of Derivatives

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular OTC derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to a Fund. The value of any OTC derivatives shall be the value obtained from the counterparty and shall be valued daily. Such valuations will be approved or verified at least weekly by a party independent of the counterparty who shall either be the Administrator or sourced by the Administrator as appropriate and who has been approved for such purpose by the Depositary. Derivatives do not always perfectly or even highly correlate or replicate the value of the securities, rates or indices they are designed to replicate. Consequently, a Fund's use of derivative techniques may not always be an effective means of, and sometimes could be counterproductive to, following such Fund's investment objective.

#### **Maximum Repurchase Amount**

The Company will have the option to limit the number of Shares of any Fund repurchased on any Dealing Day to 10% of the total Net Asset Value of that Fund on that Dealing Day and, in conjunction with such limitation, to pro rata limit the number of Shares repurchased by any Shareholder on such Dealing Day so that all Shareholders wishing to have Shares of that Fund repurchased on that Dealing Day realise the same proportion of such Shares. In the event the Company elects to limit the number of Shares repurchased on such date to 10% of the Net Asset Value of a Fund, a Shareholder may not be able to repurchase on such Dealing Day all the Shares that it desires to repurchase. Investors should review this Prospectus and the relevant Supplement to ascertain whether and how such provisions apply.

#### **Repurchase Notice and Certifications**

If the Shares are subject to provisions concerning delivery of a repurchase notice and such notice is received by the Administrator after the Dealing Deadline, it will not be deemed to be duly delivered until the next following Dealing Day. Such delay may increase or decrease the Repurchase Price from what it would have been but for such late delivery of the repurchase notice. The failure to deliver any repurchase documentation required could result in the loss or inability to receive amounts or deliveries otherwise due under the Shares. Investors should review this Prospectus and the relevant Supplement to ascertain whether and how such provisions apply to the Shares.

## **21. Dividend Policy**

The dividend arrangements relating to each Fund will be decided by the Directors at the time of the creation of the relevant Fund and details are set out where applicable in the relevant Supplement.

Under the Articles, the Directors may declare such dividends on any Class of Shares at such times as they think appropriate and as appear to the Directors to be justified out of the profits of the relevant Fund, being net income and/or realised gains net of realised and unrealised loss of the relevant Fund or realised and unrealised gains net of realised and unrealised losses, provided in each case that dividends may only be paid out of funds available for the purpose which may be lawfully distributed.

The Company will be obliged and entitled to deduct an amount in respect of Irish tax from any dividend payable to any investor who is, or is deemed to be, or is acting on behalf of, an Irish Taxable Person and to pay such amount to the Revenue Commissioners in Ireland.

Dividends not claimed within six years from their due date will lapse and revert to the relevant Fund. Dividends payable in cash to Shareholders will be paid by electronic transfer at the expense of the payee.

The dividend policy for each Fund and the type of Shares available therein are set out in the Supplement for the relevant Fund. Any change in the dividend policy for a Fund will be notified to all Shareholders in that Fund in advance and full details of such a change will be provided in an updated Supplement for that Fund.

## **22. Secondary market**

The intention of the Company is for each of its Funds to qualify as exchange traded funds through having Shares listed on one or more stock exchanges. As part of those listings there is an obligation on one or more members of the relevant stock exchanges to act as market makers, offering prices at which the Shares can be purchased or sold by investors. The spread between the bid and offer price is typically monitored and regulated by the relevant stock exchange.

The Company does not charge any subscription fee for purchases of Shares of those Funds on the secondary market.

Certain Authorised Participants who subscribe for Creation Units may act as market makers; other Authorised Participants are expected to subscribe for Shares in order to be able to offer to buy Shares from or sell Shares to their customers as part of their broker/dealer business. Through such Authorised Participants being able to subscribe for or redeem Shares, a liquid and efficient secondary market may develop over time on one or more relevant stock exchanges as they meet secondary market demand for such Shares. Through the operation of such a secondary market, persons who are not Authorised Participants will be able to buy Shares from or sell Shares to other secondary market investors or market makers, broker/dealers, or other Authorised Participants. Investors should be aware that on days other than Business Days or Dealing Days of a Fund when one or more Markets are trading Shares but the underlying Market(s) on which the Index of the Fund 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 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 stock exchange(s). Investors should also be aware that on such days the Index would not necessarily be calculated and available for investors in making their investment decisions because prices of the Index would not be available on such days. The settlement of trades in Shares on relevant stock exchanges will be through the facilities of one or more clearing and settlement systems following applicable procedures which are available from the relevant stock exchanges.

Distributions of dividend and other payments with respect to Shares in a Fund will be credited, to the extent received by the custodian bank as depository, to the cash accounts of such settlement systems' participants in the case of a cash redemption or as part of the Cash Component in the case of an in

specie redemption, in accordance with the system's rules and procedures. Any information to Shareholders will likewise be transmitted through the settlement systems.

Secondary market sales, purchases or transfers of Shares will be conducted and settled in accordance with the normal rules and operating procedures of the relevant stock exchange and settlement systems.

Orders to buy Shares in the secondary market through the relevant stock exchanges or over the counter may incur costs over which the Company has no control.

The price of any Shares traded on the secondary market will depend, inter alia, on market supply and demand, movements in the value of the underlying asset as well as other factors such as the prevailing financial market, corporate, economic and political conditions.

Where the Manager determines in its sole discretion that the value of the Shares quoted on the secondary market significantly differs or varies from the current Net Asset Value per Share, investors who hold their Shares through a secondary market will be permitted, subject to compliance with relevant laws and regulations, to redeem their shareholding directly from the Company. For example, this may apply in cases of market disruption such as the absence of a market maker. In such situations, information will be communicated to the regulated market indicating that the Company is open for direct redemptions from the Company. Such secondary market investors wishing to redeem their Shares in such situations should refer to section 24 of the Prospectus and contact the Administrator for details on how to process such redemption requests. Only the actual costs of providing this facility (i.e. those costs associated with liquidating any underlying positions) will be charged to such secondary market investors and in any event, the fees in respect of any such redemptions shall not be excessive. The Manager's agreement to accept direct redemptions of any Shares when a secondary market disruption event occurs is conditional on the Shares being delivered back into the account of the Registrar. Such direct redemption requests shall only be accepted on delivery of the Shares.

### **23. Intra-Day Portfolio Value (iNAV)**

The Investment Manager may at its discretion make available, or may designate other persons to make available on its behalf, on each Business Day, an intra-day portfolio value or iNAV for one or more Funds. If the Investment Manager makes such information 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 Component as at the previous Business Day. The Investment Manager will make available an iNAV if this is required by any stock exchange.

Any iNAV is not, and should not be taken to be or relied on as being, the value of a Share or the price at which Shares may be subscribed for or redeemed in Creation Units or purchased or sold on any stock exchange. In particular, any iNAV provided for any Fund whose respective Index Securities are not actively traded during the time of publication of such iNAV may not reflect the true value of a Share, may be misleading and should not be relied on. The inability of the Investment Manager or its designee to provide an iNAV, on a real-time basis, or for any period of time, will not in itself result in a halt in the trading of the Shares on a stock exchange, which will be determined by the rules of the relevant stock exchange in the circumstances. Investors should be aware that the calculation and reporting of any iNAV may reflect time delays in the receipt of the relevant Index Securities prices in comparison to other calculated values based upon the same Index Securities including, for example, the Index itself or the iNAV of other exchange traded funds based on the same Index. Investors interested in subscribing for or redeeming Creation Units or purchasing or selling Shares on a stock exchange should not rely solely on any iNAV which is made available in making investment decisions, but should also consider other market information and relevant economic and other factors (including, where relevant, information regarding the Index, the Index Securities and financial instruments based on the Index corresponding to the relevant Fund). None of the Company, the Directors, the Investment Manager and the other service providers shall be liable to any person who relies on the iNAV.

### **24. Applications for Shares**

Investors can subscribe for or redeem their Creation Units (i) for cash and/or (ii) at the discretion of the

Directors, in specie on any Dealing Day or (iii) in a combination of both. It is also possible for investors to buy or sell their Shares on the Secondary Market (as described above). The details on the specific cash and in specie subscription and redemption procedures are set out below in the sections entitled **Cash Subscriptions and Redemptions of Creation Units** and **In Specie Subscription and In Specie Redemption of Creation Units**.

#### *Applications for Shares*

After the initial issue, Shares of all Classes will be issued at a price corresponding to the Net Asset Value per Share of the relevant Class. The Net Asset Value per Share of each Class in each Fund will be published in its respective Base Currency. Details of the Minimum Initial Subscriptions for each Fund and any charges are set out in the relevant Supplement.

Initial applications for Creation Units must be made in writing to the Administrator using the Application Form and an original Application Form and supporting documentation in relation to money laundering prevention checks must be received promptly. Subsequent applications may be processed without a requirement to submit original documentation. In either case a proposed investor must subsequently telephone the Administrator to confirm their receipt of the application.

Joint applicants must each sign the Application Form unless an acceptable power of attorney or other written authority is provided.

The Directors may restrict or prevent the ownership of Shares by any person, firm or corporate body, if in the opinion of the Directors such holding may be detrimental to the Company, if it may result in a breach of any law or regulation, whether Irish or foreign, or if as a result thereof the Company may become exposed to tax disadvantages or other financial disadvantages that it would not have otherwise incurred (such persons, firms or corporate bodies to be determined by the Directors being herein referred to as **Prohibited Persons**). In particular, the Directors have resolved to prevent the ownership of Shares by any US Person.

The Directors retain the right to offer only one Class of Shares for purchase by investors in any particular jurisdiction in order to conform to local law, custom or business practice. The Directors also reserve the right to adopt standards applicable to classes of investors or transactions that permit or require the purchase of a particular Class of Shares.

The Directors reserve the right to reject, in whole or in part, any application for Shares. In particular, if the Directors determine that it would be detrimental to the existing Shareholders to accept a cash application for Shares of any Fund which represents more than 10% of the Net Asset Value of such Fund, the Directors may decide that all or part of the application for Shares in excess of 10% be deferred until the next Dealing Day. If the Directors decide to defer all or part of the application in excess of 10% the applicant shall be informed prior to the deferral taking place.

Activities which may adversely affect the interests of the Company's Shareholders (for example, activities that disrupt the relevant Fund's investment strategies or impact expenses for the Fund) are not permitted. The Directors may, in their discretion, if they deem such activities adversely affect the interests of the Company's Shareholders, take action as appropriate to deter such activities.

#### *Use of Umbrella Cash Account*

Subscription monies received in respect of a Fund in advance of the issue of Shares will be held in the Umbrella Cash Account in the name of the Company and will be treated as a general asset of the relevant Fund. Investors will be unsecured creditors of the relevant Fund with respect to the amount subscribed and held by the Company until Shares are issued on the relevant Dealing Day. As such, investors will not benefit from any appreciation in the NAV of the relevant Fund or any other Shareholder rights (including dividend entitlement) until such time as Shares are issued on the relevant Dealing Day. In the event of an insolvency of the Fund or the Company, there is no guarantee that the Fund or Company will have sufficient funds to pay unsecured creditors in full.

Payment of redemption proceeds and dividends in respect of a particular Fund is subject to receipt by the Administrator of original subscription documents and compliance with all anti-money laundering

procedures. Notwithstanding this, redeeming Shareholders will cease to be Shareholders, with regard to the redeemed Shares, and will be unsecured creditors of the particular Fund, from the relevant Dealing Day. Pending redemptions and distributions, including blocked redemptions or distributions, will, pending payment to the relevant Shareholder, be held in the Umbrella Cash Account in the name of the Company. Redeeming Shareholders and Shareholders entitled to such distributions will be unsecured creditors of the relevant Fund, and will not benefit from any appreciation in the NAV of the Fund or any other Shareholder rights (including further dividend entitlement), with respect to the redemption or distribution amount held in the Umbrella Cash Account. In the event of an insolvency of the relevant Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to distributions should ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

In the event of the insolvency of a Fund, recovery of any amounts held in the Umbrella Cash Account to which another Fund is entitled, but which may have transferred to the insolvent Fund as a result of the operation of the Umbrella Cash Account, will be subject to the principles of Irish insolvency law and the terms of the operational procedures for the Umbrella Cash Account. There may be delays in effecting and / or disputes as to the recovery of such amounts, and the insolvent Fund may have insufficient funds to repay amounts due to other Funds.

#### *Form of Shares*

Shares in a Fund will be issued in Dematerialised Form in one or more Recognised Clearing and Settlement Systems subject to the issue of a global certificate where required by a clearing system in which Shares are held. Shareholders will receive written confirmation of entry in the share register. The Company's share register, maintained by the Administrator, is conclusive evidence of ownership.

### **24.1. Cash Subscriptions and Redemptions of Creation Units**

An investor may subscribe for or redeem Shares for cash, only in Creation Units, on each Dealing Day (except during any period in which the calculation of the Net Asset Value is suspended) as described below.

#### **24.1.1. Cash Transaction Fee**

All subscriptions and redemptions for cash will be subject to a Cash Transaction Fee, as specified for each Fund in the relevant Supplement. The Cash Transaction Fee is payable to the Company or the Administrator as agent for the Company to offset the costs and expenses incurred by the Company or the Administrator as agent for the Company in dealing in cash for that subscription or redemption. It will be added to the requisite subscription amount or deducted from the redemption proceeds, as the case may be.

The Directors may reduce the amount of the Cash Transaction Fee at their discretion, or if this is a requirement of the local law or practice of any country in which the Creation Units are offered.

#### **24.1.2. Procedures for Subscriptions or Redemptions for Cash**

Applications for cash subscriptions or redemptions received by the Administrator on any Business Day before the relevant Dealing Deadline will be processed by the Administrator on that Business Day at the next calculated Net Asset Value per Share. Applications for cash subscriptions or redemption requests received after the relevant Dealing Deadline on a given Business Day will, unless the Directors or Manager, in exceptional circumstances, otherwise agree and provided they are received before the Valuation Point for the relevant Dealing Day, be processed as though received on the next Business Day. Applications for subscription will be binding and irrevocable unless the Directors, or a delegatee, otherwise agree.

Shareholders wishing to subscribe or redeem Creation Units for cash may do so by notifying the Administrator of the Shareholder's wish to subscribe or redeem in cash denominated either in the Base Currency of the Fund or the local currency (at an exchange rate applied by the

transfer agency department within the Administrator), are to be debited or credited, respectively. Delivery instructions are available from the Administrator upon written request. On a redemption, the Depositary will release cash at the instruction of the Administrator.

Cash subscriptions must be received by the relevant Settlement Date. The Company and the Manager reserve the right, in their sole discretion, to require the applicant to indemnify the Company against any losses, costs or expenses arising as a result of a Fund's failure to receive payment by the relevant Settlement Date.

#### 24.1.3. Payment Procedures for Redemptions for Cash

Payment for Creation Units redeemed will be effected within ten Business Days after the relevant Dealing Day on which the application for redemption is accepted (assuming the Shares have been transferred into the Company's account at a clearing system). Redemption proceeds in either the Base Currency of the Fund or other local currency (at an exchange rate applied by the transfer agency department within the Administrator) will be paid by electronic transfer to the appropriate bank account designated by the Shareholder in the Application Form. The cost of any transfer of proceeds by electronic transfer may be deducted from such proceeds. The redemption proceeds will be paid net of the Cash Transaction Fee and any electronic transfer costs. Shareholders are reminded that, because of market fluctuations, transaction fees and other factors, the redemption proceeds can be higher or lower than the initial subscription amount.

#### 24.1.4. Creation Units

The minimum number of Shares for cash creations or redemptions is one Creation Unit (corresponding in each case to the number of Shares indicated for that Fund in the relevant Supplement). Applications for the subscription or redemption of Creation Units for cash in that Company must be in integer multiples of that Fund's Creation Unit size.

### 24.2. In Specie Subscription and In Specie Redemption of Creation Units

At the discretion of the Directors, each Fund may allow investors to subscribe for and redeem Shares in specie, only in Creation Units, on each Dealing Day (except during any period in which the calculation of the Net Asset Value is suspended) subject to the relevant asset allocation being approved by the Depositary. **In specie** means that, rather than receiving cash in respect of a subscription and delivering cash proceeds in respect of a redemption, the Fund will receive and deliver securities (or predominantly securities) acceptable to the Investment Manager and set out in the Portfolio Composition File. At the discretion of the Directors, each Fund may satisfy a redemption request of Creation Units in specie subject to the consent of the individual Shareholders, the approval of the asset allocation by the Depositary and provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of the Fund.

Securities delivered in connection with in specie 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 specie subscription or redemption requests will be equivalent to that for cash subscriptions/redemptions, and no Shares shall be issued until all securities and cash payable to the Depositary (or a permitted collateral amount) are vested in the Depositary and the Depositary is satisfied that there is unlikely to be any material prejudice to Shareholders of the Company.

#### 24.2.1. Subscription Price

The Initial Issue Price per Share and/or per Creation Unit for each Fund shall be set out in the relevant Supplement. Thereafter, the subscription price for each further Creation Unit will be the aggregate of the daily Net Asset Values per Share of the Shares comprising the Creation Unit plus, in respect of each Creation Unit, the relevant In Specie Transaction Fee (as set out in the

relevant Supplement) and, if applicable, any Transfer Taxes and any additional payments in the event of failure to deliver the Portfolio Deposit as described below. The subscription price per Creation Unit will be payable by transferring the securities portion of the Portfolio Deposit, plus or minus (as the case may be) the Cash Component of the Portfolio Deposit, plus a cash amount equal to the relevant In Specie Transaction Fee and any applicable Transfer Taxes.

The minimum number of Shares for in specie subscriptions is one Creation Unit (corresponding in each case to the number of Shares indicated for that Fund in the relevant Fund's Supplement). Applications for the subscription of Shares in specie in that Fund must be in integer multiples of that Fund's Creation Unit size.

#### 24.2.2. Redemption Price

The redemption price for each Creation Unit will equal the aggregate of the Daily Net Asset Values per Share of the Shares comprising the Creation Unit less, in respect of each Creation Unit, the relevant In Specie Transaction Fee and, if applicable, any Transfer Taxes. The redemption price per Creation Unit will be payable by transferring the securities portion of the Portfolio Deposit, plus or minus (as the case may be) a cash amount ordinarily equal to the Cash Component of the Portfolio Deposit, less a cash amount equal to the relevant In Specie Transaction Fee and any applicable Transfer Taxes.

#### 24.2.3. Creation Units

The minimum number of Shares for in specie creations or redemptions is one Creation Unit (corresponding in each case to the number of Shares indicated for that Fund in the relevant Supplement). Applications for the subscription or redemption of Creation Units in specie in that Fund must be in integer multiples of that Fund's Creation Unit size.

#### 24.2.4. Procedure for Subscribing for Creation Units In Specie

##### *Publication of Portfolio Composition File*

The Administrator will publish the Portfolio Composition File via one or more market data suppliers and on the Website.

##### *Applications for in specie Subscription*

Applications for in specie subscriptions for Creation Units must be received by the Administrator on any Dealing Day 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 in respect of a Fund, all applications for in specie subscriptions will be binding and irrevocable. The Board of Directors (or a delegate) may in its sole discretion decide to reject any application for subscription in whole or in part.

If a properly made application is received before the relevant Dealing Deadline on the relevant Dealing Day, the Administrator will accept receipt of the application on that Dealing Day. Receipt of any properly made application received by the Administrator after the Dealing Deadline on the relevant Dealing Day will not be accepted until the following Dealing Day (unless the Directors, in exceptional circumstances, otherwise agree and provided they are received before the Valuation Point for the relevant Dealing Day).

##### *Notification of Cash Component, In Specie Transaction Fee and Transfer Taxes*

On the Business Day after the Dealing Day on which receipt is accepted, the Administrator will report to the applicant the amounts of the Cash Component, In Specie Transaction Fee and Transfer Taxes, if any, to be delivered by the applicant to the Depositary with the Portfolio Deposit. 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 free delivery settlement basis. In certain circumstances, and with advanced disclosure to the applicant, the Administrator, at its sole discretion, may permit or require that a portion of the Cash Component itself be deliverable in specie in one or more securities which are eligible security holdings of the Fund.

#### *Settlement Period*

The standard settlement period for in specie subscriptions will normally be within ten Business Days following the Business Day on which the application for subscription is accepted but shall not (in the absence of appropriate collateral being posted) in any event exceed ten Business Days from the relevant Dealing Deadline. Investors should refer to the relevant Supplement of each Fund for further details. No Shares of a Creation Unit will be issued to the applicant until all the securities in the Portfolio Deposit have been received by the Depositary and the requisite Cash Component, In Specie Transaction Fee and, if applicable, Transfer Taxes have been received by the Depositary.

#### *Failure to Deliver Securities*

In the event that an applicant fails to deliver to the Depositary one or more of the securities set out in the Portfolio Composition File by the designated time, the Company may reject the application for subscription, or may require the applicant to pay to it, in cash, a collateral sum at least equal to 105% of the closing value of such undelivered securities as at the Valuation Point for the relevant Dealing Day, marked to market until the date of delivery of such undelivered securities or the date on which the Fund acquires such securities in the open market, plus any costs or expenses and, if applicable, Transfer Taxes associated with the purchase by the Fund of those securities or may require a letter of credit acceptable to it for such purpose. On the payment of such amounts, the relevant Creation Unit(s) will be issued. In the event that the actual cost to the Fund of acquiring the securities (including costs or expenses and any Transfer Taxes) exceeds the aggregate of the value of such securities as at the Valuation Point for the relevant Dealing Day, the In Specie Transaction Fee and, if applicable, the Transfer Taxes paid by the applicant, the applicant will be required to promptly reimburse the Fund the difference on demand. The Company will have the right to sell or redeem all or part of the applicant's holding of Creation Units in the Fund (or any other Fund) in order to meet some or all of these charges.

#### 24.2.5. Procedures for Redeeming Creation Units In Specie

##### *Publication of Portfolio Composition File*

The Administrator will publish the Portfolio Composition File via one or more market data suppliers and on the Website.

##### *Applications for in specie Redemption*

Applications for in specie redemptions of Creation 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 specie 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 (unless the Directors or Manager, in exceptional circumstances, otherwise agree and provided they are received before the Valuation Point for the relevant Dealing Day).

If a redeeming investor requests redemption of a number of Creation Units representing 5% or more of the Net Asset Value of a Fund, the Directors may, in their discretion (and with the investors' consent, unless the original subscription was made in specie), redeem the Creation Units by way of a redemption in specie and in such circumstances the Directors will, if requested by the redeeming investor, sell the Investments on behalf of the investor. (The cost of the sale can be charged to the investor).

No delivery instructions will be issued by the Administrator to the Depositary in relation to the securities or cash in the Portfolio Deposit until the Administrator has accepted the application for redemption in relation to all Shares of the Creation Unit(s) being redeemed (such day, the **Cancellation Day**). Delivery of securities will be on a free delivery settlement basis. The cost of any settlement by telegraphic transfer will be charged to and payable by the applicant for redemption.

#### *Notification of Cash Component, In Specie Transaction Fee and any Transfer Taxes*

On the Business Day after the Dealing Day on which receipt is accepted, the Administrator will report to the applicant the amount of the Cash Component to be delivered by the Depositary to the applicant with the Portfolio Deposit and the amounts of the In Specie Transaction Fee and Transfer Taxes, if any, to be deducted by the Depositary from the redemption proceeds. 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, provided that the value of the alternative basket of securities will equal the value of at least one Creation Unit. In certain circumstances, and with advanced disclosure to the applicant, the Administrator, within its sole discretion, may permit or require that a portion of the Cash Component itself be deliverable in specie in one or more securities which are comprised in the Portfolio Composition File.

#### *Settlement Period*

The standard settlement period for in specie redemptions will normally be made within ten Business Days following the Business Day on which the application for redemption is accepted. This 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 although it will not exceed ten Business Days from the Dealing Deadline. Investors should refer to the relevant Supplement of each Fund for further details. Any cash to be paid in respect of an in specie redemption will be paid on the same day as settlement of the securities.

#### *Partial Cash Settlement*

The Company may, in its absolute discretion, satisfy part of the application for in specie redemption in cash, for example 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 specie.

Investors should note that they may be unable to redeem Shares via an Authorised Participant on days that any such Authorised Participant is not open for business.

### **24.3. General Provisions**

The Directors reserve the right to reject any application or to accept any application in part only. Furthermore, the Directors reserve the right at any time, without notice, to discontinue the issue and sale of Shares of any Fund of the Company.

No Shares will be issued during any period when the calculation of the Net Asset Value per Share of the relevant Fund is suspended pursuant to the Articles and as discussed herein in the section entitled **Suspension of Calculation of Net Asset Value**.

Notice of any such suspension will be given to applicants for Shares and applications made or pending during such suspension may be withdrawn by notice in writing received by the Company prior to the end of such suspension. Applications which are not withdrawn will be considered on the first Dealing Day following the end of the suspension period.

Measures provided for in the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010 and the Criminal Justice Act 2013 (as amended and supplemented from time to time) which are aimed towards the prevention of money laundering may require detailed verification of each applicant's identity; for example an individual may be required to produce a duly certified copy of his passport or identification card together with evidence of his address such as a utility bill or bank statement and his date of birth. In the case of corporate applicants this may require, without limitation, production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business address of the directors of such corporate applicants.

Depending on the circumstances of each application, a detailed verification may not be required where; (a) the application is made through a recognised intermediary or (b) investment is made by a recognised intermediary or financial institution. These exceptions will only apply if the financial institution or intermediary referred to above is located in a country which has equivalent anti money laundering legislation to that in place in Ireland.

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

The applicant acknowledges that due to anti-money laundering requirements operating within their respective jurisdictions, the Administrator and the Manager (as the case may be) may require further identification of the applicant before an application or redemption can be processed and the Administrator, the Manager, the Investment Manager and the Company shall be held harmless and indemnified against any loss arising as a result of a delay or failure to process the application or redemption if such information as has been required by the parties referred to has not been provided by the subscriber.

#### **24.4. Compulsory Redemption**

If the Net Asset Value of any Fund on a given Dealing Day shall become at any time less than that determined from time to time by the Directors, the Directors may, at their discretion, redeem all but not less than all of the Shares of the applicable Classes of Shares then outstanding at the redemption price calculated on the Expiration Date (as hereinafter defined). However, the Company must (i) provide at least four weeks' prior written notice of redemption to all Shareholders of the Classes of Shares to be redeemed, such notice expiring on the following Dealing Day (the **Expiration Date**) and (ii) redeem such Shares within four weeks following such Expiration Date. Shareholders shall be notified in writing of any such redemption. In circumstances where a Fund is unable to track or replicate the relevant Index and unable to substitute another index for the Index or it is or becomes impossible or impractical for the Company to enter into, continue with or maintain FDIs relating to the Index for a Fund or to invest in stocks comprised within the particular Index, the Directors may resolve to compulsorily redeem investors and may subsequently terminate the Fund.

If it shall come to the attention of the Directors, or if the Directors shall have reason to believe, at any time that Shares are beneficially owned by or on behalf of a Prohibited Person, either alone or in conjunction with any other person, and the Prohibited Person fails to comply with the direction of the Company to sell his Shares and to provide the Directors with evidence of such sale within twenty one days of being so directed by the Directors, the Directors may in their absolute discretion compulsorily redeem such Shares in accordance with the Articles. Immediately after the close of business specified in the notice given by the Company to the Prohibited Person of such compulsory redemption, the Shares will be redeemed and such investor will cease to be the owner of such Shares. The Company may require any Shareholder or prospective Shareholder to furnish it with any information which it may consider necessary for the purpose of determining whether or not the beneficial owner of such Shares is

or will be a Prohibited Person. In particular, the Company may require the Shareholder or prospective Shareholder to provide the Company with information as to whether such person is a U.S. Person.

#### 24.5. Exchange of Shares

Where permitted by the Articles, and subject to the prior approval of the Manager, Shareholders will be able to apply to exchange on any Dealing Day all or part of their holding of Shares of any Class of one Fund (the **Original Class**) for Shares of the same Class in a separate Fund which is being offered at that time (the **New Class**) provided that all the criteria for applying for Shares in the New Class have been met, by giving notice to the Administrator on behalf of the Company on or prior to the Dealing Deadline for the relevant Valuation Point. The Directors or the Manager however may at their discretion, in exceptional circumstances, agree to accept requests for exchange received after that time provided they are received prior to the relevant Valuation Point. The Directors may not be able to exercise this discretion in all circumstances, for example where requests for exchanges of Shares are made via dealing platforms or other electronic means. In such cases, requests for exchange received after the Dealing Deadline may be rejected. Shareholders making requests for exchanges via dealing platforms or other electronic means are reminded that they must refer to the provider of the dealing platform or electronic means for the procedures that apply to such trading arrangements.

The general provisions and procedures relating to redemptions will apply equally to exchanges. All exchanges will be treated as a redemption of the Shares of the Original Class and application of the net proceeds to the purchase of Shares of the New Class, based upon the then current issue and redemption prices of Shares in each Fund. The Articles allow for an exchange fee of up to 3% of the total redemption price of the Shares of the Original Class redeemed to be charged, and the Directors, in their sole discretion, reserve the right to impose such fee within this limit as shall be set out in the Supplement in respect of each Fund.

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

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

where:

- R** = the number of Shares of the Original Class to be exchanged;
- S** = the number of Shares of the New Class to be issued;
- RP** = the redemption price per Share of the Original Class as at the Valuation Point for the relevant Dealing Day;
- ER** = in the case of an exchange of Shares designated in the same Base Currency is 1. In any other case, it is the currency conversion factor determined by the Directors on or about the Valuation Point for the relevant Dealing Day as representing the effective rate of exchange applicable to the transfer of assets relating to the Original and New Classes of Shares after adjusting such rate as may be necessary to reflect the effective costs of making such transfer;
- SP** = the issue price per Share of the New Class as at the Valuation Point for the relevant Dealing Day; and
- F** = the exchange charge, if any payable to the Company, or as it may direct, on the exchange of Shares.

Where there is an exchange of Shares, Shares of the New Class will be allotted and issued in respect of and in proportion to the Shares of the Original Class in the proportion (or as nearly as may be in the proportion) S to R where S and R have the meaning as set out above.

Shares may not be exchanged for Shares in a different Fund during any period when the calculation of the Net Asset Value of either of the relevant Funds is suspended in the manner described in the section entitled **Suspension of Calculation of Net Asset Value** below. Applicants for exchange of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

When requesting the exchange of Shares as an initial investment in a Fund, Shareholders should ensure that the value of the Shares exchanged is equal to or exceeds the Minimum Initial Subscription for the relevant New Class specified in the Supplements. In the case of an exchange of a partial holding only, the value of the remaining holding must also be at least equal to the Minimum Holding for the Original Class.

The Administrator will arrange for any necessary currency transaction required if there is an exchange of Shares of any Class of a Fund for Shares of the same Class in another Fund. Any such currency transaction may be effected with the Depositary or the Distributor and will be at the applicant's cost. Currency exchange transactions may delay any dealing in Shares as the Administrator may choose at its option to delay executing any foreign exchange transaction until cleared funds have been received.

## **25. Issue and Redemption Prices / Calculation of Net Asset Value / Valuation of Assets**

The Initial Issue Price for Shares of each Fund shall be the amount(s) set out in the Supplement for the relevant Fund.

The price at which Shares of any Fund will be issued on a Dealing Day, after the initial issue, is calculated by ascertaining the Net Asset Value of the relevant Fund (i.e. the value of the assets of the Fund having deducted the liabilities of the Fund therefrom) as at the Valuation Point for that Fund for the relevant Dealing Day. The Net Asset Value per Share of the relevant Fund is calculated by dividing the Net Asset Value of the relevant Fund, by the total number of Shares in issue in the Fund at the relevant Valuation Point and rounding the result to two decimal places. Where applicable, the Net Asset Value per Share of each Class in a Fund is calculated by determining that portion of the Net Asset Value of the Fund which is attributable to the relevant Class and by dividing this sum by the total number of Shares of the relevant Class in issue at the relevant Valuation Point and rounding the resulting amount to two decimal places. If a Fund has more than one Class of Shares, additional fees may be charged against certain Classes, and details of such fees will be set forth in the Supplements for the relevant Fund. This may result in the Net Asset Value per Share of each Class being different. The Valuation Point for each Fund is set out in the Supplement for the relevant Fund.

The price at which Shares will be issued on a Dealing Day is, subject as hereinafter provided, the Net Asset Value per Share of the relevant Class which is calculated in the manner described above. The Company may, in calculating the issue price, include in the issue price in respect of each Fund, for its own account, a charge sufficient to cover stamp duties and taxation (if any) in respect of the issue of Shares. The Company may also add a charge in respect of fiscal and purchase charges. In the event of fiscal and purchase charges being levied, details of any such charge will be disclosed in the relevant Supplement. Applicants may also be charged a preliminary charge as specified in the Supplements.

The price at which Shares will be redeemed on a Dealing Day, is subject as hereinafter provided, the Net Asset Value per Share of the relevant Class which is calculated in the manner described above. The Company may, in calculating the redemption price, deduct from the Net Asset Value per Share a charge in respect of fiscal and sales charges. In the event of fiscal and sales charges being levied, details of any such charge will be disclosed in the relevant Supplement. Applicants may also be charged a redemption charge as specified in the Supplements.

The Company may, in calculating the redemption price, deduct such sum as the Directors consider fair in respect of redemption requests which necessitate the need for borrowing, the breaking of deposits at a penalty or the realisation of investments at a discount.

The Articles provide for the method of valuation of the assets and liabilities of each Fund.

In particular, the Articles provide that the Assets of the Company and/or of any Fund (which is regulated as a money market fund under the Central Bank's guidelines) may be valued at their amortised cost in

accordance with the requirements of the Central Bank. Where an amortised cost valuation method is utilised, an Investment is valued at its cost of acquisition adjusted for amortisation of premium or accretions of discount rather than at current market value.

The value of any investments quoted, listed or dealt in on a Market shall be the last traded price on the relevant market at the relevant Valuation Point provided that the value of an Investment listed or dealt in on a Market but acquired or traded at a premium or at a discount outside or off the relevant stock exchange market may be valued taking into account the level of premium or discount as at the date of valuation of the Investment with the approval of the Depositary, who must ensure that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the Investment. Such premiums or discounts shall be determined by the Directors and approved by the Depositary. Where any investment is quoted, listed or traded on or under the rules of more than one Market, the Directors shall, in their absolute discretion, select the Market, which in their opinion, constitutes the main Market for such investment, or the market which they determine provides the fairest criteria in a value for the security.

The value of any Investment which is not quoted listed or traded in on a Market or of any Investment which is normally quoted, listed or traded in on a Market but in respect of which no price is currently available or the current price of which does not in the opinion of the Directors, represent fair market value, the value thereof shall be the probable realisation value estimated with care and in good faith by the Manager or the Directors or their duly authorised delegate or by a competent person appointed by the Directors or their duly authorised delegate, in each case approved, for such purpose, by the Depositary or any other means provided that the value is approved by the Depositary. In determining the probable realisation value of any such Investment, the Directors or their duly authorised delegate may accept a certified valuation thereof provided by a competent independent person or in the absence of any independent person, the Investment Manager and/or investment adviser (notwithstanding that a conflict of interests arises because the Investment Manager and/or investment adviser has an interest in the valuation), who in each case shall have been approved by the Depositary to value the relevant securities. Where reliable market quotations are not available for fixed income securities, the value of such securities may be determined by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics. The matrix methodology will be compiled by the Directors or their duly authorised delegate or a competent person, firm or corporation appointed by the Directors or their duly authorised delegate and in each case approved for such purpose by the Depositary.

Cash and other liquid assets together with any prepaid expenses, cash dividends and interest declared or accrued and not yet received as at a Valuation Point shall be deemed to be the face value thereof unless in any case the Directors or their duly authorised delegate are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors or their duly authorised delegate may consider appropriate in such case to reflect the true value thereof as at any Valuation Point.

Certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments shall each be valued at each Valuation Point at the latest available middle market dealing price on the Market on which these assets are traded or admitted for trading (being the Market which is the sole market or in the opinion of the Directors or their duly authorised delegate the principal market on which the assets in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired

The value of any demand notes, promissory notes and accounts receivable shall be deemed to be the face value or full amount thereof after making such discount as the Directors may consider appropriate to reflect the true current value thereof as at any Valuation Point.

Forward foreign exchange contracts which are dealt in on a Market shall be valued by reference to freely available market maker quotations, namely, the price at which a new forward contract of the same size and maturity could be undertaken provided that if such price is not available, the value of any such forward foreign exchange contracts shall be valued in the same manner as over the counter derivatives. The valuation will be verified weekly by a party independent of the counterparty, who has been approved for such purpose by the Depositary. Valuation may also be made by reference to the price at which a new forward contract of the same size and maturity could be undertaken.

The value of any exchange traded futures contracts, share price index futures contracts and options and other derivative contracts shall be the settlement price, as determined by the Market in question, as at the relevant Valuation Point, provided that where it is not the practice for the relevant Market to quote a settlement price or such settlement price is not available for any reason as at the relevant Valuation Point, such value shall be the probable realisation value thereof estimated with care and in good faith by the Directors or another competent person appointed by the Directors provided that the Directors or such other competent person have been approved for the purpose by the Depositary.

The value of any off-exchange traded derivative contracts shall be the quotation from the counterparty to such contracts at the Valuation Point and shall be valued daily. The valuation will be approved or verified at least weekly by a party independent of the counterparty who has been approved for such purpose by the Depositary. Alternatively, the value of any over-the-counter derivative contract may be the quotation from an independent pricing vendor or that calculated by the Company itself and shall also be valued daily. Where the alternative valuation is used the Company must follow international best practice and adhere to specific principles or such valuation by bodies such as IOSCO and AIMA. Any such alternative valuation must be provided by a competent person appointed by the Directors or their duly authorised delegate and approved for the purpose by the Depositary, or a valuation by any other means provided that the value is approved by the Depositary. Any such alternative valuation must be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these must be promptly investigated and explained.

The value of units or shares or other similar participations in any collective investment scheme which provides for the units or shares or other similar participations therein to be redeemed at the option of the holder out of the assets of that undertaking shall be the last available Net Asset Value per unit or share or other similar participation as published by the relevant collective investment scheme after deduction of any redemption charge as at the relevant Valuation Point or, if bid and offer prices are published, at the last available bid price.

In the event of substantial or recurring net subscriptions, the Directors or their authorised delegate may adjust the Net Asset Value per Share to reflect the value of the Company's Investments using the lowest market dealing offer price as at the relevant Valuation Point in order to preserve the value of the shareholding of continuing Shareholders. In the event of substantial or recurring net repurchases, the Directors may adjust the Net Asset Value per Share to reflect the value of the Company's Investments using the lowest market dealing bid price as at the relevant Valuation Point in order to preserve the value of the shareholding of continuing Shareholders. Where any such adjustment is made, it shall be applied consistently with respect to the assets of the Fund and no additional Anti-Dilution Levy will be applied.

If in any case a particular value is not ascertainable as provided above or if the Directors or their duly authorised delegate shall consider that some other method of valuation better reflects the fair value of the relevant Investment, then in such case the method of valuation of the relevant Investment shall be such as the Directors or their duly authorised delegate in their absolute discretion shall determine, such method of valuation to be approved by the Depositary.

Any value expressed otherwise than in the Base Currency of the relevant Fund (whether of any investment or cash) and any non- Base Currency borrowing shall be converted into the Base Currency at the rate (whether official or otherwise) which the Directors shall determine to be appropriate in the circumstances.

Notwithstanding the generality of the foregoing, the Directors or their duly authorised delegate may with the approval of the Depositary adjust the value of any investment if taking into account currency, marketability and/or such other considerations as they or their duly authorised delegate may deem relevant, such as, applicable rate of interest, anticipated rate of dividend, maturity or liquidity, they or their duly authorised delegate consider that such adjustment is required to reflect the fair value thereof.

In the case of the Funds whose investment objective is to track a particular index and where there is significant overlap between the assets of the relevant Fund and its Index, the assets of such Fund may be valued in accordance with the valuation methodology for such Investments which is utilised by the relevant index. Such valuation methodology may include valuing Investments using the closing mid-

market or latest mid-market, last traded, closing bid and/or last bid prices. Where such valuation methodology is utilised details will be disclosed in the relevant Supplement.

Fair value pricing may be used in a variety of circumstances, including but not limited to, situations when the value of an investment has been materially affected by events occurring after the close of the market on which the investment is principally traded (such as a corporate action or other news that may materially affect the price of the investment) or trading has been suspended or halted.

## **26. Suspension of Calculation of Net Asset Value**

The Directors may at any time temporarily suspend the calculation of the Net Asset Value of any Fund and the right of Shareholders to subscribe for or to require the redemption or exchange of Shares of any Class during: (i) the whole or any part of any period when any of the principal markets or stock exchanges on which a substantial part of the investments of the relevant Fund are quoted, listed traded or dealt in is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or (ii) the whole or any part of any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of investments or a substantial portion of investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the relevant Fund or if, in the opinion of the Directors, the Net Asset Value of the Fund cannot be fairly be calculated or if it is not possible to transfer monies involved in the acquisition or disposition of Investments to or from the relevant account of the Company; or (iii) any breakdown in the means of communication normally employed in determining the price of a substantial portion of the Investments of the relevant Fund, or when, for any other reason the current prices on any Market of any of the Investments of the relevant Fund cannot be reasonably, promptly and accurately ascertained; or (iv) any period during which the whole or any part of any subscriptions cannot be transmitted to or from the account of the Company or the Fund or the Directors are unable to liquidate funds required for the purpose of making payments due on redemption of Shares of any Class in the relevant Fund; or (v) any period during which the transfer of funds involved in the acquisition or realisation of investments of the relevant Fund or payments due on redemption of Shares cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange; or (vi) any period where in the opinion of the Directors such suspension is justified having regard to the interests of the relevant Fund; or (vii) following the circulation to the relevant Shareholders of a notice of a general meeting at which a resolution proposing to wind-up the Company or terminate the relevant Fund is to be considered; or (viii) when any other reason makes it impracticable to determine the value of a meaningful portion of the Investments of the Company or any Fund; or (ix) any period during which the Directors, in their discretion, consider suspension to be required for the purposes of effecting a merger, amalgamation or restructuring of a Fund or of the Company; or (x) it becomes where it is or becomes impossible or impractical to enter into, continue with or maintain FDIs relating to the Index for the relevant Fund or to invest in stocks comprised within the particular Index; or (xi) where such suspension is required by the Central Bank in accordance with the Regulations. The Company will, whenever possible, take all reasonable steps to bring any period of suspension to an end as soon as possible.

Shareholders who have requested issue or redemptions of Shares of any Class or exchanges of Shares of one Fund to another will be notified of any such suspension in such manner as may be directed by the Directors and their requests will be dealt with on the first Dealing Day after the suspension is lifted. Any such suspension shall be notified immediately, and in any event within the same Business Day, to the Central Bank and to the competent authorities in any jurisdiction where the Company (and its relevant Funds) is registered for sale and to the relevant stock exchanges (if any) where the Shares of the relevant Fund are listed.

## **27. Management Charges and Expenses**

The Company employs a single fee structure for its Funds, with each Fund paying a single flat fee out of the assets of the relevant Fund (the **Total Fee**) as disclosed in the relevant Supplement to the Manager.

The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by each Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the relevant Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar

fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the relevant Fund). The Total Fee is calculated and accrued daily from the current Net Asset Value of the relevant Fund and shall be payable monthly in arrears. The Total Fee for each Fund is set out in the Supplement for the relevant Fund.

In the event a Fund's costs and expenses in connection with the operation of the Fund which are intended to be covered within the Total Fee exceed the stated Total Fee, the Manager will discharge any excess amounts out of its own assets. The establishment costs of the Company will be paid by the Investment Manager.

Whilst it is anticipated that the Total Fee borne by a Fund shall not exceed the amounts set out in the relevant Supplement during the life of a Fund such amounts may be increased from time to time. Any such increase will be subject to the prior approval of the Shareholders of the relevant Fund evidenced either by a majority vote at a meeting of Shareholders or by a written resolution of all of the Shareholders.

## **28. General Charges and Expenses**

### *Share dealing charges*

Details of the Cash Transaction Fee, In Specie Transaction Fee, Transfer Taxes and any other charges including the exchange charge payable on the exchange of Shares (if any) are set out in respect of the Shares of each Fund in the Supplement for the relevant Fund.

### *Directors' remuneration*

The Manager has agreed to discharge all Directors' fees and expenses including out-of-pocket expenses out of the Total Fee.

### *Establishment Charges and Expenses*

The cost of establishing the Company and the initial Funds, and the expenses of the initial offer of Shares in the Funds, the preparation and printing of the initial prospectus, marketing costs and the fees of all professionals relating to it will be borne by the Investment Manager.

## **29. Soft Commissions**

It is not currently intended that any soft commission arrangements will be made in respect of the Company. In the event that the Manager or Investment Manager or any of their subsidiaries, affiliates, associates, agents or delegates do enter into soft commission arrangement(s) they shall ensure that (i) the broker or counterparty to the arrangement will agree to provide best execution to the Company; (ii) the benefits under the arrangement(s) shall be those which assist in the provision of investment services to the relevant Fund and (iii) brokerage rates will not be in excess of customary institutional full service brokerage rates. Details of any such arrangements will be contained in the next following report of the Company. In the event that this is the unaudited semi-annual report, details shall also be included in the following annual report.

## **30. EU Benchmark Regulation**

The EU Benchmark Regulation entered into force in June 2016 and becomes fully applicable in the EU on 1 January 2018 (save that certain provisions, including those related to 'critical benchmarks', took

effect on 30 June 2016), subject to certain transitional provisions. The EU Benchmark Regulation applies to 'contributors' to, 'administrators' of, and 'users' of benchmarks in the EU. When fully applicable, it will, among other things, (a) require EU benchmark administrators to be authorised or registered and to comply with requirements relating to the administration of benchmarks, (b) prohibit the use in the EU of benchmarks provided by EU administrators which are not authorised or registered in accordance with the EU Benchmark Regulation, and (c) prohibit the use in the EU of benchmarks provided by non-EU administrators which are not (i) authorised or registered and subject to supervision in a jurisdiction in respect of which an 'equivalence' decision has been adopted in accordance with the EU Benchmark Regulation, or (ii) where such equivalence decision is pending, 'recognised' by the competent authorities of the applicable EU Member State(s). An exception to this is that a benchmark provided by a non-EU administrator can itself be endorsed for use in the EU by an EU authorised or registered administrator or an EU-based supervised entity, following authorisation of the endorsement by the relevant competent authority.

The EU Benchmark Regulation requires the Company to produce and maintain a robust contingency plan setting out the actions that it would take in the event that a benchmark (as defined by the EU Benchmark Regulation) materially changes or ceases to be provided. The Investment Manager shall comply with this obligation on behalf of the Company.

The Company is required under the EU Benchmark Regulation to use only benchmarks which are provided by authorised benchmark administrators that are present in the register of administrators maintained by the European Securities and Markets Authority, pursuant to Article 36 of the EU Benchmark Regulation. The Investment Manager shall comply with this obligation on behalf of the Company.

### **31. Data Protection**

With effect from 25 May 2018, in the course of business, the Company will collect, record, store, adapt, transfer and otherwise process information by which prospective investors may be directly or indirectly identified. The Company is a data controller within the meaning of Data Protection Legislation and undertakes to hold any personal data provided by investors in accordance with Data Protection Legislation.

The Company and/or any of its delegates or service providers may process prospective investor's personal data for any one or more of the following purposes and legal bases:

- (1) to operate the Funds, including managing and administering a Shareholder's investment in the relevant Fund on an on-going basis which enables the Company to satisfy its contractual duties and obligations to the Holder);
- (2) to comply with any applicable legal, tax or regulatory obligations on the Company, for example, under the Companies Acts and anti-money laundering and counter-terrorism legislation;
- (3) for any other legitimate business interests' of the Company or a third party to whom personal data is disclosed, where such interests are not overridden by the interests of the investor, including for statistical analysis and market research purposes; or
- (4) for any other specific purposes where investors have given their specific consent and where processing of personal data is based on consent, the investors will have the right to withdraw it at any time.

The Company and/or any of its delegates or service providers may disclose or transfer personal data, whether in Ireland or elsewhere (including entities situated in countries outside of the EEA), to other delegates, duly appointed agents and service providers of the Company (and any of their respective related, associated or affiliated companies or sub-delegates) and to third parties including advisers, regulatory bodies, taxation authorities, auditors, technology providers for the purposes specified above.

The Company will not keep personal data for longer than is necessary for the purpose(s) for which it was collected. In determining appropriate retention periods, the Company shall have regard to the Statute of Limitations Act 1957, as amended, and any statutory obligations to retain information,

including anti-money laundering, counter-terrorism, tax legislation. The Company will take all reasonable steps to destroy or erase the data from its systems when they are no longer required.

Where specific processing is based on an investor's consent, that investor has the right to withdraw it at any time. Investors have the right to request access to their personal data kept by Company; and the right to rectification or erasure of their data; to restrict or object to processing of their data, and to data portability, subject to any restrictions imposed by Data Protection Legislation.

The Company and/or any of its delegates and service providers will not transfer personal data to a country outside of the EEA unless that country ensures an adequate level of data protection or appropriate safeguards are in place. The European Commission has prepared a list of countries that are deemed to provide an adequate level of data protection which, to date, includes Switzerland, Guernsey, Argentina, the Isle of Man, Faroe Islands, Jersey, Andorra, Israel, New Zealand and Uruguay. Further countries may be added to this list by the European Commission at any time. The US is also deemed to provide an adequate level of protection where the US recipient of the data is privacy shield-certified. If a third country does not provide an adequate level of data protection, then the Company and/or any of its delegates and service providers will rely on the model clauses (which are standardised contractual clauses, approved by the European Commission), binding corporate rules, or one of the other alternative measures provided for in Data Protection Legislation.

Where processing is carried out on behalf of the Company, the Company shall engage a data processor, within the meaning of Data Protection Legislation, which provides sufficient guarantees to implement appropriate technical and organisational security measures in a manner that such processing meets the requirements of Data Protection Legislation, and ensures the protection of the rights of investors. The Company will enter into a written contract with the data processor which will set out the data processor's specific mandatory obligations laid down in Data Protection Legislation, including to only process personal data on documented instructions from the Company.

As part of the Company's business and ongoing monitoring, the Company may from time to time carry out automated decision-making in relation to investors, including, for example, profiling of investors in the context of anti-money laundering reviews, and this may result in an investor being identified to the Irish Revenue Commissioners and law enforcement authorities, and the Company terminating its relationship with the investor.

Investors are required to provide their personal data for statutory and contractual purposes. Failure to provide the required personal data will result in the Company being unable to permit, process, or release the investor's investment in the Funds and this may result in the Company terminating its relationship with the investor. Investors have a right to lodge a complaint with the Data Protection Authority if they are unhappy with how the Company is handling their data.

## **32. Fund Transactions and Conflicts of Interest**

Subject to the provisions of this section, the Manager and Distributor, the Investment Manager, the Administrator, the Depositary, any Shareholder, and any of their respective subsidiaries, affiliates, associates, agents or delegates (each a **Connected Person**), may contract or enter into any financial, banking or other transaction with one another or with the Company, including without limitation, investment by the Company in securities of a Shareholder, or investment by any Connected Persons in any fund or body any of whose investments form part of the assets comprised in any Fund or be interested in any such contract or transactions. In particular, without limitation, any Connected Person may invest in and deal with Shares relating to any Fund or any property of the kind included in the property of the Company for their respective individual accounts or for the account of someone else.

In addition, any cash of the Company may be deposited, subject to the provisions of the Central Bank Acts, 1942 to 2014, of Ireland, with any Connected Person or invested in certificates of deposit or banking instruments issued by any Connected Person. Banking and similar transactions may also be undertaken with or through a Connected Person.

Any Connected Person may also deal as agent or principal in the sale or purchase of securities and other investments (including foreign exchange and securities lending transactions) to or from the Company through the Depositary or any subsidiary, affiliate, associate, agent or delegate thereof.

There will be no obligation on the part of any such Connected Person to account to the relevant Fund or the Shareholders for any benefits so arising as a result of such a transaction with the Company, and any such benefits may be retained by the relevant party, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length, are consistent with the best interests of Shareholders, and

- (a) a certified valuation of such transaction by a person approved by the Depositary (or in the case of any such transaction entered into by the Depositary, a person approved by the Directors) as independent and competent has been obtained; or
- (b) such transaction has been executed on best terms on an organised investment exchange under its rules; or

where neither (a) nor (b) are practical,

- (c) such transaction has been executed on terms which the Depositary is (or in the case of any such transaction entered into by the Depositary, the Directors are) satisfied conform with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length and in the best interests of Shareholders.

The Manager and the Investment Manager may also, in the course of their respective businesses, have potential conflicts of interest with the Company in circumstances other than those referred to above. Examples of this will include the situation where the Investment Manager is valuing the Company's assets since the fee payable to the Investment Manager may increase as the value of the Company increases or the Investment Manager may be entitled to charge commission and/or brokerage on transactions effected by them. The Manager and Investment Manager, however, have regard in such event to their obligations under its agreements and, in particular, to its obligations to act in the best interests of the Company, the Funds and the Shareholders so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise. In the event that a conflict of interest does arise the Directors will endeavour to ensure that such conflicts are resolved fairly, and that investment opportunities are allocated fairly.

Notwithstanding the above, where the Investment Manager recaptures a portion of brokerage fees from a broker in relation to the purchase and/or sale of securities for a Fund, such rebate (less any reasonable properly vouched fees and expenses directly incurred by the Investment Manager in arranging such rebate and agreed with the Company) must be paid into that Fund.

Conflicts of interest may arise for the Depositary or its delegates where the Depositary or its delegates:

- (a) is likely to make a financial gain, or avoid a financial loss at the expense of the Company or its investors;
- (b) has an interest in the outcome of a service or an activity provided to the Company or of a transaction carried out on behalf of the Company which is distinct from the Company's interest;
- (c) has a financial or other incentive to favour the interest of another client or group of clients over the interests of the Company;
- (d) carries on the same activities for the Company and for other clients that adversely affect the Company; or
- (e) is in receipt of inducement in the form of monies, good or services other than the standard commission or fee for that service.

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

The Directors may act as directors of other collective investment vehicles. Where any potential conflicts of interest arise between their duties to the Company and to third parties, the Directors will endeavour to ensure that any such conflicts will not unfairly prejudice the Company.

### **33. Taxation**

### 33.1. General

**The following statements are by way of a general guide to potential investors and Shareholders only and do not constitute tax advice. Shareholders and potential investors are therefore advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.**

Shareholders and potential investors should note that the following statements on taxation are based on advice received by the Directors regarding the law and practice in force in the relevant jurisdiction at the date of this Document and proposed regulations and legislation in draft form. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely.

### 33.2. Irish Taxation

#### **Tax on income and capital gains**

##### **The Company**

The Company will only be subject to tax on chargeable events in respect of Shareholders who are Irish Taxable Persons (generally persons who are resident or ordinarily resident in Ireland for tax purposes - see below for more details).

A chargeable event occurs on:

- (1) a payment of any kind to a Shareholder by the Company;
- (2) a transfer of Shares; and
- (3) on the eighth anniversary of a Shareholder acquiring Shares and every subsequent eighth anniversary

but does not include any transaction in relation to Shares held in a clearing system recognised by the Irish Revenue Commissioners, certain transfers arising as a result of an amalgamation or reconstruction of Company vehicles and certain transfers between spouses or former spouses.

If a Shareholder is not an Irish Taxable Person at the time a chargeable event arises no Irish tax will be payable on that chargeable event in respect of that Shareholder.

Where tax is payable on a chargeable event, subject to the comments below, it is a liability of the Company which is recoverable by deduction or, in the case of a transfer and on the eight year rolling chargeable event by cancellation or appropriation of Shares from the relevant Shareholders. In certain circumstances, and only after notification by the Company to a Shareholder, the tax payable on the eight year rolling chargeable event can at the election of the Company become a liability of the Shareholder rather than the Company. In such circumstances the Shareholder must file an Irish tax return and pay the appropriate tax (at the rate set out below) to the Irish Revenue Commissioners.

In the absence of the appropriate declaration being received by the Company that a Shareholder is not an Irish Taxable Person or if the Company has information that would reasonably suggest that a declaration is incorrect, and in the absence of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is

deemed to have been complied with (or following the withdrawal of, or failure to meet any conditions attaching to such approval), the Company will be obliged to pay tax on the occasion of a chargeable event (even if, in fact, the Shareholder is neither resident nor ordinarily resident in Ireland). Where the chargeable event is an income distribution tax will be deducted at the rate of 41% or at the rate of 25% where the Shareholder is a corporate and the appropriate declaration has been made, on the amount of the distribution. Where the chargeable event occurs on any other payment to a Shareholder, not being a corporate which has made the appropriate declaration, on a transfer of Shares and on the eight year rolling chargeable event, tax will be deducted at the rate of 41% on the increase in value of the shares since their acquisition. Tax will be deducted at the rate of 25% on such transfers where the Shareholder is a fund and the appropriate declaration has been made. In respect of the eight year rolling chargeable event, there is a mechanism for obtaining a refund of tax where the Shares are subsequently disposed of for a lesser value.

An anti-avoidance provision increases the 41% rate of tax to 60% if, under the terms of an investment in a Fund, the investor or certain persons associated with the investor have an ability to influence the selection of the assets of the Fund.

Other than in the instances described above the Company will have no liability to Irish taxation on income or chargeable gains.

## **Shareholders**

Shareholders who are neither resident nor ordinarily resident in Ireland in respect of whom the appropriate declarations have been made (or in respect of whom written notice of approval from the Revenue Commissioners has been obtained by the Company to the effect that the requirement to have been provided with such declaration from that Shareholder or class of shareholders to which the Shareholder belongs is deemed to have been complied with) will not be subject to tax on any distributions from the Company or any gain arising on redemption, repurchase or transfer of their shares provided the shares are not held through a branch or agency in Ireland. No tax will be deducted from any payments made by the Company to those Shareholders who are not Irish Taxable Persons.

Shareholders who are Irish resident or ordinarily resident or who hold their shares through a branch or agency in Ireland may have a liability under the self-assessment system to pay tax, or further tax, on any distribution or gain arising from their holdings of Shares. In particular where the Company has elected to not deduct tax at the occasion of the eight year rolling chargeable event a Shareholder will have an obligation to file a self-assessment tax return and pay the appropriate amount of tax to the Irish Revenue Commissioners.

Refunds of tax where a relevant declaration could be made but was not in place at the time of a chargeable event are generally not available except in the case of certain corporate Shareholders within the charge to Irish corporation tax.

## **Stamp duty**

No Irish stamp duty will be payable on the subscription, transfer or redemption of Shares provided that no application for Shares or repurchase or redemption of Shares is satisfied by an in specie transfer of any Irish situated property.

## **Capital acquisitions tax**

No Irish gift tax or inheritance tax (capital acquisitions tax) liability will arise on a gift or inheritance of Shares provided that

- (a) at the date of the disposition the transferor is neither domiciled nor ordinarily resident in Ireland and at the date of the gift or inheritance the transferee of the Shares is neither domiciled nor ordinarily resident in Ireland; and
- (b) the Shares are comprised in the disposition at the date of the gift or inheritance and the valuation date.

## **Other tax matters**

The income and/or gains of a Fund from its securities and assets may suffer withholding tax in the countries where such income and/or gains arise. The Fund may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in repayment to that Fund, the Net Asset Value of the Fund will not be restated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

## **EU Savings Directive**

On 3 June, 2003 the Council of the European Union (ECOFIN) adopted a directive regarding the taxation of interest income. Each EU Member State must implement the directive by enacting legislation that requires paying agents (within the meaning of the directive) established within its territory to provide to the relevant competent authority details of interest payments (which includes certain payments made by collective investment undertakings such as the Company) made to any individual and certain intermediate entities resident in another EU Member State or a territory being a dependent or associated territory of an EU Member State (**Relevant Territory**). The competent authority of the EU Member State of the paying agent (within the meaning of the directive) is then required to communicate this information to the competent authority of the Relevant Territory of which the beneficial owner of the interest is a resident.

Austria may opt instead to withhold tax from interest payments within the meaning of the directive for a transitional period.

Ireland has implemented the directive into national law. Any Irish paying agent making an interest payment on behalf of the Company or a Fund to an individual, and certain residual entities defined in the TCA, resident in another Relevant Territory may have to provide details of the payment to the Irish Revenue Commissioners who in turn will provide such information to the competent authorities of the Relevant Territory of residence of the individual or residual entity concerned.

Broadly speaking, for income distributions, it is only if the Company has invested more than 15% of its assets directly or indirectly in interest bearing securities and for capital distributions it is only if the Company has invested more than 25% of its assets directly or indirectly in interest bearing securities, that payments received from the Company would be subject to reporting obligations.

On 24 March 2014 the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member State were required to apply these new requirements from 1 January 2017. The changes were intended to expand the range of payments covered by the EU Savings Directive.

Notwithstanding the foregoing, on 15 October 2014 the European Commission stated in order to have just one standard of automatic information exchange and to avoid legislative overlaps with Council Directive 2011/16/EU as amended by Council Directive 2014/107/EU it was considering the repeal of the EU Savings Directive. On 18 March 2015 the European Commission published a Proposal for a Council Directive repealing the EU Savings Directive and on 10 November 2015 the Council of the EU repealed it with effect from 1 January 2016. For a transitional period a derogation was granted to Austria under Directive 2014/107/EU allowing it to apply that directive one year later than other member states.

## **Certain Irish Tax Definitions**

### **(i) Residence - Company**

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

- the company or a related company carries on a trade in the State, and either the company is ultimately controlled by persons resident in EU Member States or, resident in countries with which the Republic of Ireland has a double taxation treaty, or the company or a related company are quoted companies on a recognised Stock Exchange in the EU or in a tax treaty country; or
- the company is regarded as not resident in the State under a double taxation treaty between the Republic of Ireland and another country.

It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and declarants are referred to the specific legislative provisions which are contained in section 23A Taxes Consolidation Act 1997.

It should be further noted that the text of section 23A Taxes Consolidation Act 1997 was replaced in its entirety by section 43 Finance Act 2014. Consequently the abovementioned tax residence rules have been substantially modified as regards Irish incorporated companies. The changes are relatively complex and we would recommend that any Irish incorporated company that considers it is not Irish tax resident seeks professional advice before asserting this in any tax declaration given to the Company.

(ii) **Residence – Individual**

An individual will be regarded as being resident in Ireland for a tax year if s/he:

1. Spends 183 or more days in the State in that tax year; or
2. has a combined presence of 280 days in the State, taking into account the number of days spent in the State in that tax year together with the number of days spent in the State in the preceding year.

Presence in a tax year by an individual of not more than 30 days in the State will not be reckoned for the purpose of applying the two year test. From 1 January 2009, presence in the State for a day means the personal presence of an individual at any time during the day.

(iii) **Ordinary Residence – Individual**

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 the State 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 the State ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident. Thus, an individual who is resident and ordinarily resident in the State in 2011 and departs from the State in that tax year will remain ordinarily resident up to the end of the tax year in 2014.

(iv) **Foreign Person**

Means (i) a person who is neither resident nor ordinarily resident in Ireland for tax purposes who has provided the Company with the appropriate declaration under Schedule 2B TCA and the Company is not in possession of any information that would reasonably suggest that the declaration is incorrect or has at any time been incorrect, or (ii) the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with in respect of that person or class of shareholder to which that person belongs, and that approval has not been withdrawn and any conditions to which that approval is subject have been satisfied.

(v) **Intermediary**

This means a person who:

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

***Jurisdictions***

The income and/or gains of a Fund from its securities and assets may suffer withholding tax in the countries where such income and/or gains arise. The Fund may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in repayment to that Fund, the Net Asset Value of the Fund will not be restated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

***Automatic Exchange of Information***

Irish reporting financial institutions, which may include the Fund, may have reporting obligations in request of certain investors under both FATCA and CRS (see below).

***Common Reporting Standard***

The Common Reporting Standard ("CRS") framework was first released by the OECD in February 2014. To date, more than 90 jurisdictions have publically committed to implementation, many of which are early adopter countries, including Ireland. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the "Standard") was published, involving the use of two main elements, the Competent Authority Agreement ("CAA") and the CRS.

The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local Financial Institutions ("FIs") relating to account holders tax resident in other participating countries to assist in the efficient collection of tax. The OECD, in developing the CAA and CRS, have used FATCA concepts and as such the Standard is broadly similar to the FATCA requirements, albeit with numerous alterations. It will result in a significantly higher number of reportable persons due to the increased instances of potentially in-scope accounts and the inclusion of multiple jurisdictions to which accounts must be reported.

Ireland is a signatory jurisdiction to a Multilateral Competent Authority Agreement on the automatic exchange of financial account information in respect of CRS while the Finance Act 2014 and Finance Act 2015 contain measures necessary to implement the CRS internationally and across the European Union, respectively. Regulations, the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the "Regulations"), giving effect to the CRS from 1 January 2016 came into operation on 31 December 2015.

Under the Regulations reporting FIs, are required to collect certain information on accountholders and on certain Controlling Persons in the case of the accountholder(s) being an Entity, as defined for CRS purposes, (e.g. name, address, jurisdiction of residence, TIN, date and place of birth (as appropriate), the account number and the account balance or value at the end of each calendar year) to identify accounts which are reportable to the Irish tax authorities. The Irish tax authorities shall in turn exchange such information with their counterparts in participating jurisdictions. Further information in relation to CRS can be found on the Automatic Exchange of Information ("AEOI") webpage on [www.revenue.ie](http://www.revenue.ie).

**33.3. United Kingdom Taxation**

Please see the United Kingdom taxation section set out in **Appendix III – Information for United Kingdom Investors** of this Prospectus.

#### **33.4. Compliance with U.S. Withholding Requirements**

Sections 1471 through 1474 of the US Foreign Account Tax Compliance Act (as amended, consolidated or supplemented from time to time), including any regulations issued pursuant thereto (**FATCA**), in broad terms, seek to impose, in the event of non-compliance with certain requirements, a withholding tax on payments by the Company to a foreign financial institution (**FFI**) if that FFI is not compliant with FATCA.

On 21 December 2012, Ireland signed a reciprocal intergovernmental agreement (**IGA**) with the U.S. which dispenses with the requirement for the Company to enter into an information reporting agreement directly with the IRS, replacing it with the requirement to report relevant information to the Irish Revenue Commissioners instead.

Each Shareholder will be required to provide the Company and the Administrator with information necessary to enable the Company to comply with such information reporting as required under the Ireland - U.S. IGA.

If a Shareholder either fails to provide the Company, its agents or authorised representatives with correct, complete and accurate information that may be required for the Company to comply with FATCA or is a NPFFI, the Shareholder may be subject to a 30% withholding on amounts otherwise distributable to the Shareholder, or the Shareholder may be compelled to sell Shares in Fund, or, in certain situations, the Shareholder's Shares in a Fund may be compulsorily repurchased. Therefore to the extent any Shareholders are not FATCA compliant, such non-compliance could adversely impact the relevant Fund.

Enabling legislation with respect to the Ireland – US IGA was published on 27 March 2013 as part of the Finance Act 2013. Regulations on foot of that enabling legislation have been published in draft only and are currently subject to a consultation process. While the publication of the Ireland - US IGA, subsequent enabling legislation and the regulations (once finalised) should serve to reduce the burden of compliance with FATCA and, accordingly the risk of a FATCA withholding, no assurance in this regard can be given.

Investors should consult their own tax advisors regarding the FATCA requirements with respect to their own situation.

#### **34. Reports and Accounts**

The Company's year-end is 31 December in each year. The annual report and audited accounts, in English, of the Company will be made available to Shareholders and to the Central Bank within four months after the conclusion of each accounting year and at least 21 days before the general meeting of the Company at which they are to be submitted for approval. The Company will also send a semi-annual report and unaudited accounts to Shareholders and to the Central Bank within two months after the end of each semi-annual period which will be 30 June of each year. The annual report, in English, will be sent to the Companies Announcements Office of the Irish Stock Exchange plc within six months of the end of the relevant accounting period.

Such reports and accounts will contain a statement of the Net Asset Value of each Fund and of the investments comprised therein as at the year-end or the end of such semi-annual period.

#### **35. Transfer of Shares**

Shares in each Fund will be transferable by instrument in writing signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor provided always that the transferee completes an Application Form to the satisfaction of the Administrator and furnishes the Administrator with any documents required by it. In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Company as having any title to or interest in the Shares registered in the names of such joint Shareholders.

Shares may not be transferred to a United States Person.

Registration of any transfer may be refused by the Directors if following the transfer either the transferor or the transferee would hold Shares having a value less than the Minimum Holding for the relevant Fund (if any) specified in the Supplement hereto.

If the transferor is, or is deemed to be, or is acting on behalf of, an Irish Taxable Person the Company may redeem and cancel a sufficient portion of the transferor's Shares as will enable the Company to pay the tax payable in respect of the transfer to the Irish Revenue Commissioners.

### **36. Notification of Prices**

The Net Asset Value per Share of each Class in each Fund will be available from the Administrator on each Business Day. The Net Asset Value per Share will also be kept up to date and available on the Website and will be notified upon calculation to the Irish Stock Exchange plc without delay.

### **37. Communications with Shareholders**

Communications with Shareholders may be effected by electronic mail or by any other means of communication provided that the Shareholder has consented to such method of communication. Copies of any documents sent to Shareholders will be available for inspection at the office of the Administrator. Communications with Shareholders will also be published on the Website. Investor should regularly visit the Website, or request that their stockbrokers or other financial agents or advisers do so on their behalf, to ensure that they obtain such information on a timely basis.

### **38. GENERAL INFORMATION**

#### **38.1. Incorporation and Share Capital**

The Company was incorporated and registered in Ireland as an investment company with variable capital on 26 August 2014 with registered number 548554.

At the date hereof

- (i) the authorised share capital of the Company is 2 subscriber shares (**subscriber shares**) of €1 each and 1,000,000,000,000 shares of no par value initially designated as unclassified shares and available for issue as Shares.
- (ii) the issue share capital of the Company is €2 represented by 2 subscriber shares issued for the purpose of incorporation of the Company at an issue price of €1.

There are no rights of pre-emption attaching to the Shares.

#### **38.2. Articles**

Clause 3 of the Articles provides that the sole 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 Regulations.

The Articles contain provisions to the following effect:

- (i) **Directors' Authority to Allot Shares.** The Directors are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities, including fractions thereof, up to an amount equal to the authorised but as yet unissued share capital of the Company.
- (ii) **Variation of rights.** The rights attached to any Class may be varied or abrogated with the consent in writing of the holders of three-fourths in number of the issued Shares of that Class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of the Class, and may be so varied or abrogated

either whilst the Company is a going concern or during or in contemplation of a winding-up. The quorum at any such separate general meeting, other than an adjourned meeting, shall be two persons holding or representing by proxy at least one third of the issued Shares of the Class in question and the quorum at an adjourned meeting shall be one person holding Shares of the Class in question or his proxy.

- (iii) **Voting Rights.** Subject to disenfranchisement in the event of non-compliance with any notice requiring disclosure of the beneficial ownership of shares and subject to any rights or restrictions for the time being attached to any Class or Classes of Shares, on a show of hands at a general meeting or Class meeting of the Company, every Shareholder holding shares who is present in person or by proxy shall have one vote and on a poll every Shareholder present in person or by proxy shall have one vote for every share of which he is the holder.
- (iv) **Change in Share Capital.** The Company may from time to time by ordinary resolution increase the share capital by such amount and/or number as the resolution may prescribe. The Company may also by ordinary resolution, consolidate and divide its share capital into shares of larger amount, subdivide its shares into shares of smaller amount or value or cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the shares so cancelled or redenominate the currency of any Class of Shares.
- (v) **Directors' Interests.** Provided that the nature and extent of any material interest shall be disclosed as set out below, no Director or intending Director shall be disqualified by his office from contracting with the Company nor shall any such contract or arrangement entered into by or on behalf of any other company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

The nature of a Director's interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement at the next meeting of the Directors held after he became so interested.

A Director shall not vote at a meeting of the Directors or a committee of the Directors on any resolution concerning a matter in which he has, directly or indirectly an interest which is material (other than an interest arising by virtue of his interest in shares or debentures or other securities or otherwise in or through the Company) or a duty which conflicts or may conflict with the interest of the Company.

A Director shall be entitled (in the absence of some other material interest than is indicated in the section entitled **Directors' Interests**) to vote and be counted in the quorum in respect of any resolutions concerning the following matters, namely:

- (a) the giving of any security, guarantee or indemnity to him in respect of money lent by him to the Company or any of its subsidiary or associated companies or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary or associated companies;
- (b) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries or associated companies for which he himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (c) any proposal concerning any offer of shares or debentures or other securities

of or by the Company or any of its subsidiary or associated companies for subscription, purchase or exchange in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

- (d) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer, shareholder or otherwise howsoever.

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

- (vi) **Borrowing Powers.** Subject to the Regulations, the Directors may exercise all the powers of the Company to borrow or raise money and to hypothecate, mortgage, pledge or charge its undertaking, property and assets (both present and future) and uncalled capital or any part thereof, provided that all such borrowings shall be within the limits laid down by the Central Bank.
- (vii) **Committees.** The Directors may delegate any of their powers to any committee whether or not consisting of Directors. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of the Articles regulating the proceedings of Directors so far as they are capable of applying.
- (viii) **Retirement of Directors.** The Directors shall not be required to retire by rotation or by virtue of their attaining a certain age.
- (ix) **Directors' Remuneration.** Unless otherwise determined from time to time by the Company in general meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors. Any Director who holds any executive office (including for this purpose the office of chairman or deputy chairman) or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of fee, commission or otherwise as the Directors may determine. The Directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Directors or committees established by the Directors or general meetings or separate meetings of the holders of any Class of Shares of the Company or otherwise in connection with the discharge of their duties.
- (x) **Transfer of Shares.** Subject to the restrictions in the Articles and any applicable conditions of issue, the shares of any Shareholder may be transferred by instrument in writing in any usual or common form or any other form which the Directors may approve. The Directors in their absolute discretion and without assigning any reason therefor may decline to register any transfer of a Share, including but not limited to, to (i) a Prohibited Person, or (ii) any person who, by holding Shares, would be in breach of any law or requirement of any country or governmental authority or might result in the Company incurring any liability to taxation or suffering pecuniary disadvantages; or (iii) any transfer to or by a minor or a person of unsound mind; or (iv) any transfer unless the transferee of such shares would following such transfer be the holder of shares with a value at the then current Subscription Price equal to or greater than the Minimum Initial Investment Amount; or any transfer in circumstances where as a result of such transfer the transferor or transferee would hold less than the Minimum Shareholding; or any transfer in regard to which any payment of taxation remains outstanding; or any transfer to a person who does not provide all necessary anti-money laundering documentation or clear such anti-money laundering checks as the Directors or their delegate may determine; or any transfer where the transferee has failed to provide the Company or its agent with any documentation reasonably required by the Company or its agent; or any transfer to a person or entity who breached or falsified representations

on subscription documents. The Directors may decline to recognise any instrument of transfer unless amongst other issues detailed in the Articles it is in respect of one Class of Share only, is in favour of not more than four transferees and is lodged at the registered office or at such other place as the Directors may appoint.

- (xi) **Right of Redemption.** Shareholders have the right to request the Company to redeem their Shares in accordance with the provisions of the Articles.
- (xii) **Dividends.** The Articles permit the Directors to declare such dividends on any Class of Shares as appears to the Directors to be justified by the profits of the relevant Fund. The Directors may, satisfy any dividend due to holders of Shares in whole or in part by distributing to them in specie any of the assets of the relevant Fund, and in particular any investments to which the relevant Fund is entitled. Any dividend unclaimed for six years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund.
- (xiii) **Funds.** The Directors may from time to time establish, with the prior approval of the Central Bank, additional Funds and/or in accordance with the requirements of the Central Bank designate additional Classes and issue Shares in such Funds or Classes. The Directors are required to establish a separate portfolio of assets for each Fund created by the Company from time to time and each separate portfolio of assets for each Fund will accordingly bear its own liabilities to which the following shall apply:
  - (a) For each Fund the Company shall keep separate books and records in which all transactions relating to the relevant Fund shall be recorded and, in particular, the proceeds from the allotment and issue of shares of each class in the Fund, the Investments and the liabilities and income and expenditure attributable thereto shall be applied or charged to such Fund subject to the provisions of the Articles;
  - (b) any asset derived from any other asset(s) (whether cash or otherwise) comprised in any Fund, shall be applied in the books and records of the Company to the same Fund as the asset from which it was derived and any increase or diminution in the value of such an asset shall be applied to the relevant Fund;
  - (c) in the event that there are any assets of the Company which the Directors do not consider are attributable to a particular Fund or Funds, the Directors shall allocate such assets to and among any one or more of the Funds in such manner and on such basis as they, in their discretion, deem fair and equitable; and the Directors shall have the power to and may from time to time vary the basis in relation to assets previously allocated;
  - (d) no Shares will be issued on terms that entitle the holder of Shares in any Fund to participate in the assets of the Company other than the assets (if any) of the Fund relating to such Shares. If the proceeds of the assets of the relevant Fund are not sufficient to fund the full repurchase proceeds payable to each holder for the relevant Fund, the proceeds of the relevant Fund will, subject to the terms for the relevant Fund, be distributed equally among each holder of the relevant Fund pro rata to the amount paid upon the Shares held by each Shareholder. If the realised net assets of any Fund are insufficient to pay any amounts due on the relevant Shares in full in accordance with the terms of the relevant Fund, the relevant Shareholders of that Fund will have no further right of payment in respect of such Shares or any claim against the Company, any other Fund or any assets of the Company in respect of any shortfall;
  - (e) each Fund shall be charged with the liabilities, expenses, costs, charges or reserves of the Fund in respect of or attributable to that Fund and any such liabilities, expenses, costs, charges, or reserves of the Company not attributable to any particular Fund or Funds shall be allocated and charged by

the Directors in such manner and on such basis as the Directors, in their sole and absolute discretion deem fair and equitable, and the Directors shall have the power to and may at any time and from time to time vary such basis including, where circumstances so permit, the re-allocation of such liabilities, expenses, costs, charges and reserves;

- (f) in the event that any asset attributable to a Fund is taken in execution of a liability not attributable to that Fund, the provisions of section 1407 of the Companies Act shall apply.

Subject as otherwise provided in the Articles, the Assets held in each Fund shall be applied solely in respect of the shares of the class (or classes as the case may be) to which such Fund appertains.

(xiv) **Fund Exchanges**

Subject to the provisions of the Articles, and subject to the prior approval of the Manager, a holder holding Shares in any class in a Fund on any Dealing Day shall have the right from time to time to apply to exchange, subject to an exchange fee being applied (as described in this Prospectus), all or any of such Shares for Shares of the same class in a separate Fund (such Fund being an existing Fund or a Fund agreed by the Directors to be brought into existence with effect from that Dealing Day).

(xv) **Termination of Fund**

- (a) any Fund may be terminated by the Directors, in their sole and absolute discretion, by notice in writing to the Depositary in any of the following events:
  - (i) if at any time the Net Asset Value of the relevant Fund shall be less than such amount as may be determined by the Directors in respect of that Fund; or
  - (ii) if any Fund shall cease to be authorised or otherwise officially approved; or
  - (iii) if any law shall be passed which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the relevant Fund; or
  - (iv) if there is a change in material aspects of the business, in the economic or political situation relating to a Fund which the Directors consider would have material adverse consequences on the Investments of the Fund; or
  - (v) if there is any material change in the tax status of the Company or any Fund in Ireland or in any other jurisdiction (including any adverse tax ruling by the relevant authorities in Ireland or any jurisdiction affecting the Company or any Fund) which the Directors consider would result in material adverse consequences on the Holders and/or the Investments of the Fund; or
  - (vi) if the Directors shall have resolved that it is impracticable or inadvisable for a Fund to continue to operate having regard to prevailing market conditions and the best interests of the Shareholders; or
  - (vii) if the Assets held in respect of a Fund are terminated or redeemed and the Directors determine that it is not commercially practical to reinvest the realisation proceeds of such Assets in replacement Assets on terms that will enable the relevant Fund achieve its investment objective and/or to comply with its investment policy; or

- (viii) if, in the opinion of the Directors, such termination is in the best interests of Holders of Shares in the Fund; or
  - (ix) if such termination is provided for in the Prospectus.
- (b) the Directors shall give notice of termination of a Fund to the Shareholders in the relevant Fund and by such notice fix the date at which such termination is to take effect, which date shall be for such period after the service of such notice as the Directors shall in their sole and absolute discretion determine;
- (c) with effect on and from the date as at which any Fund is to terminate or in the case of (i) below such other date as the Directors may determine:
  - (i) No Shares of the relevant Fund may be issued or sold by the Company;
  - (ii) The Investment Manager shall, on the instructions of the Directors, realise all the assets then comprised in the relevant Fund (which realisation shall be carried out and completed in such manner and within such period after the termination of the relevant Fund as the Directors think advisable);
  - (iii) The Depositary shall, on the instructions of the Directors from time to time, distribute to the Shareholders in proportion to their respective interests in the relevant Fund all net cash proceeds derived from the realisation of the relevant Fund and available for the purpose of such distribution, provided that the Depositary shall not be bound (except in the case of the final distribution) to distribute any of the monies for the time being in its hands the amount of which is insufficient to pay €1 or its equivalent amount in the relevant currency in respect of each Share of the relevant Fund and provided also that the Depositary shall be entitled to retain out of any monies in its hands as part of the relevant Fund full provision for all costs, charges, expenses, claims and demands incurred, made or apprehended by the Depositary or the Directors in connection with or arising out of the termination of the relevant Fund and out of the monies so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands; and
  - (iv) Every such distribution referred to above shall be made in such manner as the Directors shall, in their sole and absolute discretion, determine but shall be made only against production of the certificates or warrants relating to the Shares of the relevant Fund if issued in respect of which the same is made and upon delivery to the Depositary of such form of request for payment as the Depositary shall in its absolute discretion require. Any unclaimed proceeds or other cash held by the Depositary may at the expiration of twelve months from the date upon which the same were payable be paid into court subject to the right of the Depositary to deduct therefrom any expenses it may incur in making such payment;
- (d) the Directors shall have the power to propose and implement a merger, reconstruction and/or amalgamation of the Company or any Fund(s) on such terms and conditions as are approved by the Directors subject to the following conditions namely:
  - (i) that the prior approval of the Central Bank has been obtained; and
  - (ii) that the Shareholders in the relevant Fund or Funds have been circulated with particulars of the scheme of merger, reconstruction

and/or amalgamation in a form approved by the Directors and a special resolution of the Shareholders in the relevant Fund or Funds has been passed approving the said scheme.

The relevant scheme of merger, reconstruction and/or amalgamation shall take effect upon such conditions being satisfied or upon such later date as the scheme may provide or as the Directors may determine whereupon the terms of such scheme shall be binding upon all the Shareholders and the Directors shall have the power to and shall do all such acts and things as may be necessary for the implementation thereof.

(xvi) **Winding up.** The Articles contain provisions to the following effect:

- (a) If the Company shall be wound up the liquidator shall, subject to the provisions of the Companies Act, apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund.
- (b) Following the deduction of the estimated expenses relating to the winding up and liquidation, the assets available for distribution amongst the holders shall be applied as follows: first the proportion of the assets in a Fund attributable to each Class of Share shall be distributed to the holders of Shares in the relevant class in the proportion that the number of Shares held by each holder bears to the total number of Shares relating to each such Class of Shares in issue as at the date of commencement to wind up and secondly, in the payment to the holder(s) of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not attributable to any class of share. In the event that there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets of the Company attributable to other classes of shares; and thirdly, any balance then remaining and not attributable to any of the classes of shares shall be apportioned pro-rata as between the classes of shares based on the Net Asset Value attributable to each class of shares as at the date of commencement to wind up and the amount so apportioned to a class shall be distributed to Holders pro-rata to the number of shares in that class of shares held by them.
- (c) A Fund may be wound up pursuant to section 1407 of the Companies Act and in such event the winding up provisions of the Articles shall apply mutatis mutandis in respect of that Fund.
- (d) 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 of the relevant Shareholders and any other sanction required by the Companies Act, divide among the holders of Shares of any class or classes within a Fund in specie the whole or any part of the assets of the Company relating to that Fund, 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 all the Shareholders of the Company or the holders of different classes of Shares in a Fund. 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 a liability. A Shareholder may request the liquidator, instead of transferring the assets in specie to it, to dispose of them and to pay the net sales proceeds instead.

(xvii) **Share Qualification.** The Articles do not contain a share qualification for Directors.

### 38.3. **Litigation and Arbitration**

As at the date of this prospectus, the Company is not involved in any litigation or arbitration as a defendant nor are the Directors aware of any pending or threatened litigation or arbitration by or against the Company where such litigation or arbitration may have a significant effect on the Company's financial position or profitability.

#### **38.4. Directors' Interests**

- (a) At the date of this Prospectus, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Company and save as disclosed below no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company.
- (b) At the date of this Prospectus none of the Directors nor any Person Closely Associated have any beneficial interest in the share capital of the Company or any options in respect of such capital. Although none of the Directors are required to be investors, all of the Directors and any associates may invest in the Fund.
- (c) Eimear Cowhey, Adrian Waters, Jonathan R. Simon, Bruce Smith and Adam Phillips are directors of both the Company and the Manager.
- (d) Jonathan R. Simon, Bruce Smith and Adam Phillips are employees of the Investment Manager.

#### **38.5. Material Contracts**

The following contracts have been entered into otherwise than in the ordinary course of the business intended to be carried on by the Company and are or may be material:

- (a) the Management and Marketing Agreement dated 8 December 2014 between the Company and the Manager and Distributor. This agreement provides that the appointment of the Manager may be terminated by either party by not less than 90 days' prior written notice. Either party may terminate this agreement by notice in writing (in accordance with the procedure set out in the agreement) upon the occurrence of certain events as specified in the agreement such as the liquidation of the other party. The agreement contains certain indemnities in favour of the Manager (and each of its directors, officers, servants, employees, agents and appointees) which are restricted to exclude matters to the extent that they are attributable to the fraud, bad faith, negligence or wilful default in the performance or non-performance by the Manager of its duties or obligations under the agreement.
- (b) the Investment Management Agreement dated 8 December 2014 between the Manager and the Investment Manager. This agreement provides that the appointment of the Investment Manager may be terminated by either party by not less than 90 days' prior written notice. Either party may terminate this agreement by notice in writing (in accordance with the procedure set out in the agreement) upon the occurrence of certain events as specified in the agreement such as the liquidation of the other party. The agreement contains certain indemnities in favour of the Investment Manager (and each of its directors, officers, servants, employees, agents and appointees) which are restricted to exclude matters to the extent that they are attributable to the fraud, bad faith, negligence or wilful default in the performance or non-performance by the Investment Manager (or persons designated by it) of its duties or obligations under the agreement.
- (c) the Depositary Agreement dated 2 May 2016 between the Company and the Depositary. This agreement provides that the appointment of the Depositary shall continue until terminated by either party on not less than 90 days' prior written notice or earlier upon certain breaches or the insolvency of either party. The agreement contains provisions governing the responsibility and limitations on the responsibility of the

Depository and provides for its indemnification in certain circumstances, subject to exclusion in the case of negligent or intentional failure to perform its obligations or its improper performance of them.

- (d) the Administration Agreement dated 8 December 2014 between the Manager and the Administrator. This agreement provides that the appointment of the Administrator shall continue until terminated by either party on not less than 90 days' notice or earlier upon certain breaches or the insolvency of either party. In the absence of negligence, bad faith, wilful default or fraud, the Administrator will not be liable for any loss arising as a result of the performance or non-performance by the Administrator of its obligations and duties under the agreement. The Company has agreed to indemnify the Administrator against losses suffered by the Administrator in the performance or non-performance of its duties and obligations under agreement, except for losses arising out of the negligence, bad faith, wilful default or fraud of the Administrator in the performance or non-performance of its duties under the agreement.
- (e) The Agreement for the Provision of Registry, Transfer Agent and Paying Agent and Representation Services dated 8 December 2014 between the Company and the Registrar. This agreement provides that the appointment of the Registrar will continue unless and until terminated by either party, giving to the other not less than six (6) months' prior written notice. Either party may terminate this agreement by notice in writing (in accordance with the procedure set out in the agreement) upon the occurrence of certain events as specified in the agreement such as the liquidation of the other party. The agreement contains certain indemnities in favour of the Registrar which are restricted to exclude matters arising by reason of fraud, negligence, bad faith, recklessness or wilful default in the performance or non-performance of its duties and obligations or breach of contract.

#### 38.6. **Miscellaneous**

As of the date of this Prospectus, the Company does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantee or other contingent liabilities.

Save as disclosed in the section entitled **Directors' Interests** above, no Director has any interest in the promotion of or in any property acquired or proposed to be acquired by the Company.

Save as may result from the entry by the Company into the agreements listed in the section entitled **Material Contracts** above or any other fees, commissions or expenses discharged, no amount or benefit has been paid or given or is intended to be paid or given to any promoter of the Company.

No commissions, discounts, brokerages or other special terms have been paid or granted by the Company, or are payable by the Company for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares or loan capital of the Company.

The Manager may pay an amount of its fees to distributors with whom it has agreements. Additionally, the Investment Manager may pay a portion of its fee to distributors, dealers or other entities that assist either of them in the performance of its duties or provide services, directly or indirectly, to the Funds or their Shareholders and may enter into private arrangements on a negotiated basis with a holder or prospective holder of Shares. The selection of holders or prospective holders of Shares with whom such private arrangements may be made and the terms on which the Manager, Investment Manager or their respective affiliates, designees or placement agents may enter into such private arrangements are a matter for the relevant entity, except that as a condition of any such arrangements, the Company will not thereby incur any obligation or liability whatsoever.

#### 38.7. **Documents for Inspection**

Copies of the following documents may be inspected at the offices of the Administrator at its address as

set out in this Prospectus, during normal business hours on weekdays, except Saturdays and public holidays:

- (a) the Articles;
- (b) the Prospectus (as amended and supplemented) and the Supplements;
- (c) the Key Investor Information Documents;
- (d) the material contracts referred to above;
- (e) the Regulations;
- (f) details of notices sent to Shareholders;
- (g) the CBI UCITS Regulations; and
- (i) a list of any directorships or partnerships, past or present, held by the Directors in the last five years.

Copies of the Articles (and, after publication thereof, the periodic reports and accounts) may be obtained from the Administrator free of charge.

#### **UK Facilities Agent**

UK investors can contact the UK facilities agent Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, United Kingdom for details regarding pricing and redemption, making a complaint and for the inspection (free of charge) and for the obtaining of copies in English of the Articles (at no more than a reasonable charge), the Prospectus (as amended and supplemented) and the Supplements, the Key Investor Information Documents and the latest annual and semi-annual reports of the Company (free of charge).

## APPENDIX I - DEFINITIONS

<b>Administrator</b>	means BNY Mellon Fund Services (Ireland) DAC or any other person or persons for the time being duly appointed administrator in their succession in accordance with the requirements of the Central Bank.
<b>Application Form</b>	means the original form which must be submitted with the Subscription Form upon an initial application or exchange of Shares. It only needs to be submitted with subsequent applications if the investors' details or circumstances have changed from when this form was originally submitted.
<b>Articles</b>	means the Memorandum and Articles of Association of the Company.
<b>Authorised Participant</b>	means an entity or person authorised by the Company for the purposes of subscribing for and redeeming Creation Units with the Fund.
<b>Base Currency</b>	means in relation to any Class of Shares such currency as is specified in the Supplements hereto (or in the relevant Supplement in the case of any subsequent Funds that may be established periodically by the Company with the prior approval of the Central Bank).
<b>Business Day</b>	means a day on which banks are open for business in such jurisdictions and/or cities as are specified in the Supplement hereto (or in the relevant Supplement in the case of any subsequent Funds that may be established periodically by the Company with the prior approval of the Central Bank), for the relevant Fund or such other day(s) as the Directors may, with the approval of the Depositary, determine.
<b>Cash Component</b>	the amount of cash required to equalize any differences between the value of the securities set out in the Portfolio Composition File and the Net Asset Value for each Creation Unit (being the Net Asset Value per Share multiplied by the number of Shares in a Creation Unit). Ordinarily the Cash Component 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.
<b>Cash Transaction Fee</b>	the fee payable to the Administrator as agent for the Company where Shares are subscribed or redeemed for cash, the amount of that charge being specified in the relevant Supplement.
<b>CBI UCITS Regulations</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertaking for Collective Investment in Transferable Securities) Regulation 2015 and related guidance issued by the Central Bank as amended, supplemented, consolidated or otherwise modified from time to time.
<b>Central Bank</b>	means the Central Bank of Ireland or any successor authority.
<b>Class(-es)</b>	means the class or classes of Shares relating to a Fund where specific features with respect to subscription, exchange, redemption or contingent deferred sales charge, minimum subscription amount, dividend policy, investor eligibility criteria, voting rights or other specific features may be applicable. The details applicable to each Class will be described in the Supplement for the relevant Fund.
<b>Companies Act</b>	means the Irish Companies Act, 2014 (as may be amended, consolidated or supplemented from time to time) including any regulations issued pursuant thereto, insofar as they apply to open-ended investment companies with variable capital.

<b>Company</b>	means VanEck Vectors™ UCITS ETFs plc.
<b>Connected Person</b>	means the persons defined as such in the section entitled <b>Fund Transactions and Conflicts of Interest</b> .
<b>Creation Unit</b>	means for each Fund and as specified in the relevant supplement, the pre-determined number of Shares which must be subscribed for or redeemed when subscribing or redeeming in specie or in cash.
<b>Data Protection Legislation</b>	means the EU Data Protection Directive 95/46/EC and the EU Privacy & Electronic Communications Directive 2002/58/EC, any amendments and replacement legislation including the EU General Data Protection Regulation (EU) 2016/679, European Commission decisions, binding EU and national guidance and all national implementing legislation.
<b>Dealing Day</b>	means in relation to each Class of Shares such day or days as is specified in the relevant Supplement or such other day(s) as the Directors may with the approval of the Depositary determine and notify in advance to Shareholders provided always that there shall be at least one per fortnight.
<b>Dealing Deadline</b>	means in relation to applications for subscription, exchange or redemption of Shares in a Fund, the deadline specified in the Supplement for the relevant Fund.
<b>Dematerialised Form</b>	means Shares the 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 (Uncertified Securities) Regulations, 1996 (of Ireland).
<b>Depositary</b>	means BNY Mellon Trust Company (Ireland) Limited or any other person or persons for the time being duly appointed Depositary hereof in their succession in accordance with the requirements of the Central Bank.
<b>Directors</b>	means the directors of the Company.
<b>Duties and Charges</b>	in relation to any Fund, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, foreign exchange spreads, interest, depositary or sub-custodian charges (relating to sales and purchases), transfer fees, registration fees and other duties and charges whether in connection with the original acquisition or increase of the assets of the relevant Fund or the creation, issue, sale, switching or repurchase of Shares or the sale or purchase of Investments or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, which, for the avoidance of doubt, includes, when calculating subscription and redemption prices, any provision for spreads (to take into account the difference between the price at which assets were valued for the purpose of calculating the Net Asset Value and the estimated price at which such assets shall be bought as a result of a subscription and sold as a result of a redemption), but shall not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Shares in the relevant Fund.
<b>EEA</b>	means the European Economic Area (Member States, Iceland, Norway, and Liechtenstein).

<b>ERISA</b>	means the U.S. Employee Retirement Income Security Act of 1974, as amended.
<b>EU</b>	means the European Union.
<b>EU Benchmark Regulation</b>	means Regulation (EU) 2061/1011 of the European Parliament and 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.
<b>FATCA</b>	means the foreign account tax compliance provisions of the US Hiring Incentives to Restore Employment Act.
<b>FDI</b>	means a financial derivative instrument (including an OTC derivative) permitted by the Regulations.
<b>Fund Assets</b>	means the Transferable Securities and/or the financial derivative instruments and/or the other financial instruments and eligible assets invested in by a Fund and cash held by the Fund in accordance with the Regulations, as further described in the relevant Supplement.
<b>Funds</b>	means the funds, details of which are set out in the Supplements hereto (and in the relevant Supplement in the case of any other Funds that may be established periodically by the Company with the prior approval of the Central Bank).
<b>GDPR</b>	means Regulation (EU) 2016/679 known as the General Data Protection Regulation, which comes into force on 25 May 2018.
<b>Group Companies</b>	mean companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with international accounting rules.
<b>Index</b>	means the index of securities or eligible assets which a Fund may aim to track or replicate, pursuant to its investment objective and in accordance with its investment policies, as specified in the relevant Supplement.
<b>Index Provider</b>	means in relation to a Fund, the entity or person acting by itself or through a designated agent which compiles, calculates and publishes information on the Index corresponding to a Fund and who has licensed the Index to the Company, as specified in the relevant Supplement.
<b>Index Securities</b>	means those securities or eligible assets selected by the Index Provider and constituting the relevant Index (and each component an <b>Index Security</b> ).
<b>In Specie Transaction Fee</b>	means the fee amount payable by an Authorised Participant in the currency specified in the relevant Supplement, in addition to the value of the Creation Units subscribed for, or deducted from the value of the Creation Units redeemed.
<b>Initial Issue Price</b>	means the price per Share at which Shares are initially offered in a Fund for such period as is specified in the Supplement for the relevant Fund.
<b>Investment Manager</b>	means Van Eck Associates Corporation or any other person or persons for the time being duly appointed investment manager of the Company in their succession in accordance with the requirements of the Central Bank.
<b>Irish Taxable Person</b>	means any person, other than:

- (i) a Foreign Person;
- (ii) an intermediary, including a nominee, for a Foreign Person;
- (iii) a qualifying management company within the meaning of section 739B TCA;
- (iv) a specified company within the meaning of section 734 TCA;
- (v) an investment undertaking within the meaning of section 739B of the TCA;
- (vi) an investment limited partnership within the meaning of section 739J of the TCA;
- (vii) an exempt approved scheme or a retirement annuity contract or trust scheme within the provisions of sections 774, 784 or 785 TCA;
- (viii) a company carrying on life business within the meaning of section 706 TCA;
- (ix) a special investment scheme within the meaning of section 737 TCA;
- (x) a unit trust to which section 731(5)(a) TCA applies;
- (xi) a charity entitled to an exemption from income tax or corporation tax under section 207(1)(b) TCA;
- (xii) a person entitled to exemption from income tax and capital gains tax under section 784A(2) TCA , section 787I TCA or section 848E TCA and the units held are assets of an approved retirement fund, an approved minimum retirement fund, a special savings incentive account or a personal retirement savings account (as defined in section 787A TCA);
- (xiii) the Courts Service;
- (xiv) a Credit Union;
- (xv) a company within the charge to corporation tax under section 739G(2) TCA, but only where the fund is a money market fund;
- (xvi) a company within the charge to corporation tax under section 110(2) TCA;
- (xvii) the National Asset Management Agency;
- (xviii) the National Treasury Management Agency or a Fund investment vehicle within the meaning given by section 739D(6)(kb) TCA;
- (xix) the National Pensions Reserve Fund Commission or a Commission investment vehicle (within the meaning given by section 2 of the National Pensions Reserve Fund Act 2000 as amended);
- (xx) the State acting through the National Pensions Reserve Fund Commission or a Commission investment vehicle within the

meaning given by section 2 of the National Pensions Reserve Fund Act 2000 (as amended); and

- (xxi) any other person as may be approved by the directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Company in respect of that Shareholder under section 739 TCA

in respect of each of which the appropriate declaration set out in Schedule 2B TCA or otherwise and such other information evidencing such status is in the possession of the Company on the appropriate date.

**Key Investor Information Document**

means the key investor information document issued in respect of each Fund pursuant to the Regulations, as may be amended from time to time in accordance with the CBI UCITS Regulations.

**Manager and Distributor**

means VanEck Investments Limited.

**Market**

means a stock exchange or regulated market which is listed in Appendix II.

**Member State**

means a member state for the time being of the EU, the current member states being: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

**Minimum Holding**

means such number of Shares or Shares having such value (if any) as is specified in the Supplement for the relevant Fund.

**Minimum Initial Subscription**

means such amount (excluding any preliminary charge) in the relevant Base Currency which must be initially subscribed by each Shareholder for Shares of any Class in a Fund as is specified for the relevant Fund in the Supplement hereto.

**Money Market Instruments**

shall have the meaning prescribed to them in the CBI UCITS Regulations.

**Month**

means calendar month.

**Net Asset Value or Net Asset Value per Share**

means in respect of the assets of a Fund or in respect of a Share of any Class, the amount determined in accordance with the principles set out in this Prospectus in the section entitled **Issue and Redemption Prices/Calculation of Net Asset Value/Valuation of Assets** as the Net Asset Value of a Fund or the Net Asset Value per Share.

**OECD**

means the Organisation for Economic Co-operation and Development (the current members being: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, New Zealand, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland, The Netherlands, Turkey, United Kingdom and United States).

**OTC derivative**

means an FDI which is dealt in an "over-the-counter" market.

**Person Closely Associated**

means in relation to a director, means  
(a) the spouse of the director,

- (b) dependent children of the director,
- (c) other relatives of the director, who have shared the same household as that person for at least one year on the date of the transaction concerned,
- (d) any person -
  - (i) the managerial responsibilities of which are discharged by a person -
    - (a) discharging managerial responsibilities within the issuer, or
    - (b) referred to in paragraph (a), (b) or (c) of this definition,
  - (ii) that is directly or indirectly controlled by a person referred to in subparagraph (i) of paragraph (d) of this definition,
  - (iii) that is set up for the benefit of a person referred to in subparagraph (i) of paragraph (d) of this definition, or
  - (iv) the economic interests of which are substantially equivalent to those of a person referred to in subparagraph (i) of paragraph (d) of this definition.

<b>Portfolio Composition File</b>	the statement prepared by the Administrator and published on each Dealing Day for each Fund via one or more market data suppliers and on the Website identifying each of the securities and the quantities thereof which the Fund will expect to be delivered to it when one Creation Unit is subscribed for, or delivered by it when one Creation Unit is redeemed. Such statement will also be available at the office of the Administrator. 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, policies and restrictions.
<b>Portfolio Deposit</b>	the portfolio of securities, plus or minus (as the case may be) the Cash Component, to be delivered to the Fund in subscribing for one Creation Unit or to be delivered by the Fund in redeeming one Creation Unit.
<b>Prospectus</b>	means the prospectus issued from time to time by the Company as amended, supplemented, consolidated or otherwise modified from time to time.
<b>Recognised Clearing and Settlement System</b>	means any clearing system for the settlement of transactions in relation to the securities designated by the 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 Inter-settle AG and NECIGEF(Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.-the Dutch central institute for giro transferred securities).
<b>Regulations</b>	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) as amended and supplemented from time to time and the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 and includes any conditions that may from time to time be imposed thereunder by the Central Bank whether by notice or otherwise affecting the Company.
<b>Related Companies</b>	has the meaning assigned thereto in Section 2(10) of the Companies Act as amended from time to time. In general, this provision states that companies

are related where 50% of the paid up share capital of, or 50% of the voting rights in, one company are owned directly or indirectly by another company.

<b>SEC</b>	means the US Securities and Exchange Commission.
<b>Secondary Market</b>	a market on which Shares of the Funds are traded between investors rather than with the Company itself, which may either take place on a recognised stock exchange or OTC.
<b>Settlement Date</b>	means in respect of receipt of monies for payment of subscription monies or dispatch of monies for the redemption of Shares the dates specified in the Supplements for each Fund.
<b>Shares</b>	means shares in the Company and includes, where the context so permits or requires, the Shares in a Fund which may be divided into different Classes.
<b>Shareholders</b>	means holders of Shares, and each a Shareholder.
<b>Subscription Form</b>	means the subscription form to be completed in respect of each purchase of Shares.
<b>Supplement</b>	means the Supplements to this Prospectus (each a Supplement) and any Supplement issued by the Company in relation to the creation of new Funds and/or Share Classes.
<b>Transferable Securities</b>	shall have the meaning prescribed to them in the CBI UCITS Regulations.
<b>Transfer Taxes</b>	means all stamp, transfer and other duties and taxes for which the Company may be liable in relation to a Fund for receiving the requisite securities on a subscription for Creation Units or delivering the requisite securities on redemption of one or more Creation Units.
<b>TCA</b>	means the Irish Taxes Consolidation Act, 1997 as amended from time to time.
<b>UCITS</b>	means an undertaking for collective investment in transferable securities pursuant to the UCITS Directive.
<b>UCITS Directive</b>	means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 as regards depositary functions, remunerations policies and sanctions, including its mandatory implementing regulations on an EU or Home Member State level, as amended, supplemented, consolidated or otherwise modified from time to time.
<b>United Kingdom or UK</b>	means the United Kingdom of Great Britain and Northern Ireland.
<b>United States or U.S. or US</b>	means the United States of America, its territories, possessions and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico).
<b>United States Person or U.S. Person</b>	means (i) a citizen or resident of the United States, (ii) a corporation or partnership created or organised in the United States or under the law of the United States or any state, (iii) a trust where (a) a US court is able to exercise primary supervision over the administration of the trust and (b) one or more US Persons have the authority to control all substantial decisions of

the trust or (iv) an estate which is subject to US tax on its worldwide income from all sources. In addition, the term US Person includes (i) any individual or entity that would be a US Person under Regulation S of the 1933 Act, and (ii) any other person or entity as the Directors may determine. The Directors may amend the definition of **United States Person** without notice to Shareholders as necessary in order best to reflect then-current applicable US law and regulation. The Regulation S definition is set out in full in each application form and in Appendix IV of this Prospectus.

**Valuation Point**

means the point in time by reference to which the Net Asset Value of a Fund is calculated as is specified in the Supplements for the relevant Fund.

**Website**

means the website for each Fund as set out in the relevant Supplement, on which the Net Asset Value per Share and the Portfolio Composition File in its Base Currency will be published and on which this Prospectus, the Supplements and any other information in respect of the Company or any of the Funds, including various Shareholder communications may be published.

In this Prospectus references to **Euro** and **€** are references to the lawful currency of Ireland, references to **Sterling** or **£** are to the lawful currency of the United Kingdom and references to **US\$** or **US Dollars** are to the currency of the United States. All references to the foregoing currencies shall include any successor currency.

## APPENDIX II - MARKETS

The exchanges/markets are set out below in accordance with the requirements of the Central Bank which does not issue a list of approved markets.

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

1.

(i) any stock exchange which is:

- located in any Member State; or
- located in a member state of the European Economic Area (Norway, Iceland and Liechtenstein); or
- located in any of the following countries:  
Australia  
Canada  
Hong Kong  
Japan  
New Zealand  
Switzerland  
United States of America; or

(ii) any stock exchange included in the following list of countries:

Argentina	- Bolsa de Comercio de Buenos Aires, Cordoba, Mendoza, Rosario and La Plata Stock Exchange;
Bahrain	- Bahrain Stock Exchange;
Bangladesh	- Chittangong Stock Exchange and Dhaka Stock Exchange;
Botswana	- Botswana Stock Exchange;
Brazil	- Bolsa de Valores de Sao Paulo, Bolsa de Valores de Brasilia, Bolsa de Valores de Bahia-Sergipe - Alagoas, Bolsa de Valores de Extremo Sul, Bolsa de Valores de Parana, Bolsa de Valores de Regional, Bolsa de Valores de Santos, Bolsa de Valores de Pernambuco e Paraiba, Bolsa de Valores de Rio de Janeiro, Extremo Sul Porto Alegre, Parana Curitiba, Regional Fortazela, Pernambuco e Bahia Recife, Bolsa de Mercadoria and Futuros;
Channel Islands	- Channel Islands Stock Exchange;
Chile	- Santiago Stock Exchange, Valparaiso Stock Exchange and Bolsa de Comercio de Santiago;
China	- Shanghai Stock Exchange, Fujian Stock Exchange, Hainan Stock Exchange and Shenzhen Stock Exchange;

Colombia	- Bolsa de Bogota, Bolsa de Medellin and Bolsa de Valores de Colombia;
Costa Rica	- Bolsa Nacional de Valores;
Cyprus	- Larnaca Stock Exchange;
The Czech Republic	- Prague Stock Exchange;
Ecuador	- Quito Stock Exchange and Guayaquil Stock Exchange;
Egypt	- Cairo Stock Exchange and Alexandria Stock Exchange;
Estonia	- Tallinn Stock Exchange;
Ghana	- Ghana Stock Exchange;
Hungary	- Budapest Stock Exchange;
Iceland	- Reykjavik Stock Exchange;
India	- Mumbai Stock Exchange, Madras Stock Exchange, Delhi Stock Exchange, Ahmedabad Stock Exchange, Bangalore Stock Exchange, Cochin Stock Exchange, Guwahati Stock Exchange, Magadh Stock Exchange, Pune Stock Exchange, Hyderabad Stock Exchange, Ludhiana Stock Exchange, Uttar Pradesh Stock Exchange, Calcutta Stock Exchange and the National Stock Exchange of India;
Indonesia	- Jakarta Stock Exchange, Surabaya Stock Exchange and Indonesia Stock Exchange;
Israel	- Tel Aviv Stock Exchange;
Kazakhstan	- Kazakhstan Stock Exchange;
Kenya	- Nairobi Stock Exchange;
Kuwait	- Kuwait Stock Exchange;
Latvia	- Riga Stock Exchange;
Lebanon	- Beirut Stock Exchange;
Malaysia	- Kuala Lumpur Stock Exchange and Bursa Malaysia;
Mauritius	- Stock Exchange of Mauritius;
Mexico	- Bolsa Mexicana de Valores;
Morocco	- Casablanca Stock Exchange;
Namibia	- Namibian Stock Exchange;

Nigeria	- Lagos Stock Exchange, Kaduna Stock Exchange and Port Harcourt Stock Exchange;
Oman	- Muscat Securities Market;
Pakistan	- Lahore Stock Exchange and Karachi Stock Exchange;
Palestine	- Palestine Stock Exchange;
Peru	- Bolsa de Valores de Lima ;
Philippines	- Philippines Stock Exchange;
Poland	- Warsaw Stock Exchange and TBS Poland;
Qatar	- Doha Stock Exchange;
Russia	- RTS Stock Exchange, MICEX;
Saudi Arabia	- Riyadh Stock Exchange;
Singapore	- The Stock Exchange of Singapore;
Slovak Republic	- Bratislava Stock Exchange;
Slovenia	- Ljubljana Stock Exchange;
South Africa	- Johannesburg Stock Exchange;
South Korea	- Korea Stock Exchange/KOSDAQ Market
Swaziland	- Swaziland Stock Exchange;
Sri Lanka	- Colombo Stock Exchange;
Taiwan	- Taipei Stock Exchange Corporation;
Thailand	- The Stock Exchange of Thailand;
Tunisia	- Tunis Stock Exchange;
Turkey	- Istanbul Stock Exchange and Borsa Istanbul;
Uganda	- Uganda Securities Exchange;
Ukraine	- Ukrainian Stock Exchange;
Uruguay	- Montevideo Stock Exchange;
Venezuela	- Caracas Stock Exchange and Maracaibo Stock Exchange;
Zambia	- Lusaka Stock Exchange;
Zimbabwe	- Zimbabwe Stock Exchange;

(iii) any of the following:

- The market organised by the International Capital Markets Association;
  - The UK market (i) conducted by banks and other institutions regulated by the UK Financial Conduct Authority (the **FCA**) and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook; and (ii) in non-investment products which is subject to the guidance contained in the "Non-Investment Products Code" drawn up by the participants in the London market, including the FCA and the Bank of England (formerly known as the Grey Paper);
  - The "listed money market institutions" as described in the Bank of England publication "The Regulation of the Wholesale Cash and OTC Derivatives Market in Sterling, Foreign Currency and Bullion" dated April, 1988 (as amended from time to time);
  - The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;
  - The over-the-counter market in the United States regulated by the Financial Industry Regulatory Authority Inc. (FINRA), also described as the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the FINRA (and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);
  - NYSE;
  - NASDAQ in the United States;
  - The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
  - The Over-the-Counter market in Canadian Government Bonds as regulated by the Investment Dealers Association of Canada;
  - The French market for "Titres de Creance Negotiable" (over-the-counter market in negotiable debt instruments); and
  - AIM-the Alternative Investment Market in the UK regulated and operated by the London Stock Exchange.
2. In relation to any derivatives contract used, any market or exchange on which such contract may be acquired or sold which is referred to in clause 1 (i), (ii) or (iii) above and/or is regulated, recognised, operates regularly, and is open to the public, or which is (a) located in the European Economic Area, (b) located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, the United States, Brazil, Chile, Colombia, Hungary, Indonesia, Malaysia, Mexico, Nigeria, Peru, Philippines, Poland, Romania, Russia, South Africa, Thailand and Turkey or (c) markets which are open to the public including but not limited to:
- the Chicago Board of Trade;
  - the Mercantile Exchange;
  - the Chicago Board Options Exchange;
  - EDX London;
  - Hong Kong Futures Exchange;
  - Tokyo International Financial Futures Exchange;
  - Bolsa de Mercadorias e Futuros;
  - China Financial Futures Exchange;
  - Mercado Mexicano de Derivados;
  - the Korean Futures Exchange;
  - the Singapore Monetary Exchange;

- MEFF;
- South Africa Futures Exchange (SAFEX);
- CBOE Futures Exchange; and
- TSX Group Exchange.

## APPENDIX III - ADDITIONAL INFORMATION FOR UNITED KINGDOM INVESTORS

### General

This Appendix should be read in conjunction with the Company's Prospectus, of which it forms part. References to the **Prospectus** are to be taken as references to that document as supplemented or amended.

The Company is intending to apply for recognition as a recognised collective investment scheme for the purposes of section 264 of the Financial Services and Markets Act 2000 (**FSMA**) of the United Kingdom. The Prospectus will be distributed in the United Kingdom by or on behalf of the Company and is approved by Computershare Investor Services PLC, which is regulated by the Financial Conduct Authority (**FCA**), for the purposes of section 21 of the FSMA.

### Important

A United Kingdom investor who enters into an investment agreement with the Company to acquire Shares in response to the Prospectus will not have the right to cancel the agreement under the cancellation rules made by the Financial Conduct Authority in the United Kingdom because that investor will not have received any advice in relation to an investment in the Company. The agreement will be binding upon acceptance of the order by the Company.

The Company does not carry on any regulated activities from a permanent place of business in the United Kingdom and United Kingdom investors are advised that most of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Company. Shareholders in the Company may not be protected by the Financial Services Compensation Scheme established in the United Kingdom.

Any investor wishing to make a complaint regarding any aspect of the Company or its operations may do so directly to the Company or to Computershare Investor Services PLC.

Potential investors should note that the investments of the Company are subject to normal market fluctuations and other risks inherent in investing in shares and other securities, in addition to the additional risks associated with investment in certain of the Funds, as described in the section entitled **Investment Objective and Policies** of the Prospectus and in the Supplements for the relevant Funds.

The value of investments and the income from them, and therefore the value of, and income from, Shares of each Class relating to each Fund can go down as well as up and an investor may not get back the amount he invests. Changes in exchange rates between currencies may also cause the value of the investment to diminish or increase.

The Net Asset Value per Share for each Fund will be published in its respective Base Currency.

### UK Taxation

**Warning:** This section does not cover tax implications for UK resident individual investors that are not domiciled in the UK or any financial traders or any other investors that may hold shares in the Company in the course of their trade or profession. In addition, the summary only addresses the tax consequences for UK investors who hold shares as an investment and not as trading stock. It does not deal with the position of certain classes of investors such as life insurance companies, trusts, persons who have acquired their shares by reason of their or another's employment, and UK authorised investment funds investing in the Company.

It is based on UK tax legislation and the known current HM Revenue & Customs (**HMRC**) interpretation thereof. This can vary according to individual circumstances and is subject to change. It is intended as a guide only and not a substitute for professional advice. It does not purport to be a complete analysis of all tax considerations relating to the holding of shares. The information given below does not constitute legal or tax advice, and prospective investors should consult their own professional advisers as to the

implications of subscribing for, purchasing, holding, switching or disposing of shares under the laws of any jurisdiction in which they may be subject to tax.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The statements are based on current tax legislation, together with HMRC practice, all of which are subject to change at any time - possibly with retrospective effect.

## **A Nature of investment**

Investors will acquire shares in a particular sub-fund of the Company. The Company is an Irish incorporated open-ended investment company with variable capital and is structured as an umbrella fund with segregated liability between sub-funds. The Company is authorised as a UCITS regulated fund by the Central Bank in Ireland.

## **B Taxation status of the Company**

The directors intend to conduct the affairs of the Company so that it does not become resident in the UK and does not carry on a trade within the UK for UK taxation purposes. Further comfort can also be obtained from the relieving provisions of s363A TIOPA 2010. Accordingly, whilst the position cannot be guaranteed, the Company should not be subject to UK income tax or corporation tax other than on certain UK source income.

If the Company should invest in UK investments any UK source income arising may be subject to UK withholding tax depending on the nature of those investments and whether the Company can make a valid treaty claim to avoid or minimise such withholding tax. In addition, The Company may be subject to local withholding taxes in respect of income or gains derived from its investments in underlying investee countries.

## **C UK taxation classifications**

**Each share class of the Company should be treated as a separate “offshore fund” for the purposes of the UK Offshore Company’s tax regime in Section 355 of the Taxation (International and Other Provisions) Act 2010. The UK’s reporting fund regime, which is contained in the Offshore Funds (Tax) Regulations 2009 (Statutory Instrument 2009/3001), therefore applies to these share classes.**

**In broad terms, a ‘reporting fund’ is an offshore fund that meets certain upfront and annual reporting requirements to HMRC and its Shareholders.**

The Offshore Funds (Tax) Regulations 2009 (SI2009/3001) provide that if an individual investor resident in the UK for taxation purposes holds an interest in an offshore fund and that offshore fund is a ‘reporting fund’ for all periods of account for which they hold their interest, any gain accruing upon sale or other disposal of the interest should be subject to tax as a capital gain rather than income; with relief for any accumulated or reinvested profits which have already been subject to UK income tax or corporation tax on income. Alternatively, where an investor resident in the UK holds an interest in an offshore fund and that offshore fund is a ‘non-reporting fund’, any gain accruing to that investor upon the sale or other disposal of that interest will be charged to UK tax as ‘offshore income gains’ at their marginal rate of tax rather than a capital gain.

The intention of the Directors is, where reasonably possible and considered to be beneficial for the shareholders of any share class of the Company, to obtain UK reporting fund status for that share class from the date of its launch and, in such circumstances, application for UK reporting fund status will be made to HMRC.

Under the reporting fund regime, for UK taxpayers to secure capital gains tax treatment on the disposal of their investment in shares in a share class of the Company, that share class would need to be registered as a UK reporting fund throughout the entire period the UK taxpayer held their investment.

Where reporting fund status is obtained for a share class of the Company, the Directors will take all steps that are practicable and consistent both with the laws and regulatory requirements of Ireland and the UK and with the investment objective and policies of the Company, to ensure that, in respect of each relevant share class, reporting fund status is retained on an annual basis. It must be appreciated, however, that no assurance can be given as to whether such approval will, in practice, be granted in the first instance (for any share class that is not currently registered with HMRC as a UK reporting fund), and retained in respect of any particular accounting period, especially since the exact conditions that must be fulfilled for the Company to obtain that reporting fund status may be affected by changes in HMRC practice or by subsequent changes to the relevant provisions of UK tax legislation. If reporting fund status is revoked by HMRC for any UK reporting fund share class (**RFSC**), that RFSC will be unable to regain reporting fund status and will thereafter be permanently outside the reporting fund regime.

An application for UK reporting fund status for any share class of the Company must be received by HMRC by the later of (i) the end of first period of account in which the Directors wish that share class to be registered as a RFSC, and (ii) the expiry of a period of three months beginning with the first day on which interests in the relevant share class are made available to investors resident in the UK, if later.

In the event that the Directors decide not to apply to HMRC for UK reporting fund status for any share class of the Company for the period of account for which reporting fund status is required / requested it should be noted that UK reporting fund status cannot be obtained retrospectively for any period and would therefore generally only be available from the period in which the Directors made the appropriate applications to HMRC (and future periods).

Where an offshore fund has been a non-reporting fund for part of the time during which the UK Shareholder held their interest and a reporting fund for the remainder of that time, there are elections available to the Shareholder to enable any gain arising during the period the offshore fund has reporting fund status to be taxed as a capital gain. Such elections have specified time limits in which they must be made, and these time limits that are based around the date of change in status of the relevant share class from non-reporting to reporting.

The comments below in relation to the UK taxation of UK resident investors in the Company include some comments in relation to the UK taxation implications of UK resident investors in both UK RFSC and non UK RFSC of the Company.

## **D Impact of investing in other Collective Investment Schemes by the Company**

**Special rules apply in certain circumstances for determining the reportable income of the RFSC of a sub-fund where the sub-fund invests in other funds which are themselves registered with HMRC as UK reporting funds. Any income physically received from such funds, along with their proportionate share of the “reported income” of the UK reporting fund invested in (calculated in accordance with the UK reporting fund regime) must be included in the reportable income of each share class of the investing sub-fund for the relevant period.**

**However, where a sub-fund invests in a non-reporting fund, the Company has two options regarding how this holding is treated in their UK reporting fund calculations. Which option is chosen depends on whether ‘sufficient information’ on the underlying investment is available to allow the Company to calculate the “reportable income” that would have arisen if the underlying fund had UK reporting fund status.**

**If sufficient information is available, it is possible to calculate the “reported income” of the underlying fund as if it was registered with HMRC as a UK reporting fund, and include each share classes’ proportionate share of that “reported income” in its own reportable income calculations as above.**

**If sufficient information is not available, then each share class in the investing sub-fund must bring its proportionate share of the fair value increase (or decrease) of its holding in the underlying fund over the sub-fund’s accounting period (i.e. it computes the fair value at the beginning of the period and deducts that amount from the fair value at the end of the period)**

**into account as ‘income’ in their UK reporting fund calculations. This would result in the share classes of the investing sub-fund including this amount in the calculation of income reported to its Shareholders, which would generally be unfavourable for taxpaying UK Shareholders.**

## **E Taxation of UK resident investors**

Persons within the charge to UK corporation tax should note that under the UK ‘loan relationships regime’ if at any time in an accounting period of such a person, that person holds an interest in an “offshore fund” and there is a time in that period when that fund fails to satisfy the qualifying investments test, the interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime.

An offshore fund fails to satisfy the qualifying investments test, at any time when more than 60 per cent of its assets by market value (excluding cash awaiting investment) comprise qualifying investments. Qualifying investments include government and corporate debt securities or cash on deposit or certain derivative contracts and holdings in other collective investment schemes which at any time in the accounting period of the person holding the interest in the offshore fund do not themselves satisfy the qualifying investments test.

### **E.1 Capital gains – general principles**

The relevance of reporting fund status for UK tax resident shareholders is that gains realized by investors on disposals of investments in RFSC shares, which retain their reporting fund status for the entire period in which the investor holds the investment, will in most circumstances be treated as a ‘capital disposal’ for UK taxation purposes.

#### **E.1.1 UK individual investors in RFSC**

Individual shareholders who are resident and domiciled in the UK for tax purposes may be liable to capital gains tax in respect of capital disposals of their RFSC shares.

Any capital increase in the value of the shares realised on eventual sale (when compared to deductible costs) is likely to be taxable under the UK capital gains code (current headline rate of 28%), subject to the availability of various exemptions and/or reliefs. Deductible costs should include the amount initially paid for the shares, as well as any accumulated and not distributed amounts that have been taxable as income in the hands of the individual, via the annual reported income of the share class.

#### **E.1.2 UK corporate investors in RFSC**

UK corporates may be liable to UK corporation tax at their marginal rate in respect of capital disposals of RFSC shares.

The deemed distributions received by the corporate throughout their period of ownership of the RFSC shares may in certain circumstances represent additional base cost on sale of the RFSC shares.

For any sub-fund that fails to satisfy the qualifying investments test, the share classes of that sub-fund will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on the shares (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a “fair value accounting” basis. Accordingly, any person within charge to corporation tax who acquires shares may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of shares).

### **E.2 Income and deemed distributions – general principles**

The dividend policy of each sub-fund shall be set out in the Supplement of the relevant fund. Broadly speaking, an investor will be taxed on income accruing in a RFSC on an annual basis, rather than when it is distributed to the investor. This is the case irrespective of whether any income is physically distributed to a RFSC shareholder in any period in respect of their holding.

UK investors will be viewed as receiving income equivalent to their proportionate share of the “reported income” of the RFSC; and the tax point for any “reported income” should be the date falling 6 months after the end of the reporting period. Credit is given for actual dividends paid in calculating the reported income.

Actual dividends received by the investor for any period will also be taxable.

Dividends and other income distributions paid to UK resident and domiciled individual shareholders in respect of shares in any share class of a sub-fund that fails to satisfy the qualifying investments test may instead be taxed as ‘interest’ (as opposed to ‘dividends’). If such dividends are taxed as ‘interest’ no tax credit would be available in respect of the dividend and the current applicable rates of tax would be 20% for basic rate tax payers, 40% for higher rate taxpayers and 45% for additional rate taxpayers

For any share class of a sub-fund that satisfies the qualifying investments test, the excess of reported income over actual distributions should be viewed as foreign dividends for UK taxation purposes. For any share class of a sub-fund that fails to satisfy the qualifying investments test the excess of reported income over actual distributions should be viewed as interest income for UK taxation purposes.

In certain specified circumstances, investors in receipt of dividends can be viewed as receiving trading income. This taxation section assumes that all investors will be viewed as holding the shares as investment assets and that the dividends are treated as investment, rather than trading, income for tax purposes.

### **E.2.1 UK individual investors**

There are currently three rates of UK income tax charged on gross dividends received by UK individuals: basic rate of 10% (for dividends within the first slice of taxable income up to £31,865), higher rate of 32.5% (for dividends within the next £118,135 of taxable income; £150,000 cumulatively) and additional rate of 42.5% (for the dividends within any income over £150,000). A tax credit equivalent to 1/9th of the deemed net distribution may be available in certain circumstances. This tax credit, if available, can be offset against the income tax payable on the deemed dividend but cannot give rise to a cash refund from HMRC.

### **E.2.2 UK corporate investors**

UK corporate investors may be exempt from UK corporation tax if the deemed distribution from the RFSC falls within one of the dividend exemption categories for corporate recipients. If the deemed dividends do not fall within one of the dividend exemption categories, then they are likely to represent taxable income in the hands of the corporate investor at their marginal rate of UK corporation tax.

As stated above, for any sub-fund that fails to satisfy the qualifying investments test, the share classes of that Sub-Fund will be treated for corporation tax purposes as within the loan relationships regime, and taxed as noted in D.1.2 above.

### **E.2.3 UK exempt investors**

Some investors (e.g. approved pension funds) may be exempt from tax. Different rules may also apply in the case of certain non-residents (for more details, please consult your tax advisor).

## **F UK resident investors in non RFSC**

### **F.1 Capital gains**

UK tax resident shareholders may be liable to capital gains tax in respect of capital disposals of their non RFSC shares. In broad terms, gains realised on disposals of investments in non RFSC are likely to be taxable as an income receipt (without credit for any indexation which would otherwise be available) under the UK offshore fund regime. Any amounts taxable as an income receipt should be deductible from the proceeds from a capital gains tax perspective.

## **F.2 Income received from non RFSC**

A UK tax resident investor in a non RFSC should only have a potential liability to UK tax in respect of actual distributions received. The tax point for such distributions is likely to be the date on which such distributions were paid. These distributions should be viewed as foreign dividend income for UK individual investors.

Dividends and other income distributions paid to UK resident and domiciled individual shareholders in respect of shares in any share class of a Sub-Fund that fails to satisfy the qualifying investments test may instead be taxed as 'interest' (as opposed to 'dividends'). If such dividends are taxed as 'interest' no tax credit would be available in respect of the dividend and the current applicable rates of tax would be 20% for basic rate tax payers, 40% for higher rate taxpayers and 45% for additional rate taxpayers.

As noted above, UK resident corporate shareholders within the charge to UK corporation tax should note that under the loan relationships regime, if at any time in an accounting period they hold an interest in any share class that fails to satisfy the qualifying investments test, that interest will be treated for that period as if it were rights under a creditor relationship for the purposes of the regime – which is likely to mean total returns from the share class are subject to corporation tax on a mark-to-market basis, and the offshore income gain regime should not apply.

## **F.3 UK exempt investors**

Some investors (e.g. approved pension funds) may be exempt from tax. Different rules may also apply in the case of certain non-residents (for more details, please consult your tax advisor)

## **G Certain UK anti-avoidance legislation**

UK tax legislation contains a wide range of anti-avoidance legislation which could, depending on the specific circumstances of an investor, apply to shareholdings in the Company. The comments below are not intended to be an exhaustive list of such anti-avoidance legislation, or a comprehensive summary of any of the provisions referred to. Investors who are concerned about the potential application of these provisions, or any other UK anti-avoidance provisions should seek detailed tax advice based on their own circumstances. However, as a high level guide the attention of prospective UK tax resident shareholders is particularly drawn to the following anti-avoidance provisions.

### **G.1 Section 13 of the Taxation of Chargeable Gains Act 1992 (Section 13)**

Section 13 applies to a **participator** in a company for UK taxation purposes (the term **participator** includes, but is not limited to, a shareholder) if the company is controlled by a sufficiently small number of persons such that, if it were a body corporate resident in the UK for taxation purposes, it would be a "close company".

If at any time when (i) a gain accrues to the Company which constitutes a chargeable gain for UK purposes (such as on a disposal by the Company of any of its investments) and (ii) the provisions of Section 13 apply; a participator can be treated for the purposes of UK taxation as if a part of any chargeable gain accruing to the Company had accrued to that shareholder directly. The gain accruing to the shareholder is equal to the proportion of the gain that corresponds to that shareholder's proportionate interest in the Company as a participator. A shareholder could therefore incur a liability to tax even if the gain accruing to the Company had not been distributed by the Company. No liability under Section 13 will be incurred by such a shareholder, however, where the proportionate interest of the shareholder in the company, together with their associates, means that 25% or less of the chargeable gain is apportioned to them under the Section 13 rules.

### **G.2 Chapter 2 of Part 13 of the United Kingdom Income Tax Act 2007 (transfer of assets abroad)**

The attention of individuals resident in the UK for taxation purposes is drawn to the provisions of Chapter 2 of Part 13 of the UK Income Tax Act 2007 (transfer of assets abroad). These provisions are

aimed at preventing the avoidance of income tax by individuals through the transfer of assets or income to persons (including companies) resident or domiciled outside the UK. These provisions may render them liable to taxation in respect of undistributed amounts which would be treated as UK taxable income and profits of the Company (including, if the Company or any company thereof were treated as carrying on a financial trade, profits on the disposition of securities and financial profits) on an annual basis. We would not expect these provisions to apply to income relating to a share class which has been certified by HMRC as a RFSC. Where a share class has not been certified as a RFSC, the provisions could apply but there are potential exemptions available where the transactions are genuine commercial transactions and avoidance of tax was not the purpose or one of the purposes for which the transactions were effected.

### **G.3 Controlled foreign companies**

Corporate Shareholders resident in the UK for taxation purposes should also note that the “controlled foreign companies” legislation contained in Part 9A of TIOPA 2010 could apply to any UK resident company which is, either alone or together with persons connected or associated with it for taxation purposes, deemed to be interested in 25 per cent or more of any chargeable profits of a non-UK resident company, where that non-UK resident company is controlled by residents of the UK and meets certain other criteria (broadly that it is resident in a low tax jurisdiction). “Control” is defined in Chapter 18, Part 9A of TIOPA 2010. The effect of these provisions could be to render such Shareholders liable to UK corporation tax in respect of the income of the Company.

### **G.4 Transaction in Securities**

The attention of shareholders is drawn to anti-avoidance legislation in Chapter 1, Part 13 of the Income Tax Act 2007 and Part 15 of the Corporation Tax Act 2010 that could apply if shareholders are seeking to obtain tax advantages in prescribed conditions.

### **H UK stamp duty**

The following comments are intended as a guide to the general UK stamp duty position and may not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

Because the Company is not incorporated in the UK and the register of holders of shares will be kept outside the UK, no liability to stamp duty reserve tax should arise by reason of the transfer, subscription for or redemption of shares. 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 UK.

### **Application and Redemption Procedures**

The attention of investors is drawn to the application and redemption procedures contained in the Prospectus and the relevant Supplement in particular with regard to the deadlines for the relevant Funds. Application and redemption requests should be sent to the Administrator in Ireland details of which are contained on the Application Form.

#### APPENDIX IV - DEFINITION OF UNITED STATES PERSON

For purposes of this Prospectus, a **United States Person**, **U.S. Person** or **US Person** means:

- (i) Any natural person resident in the United States;
- (ii) Any partnership or corporation organized or incorporated under the laws of the United States;
- (iii) Any estate of which any executor or administrator is a US Person;
- (iv) Any trust of which any trustee is a US Person;
- (v) Any agency or branch of a non-US entity located in the United States;
- (vi) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
- (vii) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (viii) Any partnership or corporation if:
  - (a) Organized or incorporated under the laws of any non-US jurisdiction; and
  - (b) Formed by a US Person principally for the purpose of investing in securities not registered under the Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the Securities Act) who are not natural persons, estates or trusts.

Notwithstanding the preceding paragraph, **US Person** shall not include:

- (i) Any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States;
- (ii) Any estate of which any professional fiduciary acting as executor or administrator is a US Person if:
  - (a) An executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and
  - (b) The estate is governed by non-US law;
- (iii) Any trust of which any professional fiduciary acting as trustee is a US Person, if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person;
- (iv) An employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
- (v) Any agency or branch of a US Person located outside the United States if:
  - (a) The agency or branch operates for valid business reasons; and

- (b) The agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and
- (vi) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.
- (vii) An entity excluded or exempted from the definition of **US Person** in reliance on or with reference to interpretations or positions of the US Securities and Exchange Commission or its staff.

**APPENDIX V – LIST OF SUB-DEPOSITARY APPOINTED BY BNY MELLON TRUST COMPANY  
(IRELAND) LIMITED**

The Depositary's global sub-depositary has appointed the following entities as sub-delegates in each of the markets set forth below.

Country/Market	Sub-Custodian	Address
<b>Argentina</b>	Citibank N.A., Argentina * * On March 27, 2015, the Comisión Nacional de Valores (CNV: National Securities Commission) has appointed the central securities depository Caja de Valores S.A. to replace the branch of Citibank N.A. Argentina for those activities performed within the capital markets and in its role as custodian.	Bartolome Mitre 502/30 (C1036AAJ) Buenos Aires, Argentina
<b>Australia</b>	National Australia Bank Limited	12th Floor, 500 Bourke Street, Melbourne Victoria 3000, Australia
<b>Australia</b>	Citigroup Pty Limited	Level 16, 120 Collins Street, Level 16, 120 Collins Street, Australia
<b>Austria</b>	Citibank N.A. Milan	Via Mercanti, 12 20121 Milan Italy
<b>Bahrain</b>	HSBC Bank Middle East Limited	2nd Floor, Building No 2505, Road No 2832, Al Seef 428, Bahrain
<b>Bangladesh</b>	The Hongkong and Shanghai Banking Corporation Limited	Management Office, Shanta Western Tower, Level 4, 186 Bir Uttam Mir Shawkat Ali Shorok, (Tejgaon Gulshan Link Road) Tejgaon Industrial Area, Dhaka 1208, Bangladesh
<b>Belgium</b>	Citibank International Limited	Citigroup Centre Canada Square, Canary Wharf London E14 5LB United Kingdom
<b>Bermuda</b>	HSBC Bank Bermuda Limited	Custody and Clearing Department 6 Front Street Hamilton Bermuda HM11
<b>Botswana</b>	Stanbic Bank Botswana Limited	Plot 50672, Fairground Office Park Gaborone, Botswana
<b>Brazil</b>	Citibank N.A., Brazil	Citibank N.A. Avenida Paulista, 1111 – 12th floor Cerqueira Cesar – Sao Paulo, Brazil CEP: 01311-920

<b>Brazil</b>	Itau Unibanco S.A.	Praça Alfredo Egydio de Souza Aranha, 100, São Paulo, S.P. - Brazil 04344-902
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	48 Sitnyakovo Blvd Serdika Offices, 10th floor Sofia 1505, Bulgaria
<b>Canada</b>	CIBC Mellon Trust Company (CIBC Mellon)	320 Bay Street Toronto, Ontario, M5H 4A6 Canada
<b>Cayman Islands</b>	The Bank of New York Mellon	1 Wall Street New York, NY 10286 United States
<b>Chile</b>	Banco de Chile	Estado 260 2nd Floor Santiago, Chile Postal code 8320204
<b>Chile</b>	Bancau Itau S.A. Chile	Avenida Apoquindo 3457, Las Condes, 7550197, Santiago, Chile
<b>China</b>	HSBC Bank (China) Company Limited	33 Floor, HSBC Building, Shanghai ifc 8 Century Avenue, Pudong Shanghai, China (200120)
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria	Carrera 9A No 99-02 Piso 3 Bogota D.C., Colombia
<b>Costa Rica</b>	Banco Nacional de Costa Rica	1st and 3rd Avenue, 4th Street San José, Costa Rica
<b>Croatia</b>	Privredna banka Zagreb d.d.	Radnicka cesta 50 10 000 Zagreb Croatia
<b>Cyprus</b>	BNP Paribas Securities Services S.C.A., Athens	94 V. Sofias Avenue & 1 Kerasountos 115 28 Athens Greece
<b>Czech Republic</b>	Citibank Europe plc, organizacni slozka	Bucharova 2641/14 158 02 Prague 5, Czech Republic
<b>Denmark</b>	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden
<b>Egypt</b>	HSBC Bank Egypt S.A.E.	306 Corniche El Nil, Maadi, Cairo, Egypt
<b>Estonia</b>	SEB Pank AS	Tornimäe Str. 2 15010 Tallinn Estonia
<b>Finland</b>	Finland Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden
<b>France</b>	BNP Paribas Securities Services S.C.A.	Office Address: Les Grands Moulins de Pantin – 9 rue du Débarcadère 93500 Pantin, France  Legal address: 3 rue d’Antin, 75002 Paris, France
<b>France</b>	Citibank International Limited (cash deposited with Citibank NA)	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB United Kingdom
<b>Germany</b>	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Friedrich-Ebert-Anlage, 49 60327 Frankfurt am Main Germany

<b>Ghana</b>	Stanbic Bank Ghana Limited	Stanbic Heights, Plot No. 215 South Liberation RD, Airport City, Cantonments, Accra, Ghana
<b>Greece</b>	BNP Paribas Securities Services S.C.A., Athens	94 V. Sofias Avenue & 1 Kerasountos 115 28 Athens Greece
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	1, Queen's Road, Central Hong Kong
<b>Hong Kong</b>	Deutsche Bank AG	52/F International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong
<b>Hungary</b>	Citibank Europe plc. Hungarian Branch Office	Szabadság tér 7 1051 Budapest Hungary
<b>Iceland</b>	Landsbankinn hf.	Austurstraeti 11 155 Reykjavik Iceland
<b>India</b>	Deutsche Bank AG	4th Floor, Block I, Nirlon Knowledge Park, W.E. Highway Mumbai - 400 063, India
<b>India</b>	HSBC Ltd	11F, Building 3, NESCO - IT Park, NESCO Complex, Western Express Highway, Goregaon (East), Mumbai 400063, India
<b>Indonesia</b>	Deutsche Bank Indonesia AG	7th Floor, Deutsche Bank Building Jl. Imam Bonjol No.80, Jakarta – 10310, Indonesia
<b>Ireland</b>	The Bank of New York Mellon	1 Wall Street New York, NY 10286 United States
<b>Israel</b>	Bank Hapoalim B.M.	50 Rothschild Blvd Tel Aviv 66883 Israel
<b>Italy</b>	Citibank N.A. Milan	Via Mercanti 12 20121 Milan Italy
<b>Italy</b>	Intesa Sanpaolo S.p.A.	Piazza San Carlo, 156, 10121 Torino, Italy.
<b>Japan</b>	Mizuho Bank, Ltd.	4-16-13, Tsukishima, Chuo-ku, Tokyo 104- 0052 Japan
<b>Japan</b>	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1-3-2, Nihombashi Hongoku-cho, Chuo-ku, Tokyo 103-0021, Japan
<b>Jordan</b>	Standard Chartered Bank	1 Basinghall Avenue London, EC2V5DD, England
<b>Kazakhstan</b>	Joint-Stock Company Citibank Kazakhstan	Park Palace Building A, 41 Kazybek Bi Street, Almaty, Kazakhstan

<b>Kenya</b>	CfC Stanbic Bank Limited	First Floor, CfC Stanbic Centre P.O. Box 72833 00200 Chiromo Road, Westlands, Nairobi, Kenya
<b>Kuwait</b>	HSBC Bank Middle East Limited, Kuwait	Hamad Al-Saqr St., Qibla Area, Kharafi Tower, G/1/2 P.O. Box 1683, Safat 13017, Kuwait
<b>Latvia</b>	AS SEB banka	Meistaru iela 1 Valdlauci Kekavas pagasts, Kekavas novads LV-1076 Latvia
<b>Lebanon</b>	HSBC Bank Middle East Limited – Beirut Branch	Lebanon Head Office Minet EL-Hosn, P.O. Box: 11-1380 Beirut, Lebanon
<b>Lithuania</b>	AB SEB bankas	12 Gedimino Av. LT-01103 Vilnius Lithuania
<b>Luxembourg</b>	Euroclear Bank	1 Boulevard du Roi Albert II B-1210 Brussels - Belgium
<b>Malaysia</b>	Deutsche Bank (Malaysia) Berhad	Level 20, Menara IMC No 8 Jalan Sultan Ismail 50250 Kuala Lumpur, Malaysia
<b>Malaysia</b>	HSBC Bank Malaysia Berhad	HSBC Bank Malaysia Berhad, 12th Floor, South Tower, 2 Leboh Ampang, 50100 Kuala Lumpur, Malaysia
<b>Malta</b>	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Friedrich-Ebert-Anlage, 49 60327 Frankfurt am Main Germany
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	5th Floor, HSBC Centre, 18 Cybercity, Ebene, Mauritius
<b>Mexico</b>	Banco Nacional de México S.A.	Isabel la Catolica No. 44 Colonia Centro Mexico, D.F. C.P. 06000
<b>Morocco</b>	Citibank Maghreb	Zenith Millenium, Immeuble 1 Sidi Maarouf, B.P. 40 20190 Casablanca Morocco
<b>Namibia</b>	Standard Bank Namibia Limited	N2nd Floor, Standard Bank Centre, Town Square Corner of Post Street Mall and Werner List Street Windhoek, Namibia
<b>Netherlands</b>	The Bank of New York Mellon SA/NV	Rue Montoyer, 46 1000 Brussels Belgium
<b>New Zealand</b>	National Australia Bank Limited	12th Floor, 500 Bourke Street, Melbourne Victoria 3000, Australia

<b>Nigeria</b>	Stanbic IBTC Bank Plc	Walter Carrington Crescent, Victoria Island, Lagos, Nigeria
<b>Norway</b>	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden
<b>Oman</b>	HSBC Bank Oman S.A.O.G.	2nd Floor, Head Office Building, P.O. Box 1727, Al Khuwair, Postal Code 111, Sultanate of Oman
<b>Pakistan</b>	Deutsche Bank AG	242-243, Avari Plaza, Fatima Jinnah Road Karachi – 75330, Pakistan
<b>Peru</b>	Citibank del Peru S.A.	Avenida Canaval y Moreyra, 480, 3rd floor Lima 27, Peru
<b>Philippines</b>	Deutsche Bank AG	23rd Floor, Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, 1226 Makati City Philippines
<b>Poland</b>	Bank Polska Kasa Opieki S.A.	53/57 Grzybowska Street 00-950 Warszawa
<b>Portugal</b>	Citibank International Limited, Sucursal em Portugal	Rua Barata Salgueiro, 30 1269-056 Lisbon Portugal
<b>Qatar</b>	HSBC Bank Middle East Limited, Doha	2nd Floor, Ali Bin Ali Tower, Building no: 150, Al Matar Street (Airport Road) P.O. Box 57, Street no. 950, Umm Ghuwalina Area, Doha, Qatar
<b>Romania</b>	Citibank Europe plc, Romania Branch	145, Calea Victoriei 010072 Bucharest Romania
<b>Russia</b>	Deutsche Bank Ltd	82 Sadovnicheskaya Street, Building 2 115035 Moscow, Russia
<b>Russia</b>	AO Citibank	8-10, building 1 Gasheka Street, Moscow 125047, Russia
<b>Saudi Arabia</b>	HSBC Saudi Arabia Limited	HSBC Building, 7267 Olaya Road, Al- Murooj Riyadh 12283-22555, Kingdom of Saudi Arabia
<b>Serbia</b>	UniCredit Bank Serbia JSC	Rajiceva Street 27-29, 11000 Belgrade, Serbia
<b>Singapore</b>	DBS Bank Ltd	12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982
<b>Singapore</b>	United Overseas Bank Ltd	80 Raffles Place, UOB Plaza, Singapore 048624
<b>Slovak Republic</b>	Citibank Europe plc, pobočka zahranicnej banky	Mlynske Nivy 43 825 01 Bratislava, Slovak Republic
<b>Slovenia</b>	UniCredit Banka Slovenia d.d.	Smartinska 140, 1000 - Ljubljana, Slovenia

<b>South Africa</b>	The Standard Bank of South Africa Limited	9th Floor 5 Simmonds Street Johannesburg 2001, South Africa
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	5th Floor, HSBC Building, 37, Chilpae-ro, Jung-Gu, Seoul, Korea, 100-161
<b>South Korea</b>	Deutsche Bank AG	18th Floor, Young-Poong Building 41 Cheonggyecheon-ro, Jongro-ku, Seoul 03188, South Korea
<b>Spain</b>	Banco Bilbao Vizcaya Argentaria, S.A.	Plaza San Nicolás, 4 48005 Bilbao Spain
<b>Spain</b>	Santander Securities Services S.A.U.	Ciudad Grupo Santander. Avenida de Cantabria s/n, Boadilla del Monte 28660 – Madrid, Spain
<b>Sri Lanka</b>	The Hongkong and Shanghai Banking Corporation Limited	24 Sir Baron Jayathilake Mawatha Colombo 01, Sri Lanka
<b>Swaziland</b>	Standard Bank Swaziland Limited	Standard House, Swazi Plaza Mbabane, Swaziland
<b>Sweden</b>	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden
<b>Switzerland</b>	Credit Suisse AG	Paradeplatz 8 8070 Zurich Switzerland
<b>Switzerland</b>	UBS Switzerland AG	Bahnhofstrasse 45, 8001 Zürich, Switzerland
<b>Taiwan</b>	HSBC Bank (Taiwan) Limited	16th floor, Building G, No. 3-1 Park Street Taipei 115, Taiwan
<b>Taiwan</b>	Standard Chartered Bank (Taiwan) Ltd.	No 168, Tun Hwa North Road, Taipei 105, Taiwan
<b>Thailand</b>	The Hongkong and Shanghai Banking Corporation Limited	Level 5, HSBC Building, 968 Rama IV Road, Bangrak Bangkok 10500, Thailand
<b>Tunisia</b>	Banque Internationale Arabe de Tunisie	70-72, Avenue Habib Bourguiba 1080 Tunis Tunisia
<b>Turkey</b>	Deutsche Bank A.S.	Esentepe Mahallesi Büyükdere Caddesi Tekfen Tower No:209 K:17 Sisli TR-34394-Istanbul, Turkey
<b>Uganda</b>	Stanbic Bank Uganda Limited	Plot 17 Hannington Road Short Tower- Crested Towers P.O. Box 7131, Kampala, Uganda
<b>Ukraine</b>	Public Joint Stock Company "Citibank"	16G Dilova Street 03150 Kiev Ukraine
<b>U.A.E.</b>	HSBC Bank Middle East Limited, Dubai	Emaar Square, Building 5, Level 4 PO Box 502601 Dubai, United Arab Emirates
<b>U.K.</b>	Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch	Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom

<b>U.K.</b>	The Bank of New York Mellon	225 Liberty Street, New York, NY 10286, United States
<b>U.S.A.</b>	The Bank of New York Mellon	225 Liberty Street, New York, NY 10286, United States
<b>Uruguay</b>	Banco Itaú Uruguay S.A.	Dr. Luis Bonavita 1266 Toree IV, Piso 10 CP 11300 Montevideo, Uruguay
<b>Venezuela</b>	Citibank N.A., Sucursal Venezuela	Av. Casanova, Centro Comercial El Recreo Torre Norte, Piso 19 Sabana Grande, Caracas 1050 D.C. Venezuela
<b>Vietnam</b>	HSBC Bank (Vietnam) Ltd	The Metropolitan, 235 Dong Khoi Street District 1, Ho Chi Minh City, Vietnam
<b>Zambia</b>	Stanbic Bank Zambia Limited	Stanbic House, Plot 2375, Addis Ababa Drive P.O Box 31955 Lusaka, Zambia
<b>Zimbabwe</b>	Stanbic Bank Zimbabwe Limited	59 Samora Machel Avenue, Harare, Zimbabwe