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**If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the Company or the suitability for you of investment in the Company, you should consult your stock broker or other independent financial adviser.**

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



**SPARX Funds plc**

An open-ended umbrella investment company with variable capital and segregated liability between Funds, incorporated with limited liability in Ireland under the Companies Act 2014 with registration number 375775 and established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended).

## **P R O S P E C T U S**

**Promoter and Investment Advisor**

**SPARX Asset Management Co., Ltd.**

**28<sup>th</sup> July, 2023**

## **IMPORTANT INFORMATION**

This Prospectus should be read in conjunction with the Section entitled "Definitions".

### **The Prospectus**

This Prospectus describes the Company, an open-ended umbrella type investment company with variable capital incorporated in Ireland and authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations. The Company is structured as an umbrella fund and may comprise several funds each representing a separate portfolio of assets (a "Fund"), with segregated liability between Funds. The Company may create more than one class of shares (each a "Class") in relation to a Fund.

This Prospectus may be issued with its Supplements containing information relating to each Fund and Class. Each Supplement shall form part of, and should be read in conjunction with, this Prospectus. To the extent that there is any inconsistency between this Prospectus and any Supplement, the relevant Supplement shall prevail.

Distribution of this document is not authorised unless it is accompanied by a copy of the most recent annual or half yearly reports. Such reports will form part of this Prospectus.

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

**THIS PROSPECTUS MAY ONLY BE ISSUED WITH ONE OR MORE SUPPLEMENTS EACH CONTAINING SPECIFIC INFORMATION RELATING TO A PARTICULAR FUND. THIS PROSPECTUS AND THE RELEVANT SUPPLEMENTS SHOULD BE READ AND CONSTRUED AS ONE DOCUMENT.**

**The Company or its delegates may charge investors a repurchase charge not exceeding 3% of the value of shares being redeemed (rounded downwards to four decimal places or in the case of JPY dominated Classes, to the nearest the nearest whole Japanese Yen) in each Fund or Class as described in the Supplements to this Prospectus. The Company reserves the right to reduce or waive any repurchase charge and may distinguish between Shareholders accordingly.**

**The difference at any one time between the sale price (to which may be added a sales charge or commission) and the redemption price of Shares (from which may be deducted a redemption charge) means an investment should be viewed as medium to long term. Prices of Shares in the Company may fall as well as rise.**

### **Restrictions on Distribution and Sale of Shares**

The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised or the person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence, ordinary residence or domicile.

The Directors, in consultation with the Manager, may restrict the ownership of Shares by any person, firm or corporation where such ownership would be in breach of any regulatory or legal requirement or may affect the tax status of the Company. Any person who is holding Shares in contravention of such restrictions or, by virtue of his holding, is in breach of the laws and regulations of any competent jurisdiction or whose holding could, in the opinion of the Directors, in consultation with the Manager, cause the Company to incur any liability to taxation or to suffer any pecuniary disadvantage which any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the Company, the Manager, the Investment Advisor, the Depository, the Administrator, the Distributor and the Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the Company.

The Directors have the power under the Articles of Association to compulsorily redeem and/or cancel any Shares held or beneficially owned in contravention of the restrictions imposed by them as described herein.

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

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and, accordingly, persons in possession of this Prospectus are required to inform themselves about, and to observe, such restrictions. Prospective investors should inform themselves as to (a) the legal requirements within their own jurisdictions for the purchase or holding of Shares, (b) any foreign exchange restrictions which may affect them, and (c) the income and other tax consequences which may apply in their own jurisdictions relevant to the purchase, holding or disposal of Shares.

#### United States of America

Unless otherwise stated in the Supplement relating to a Fund, there will be no public offering or private placement of Shares in the United States.

#### Chile

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The date of commencement of the offering is that of this Prospectus. This offering is subject to General Rule No. 336 (Norma de Carácter General N° 336) of the Chilean securities and insurance regulator, the “Comisión para el Mercado Financiero” (“CMF”). This offering deals with securities that are not registered in the Securities Registry (the Registro de Valores), nor in the Foreign Securities Registry (Registro de Valores Extranjeros), kept by the CMF, and, therefore, the securities that this offer refers to are not subject to the supervision of the CMF. Given the fact these securities are not registered with the CMF, there is no obligation for the issuer to disclose in Chile public information about said securities. These securities may not be publicly offered as long as they are not registered in the corresponding Securities Registry kept by the CMF.

#### Peru

The Company and Funds have not been and will not be registered in Peru under *Decreto Legislativo No. 861, Ley del Mercado de Valores* (the “Securities Market Law”) and its complementary regulation, and are being offered to institutional investors only (as defined in article 8 of the Securities Market Law and the *Reglamento del Mercado de Inversionistas Institucionales*, approved by SMV Resolution No. 021-2013-SMV-01), pursuant to a private placement, under the terms of article 5 of the Securities Market Law. The information contained in this Prospectus is not being publicly marketed or offered in Peru and will not be distributed or caused to be distributed to the general public in Peru. Peruvian securities laws and regulations on public offerings will not be applicable to the offering of the Funds and therefore, the disclosure obligations set forth therein will not be applicable to the issuer of the Funds before or after their acquisition by prospective investors. The Funds and the information contained in this Prospectus have not been and will not be reviewed, confirmed, approved or in any way submitted to the Peruvian Superintendency of Capital Markets (*Superintendencia del Mercado de Valores*), nor have they been registered under the Securities Market Registry (*Registro Público de Mercado de Valores*) or any other Peruvian securities market. Accordingly, the Funds cannot be offered or sold within the Peruvian territory except to the extent any such offering or sale qualifies as a private offering under Peruvian regulations and complies with the provisions on private offerings set forth therein.

By subscribing for an interest in a Fund, each subscriber in Peru will be deemed to represent to the Fund that it is an “institutional investor” under the applicable abovementioned Peruvian regulation. Any transfers of the Fund shall be subject to the limitations contained in the Securities Market Law and regulations issued thereunder.

The persons and/or entities that do not qualify as “institutional investors” under the abovementioned Peruvian regulations, shall abstain from participating in the private placement of the Company or the Fund.

#### Colombia

The Funds are not offered, sold or negotiated in Colombia, except under circumstances which do not constitute a public offering of securities or securities brokerage under applicable Colombia securities laws and regulations, and are not registered in the Colombian National Registry of Securities and Issuers (Registro Nacional de Valores y Emisores) (RNVE) of the Colombian Finance Superintendence. Accordingly, foreign financial entities must abide by the terms of Decree No. 2555 of 2010 to offer, or undertake any other activities in connection with the Funds privately to their Colombian clients in relation with the executions of finder agreements. The Directors and the Investment Advisor are not subject to the surveillance of any Colombian governmental authority and are not providing any kind of investment advice. In connection with its foreign investment in UCITS, the investor must comply with Colombian exchange control regulations in effect from time to time.

## Thailand

The Company has no intention to issue, offer or solicit any investor in Thailand to invest in the Shares of the Funds in any Classes or operate any securities business in Thailand under Securities and Exchange Act B.E. 2535 (A.D. 1992) as amended. The Company and the Funds do not have a legal presence in Thailand. The Company and the Funds may invest in the Stock Exchange of Thailand from time to time as investors not as a broker or an agent of any party, and the Depository of the Company and the Funds may appoint a delegate/agent in Thailand for its safekeeping functions, subject to the applicable laws of Thailand. This Prospectus and its Supplements contain only general information on the Company and the Funds. They do not contain any professional advice and do not constitute any legal and/or contractual relationship between the Company and/or the Funds and the investor.

The investors should read this Prospectus and its Supplements carefully and fully understand the contents contained therein. There is no guarantee for investment in the Shares even if it is made by an unsolicited investment. The Company and the Funds shall not be liable for any claim for damages caused from or in relation to the Shares in any respect.

Investment in the Shares is subject to the applicable laws of Thailand. The Company and the Funds shall not be liable for any of your losses or damages of civil or criminal penalties which may be imposed on you in your jurisdiction for your violation of such applicable law in relation to your investment in the Shares. The investors may need to obtain a specific advice from legal, financial, tax or other professional advisors as appropriate.

## Malaysia

No action has been, or will be, taken to comply with Malaysian laws for making available, offering for subscription or purchase, or issuing any invitation to subscribe for or purchase or sale of the Shares in Malaysia or to persons in Malaysia as the Shares are not intended by the Issuer to be made available, or made the subject of any offer or invitation to subscribe for or purchase, in Malaysia.

Neither this document nor any document or other material in connection with the Shares should be distributed, caused to be distributed or circulated in Malaysia. No person should make available or make any invitation or offer or invite to sell or purchase the Shares in Malaysia unless such person takes the necessary action to comply with Malaysian laws.

## State of Kuwait

This document is not for general circulation to the public in Kuwait. The Funds have not been licensed for offering in the State of Kuwait by the Ministry of Commerce and Industry, the Capital Markets Authority or the Central Bank of Kuwait or any other relevant Kuwaiti government agency. The offering of the Funds in the State of Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with the Decree Law No. 31 of 1990, as amended, and the Ministerial Order No. 113 of 1992, as amended. No private placement or public offering of the Funds is being made in the State of Kuwait, and no agreement relating to the sale or offering of the Fund will be concluded in or from the State of Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Funds in the State of Kuwait. The Company accepts full responsibility for the accuracy of

the information contained in this document and confirms, having made all reasonable enquiries that to the best of its knowledge and belief, there are no other facts the omission of which would make any statement contained in this Prospectus misleading.

### **Reliance on this Prospectus**

Statements made in this Prospectus and any Supplement are based on the law and practice in force in the Republic of Ireland at the date of the Prospectus or Supplement as the case may be, which may be subject to change. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares in the Company shall under any circumstances constitute a representation that the affairs of the Company have not changed since the date hereof. This Prospectus will be updated by the Company to take into account any material changes from time to time and any such amendments will be notified in advance to the Central Bank. Any information or representation not contained herein or given or made by any broker, salesperson or other person should be regarded as unauthorised and should accordingly not be relied upon.

Investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or other matters. You should consult your stockbroker, independent financial adviser or other professional adviser.

### **Risk Factors**

Investors should read and consider the section entitled "Risk Factors" before investing in the Company.

### **Principal Adverse Impact Reporting**

As permitted under Article 4 of the SFDR, the Manager does not consider adverse impacts of investment decisions on sustainability factors on the basis that it is not a financial market participant that is required to do so given that the Manager does not have on its balance sheet an average number of employees exceeding 500 during the financial year. The Manager may choose at a later date to publish and maintain on its website the consideration of principal adverse impacts of investment decisions on sustainability factors. The Manager will review its approach to considering the principal adverse impacts of investment decisions on sustainability factors under the SFDR once the regulatory technical standards come into effect, which is expected to occur on 1 July, 2022.

### **Translations**

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

### **Legal Matters**

Dillon Eustace LLP does not represent and has not represented prospective investors in the course of the organisation of the Company, the negotiation of its business terms, the offering of the Shares or in respect of its ongoing operations. Prospective investors must recognise that, as they have had no representation in the organisation process, the terms of the Company relating to themselves and the Shares of the Funds have not been negotiated at arm's length. Dillon Eustace LLP has been selected by the Investment Advisor. Dillon Eustace LLP does not undertake to monitor the compliance of the Investment Advisor and its affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does it monitor compliance with applicable law.

## DIRECTORY

### SPARX Funds plc

#### Registered Office

33 Sir John Rogerson's Quay  
Dublin 2  
D02 XK09  
Ireland

#### Business Address

1 Grand Canal Square  
Grand Canal Harbour  
Dublin 2  
Ireland

#### Administrator and Registrar

HSBC Securities Services (Ireland) DAC  
1 Grand Canal Square  
Grand Canal Harbour  
Dublin 2  
D02 P820  
Ireland

#### Distributor

Bridge Fund Management Limited  
Percy Exchange  
8/34 Percy Place,  
Dublin 4,  
D04 P5K3  
Ireland

#### Directors

Ms. Satomi Fujii  
Mr. Alan Ng  
Ms. Deirdre Gormley  
Mr. Simon O'Sullivan

#### Depositary

HSBC Continental Europe, Ireland  
1 Grand Canal Square  
Grand Canal Harbour  
Dublin 2  
D02 P820  
Ireland

#### Auditors

Grant Thornton  
13-18 City Quay  
Dublin 2  
D02 ED70  
Ireland

#### Manager

Bridge Fund Management Limited  
Percy Exchange  
8/34 Percy Place,  
Dublin 4,  
D04 P5K3  
Ireland

#### Legal Advisor as to Irish Law

Dillon Eustace LLP  
33 Sir John Rogerson's Quay  
Dublin 2  
D02 XK09  
Ireland

**Company Secretary**

Tudor Trust Limited  
33 Sir John Rogerson's Quay  
Dublin 2  
D02 XK09  
Ireland

**Tax Adviser in Ireland**

Dillon Eustace LLP  
33 Sir John Rogerson's Quay  
Dublin 2  
D02 XK09  
Ireland

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## DEFINITIONS

In this Prospectus the following words and phrases have the meanings set forth below:-

All references to a specific time of day are to Irish time

"Accounting Date"	means 31 <sup>st</sup> October in each year or such other date as the Directors, in consultation with the Manager, may from time to time decide, and any such change to the Accounting Date will be notified in advance to and cleared by the Central Bank.
"Accounting Period"	means a period ending on the Accounting Date and commencing, in the case of the first such period on the date of incorporation of the Company and, in subsequent such periods, on the expiry of the last Accounting Period.
"Act"	means the Companies Act, 2014 and every amendment or re-enactment of the same.
"Administrator"	means HSBC Securities Services (Ireland) DAC or any successor company appointed by the Manager to act as the administrator of the Company and of each Fund.
"Administration Agreement"	means the Administration Agreement made between the Manager, the Company and the Administrator dated 22 April, 2020 as may be amended or supplemented from time to time.
"AIMA"	means the Alternative Investment Management Association.
"Anti-Dilution Levy"	means a charge imposed on subscriptions or on redemptions, as relevant, to offset the dealing costs of buying or selling assets of the Fund and to preserve the Net Asset Value per Share of the Fund, as a result of net subscriptions or of net redemptions on a Dealing Day.
"Application Form"	means any application form to be completed by subscribers for Shares as prescribed by the Company from time to time.
"Articles of Association"	means the Memorandum and Articles of Association of the Company.
"Auditors"	means Grant Thornton.

"Base Currency"	means the currency of a Fund as set out in the relevant Supplement. The Net Asset Value per Share will be published in the Base Currency.
"Beneficial Owner"	means a natural person(s) who ultimately owns or controls the Company through either a direct or indirect ownership of a sufficient percentage of shares or voting rights or ownership interest in the Company (as a whole). Where a natural person holds more than 25% of the shares of the Company or has an ownership interest of more than 25%, then that shall be an indication of direct ownership by that person. Where a corporate or multiple corporates hold more than 25% of the shares or other ownership interest exceeding 25% in the Company and those holdings are controlled by the same natural person(s) that shall be an indication of indirect ownership.
"Beneficial Ownership Regulations"	means the European Union (Anti-Money Laundering Beneficial Ownership of Corporate Entities) Regulations 2019 as may be amended, consolidated or substituted from time to time.
"Business Day"	means as disclosed in the relevant Supplement.
"Central Bank"	means the Central Bank of Ireland.
"Central Bank UCITS Regulations"	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Undertakings for Collective Investment in Transferable Securities) Regulations) 2019 or such other amending or replacement regulations issued from time to time by the Central Bank as the competent authority with responsibility for the authorisation and supervision of UCITS and related guidance issued by the Central Bank to UCITS and their service providers.
"CHF"	means Swiss Franc, the lawful currency for the time being of Switzerland.
"Class"	means a particular class of Shares issued by the Company in a particular Fund.
"Collection Account"	means the investor money collection account(s) operated by the Administrator for a Fund under administration into which all subscription monies are to be paid by an

investor and from which all redemption and distribution proceeds are paid as described under the heading "Application for Shares - Collection Account".

"Company"	means SPARX Funds plc.
"Dealing Day"	means each Business Day or as provided for in the applicable Supplement for a Fund, or such other day or days as may be determined by the Directors in consultation with the Manager and notified in advance to Shareholders provided that there shall be at least two Dealing Days in each month.
"Dealing Deadline"	means the dealing deadline for Funds (which may differ for particular Funds) as specified in the relevant Supplement.
"Depositary"	means HSBC Continental Europe, Ireland or any successor company as Depositary of the Company and of each Fund.
"Depositary Agreement"	means the Depositary Agreement made between the Company and the Depositary dated 12 <sup>th</sup> October, 2016 as amended by the Amendment to the Depositary Agreement dated 1 <sup>st</sup> June, 2018.
"Directors"	means the directors of the Company or any duly authorised committee or delegate thereof.
"Distribution Agreement"	means one or more distribution agreement(s), made between the Manager and/or the Company and the Distributor.
"Distributor"	means Bridge Fund Management Limited, or any person appointed by the Manager and/or the Company to act as a non-exclusive distributor of the Company and to oversee the marketing and distributions of Shares.
"Duties and Charges"	means all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees, any transaction fees payable to the Depositary or its delegates or agents and other duties and charges whether in connection with the original acquisition or increase of the assets of the Company or the creation, issue, sale, exchange or purchase of shares or the sale or purchase of investments by the Company

or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but shall not include any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of the Fund concerned.

“Eligible Assets”

means those investments which are eligible for investment by a UCITS as detailed in the UCITS Regulations.

“ERISA”

means the United States Employee Retirement Income Security Act of 1974, as amended.

“ESG”

means environmental, social and governance.

“ESMA”

the European Securities and Markets Authority.

“Euro”, “EUR” or “€”

means the lawful currency of the participating member states of the European Union which have adopted the single currency in accordance with the EC Treaty of Rome dated 25<sup>th</sup> March 1957 (as amended).

“Exempt Irish Investor”

- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;
- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a qualifying fund manager within the meaning of Section 784A(1)(a) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;

- a qualifying management company within the meaning of Section 739B of the Taxes Act;
- an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- a personal retirement savings account (“PRSA”) administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Asset Management Agency;
- the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management Agency;
- the Motor Insurers’ Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurer Insolvency Compensation Fund under the Insurance Act 1964 (amended by the Insurance (Amendment) Act 2018), and the Motor Insurers’ Bureau of Ireland has made a declaration to that effect to the Company;
- a company which is within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act in respect of payments made to it by the Company;
- a company that is within the charge to corporation tax in accordance with Section 739G(2) of the Taxes Act in respect of payments made to it by the Company, that has made a declaration to that effect and that has provided the Company with its tax reference number but only to extent that the relevant Fund is a money market fund (as defined in Section 739B of the Taxes Act);
- a PEPP provider (within the meaning of Chapter 2D of Part 30 of the Taxes Act) acting on behalf of a person who is entitled to an exemption from income tax and capital gains

tax by virtue of Section 787AC of the Taxes Act and the Shares held are assets of a PEPP (within the meaning of Chapter 2D of Part 30 of the Taxes Act); or

- any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Irish Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company giving rise to a charge to tax in the Company;

provided that they have correctly completed the Relevant Declaration.

"Fund" means a sub-fund of the Company established by the Directors from time to time with the prior approval of the Central Bank which represents part of the assets of the Company which are pooled separately and invested in accordance with the investment objective and policies applicable to such sub-fund.

"GBP" or "Sterling" means Great British Pounds, the lawful currency for the time being of the United Kingdom.

"GDPR" means Regulation (EU) 2016/679 of the European Parliament and of the Council.

"Initial Offer Period" The Initial Offer Period for each Class of Shares will be specified in the Supplement and may be shortened or extended by the Directors. The Central Bank will be notified in advance of any such shortening or extension. Shares in a Class will be issued during the Initial Offer Period at the initial offer price specified in the Supplement and thereafter at the Net Asset Value per Share.

"Intermediary" means a person who:

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

"Investment Advisor"	means any one or more investment advisors or any successor(s) thereto appointed by the Manager to act as investment advisor of one or more Funds, as disclosed in the relevant Supplement for each Fund.
"Investment Advisory Agreement"	means the agreement between any one or more Investment Advisors, the Manager and the Company, as disclosed in the relevant Supplement for each Fund.
"Investor Money Regulations"	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers.
"IOSCO"	means the International Organisation of Securities Commissions.
"Ireland"	means the Republic of Ireland.
"Irish Resident"	<p>in the case of an individual, means an individual who is resident in Ireland for tax purposes.</p> <p>in the case of a trust, means a trust that is resident in Ireland for tax purposes.</p> <p>in the case of a company, means a company that is resident in Ireland for tax purposes.</p> <p>An individual will be regarded as being resident in Ireland for a tax year if he/she is present in Ireland: (1) for a period of at least 183 days in that tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is present in Ireland for at least 31 days in each period. In determining days present in Ireland, an individual is deemed to be present if he/she is in Ireland at any time during the day.</p> <p>A trust will generally be Irish resident where the trustee is resident in Ireland or a majority of the trustees (if more than one) are resident in Ireland.</p>

A company incorporated in Ireland and also companies not so incorporated but that are managed and controlled in Ireland, will be tax resident in Ireland except to the extent that the company in question is, by virtue of a double taxation treaty between Ireland and another country, regarded as resident in a territory other than Ireland (and thus not resident in Ireland).

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

"JPY"	means Japanese Yen, the lawful currency for the time being of Japan.
"Management Agreement"	means the Management Agreement made between the Company and the Manager, as may be amended and supplemented from time to time subject to the requirements of the Central Bank.
"Manager"	means Bridge Fund Management Limited, or any successor company appointed by the Company in accordance with the requirements of the Central Bank.
"Member State"	means a member state of the European Union.
"Minimum Holding"	means the minimum number or value of Shares which must be held by Shareholders as specified in the relevant Supplement, where applicable.
"Minimum Subscription"	in relation to a Fund, the minimum initial subscription amount (by reference to the applicable Issue Price) or number of Shares to be subscribed on an initial subscription by a subscriber for Shares in that Fund, as may be determined by the Directors and set out in the relevant Supplement. The Directors may from time to time, in consultation with the Manager, amend or waive any applicable Minimum Subscription amount or impose a minimum amount for subsequent subscriptions.
"Net Asset Value" or "NAV"	means the Net Asset Value of a Fund or the Net Asset Value of a Class (as appropriate) calculated as referred to herein.

"Net Asset Value per Share"	means the Net Asset Value of a Fund divided by the number of Shares in issue in that Fund or the Net Asset Value attributable to a Class divided by the number of Shares issued in that Class rounded to four decimal places. For JPY dominated Classes, the Net Asset Value per unit will be rounded to the nearest unit (i.e. the nearest whole Japanese Yen).
"OECD"	means the governments of Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, South Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and the United States or other such other members as may be admitted to the OECD from time to time.
"Ordinarily Resident in Ireland"	<ul style="list-style-type: none"> <li>- in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes;</li> <li>- in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.</li> </ul> <p>An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e., he/she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2023 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1<sup>st</sup> January 2026 to 31<sup>st</sup> December 2026.</p> <p>The concept of a trust's ordinary residence is somewhat obscure and linked to its tax residence.</p>
"Passive Hedging Calculation Agent"	means the Passive Hedging Calculation Agent appointed pursuant to the Passive Hedging Calculation Agreement made between HSBC Bank PLC as Passive

Hedging Calculation Agent and the Company dated 8<sup>th</sup> February, 2017.

"Paying Agents"	means one or more paying or facilities agents appointed by the Manager, in certain jurisdictions.
"Prospectus"	means the prospectus of the Company and the Fund and Supplements and any addenda thereto issued in accordance with the requirements of the Central Bank UCITS.
"Recognised Clearing System"	means any clearing system listed in Section 246A of the Taxes Act (including, but not limited to, Euroclear, Clearstream Banking AG, Clearstream Banking SA and CREST) or any other system for clearing shares which is designated for the purposes of Chapter 1A in Part 27 of the Taxes Act, by the Irish Revenue Commissioners, as a recognised clearing system.
"Recognised Exchange"	means the stock exchanges or regulated markets set out in Appendix II in which the Company may invest.
"Relevant Declaration"	means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act.
"Relevant Period"	means a period of 8 years beginning with the acquisition of a Share by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding Relevant Period.
"SFDR"	means the Sustainable Finance Disclosure Regulation (EU) 2019/2088, as may be amended, supplemented or replaced from time to time.
"SFT"	means "securities financing transactions" as defined under the SFTR.
"SFTR"	means Regulation EU 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions and of re-use and amending Regulation (EU) No 648/2012 as amended, consolidated or substituted from time to time.
"Share"	means a participating share or, save as otherwise provided in this Prospectus, a fraction of a participating share in the capital of the Company.

"Shareholder"

means a person who is registered as the holder of Shares in the Register of Shareholders for the time being kept by or on behalf of the Company.

"Specified US Person"

means (i) a US citizen or resident individual, (ii) a partnership or corporation organized in the United States or under the laws of the United States or any State thereof (iii) a trust if (a) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (b) one or more US persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States; **excluding** (1) a corporation the stock of which is regularly traded on one or more established securities markets; (2) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i); (3) the United States or any wholly owned agency or instrumentality thereof; (4) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (5) any organization exempt from taxation under section 501(a) or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code; (6) any bank as defined in section 581 of the U.S. Internal Revenue Code; (7) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code; (8) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the Securities Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (9) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code; (10) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code; (11) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; or (12) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code. This definition shall

be interpreted in accordance with the US Internal Revenue Code.

"Supplement"

means Supplements forming part of this Prospectus specifying certain information in respect of one or more Funds, as the case may be.

"Taxes Act"

means the Taxes Consolidation Act, 1997 of Ireland (as amended).

"Taxonomy Regulation"

means Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment.

"UCITS"

means an undertaking -

(a) the sole object of which is the collective investment in either or both –

- (i) transferable securities
- (ii) other liquid financial assets referred to in the UCITS Regulations,

of capital raised from the public and which operates on the principle of risk-spreading, and

(b) the shares of which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertaking's assets. Action taken by a UCITS to ensure that the stock exchange value of its shares does not vary significantly from their net asset value shall be regarded as equivalent to such repurchase or redemption.

"UCITS Directive"

Directive 2009/65/EEC of the European Parliament and of the Council, as amended by Directive 2014/91/EU of 23<sup>rd</sup> July, 2014 and as may be further amended, consolidated or substituted from time to time.

"UCITS Regulations"

means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended consolidated or substituted from time to time) and any regulations or guidance issued by the Central Bank pursuant thereto for the time being in force.

"United States"	means the United States of America (including the States, Puerto Rico and the District of Columbia) its territories, possessions and all other areas subject to its jurisdiction or such other meaning as may from time to time be prescribed by Regulations S.
"US Dollar", "USD" or "US\$"	means United States Dollars, the lawful currency for the time being of the United States of America.
"US Person"	means a US Person as defined in Regulation S under the 1933 Act and CFTC Rule 4.7
"Valuation Point"	means the close of business in the relevant markets on the relevant Dealing Day.
"1933 Act"	means the U.S. Securities Act of 1933, as amended.

## **1. THE COMPANY**

### **Establishment**

The Company is an open-ended investment company with variable capital and segregated liability between Funds, incorporated with limited liability in Ireland on 16<sup>th</sup> September, 2003 under the Act with registration number 375775. The Company was authorised by the Central Bank on 30<sup>th</sup> October, 2003 as an undertaking for collective investment in transferable securities pursuant to the UCITS Regulations. The value of the Company's share capital is at all times equal to the Net Asset Value of the Company.

### **Structure**

The Company is structured as an umbrella fund consisting of different Funds, comprising of one or more Classes. There is segregated liability between Funds. The Shares of each Class of a Fund will rank pari passu with each other in all respects provided that they may differ at the discretion of the Directors as to certain matters including currency of denomination, hedging strategies, if any, applied to the currency of a particular Class, dividend policy, the level of fees and expenses to be charged, subscription or redemption procedures or the Minimum Subscription and Minimum Holding applicable. The assets of each Fund will be separate from one another and will be invested separately in accordance with the investment objective and policies of each Fund. A separate portfolio of assets is not maintained for each Class. The investment objective and policies and other details in relation to each Fund are set out in the relevant Supplements which form part of and should be read in conjunction with this Prospectus.

At the date of this Prospectus the Company has established two Funds which are the SPARX Japan Fund and the SPARX Japan Sustainable Equity Fund, and Classes in each of the Funds with their respective currencies are listed in the Supplements. Additional Funds may be established by the Directors with the prior approval of the Central Bank and additional Classes may be established by the Directors and notified in advance to the Central Bank in which cases the Supplements will be updated accordingly.

The SPARX Japan Sustainable Equity Fund is currently in the process of being terminated.

Monies subscribed for Shares should be in the designated currency of the relevant Class. Amounts subscribed in a currency other than the designated currency of the relevant Class will be converted at the discretion of the Company, its delegates, or the Administrator to the designated currency of the relevant Class at the rate (whether official or otherwise) which the Company, its delegates, or the Administrator deems appropriate in the circumstances.

### **Investment Objective and Policies**

The specific investment objective and policies of each Fund will be set out in the relevant Supplement and will be formulated by the Directors, in consultation with the Manager and the relevant Investment Advisor, at the time of creation of each Fund.

With the exception of permitted investments in unlisted instruments or in units of open-ended collective investment schemes, investments will be made on Recognised Exchanges.

Pending investment of the proceeds of a placing or offer of Shares or where market or other factors so warrant, a Fund may, subject to the investment restrictions set out under the heading "Investment Restrictions" below, hold ancillary liquid assets such as money market instruments and cash deposits denominated in such currency or currencies as the Directors may determine having consulted with the Manager and the relevant Investment Advisor.

The investment objective of a Fund may not be altered without approval on the basis of a majority of votes cast at a meeting of the Shareholders of the particular Fund duly convened and held. Similarly, material changes to the investment policies of a Fund will require prior approval on the basis of a majority of votes cast at a meeting of the Shareholders of the particular Fund duly convened and held. In this context, a 'material' change shall be a change which would significantly alter the asset type, geographic focus, credit quality, borrowing or leverage limits or risk profile of the relevant Fund. In the event of a change of the investment objective and/or any material change to the investment policy of a Fund, Shareholders in the relevant Fund will be given reasonable notice of such change to enable them redeem their Shares prior to implementation of such a change.

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

The list of Recognised Exchanges in which the assets of each Fund may be invested from time to time is set out in Appendix II.

### **Investment Restrictions**

Investment of the assets of each Fund must comply with the UCITS Regulations. The Directors may impose further restrictions in respect of any Fund. The investment and borrowing restrictions applying to the Company and each Fund are set out in Appendix I. With the exception of permitted investments in unlisted securities or in units of open-ended collective investment schemes, investments will be made on Recognised Exchanges.

### **Borrowing Powers**

The Company, in consultation with the Manager, may only borrow in respect of a Fund on a temporary basis and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of the relevant Fund. Subject to this limit, the Directors may exercise all borrowing powers on behalf of the Company and may charge the relevant Fund's assets as security for such borrowings only in accordance with the provisions of the UCITS Regulations.

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

It is intended that the Company shall have the power (in accordance with the requirements of the Central Bank) to avail itself of any change in the investment and borrowing restrictions specified in the UCITS

Regulations which would permit investment by the Company in securities, derivative instruments or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited under the UCITS Regulations.

### **Financial Derivative Instruments**

The Company, in consultation with the Manager and the Investment Advisor, may invest in financial derivative instruments dealt in on a Recognised Exchange and/or in OTC derivative instruments in each case under and in accordance with conditions or requirements imposed by the Central Bank.

A Fund may use financial derivative instruments for investment purposes and/or use derivative instruments traded on a Recognised Exchange and/or on OTC markets to attempt to hedge or reduce the overall risk of its investments, enhance performance and/or to manage risk. A Fund's ability to invest in and use these instruments and strategies may be limited by market conditions, regulatory limits and tax considerations and these strategies may be used only in accordance with the investment objectives of the relevant Fund.

The financial derivative instruments which the relevant Investment Advisor, in consultation with the Manager, may invest in on behalf of each Fund, and the expected effect of investment in such financial derivative instruments on the risk profile of a Fund are set out in the relevant Supplement. The extent to which a Fund may be leveraged through the use of financial derivative instruments will also be disclosed in the relevant Supplement. In addition, the attention of investors is drawn to the section of the Prospectus headed "Efficient Portfolio Management" and the risks described in the Risk Factors Section of the Prospectus and, if applicable to a particular Fund, the relevant Supplement.

Under the UCITS Regulations, "uncovered" positions in derivatives are not permitted. Across the range of FDIs that the Company in consultation with the Manager may use, its policy is to satisfy cover requirements by holding the underlying assets, holding sufficient liquid assets, or by ensuring that the FDIs are such that the exposure can be adequately covered without holding the underlying assets.

The Central Bank requires that the Manager employs a risk management process for and on behalf of each Fund which enables it to accurately measure, monitor and manage various risks associated with the use of financial derivative instruments. The risk management methodology chosen for a specific Fund is set out in the relevant Supplement. Details of this process have been provided to the Central Bank. The Manager will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been submitted to and cleared by the Central Bank. The Manager will provide, upon request by Shareholders, supplementary information relating to the risk management methods employed by the Manager including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

For the purpose of providing margin or collateral in respect of transactions in financial derivative instruments, the Manager may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Fund in accordance with normal market practice.

### **Hedged Classes**

The Company or its delegate may (but is not obliged to) enter into certain currency related transactions in order to mitigate the exchange rate risk between the Base Currency of a Fund and the currency in which Shares in a class of the relevant Fund are designated where that designated currency is different to the Base Currency of the Fund.

Any Financial Instruments used to implement such strategies with respect to one or more Classes shall be assets/liabilities of a Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant Financial Instruments will accrue solely to the relevant Class.

Where a Class of Shares is to be hedged this will be disclosed in the Supplement for the Fund in which such Class is issued. Any currency exposure of a Class may not be combined with, or offset against, that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes.

Where there is more than one hedged Class in a Fund denominated in the same currency (which is a currency other than the Base Currency of the relevant Fund) and it is intended to hedge the foreign currency exposure of such Classes into the Base Currency of the relevant Fund the Fund may aggregate the foreign exchange transactions entered into on behalf of such hedged Classes and apportion the gains/loss on and the costs of the relevant Financial Instruments pro rata to each such hedged Class in the relevant Fund.

Where the Company seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However, over-hedged positions will not exceed 105% of the Net Asset Value of the Class taking into account net subscriptions and redemptions applicable to the relevant Dealing Day. Hedged positions will be kept under review to ensure that positions materially in excess of 100% of Net Asset Value of the Class will not be carried forward from month to month.

To the extent that hedging is successful for a particular Class, the performance of the Class is likely to move in line with the performance of the underlying assets with the result that investors in that Class will not gain if the Class currency falls against the Base Currency and/or the currency in which the assets of the particular Fund are denominated.

The currency hedging strategy will be monitored and adjusted in line with the valuation cycle at which investors are able to subscribe to and redeem from the relevant Fund. Investors' attention is drawn to the risk factor below entitled "Share Currency Designation Risk".

### **Investment in Financial Indices through the use of Financial Derivative Instruments**

A Fund may gain exposure to financial indices through the use of financial derivative instruments where considered appropriate to the investment objective and investment policies of the relevant Fund.

The Investment Advisor shall only gain exposure to a financial index which complies with the UCITS Regulations and the requirements of the Central Bank as set out in the Central Bank UCITS Regulations

and in any guidance issued by the Central Bank and the following provisions will apply to any such financial index:-

- (a) any such financial index will be rebalanced /adjusted on a periodic basis in accordance with the requirements of the Central Bank e.g., on a weekly, monthly, quarterly, semi-annual or annual basis;
- (b) the costs associated with gaining exposure to such a financial index will be impacted by the frequency with which the relevant financial index is rebalanced;
- (c) a list of such financial indices to which a Fund is exposed will be included in the annual financial statements of the Company;
- (d) details of any such financial index used by a Fund will be provided to Shareholders of that Fund by the Investment Advisor on request;
- (e) where the weighting of a particular constituent in any such financial index exceeds the investment restrictions set down in the UCITS Regulations, the Investment Advisor will as a priority objective look to remedy the situation taking into account the interests of the Shareholders of the relevant Fund.

However where a financial index comprised of Eligible Assets does not fulfil the criteria set out in Article 9 (1) of the Commission Directive 2007/16/EC (i.e. sufficiently diversified, representative of an adequate benchmark for the market to which it refers and published in an appropriate manner), investment in such an index by the Company on behalf of a Fund is not considered a derivative on a financial index but is regarded as a derivative on the combination of assets comprised in the index. A Fund may only gain exposure to such a financial index where on a “look through” basis, the Fund is in a position to comply with the risk spreading rules set down in the UCITS Regulations taking into account both direct and indirect exposure of the Fund to the constituents of the relevant index.

### **Efficient Portfolio Management**

The Company in consultation with the Manager and the Investment Advisor may use techniques and instruments for the purposes of efficient portfolio management (including but not limited to forward foreign currency exchange contracts, futures contracts, options, put and call options on securities, indices and currencies, stock index contracts, swap contracts, repurchase/reverse repurchase agreements and/or stocklending agreements) subject to the restrictions and limitations laid down by the Central Bank as outlined in Appendix III hereto.

Currency hedging may be undertaken to reduce a Fund's exposure to the fluctuations of the currencies in which the Fund's assets may be denominated against the Base Currency of the Fund or the denominated currency of a Class. Currency hedging may be delegated by the Company to the Passive Hedging Calculation Agent. In any event such hedging will not exceed 105% of the Net Asset Value of a Fund or attributable to the relevant Class. Hedged positions will be kept under review. To ensure that over-hedged positions do not exceed 105% of the Net Asset Value of a Fund or attributable to the relevant Class. Positions materially in excess of 100% of the Net Asset Value of a Fund or attributable to the relevant Class will not be carried forward from month to month. If the Investment Advisor enters into such transactions for the purpose of hedging at Class level, then such transactions will each be solely attributable to the relevant Class and may not be combined or offset against the exposures of other Classes or specific assets.

A Fund may employ techniques and instruments for protection against exchange risks (including foreign exchange transactions which alter the currency characteristics of transferable securities held by the relevant Fund) and to alter the currency exposure characteristics of transferable securities in accordance with the conditions and limits set down by the Central Bank as outlined in Appendix III hereto. Forward currency contracts may, at the Company, or its delegates, sole discretion, be used to hedge some or all of the exchange risk/currency exposure arising as a result of the fluctuation between the currency in which the Net Asset Value per Share is computed, and the currencies in which a Fund's investments are denominated.

The performance of a Fund may be strongly influenced by movements in currency exchange rates because currency positions held by the Fund may not correspond with securities positions held.

In pursuance of its investment policy, a Fund may purchase securities on a when issued or delayed delivery basis for the purposes of efficient portfolio management. These securities are taken into account when calculating the investment limitations of a Fund as outlined in Appendix I hereto.

The proposed use of techniques and instruments will be disclosed in the relevant Supplement.

The Investment Advisor will seek to ensure that the techniques and instruments entered into for the purposes of efficient portfolio management are economically appropriate in that they will be realised in a cost effective manner.

Such transactions may include SFT and FDIs as described in greater detail below in the sections entitled "Securities Financing Transactions" and "Financial Derivative Instruments" and/or in the relevant Supplement.

For the purpose of providing margin or collateral in respect of transactions in SFT or FDI, the Company may transfer, deposit, mortgage, charge or encumber any assets or cash forming part of the relevant Fund in accordance with normal market practice (including where relevant the transfer of daily variation margins) .

The Manager shall ensure that all revenues from SFT, net of direct and indirect operational costs, will be returned to the relevant Fund.

Any direct and indirect operational costs and/or fees which arise from efficient portfolio management techniques which may be deducted from the revenue delivered to the relevant Fund shall be at normal commercial rates and shall not include any hidden revenue.

Such direct or indirect costs and fees will be paid to the relevant counterparty who carried out the transaction on behalf of the relevant Fund, as disclosed in the Company's annual and semi-annual reports, and these reports shall indicate if the entities are related to the Company or the Depositary. All revenues generated through the use of efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the relevant Fund.

## Securities Financing Transactions

Where specified in the relevant Supplement, a Fund may enter into SFT which include securities lending agreements for efficient portfolio management purposes only, in each case, in accordance with the conditions and limits set down in the Central Bank UCITS Regulations and the SFTR.

### *Securities Lending Agreements*

A securities lending arrangement is one where one party transfers securities to another party subject to a commitment from that party that they will return equivalent securities on a specified future date or when requested to do so by the party transferring the securities. Securities lending arrangements aim to generate additional income for the relevant Fund with an acceptably low level of risk. Under such agreement, the borrower pays the lender (being the Fund) a fee for the use of the securities during the period that they are on loan and provides cash collateral as security for the relevant securities lending transaction. Each Fund may lend its portfolio securities via a securities lending programme through an appointed securities lending agent including any affiliate of the Depositary or the Manager to brokers, dealers and other financial institutions wishing to borrow securities to complete transactions and for other purposes in exchange for collateral. Investors should read the risk warning entitled “**Conflicts of Interest**” in the section of the Prospectus entitled “**Risk Factors**” for further information regarding the risks associated with the use of affiliates of the Depositary or the Manager to provide security lending agency services to the Company. Any Fund that enters into a securities lending agreement shall seek to ensure that it can recall any security that has been lent out and terminate such agreement at any time.

Pursuant to the terms of the relevant securities lending arrangement, the appointed lending agent will be entitled to retain a portion of the securities lending revenue to cover all fees and expenses associated with the securities lending activity, including amongst other things, the delivery of loaned securities and the management of collateral, and such fees shall be paid at normal commercial rates.

The use of the techniques described above may expose a Fund to the risks disclosed in the section entitled “**Risk Factors**” – “**Risks associated with Securities Financing Transactions**”.

### **Eligible Counterparties to OTC Derivative Contracts and Securities Financing Transactions**

Any counterparty to an OTC derivative contract must constitute an Eligible Counterparty.

Any counterparty to an OTC derivative contract or an SFT shall be subject to an appropriate due diligence assessment carried out by the Manager or its delegate, which shall include amongst other considerations, external credit ratings of the counterparty, the regulatory supervision applied to the relevant counterparty, country of origin of the counterparty and legal status of the counterparty. While there are no predetermined legal status or geographical criteria applied in the selection of counterparties, these elements are taken into account in the selection process. Counterparties to such transactions need not have a minimum credit rating however any such counterparty will typically be a credit institution or corporate entity based in the OECD with a minimum external credit rating of at least A2.

Save where the counterparty to the relevant SFT or OTC derivative contract is an Approved Credit Institution, where such counterparty (a) is subject to a credit rating by an agency registered and

supervised by ESMA that rating shall be taken into account by the Manager in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Manager without delay.

Information relating to collateral management by the Company is set out in Appendix III to this Prospectus.

## **Collateral**

For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, the Company may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Fund in accordance with normal market practice and subject to the conditions and limits set out in the Central Bank UCITS Regulations.

### Collateral Management Policy

In accordance with the requirements of the Central Bank, the Manager's risk management process sets out a collateral management policy for and on behalf of each Fund in respect of collateral received in respect of financial derivative transactions whether used for investment or for efficient portfolio management purposes. The Manager's risk management process also sets out a collateral management policy for and on behalf of each Fund in respect of collateral received under a stocklending agreement.

Any collateral received shall comprise of equities and/or government debt of varying maturity which satisfy the requirements of the Central Bank (as outlined in Appendix III) relating to non-cash collateral which may be received by a UCITS. Cash collateral received may not be reinvested. The level of collateral required to be posted by a counterparty may vary by counterparty and where the exchange of collateral relates to initial or variation margin in respect of non-centrally cleared OTC derivatives which fall within the scope of EMIR, the level of collateral will be determined taking into account the requirements of EMIR. In all other cases, collateral will be required from a counterparty where regulatory exposure limits to that counterparty would otherwise be breached. There are no restrictions on the maturity of the collateral received by a Fund.

The minimum credit ratings of the collateral which is acceptable to the relevant Fund is Moody's Short-Term Issue Credit Rating P-1 or above or Standard & Poors Short-Term Issue Credit Ratings A-3 or above.

The haircut applied to collateral posted by a counterparty will be negotiated on a counterparty basis and will vary depending on the class of asset received by the Company on behalf of the Fund, taking into account its credit standing and price volatility, any stress testing carried out to assess the liquidity risk of such asset and, where applicable taking into account the requirements of EMIR. The Manager in consultation with the Investment Advisor will seek to negotiate collateral agreements to an appropriate market standard.

Where relevant, additional or alternative details of the collateral management policy employed in relation to a particular Fund will be set out in the relevant Supplement.

## Management of Collateral for OTC Financial Derivative Instruments and Techniques for Efficient Portfolio Management

Collateral received and any investment of such collateral must meet the requirements of the Central Bank as set out in the Central Bank UCITS Regulations.

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

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

Cash collateral may only be reinvested in:

1. deposits with relevant institutions;
2. high-quality government bonds;
3. reverse repurchase agreements provided the transactions are with credit institutions specified in section 2.8 of Appendix I in this Prospectus and the Fund is able to recall at any time the full amount of cash on an accrued basis;
4. short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

In addition, all reinvested cash collateral must be diversified in terms of country, market and issuers. This diversification requirement is deemed satisfied if the maximum exposure to any given issuer is 20% of the Fund's net asset value. Where the Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

It is not the current intention of the Fund, in consultation with the Manager and the Investment Advisor, to reinvest cash collateral.

### *Posting of collateral by a Fund*

Collateral provided by a Fund to a counterparty shall be agreed with the relevant counterparty and may comprise of cash or any types of assets held by the relevant Fund in accordance with its investment objective and policies and shall, where applicable, comply with the requirements of EMIR. The level of collateral required to be posted may vary by counterparty with which the Fund trades. The haircut policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by the Fund, taking into account the credit standing and price volatility of the relevant counterparty.

Collateral may be transferred by a Fund to a counterparty on a title transfer basis where the assets are passed outside of the custody network and are no longer held by the Depositary or its sub-custodian.

In such circumstances, subject to the requirements of SFTR, the counterparty to the transaction may re-use those assets in its absolute discretion. Where collateral is posted by a Fund to a counterparty under a security collateral arrangement where title to the relevant securities remains with the Fund, such collateral must be safe-kept by the Depository or its sub-depositary. Any re-use of such assets by the counterparty must be effected in accordance with the SFTR and, where relevant, the UCITS Regulations. Risks associated with re-use of collateral are set down in "Risk Factors" – "Risks Associated with Collateral Management".

### **Dividend Policy**

The Articles of Association of the Company empower the Directors to declare dividends in respect of any Shares in a Fund out of the net income of the Fund (being the income of the Fund from dividends, interest or otherwise) and net realised and unrealised gains (i.e. realised and unrealised capital gains net of all realised and unrealised losses) less accrued expenses of the Fund, subject to certain adjustments. The Directors will disclose the intended dividend policy for each Fund and for the relevant Classes of Shares in each Fund in the relevant Supplement.

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

The latest Net Asset Value per Share will normally be published on [www.bloomberg.com](http://www.bloomberg.com) and on <https://www.fundinfo.com/en/LandingPage?apiKey=868f8d90-d589-4023-a288-db042dedc161> on the Business Day following the relevant Dealing Day and updated following each calculation of Net Asset Value. In addition, the Net Asset Value per Share may be obtained from the Administrator during normal business hours.

### **Risk Factors**

#### ***General***

**The risks described herein should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Potential investors should be aware that an investment in a Fund may be exposed to other risks of an exceptional nature from time to time. Investment in the Company carries with it a degree of risk. Different risks may apply to different Funds. Potential investors should review this Prospectus and the relevant Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares. Potential investors are advised that the value of Shares and the income from them may go down as well as up and, accordingly, an investor may not get back the full amount invested and an investment should only be made by persons who can sustain a loss on their investment. Past performance of the Company or any Fund should not be relied upon as an indicator of future performance. The difference at any one time between the sale price (to which may be added a sales charge or commission) and the redemption price of Shares (from which may be deducted a redemption fee) means an investment should be viewed as medium to long term. The attention of potential investors is drawn to the taxation risks associated with investing in the Company. Please refer to the Section of the Prospectus entitled "Taxation". The securities and instruments in which the Company invests are subject to normal market fluctuations and other risks inherent in investing in such**

**investments and there can be no assurance that any appreciation in value will occur.**

There can be no guarantee that the investment objective of a Fund will actually be achieved.

### ***Market Risk***

Some of the Recognised Exchanges on which a Fund may invest may be less well-regulated than those in developed markets and may prove to be illiquid, insufficiently liquid or highly volatile from time to time. This may affect the price at which a Fund may liquidate positions to meet redemption requests or other funding requirements. The value of a security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They also may decline because of factors that affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Some of the Fund's investments will rise and fall based on investor perception rather than economic factors.

### ***Liquidity Risk***

Not all securities or instruments invested in by the Funds will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Funds may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity.

### ***Redemption Risk***

Large redemptions of Shares in a Fund might result in a Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets.

### ***Market Sector Risk***

If the Fund's portfolio is overweight or underweight in certain companies, industries or market sectors, the Fund's performance may be more or less sensitive to developments affecting those companies, industries or sectors.

### ***Issuer Risk***

The value of a security may decline for a number of reasons that directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's products or services.

### ***Currency Risk***

Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund. Changes

in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the Base Currency. It may not be possible or practical to hedge against such exchange rate risk. The Investment Advisor may, but is not obliged to, mitigate this risk by using financial instruments. This strategy may limit Shareholders in a Class from benefiting if the Class currency falls below the base currency or the currency in which the assets are denominated.

Funds may from time to time utilise techniques and instruments to seek to protect (hedge) currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Funds will not enter into forward contracts for speculative purposes. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the prices of a Fund's securities or in foreign exchange rates or prevent loss if the prices of these securities should decline.

A Fund may enter into currency exchange transactions and/or use techniques and instruments to seek to protect against fluctuation in the relative value of its portfolio positions as a result of changes in currency exchange rates or interest rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. The successful execution of a hedging strategy which matches exactly the profile of the investments of any Fund cannot be assured. It may not be possible to hedge against generally anticipated exchange or interest rate fluctuations at a price sufficient to protect the assets from the anticipated decline in value of the portfolio positions as a result of such fluctuations.

### ***Share Currency Designation Risk***

A Class of Shares of a Fund may be designated in a currency other than the Base Currency of the Fund. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency.

### ***Valuation Risk***

A Fund may invest some of its assets in illiquid and/or unquoted securities or instruments. Such investments or instruments will be valued by the Directors or their delegate in good faith in consultation with the Investment Advisor as to their probable realisation value. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or "close-out" prices of such securities.

The Administrator may consult the Investment Advisor with respect to the valuation of certain investments. Whilst there is an inherent conflict of interest between the involvement of the relevant Investment Advisor in determining the valuation price of each Fund's investments and the Investment Advisor's other duties and responsibilities in relation to the Funds, the Investment Advisor will endeavour to resolve any such conflict of interest fairly and in the interests of investors.

### ***Credit Risks***

There can be no assurance that issuers of the securities or other instruments in which a Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments. A Fund will also be exposed to a credit risk in relation to the counterparties with whom it trades and may bear the risk of settlement default.

### ***Changes in Interest Rates***

The value of Shares may be affected by substantial adverse movements in interest rates.

### ***Techniques and Instruments Risk***

#### *General*

The prices of derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of techniques and instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select the Fund's securities, (4) the possible absence of a liquid market for any particular instrument at any particular time, and (5) possible impediments to effective portfolio management or the ability to meet redemption.

#### *Liquidity of Futures Contracts*

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

#### *Forward Trading*

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each

transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Fund.

## **Risks Associated with Securities Financing Transactions**

### ***General***

Entering into repurchase agreements, reverse repurchase agreements and securities lending agreements create several risks for the Company and its investors. The relevant Fund is exposed to the risk that a counterparty to an SFT may default on its obligation to return assets equivalent to the ones provided to it by the relevant Fund. It is also subject to liquidity risk if it is unable to liquidate collateral provided to it to cover a counterparty default. Such transactions may also carry legal risk in that the use of standard contracts to effect SFT may expose a Fund to legal risks such as the contract may not accurately reflect the intention of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation. Such transactions may involve operational risks in that the use of SFT and management of collateral are subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Risks may also arise with respect to any counterparty's right of re-use of any collateral as outlined below under "Risks Associated with Collateral Management".

### ***Securities Lending***

Where disclosed in the relevant Supplement, a Fund may engage in securities lending activities. As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. The value of the collateral will be maintained to a certain level to ensure that the exposure to a given counterparty does not breach any risk-spreading rules imposed under the UCITS Regulations. However, there is a risk that the value of the collateral may fall below the value of the securities transferred. In addition, as a Fund may invest cash collateral received under a securities lending arrangement in accordance with the requirements set down in the Central Bank UCITS Regulations, any such Fund will be exposed to the risk associated with such investments, such as failure or default of the issuer or the relevant security.

### ***Counterparty Risk***

A Fund may have credit exposure to counterparties by virtue of positions in swaps, options, repurchase transactions and forward exchange rate and other contracts held by the Fund. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights.

## **Risks Associated with Collateral Management**

### ***Custody Risk***

Where a Fund enters into an OTC derivative contract or an SFT, it may be required to pass collateral to the relevant counterparty or broker. Collateral that a Fund posts to a counterparty or a broker by way of a title transfer arrangement that is not segregated with a third-party custodian may not have the benefit of customer-protected “segregation” of such assets. Therefore, in the event of the insolvency of a counterparty or a broker, the Fund may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return if the collateral becomes available to the creditors of the relevant counterparty or broker.

### ***Credit Risk***

Where a Fund delivers collateral to a counterparty under the terms of its trading agreement with such party, the counterparty may be over-collateralised and a Fund will be exposed to the creditworthiness of that counterparty to the extent of the over-collateralisation. In addition, a Fund may from time to time have uncollateralised exposure to its counterparties in relation to its rights to receive securities and cash under contracts governing its arrangements with the relevant counterparties. In the event of the insolvency of a counterparty, a Fund will rank as an unsecured creditor in relation to amounts equivalent to both any uncollateralised exposure to such trading counterparties and any such over collateralisation, and in such circumstances it is likely that a Fund may not be able to recover any debt in full, or at all. A Fund is also subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

### ***Counterparty Risk***

Where collateral is posted to a counterparty or broker by way of a title transfer collateral arrangement or where the Company on behalf of a Fund grants a right of re-use under a security collateral arrangement which is subsequently exercised by the counterparty, the Company on behalf of a Fund will only have an unsecured contractual claim for the return of equivalent assets. In the event of the insolvency of a counterparty, the Fund shall rank as an unsecured creditor and may not receive equivalent assets or recover the full value of the assets. Investors should assume that the insolvency of any counterparty would result in a loss to the relevant Fund, which could be material. In addition, assets subject to a right of re-use by a counterparty may form part of a complex chain of transactions over which the Company or its delegates will not have any visibility or control.

### ***Liquidity Risk***

In addition, notwithstanding that a Fund may only accept non-cash collateral which is highly liquid, a Fund is subject to the risk that it will be unable to liquidate collateral provided to it to cover a counterparty default. Where cash collateral received by a Fund is re-invested in accordance with the conditions imposed by the Central Bank, a Fund will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested. The risk relating to the re-investment of cash collateral may be mitigated by investing cash collateral in highly liquid and diversified money market funds or reverse repurchase transactions.

### ***Legal Risk***

Because the passing of collateral is effected through the use of standard contracts, a Fund may be exposed to legal risks such as the contract may not accurately reflect the intentions of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation.

### ***Amortised Cost Method***

Certain Funds may value some or all of their investments at amortised cost. Investors' attention is drawn to the Section of the Prospectus entitled "Net Asset Value and Valuation of Assets" for further information.

### ***Anti-Dilution Levy***

Where disclosed in the relevant Supplement, the Directors, in consultation with the Manager, may impose an Anti-Dilution Levy in order to reduce the impact of dealing costs incurred as a result of the purchase or sale of investments in response to a request for the issue or redemption of Shares.

As dilution is directly related to the inflows and outflows in respect of the relevant Fund, it is not possible to predict accurately whether dilution will occur at any point in time and consequently it is also not possible to predict accurately how frequently the Company will need to apply an Anti-Dilution Levy in order to mitigate the effects of dilution. Where applied, the Anti-Dilution Levy may vary according to the prevailing market conditions and the implementation of the valuation policy with respect to the determination of the Net Asset Value on any given Dealing Day.

Where specified in the relevant Supplement, the subscription price or redemption price may be different from the Net Asset Value per Share due to an Anti-Dilution Levy being applied.

### ***Tax Risk***

Any change in the taxation legislation in Ireland, or elsewhere, could affect (i) the Company or any Fund's ability to achieve its investment objective, (ii) the value of the Company or any Fund's investments or (iii) the ability to pay returns to Shareholders or alter such returns. Any such changes, which could also be retroactive, could have an effect on the validity of the information stated herein based on current tax law and practice. Prospective investors and Shareholders should note that the statements on taxation which are set out herein and, as applicable, in any Supplement, are based on advice which has been received by the Directors regarding the law and practice in force in the relevant jurisdiction as at the date of this Prospectus. 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.

If, as a result of the status of a Shareholder, the Company or a Fund becomes liable to account for tax, in any jurisdiction, including any interest or penalties thereon, the Company or the Fund shall be entitled to deduct such amount from any payment(s) made to such Shareholder, and/or to compulsorily redeem or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares for the purposes of obtaining sufficient monies to discharge any such liability. The relevant Shareholder shall

indemnify and keep the Company or the Fund indemnified against any loss arising to the Company or the Fund by reason of the Company or the Fund becoming liable to account for tax and any interest or penalties thereon on the happening of an event giving rise to a tax liability including if no such deduction, appropriation or cancellation has been made.

Shareholders and prospective investors' attention is drawn to the taxation risks associated with investing in the Company. Please refer to the section headed "Taxation".

### ***Foreign Account Tax Compliance Act***

The foreign account tax compliance provisions ("FATCA") of the Hiring Incentives to Restore Employment Act 2010 which apply to certain payments are essentially designed to require reporting of Specified US Person's direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service, with any failure to provide the required information resulting in a 30% US withholding tax on direct US investments (and possibly indirect US investments). In order to avoid being subject to US withholding tax, both US investors and non-US investors are likely to be required to provide information regarding themselves and their investors. In this regard the Irish and US Governments signed an intergovernmental agreement ("**Irish IGA**") with respect to the implementation of FATCA (see section entitled "*Compliance with US reporting and withholding requirements*" for further detail) on 21<sup>st</sup> December 2012.

Under the Irish IGA (and the relevant Irish regulations and legislation implementing same), foreign financial institutions (such as the Company) should generally not be required to apply 30% withholding tax. To the extent the Company however suffers US withholding tax on its investments as a result of FATCA, or is not in a position to comply with any requirement of FATCA, the Administrator acting on behalf of the Company may take any action in relation to a Shareholder's investment in the Company to redress such non-compliance and/or to ensure that such withholding is economically borne by the relevant Shareholder whose failure to provide the necessary information or to become a participating foreign financial institution or other action or inaction gave rise to the withholding or non-compliance, including compulsory redemption of some or all of such Shareholder's holding of shares in the Company.

Shareholders and prospective investors should consult their own tax advisor with regard to US federal, state, local and non-US tax reporting and certification requirements associated with an investment in the Company.

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

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard to address the issue of offshore tax evasion on a global basis. Additionally, on 9<sup>th</sup> December 2014, the European Union adopted EU Council Directive 2014/107/EU, amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation ("DAC2"). The Common Reporting Standard and DAC2 (collectively referred to herein as "CRS") provide a common standard for due diligence, reporting and exchange of financial account information. Pursuant to CRS, participating jurisdictions and EU Member States will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the 11502555v2

basis of common due diligence and reporting procedures. The Company is required to comply with the CRS due diligence and reporting requirements, as adopted by Ireland. Shareholders may be required to provide additional information to the Company to enable the Company to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or compulsory redemption of their Shares in the relevant Fund.

Shareholders and prospective investors should consult their own tax advisor with respect to their own certification requirements associated with an investment in the Company.

### ***Operational Risks (Including Cybersecurity and Identity Theft)***

An investment in a Fund, like any fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failure in systems and technology, changes in personnel and errors caused by service providers such as the Manager, the Investment Advisor, the Administrator, the Auditors or the Depositary. Whilst the Funds seek to minimise such events through controls and oversight, there may still be failures that could cause losses to a Fund.

The Manager, the Investment Advisor, the Administrator, the Auditors and the Depositary each maintain appropriate information technology systems. However, like any other system, these systems could be subject to cybersecurity attacks or similar threats resulting in data security breaches, theft, a disruption in the Manager's, the Investment Advisor's, Administrator's, the Auditors' and/or Depositary's service or ability to close out positions and the disclosure or corruption of sensitive and confidential information. Notwithstanding the existence of policies and procedures designed to detect and prevent such breaches and ensure the security, integrity and confidentiality of such information, as well as the existence of business continuity and disaster recovery measures designed to mitigate any such breach or disruption at the level of the Company and its delegates, such security breaches may potentially also result in loss of assets and could create significant financial and or legal exposure for the Company.

Cybersecurity breaches may occur whereby an unauthorised party infiltrates and gains access to assets of the Funds, Shareholder data, or proprietary information. This may cause the Company, the Manager, the Investment Advisor, the Administrator, the Depositary or the Auditors to suffer data corruption or lose operational functionality. The Funds may be affected by intentional cybersecurity breaches which include unauthorised access to systems, networks, or devices (such as through "hacking" activity); infection from computer viruses or other malicious software code and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws).

A cybersecurity breach could result in the loss or theft of Shareholder data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause the Company, the Manager, the Investment Advisor, the Administrator, the Depositary, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. Consequently, Shareholders may lose some or all of their invested capital. In addition, such incidents could affect issuers in which a Fund invests, and thereby cause a Fund's investments to lose

value, as a result of which investors, including the relevant Fund and its Shareholders, could potentially lose all or a portion of their investment with that issuer.

### ***Market Disruptions***

A Fund may incur major losses in the event of disrupted markets and other extraordinary events which may affect markets in a way that is not consistent with historical pricing relationships. The risk of loss from such a disconnection is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving.

Such a disruption may also result in substantial losses to a Fund because market disruptions and losses in one sector can cause effects in other sectors. For example, during the “credit crunch” of 2007-2009 many investment vehicles suffered heavy losses even though they were not necessarily heavily invested in credit-related investments.

In addition, market disruptions caused by unexpected political, military, terrorist, medical, health-related or other events may from time to time cause dramatic losses for a Fund and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk. A financial exchange may from time to time suspend or limit trading. Such a suspension could render it difficult or impossible for a Fund to liquidate affected positions and thereby expose it to losses. There is also no assurance that investments that are not traded on an exchange will remain liquid enough for the Fund to close out positions.

### ***Pandemic***

A pandemic may result in sustained market volatility and a period of economic decline globally. A pandemic may also have a significant adverse impact on the value of a Fund’s investments and the ability of the Investment Advisor to access markets or implement the Fund’s investment policy in the manner originally contemplated. Government interventions or other limitations or bans introduced by regulatory authorities or exchanges and trading venues as temporary measures in light of significant market volatility may also negatively impact on the Investment Advisor’s ability to implement a Fund’s investment policy. Funds’ access to liquidity could also be impaired in circumstances where the need for liquidity to meet redemption requests may rise significantly. Services required for the operation of the Company such as the determination of the Net Asset Value of any Fund and the issue, conversion and redemption of Shares in any Fund, may in certain circumstances be impacted as a result of such pandemic.

### ***GDPR***

Under the GDPR, data controllers are subject to additional obligations including, amongst others, accountability and transparency requirements whereby the data controller is responsible for, and must be able to demonstrate compliance with the rules set down in the GDPR relating to data processing and must provide data subjects with more detailed information regarding the processing of their personal data. Other obligations imposed on data controllers include more enhanced data consent requirements and the obligation to report any personal data breach to the relevant supervisory authority without undue delay. Under the GDPR, data subjects are afforded additional rights, including the right

to rectify inaccurate personal information, the right to have personal data held by a data controller erased in certain circumstances and the right to restrict or object to processing in a number of circumstances.

The implementation of GDPR may result in increased operational and compliance costs being borne directly or indirectly by the Company. Further there is a risk that the measures will not be implemented correctly by the Company or its service providers. If there are breaches of these measures by the Company or any of its service providers, the Company or its service providers could face significant administrative fines and/or be required to compensate any data subject who has suffered material or non-material damage as a result as well as the Company suffering reputational damage which may have a material adverse effect on its operations and financial conditions.

### **Military Conflict Risk**

A Fund may incur significant losses in the event of a military conflict arising in any region in which it is either directly or indirectly invested. Such military conflicts (including, without limitation, the current war between Russia and Ukraine) may result in restricted or no access to certain markets, investments, service providers or counterparties, thus negatively impacting the performance of a Fund and restricting the ability of the Investment Advisor to implement the investment strategy of a Fund and achieve its investment objective. Increased volatility, currency fluctuations, liquidity constraints, counterparty default, valuation and settlement difficulties and operational risk resulting from such conflicts may also negatively impact the performance of a Fund. Such events may result in otherwise historically “*low-risk*” strategies performing with unprecedented volatility and risk.

More generally, military conflict and any economic sanctions imposed in response to military aggression may lead to broader economic and political uncertainty and could cause significant volatility in financial markets, currency markets and commodities markets worldwide. Depending on the nature of the military conflict, companies worldwide operating in many sectors, including energy, financial services and defence, amongst others may be impacted. As a result, the performance of a Fund which has no direct or indirect exposure to the region(s) involved in the military conflict may also be negatively impacted.

### **Climate Change And Environmental, Social And Governance Factors Risk**

Climate change and other ESG factors may impact the financial performance of a Fund’s investments notwithstanding the Investment Advisor’s ability to identify drivers of these risks.

Although climate change and ESG issues do not form part of traditional financial metrics, their impacts may affect the risk and return of investments — at times, decisively, albeit that their impacts may be difficult to measure in monetary terms. For example, ongoing droughts may impact agricultural farming and concerns regarding use and overuse of fossil fuels may impact investor engagement and voting strategies at investments of the Fund. Similarly, employee relations and other values-related issues have seen reputational damage impact the value of certain corporations.

The risks posed by climate change and other ESG issues have led to increasing governmental regulation and taxation and it is expected that such regulation and taxation will increase, leading to additional costs for the Funds whether or not following an ESG led or influenced investment policy.

The Funds may also be exposed to investment risks caused by ESG events, including climate events exacerbated by climate change, and/or by exposure to investments located in areas that are more susceptible to climate change risks or vulnerable to climate-related events including hurricane, fire, or flood damage.

***Risk Factors Not Exhaustive***

The investment risks set out in this Prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the Company or any Fund or Class may be exposed to risks of an exceptional nature from time to time.

## 2. MANAGEMENT AND ADMINISTRATION

The Directors manage the affairs of the Company and are responsible, in consultation with the Investment Advisor, for the formulation of the investment objective and the investment policy of each Fund. The Directors have delegated the day to day management of the Company to the Manager and appointed the Depositary to take custody of the assets of each Fund. The Manager has appointed the Investment Advisor to act as discretionary investment advisor of the Funds. The Manager has appointed the Administrator to act as administrator of the Company. The Company has appointed the Manager as its global distributor by means of the Distribution Agreement. In addition, the Company has engaged Bridge Fund Services Limited to provide the service of money laundering reporting officer to the Company.

### Directors

The Directors are as follows:

*Ms. Satomi Fujii (Japanese)*

Ms. Fujii has over 15 years' experience in the investment industry. She is a member of Global Business Development at SPARX Asset Management Co., Ltd. and joined the firm in 2004. Her experience includes involvement in business development mainly in Europe and Middle East and acting as a client relationship manager for non-Japanese institutional investors, including sovereign wealth funds, pension funds and financial institutions. Ms. Fujii worked as a product specialist mainly for Japanese equity strategies. Ms. Fujii is also a member of Responsible Investment Promotion at SPARX Group Co., Ltd. and is responsible for organizing Responsible Investment Committee where progress towards Responsible Investment Objectives and ESG integrations within the group are monitored. She holds a Master of Economics from Yamaguchi University in Japan. Ms. Fujii serves on the board of the Company as a Non-Executive Director.

*Mr. Alan Ng (Chinese)*

Mr. Ng has over 20 years' experience in the financial services industry. He is a Director of SPARX Asia Investment Advisors Limited, the Hong Kong based asset management arm of SPARX Group since November 2014. He joined SPARX Asia Investment Advisors Limited in 2004, holding various senior positions, including Head of Technology and Head of Risk Control and Compliance. Before joining SPARX Asia Investment Advisors Limited, he was with UFJ Investment Asia in Hong Kong in charge of the proprietary trading technology operations. Prior to UFJ, he worked for NatWest Bank PLC treasury and Barclays Global Investors. He holds a master degree in Finance from the University Royal Melbourne, Institute of Technology Australia. Mr. Ng serves on the board of the Company as a Non-Executive Director.

*Ms. Deirdre Gormley (Irish)*

Ms. Gormley is an independent investment fund director with over 30 years' experience in the asset management and investment funds industry, having held senior executive and board positions in large international organisations. In her previous executive roles Ms. Gormley was responsible for a wide

range of investment management, business development, governance, and regulatory activities. She was involved in products management for Irish, Luxembourg and Dutch domiciled investment products. Ms. Gormley is the former CEO/ Head of Management Company for Northern Trust Asset Management in Dublin Ireland. In this role she was responsible for the management of UCITS and IPM business which included Money Market, Equity, Fixed Income and ETF products. She was responsible for the Northern Trust Fund Managers Ireland branches in Europe and the oversight of delegated service providers. Prior to this role Deirdre spent 12 years with Pioneer Investment Limited (now Amundi Ireland Limited) as Head of Product and Marketing Services. Prior to joining Pioneer, Ms. Gormley held various senior management posts with JP Morgan both in Dublin and New York covering a range of operational and client relationship roles. Ms. Gormley has a Bachelor of Science degree in Finance from Marist College in Poughkeepsie, New York.

*Mr. Simon O'Sullivan (Irish)*

Mr. O'Sullivan has worked in the investment management sector since 1993. From April 2002 to April 2006 he was employed in Dublin by Pioneer Alternative Investments as a product specialist. In May 2006 he left Pioneer to join his family company as financial controller and in May 2013 Mr. O'Sullivan became a partner in Maraging Funds Limited, trading as RiskSystem a specialist Fintech provider of financial risk solutions to the investment funds industry. He has also worked for Fleming Investment Management as a fund manager in London, as well as Eagle Star and Merrion Capital, both in Dublin. He holds a Bachelor of Arts in Economics and Politics, a Master of Arts in Economics, a Master of Sciences in Investment & Treasury Management and a Diploma in Corporate Governance. Mr. O'Sullivan is currently a non-executive director of a number of investment funds.

## **The Manager**

The Company has appointed Bridge Fund Management Limited as its manager pursuant to the Management Agreement and Bridge Fund Management Limited is responsible on a day-to-day basis under the supervision of the Directors, for the management of the Company's affairs and distribution of the Shares. The Manager is a privately owned company incorporated with limited liability in Ireland on 16 December 2015 with registration number 573961. The Manager is authorized by the Central Bank to act as a fund management company pursuant to the UCITS Regulations and an Alternative Investment Fund Manager (AIFM) pursuant to the European Communities (Alternative Investment Fund Managers) Regulations, 2013, as amended. Its principal business is acting as manager of investment funds. The Manager has appointed the Investment Advisor to act as discretionary investment advisor of the Funds. The Manager has appointed the Administrator to perform the day-to-day administration of the Company, including the calculation of the Net Asset Value of the Funds and of the Shares, and related fund accounting services.

The Manager's corporate secretarial function is provided by the company secretary of the Manager.

The Manager may act as manager of, and/or provide other services to, other funds or clients established in Ireland or elsewhere any of which may be competing with the Company in the same markets.

The directors of the Manager are as follows:

*Mr. David Dillon*

David Dillon is a solicitor having qualified in 1978. He is a graduate of University College Dublin (Bachelor of Law) and has an MBA from Trinity College Dublin. David was a founding partner of the law firm Dillon Eustace. David is a director of a number of Irish based investment and fund management companies. He has served as a member of a number of committees and sub-committees established by the Irish Law Society relating to commercial and financial services law. He is a former Chairman of the Investment Funds Committee (Committee I) of the International Bar Association, past Chairman of the Irish government's IFSC Funds Working group and a member of the IFSC's Clearing Group. He was a member of the Certified Accountant Accounts Awards Committee. He is currently on the organising committee of the Globalisation of Investment Funds organised by the ICI. He worked with the international law firm of Hamada and Matsumoto (now Mori Hamada and Matsumoto) in Tokyo during 1983/1984. Mr. Dillon speaks regularly at international fora.

*Mr. Patrick Robinson*

Patrick Robinson has over 20 years' experience in the asset management and funds services industry. Patrick began working as a consultant with Bridge Consulting Limited, an affiliate of the Manager, in October 2009, before becoming Chief Executive Officer in August 2014. Patrick has an in-depth knowledge of UCITS and AIFM requirements and has project managed fund launches to include providing assistance on product development. He has established the risk, compliance and operational infrastructures of a number of asset management firms. Patrick joined Bridge Consulting Limited from RBS Fund Services (Ireland) Ltd where he headed the Operations Team responsible for the supervision and oversight of a variety of managers and service providers contracted to funds managed by RBS FSI. Prior to this Patrick worked with Olympia Capital (Ireland) Ltd where he managed the fund accounting operations for an array of clients with a diverse range of alternative fund products. He holds a Master's degree in Finance and Investment from the University of Ulster.

*Mr. Hugh Grootenhuis*

Hugh Grootenhuis has over 35 years' experience of working in financial services, in a variety of roles. He worked for the Schroder banking group for eighteen years where he obtained a wide range of investment banking experience. He worked for Schrodgers in London, Tokyo and Singapore, and spent the majority of his time in the international equity capital markets group. Hugh joined Waverton Investment Management Limited ("Waverton", previously called J O Hambro Investment Management Limited) in 1999 as a director of new business. While with Waverton, he was responsible for marketing Waverton's private client business as well as structuring long only equity and hedge fund vehicles. In May 2007 he was appointed head of the funds business and joined the executive board. In June 2009 he was appointed Chief Executive Officer and acted in this capacity until July 2015. Hugh was appointed as a special advisor to S.W. Mitchell Capital LLP in January 2016 to assist with the development of its business, including governance and oversight. He is also a director of S.W. Mitchell Capital plc, Dublin UCITS. In 2017 he joined the Boards of Charles Stanley Group PLC and Charles Stanley & Co. Hugh graduated from the University of Cambridge where he read geography and land economy.

*Mr. Brian Finneran*

Brian Finneran has over 20 years' experience in the financial services industry. Since joining Bridge in November 2014, Brian has been appointed as the Designated Person (PCF-39), including for the Fund Risk Management function, to a number of self-managed UCITS funds, UCITS management companies and AIFMs. He has also undertaken a number of risk-based consultancy projects for asset managers. Before joining Bridge, Brian worked for Marathon Asset Management (London) managing the Hedge fund operations team with responsibility for the oversight, control and development of Marathon's alternative fund range. Prior to this, Brian worked with Citi Hedge Fund Services (previously BISYS Hedge Fund Services) where he managed a team responsible for the administration of a number of hedge fund and fund of hedge fund clients. Brian has served as a member of the Irish Funds Investment Risk Working group including as Chair since 2021. Brian holds a Degree in Accounting & Finance from Dublin City University and is an affiliate of the Association of Chartered Certified Accountants.

*Ms. Carol Mahon*

Carol is an Irish resident with over 25 years' experience in the Irish Funds industry. She previously held executive positions in a number of financial services companies including Head of Hermes Fund Managers Ireland Ltd between November 2018 and April 2021. Prior to joining Federated Hermes Investment Management, Carol was the Chief Executive Officer for FIL Life Insurance (Ireland) Limited from March 2013 to November 2018 and Executive Director for FIL Fund Management (Ireland) Limited from January 2004. Before joining the Fidelity International Group in 2000, Carol held a number of positions within MeesPierson Fund Services (Dublin) Limited.

Carol has an extensive knowledge of corporate governance and a proven record in helping businesses to develop out their strategy, building out of their products & proposition and managing the business day to day as well as overseeing global operations. Furthermore, she has practical experience in developing relationships with key stakeholders and clients, both internal and external, and has a great knowledge of regulatory developments and risk management.

Carol is experienced in acting as both an Executive Director and a Non-Executive Director on a variety of boards, both for profit and non-profit organisations. She has gained extensive experience in managing the dynamics and effectiveness of boards. Carol has a keen interest in corporate social responsibility (CSR) and diversity, having chaired a CSR Committee as well as sitting on a global diversity working group.

Carol holds a degree in Economics from UCD and an MBA from UCD Michael Smurfit Graduate Business School.

### **Investment Advisor**

The details of the Investment Advisor appointed by the Manager to act as investment advisor to one or more Funds, are disclosed in the relevant Supplement for each Fund.

### **Administrator**

The Manager has appointed HSBC Securities Services (Ireland) DAC as administrator and registrar of the Company pursuant to the Administration Agreement. The Administrator will have responsibility for

the administration of the Company's affairs including the calculation of the Net Asset Value and preparation of the accounts of the Company, subject to the overall supervision of the Directors.

The Administrator was incorporated in Ireland as a limited liability company on 29<sup>th</sup> November 1991 and is an indirect wholly-owned subsidiary of HSBC Holdings plc, a public company incorporated in England. As at December, 2017 HSBC Holdings plc had consolidated gross assets of US\$2,522 billion.

## **Depositary**

Pursuant to the Depositary Agreement and for the purposes of and in compliance with the UCITS Regulations, the Depositary has been appointed as depositary to the Company.

The Depositary is a subsidiary of HSBC Holdings plc. It is incorporated under the laws of France as a société anonyme (registered number 775 670 284 RCS Paris), having its registered office at 38, Avenue Kléber, 75116 Paris, France. The Depositary is based in Paris and supervised by the European Central Bank (ECB), as part of the Single Supervisory Mechanism, the French Prudential Supervisory and Resolution Authority (l'Autorité de Contrôle Prudentiel et de Résolution) (ACPR) as the French National Competent Authority and the French Financial Markets Authority (l'Autorité des Marchés Financiers) (AMF) for the activities carried out over financial instruments or in financial markets. Further, the Depositary is registered as an insurance broker with the French Organisation for the Registration of financial intermediaries (Organisme pour le Registre unique des Intermédiaires en Assurance, banque et finance – [www.orias.fr](http://www.orias.fr)) under nr.07005894. The Dublin branch of the Depositary is also subject to the local supervision of the Central Bank. The Dublin branch of the Depositary is lawfully established in Ireland as a branch and is duly registered with the Companies Registration Office with number 908966.

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

The Depositary's duties include the following:-

- (i) safekeeping the assets of the Company, which includes (i) holding in custody all financial instruments that may be held in custody; and (ii) verifying the ownership of other assets and maintaining records accordingly;
- (ii) ensuring that the Company's cash flows are properly monitored and that all payments made by or on behalf of applicants upon the subscription to shares of the Company's have been received;
- (iii) carrying out its oversight functions and ensuring that issues, redemptions and cancellations and the valuation of the shares of the Company's are calculated in accordance with the UCITS Regulations;
- (iv) carrying out the instructions of the Company, unless they conflict with the UCITS Regulations;
- (v) ensuring that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits;
- (vi) ensuring that the Company's income is applied in accordance with the UCITS Regulations.

The Depositary may delegate its safekeeping functions to one or more delegates in accordance with, and subject to the UCITS Regulations and on the terms set out in the Depositary Agreement. The performance of the safekeeping function of the Depositary in respect of certain of the Company's assets has been

delegated to the delegates and any sub-delegates listed at Appendix V of this Prospectus. An up to date list of any such delegate(s) or sub-delegates is available from the Company on request. The Depositary will have certain tax information-gathering, reporting and withholding obligations relating to payments arising in respect of assets held by the Depositary or a delegate on its behalf.

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

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

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

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

- (i) the appointment of the Depositary under the Depositary Agreement or the performance by the Depositary of the services set out in the Depositary Agreement;
- (ii) any breach by the Company of Applicable Law (as defined in the Depositary Agreement), the Constitutional Documents, the Depositary Agreement, this Prospectus or fraud, negligence or wilful default of the Company to disclose to investors any information required by the Depositary Agreement or the UCITS Regulations, or to provide to the Depositary with any information required by the Depositary in order to provide the services listed in the Depositary Agreement;
- (iii) any Identified Custody Risk or any Identified Segregation Risk (as defined in the Depositary Agreement);
- (iv) the registration of Financial Instruments and Other Assets in the name of the Depositary or any delegate or Settlement System (as defined in the Depositary Agreement);
- (v) any breach of or default under any of the representations, warranties, covenants, undertakings or agreements made by the Depositary, a delegate or sub-delegate of a delegate (or a nominee of the Depositary, a delegate or sub-delegate of a delegate) on behalf of the Company in connection with any subscription agreements, application forms, investor questionnaires, purchase agreements, related documentation or similar materials relating to the Company's investment in any collective investment scheme, managed account, investment company, Underlying Structure (as defined in the Depositary Agreement) or similar pooled investment vehicle on behalf of the Company,

provided that such indemnity shall not apply to any Liabilities (as defined in the Depositary Agreement) arising out of the negligence, fraud or wilful default of the Indemnified Person or to the extent that such

indemnity would require the Company to indemnify the Depositary for any loss for which the Depositary is liable to the Company under the UCITS Regulations.

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

The appointment of the Depositary under the Depositary Agreement may be terminated without cause by not less than (90) days written notice provided that the Depositary Services Agreement does not terminate until a replacement Depositary has been appointed.

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

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

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

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

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

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

## **Distributor**

The Company has appointed the Manager as the global distributor for the Company pursuant to the Distribution Agreement.

The biographical details of the Manager are set out under the heading, "Management and Administration " in this Prospectus.

The Manager and/or the Company may, in accordance with the requirements of the Central Bank, appoint one or more Distributors to distribute on its behalf Shares in one or more Classes of one or more Funds. There may be more than one Distributor for a Fund. Details of the Distributors appointed are contained in Appendix IV to this Prospectus and will be updated upon the appointment or termination of appointment of Distributors.

## **Paying Agents**

The Manager may, in accordance with the requirements of the Central Bank, appoint Paying Agents to the Company in one or more countries. Where a Paying Agent is appointed in a particular country it will maintain facilities whereby Shareholders who are resident in the relevant country can obtain payment of dividends and redemption proceeds, examine and receive copies of the Articles of Association and periodic reports and notices of the Company and make complaints if and when appropriate which shall be forwarded to the Company's registered office for consideration. Details of the Paying Agents appointed in particular jurisdictions are contained in the relevant Country Supplement provided with this Prospectus.

## **Conflicts of Interest**

The Directors, the Manager, the Investment Advisors, the Distributor, the Administrator and the Depositary and their respective affiliates, officers, directors and shareholders, employees and agents (collectively the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the Company and/or their respective roles with respect to the Company. These activities may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services, securities lending agency services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Company may invest. In particular, the Manager and/or the Investment Advisors may be involved in advising or managing other investment funds which have similar or overlapping investment objectives to or with the Company or its Funds.

Each of the Parties will use its reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly. In relation to co-investment opportunities which arise between the Company and other clients of the Investment Advisors, the Investment Advisors will ensure that the Company participate fairly in such investment opportunities and that these are fairly allocated.

There is no prohibition on transactions with the Company by the Manager, the Investment Advisors, the Distributor, the Administrator, the Depositary and any other delegate or sub-delegate of the Company or the Depositary (excluding any non-group company sub-custodians appointed by the Depositary) and any associated or group company of the Company, the Depositary, their delegates or sub-delegates, including, without limitation, holding, disposing or otherwise dealing with Shares issued by or property of the Company and none of them shall have any obligation to account to the Company for any profits or benefits made by or derived from or in connection with any such transaction provided that such transactions are conducted at arm's length and are in the best interests of Shareholders and dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis and

- (a) a person approved by the Depositary (or in the case of a transaction involving the Depositary, the Manager) certifies the price at which the relevant transaction is effected is fair; or
- (b) the relevant transaction is executed on best terms on an organised investment exchange or regulated market in accordance with the rules of such exchange or market; or
- (c) where (a) and (b) are not practical, the Depositary is satisfied that the relevant transaction is conducted at arm's length and is in the best interests of Shareholders or in the case of a transaction involving the Depositary, the Manager in consultation with the Directors are satisfied that the transaction is at arm's length and in the best interests of Shareholders.

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

The Investment Advisors or an associated company of the Investment Advisors may invest in Shares so that a Fund or Class may have a viable minimum size or is able to operate more efficiently. In such circumstances the Investment Advisors or their associated company may hold a high proportion of the Shares of a Fund or Class in issue.

Details of interests of the Directors are set out in the Section of the Prospectus entitled "General Information".

### **Soft Commissions**

The Manager and/or Investment Advisors may effect transactions by or through the agency of another person with whom the Manager and/or Investment Advisors or an entity affiliated to the Investment Advisors has arrangements under which that person will, from time to time, provide to or procure for the Manager and/or the Investment Advisors and/or an affiliated party goods, services or other benefits such as research and advisory services, specialised computer hardware or software or research measures and performance measures etc., the nature of which is such that their provision can reasonably be expected to benefit the Company and may contribute to an improvement in the performance of the Company and of the Manager and of the Investment Advisors or any entity related

to the Manager and/or the Investment Advisors in providing services to the Company and for which no direct payment is made but instead the Manager and/or the Investment Advisors and any entity related to the Manager and/or the Investment Advisors undertakes to place business with that party ("Soft Commission Arrangements"). For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees' salaries or direct money payments. Where the Manager and/or the Investment Advisors enter into Soft Commission Arrangements they must ensure that:

- (i) the broker or counterparty to the arrangement has agreed to provide best execution to the Company;
- (ii) benefits provided under the arrangement must be those which assist in the provision of investment services to the Company;
- (iii) there is adequate disclosure in the periodic reports issued by the Company.

### **3. FEES AND EXPENSES**

#### **Establishment Expenses**

All fees and expenses relating to the establishment and organisation of the SPARX Japan Fund and SPARX Japan Sustainable Equity Fund have been fully amortised and paid.

The organisational and establishment expenses relating to the creation of any additional Funds and Classes will be borne by such Funds and may be amortised over the first five Accounting Periods of such Funds or such other period as the Directors, in consultation with the Manager, may determine and shall be subject to such adjustment following the establishment of new Funds as the Directors may determine.

#### **Operating Expenses and Fees**

The Company will pay all its operating expenses and the fees hereinafter described as being payable by the Company. Expenses paid by the Company throughout the duration of the Company, in addition to fees and expenses payable to the Manager, the Administrator, the Depositary (including those of any sub-custodian), the Investment Advisors, the Distributor or Paying Agent include but are not limited to brokerage and banking commissions and charges, transaction charges, legal and other professional advisory fees, company secretarial fees, Companies Registration Office filings and statutory fees, auditing fees, translation and accounting expenses, interest on borrowings, taxes and governmental expenses applicable to the Company or any subsidiary company, costs of preparation, translation, printing and distribution of reports and notices, all marketing material and advertisements and periodic update of the Prospectus, stock exchange listing fees, all expenses in connection with registration, listing and distribution of the Company and Shares issued or to be issued, all expenses in connection with obtaining and maintaining a credit rating for any Funds or Classes or Shares, expenses of Shareholders meetings, Directors' insurance premia, expenses of the publication and distribution of the Net Asset Value, clerical costs of issue or redemption of shares, postage, telephone, facsimile and telex expenses and any other expenses in each case together with any applicable value added tax. Any such expenses may be deferred and amortised by the Company, in accordance with standard accounting practice, at the discretion of the Directors. An estimated accrual for operating expenses of the Company will be provided for in the calculation of the Net Asset Value of each Fund.

#### **Manager's Fees**

The Company shall pay the Manager out of the assets of the relevant Fund a fee as disclosed in the relevant Supplement.

#### **Remuneration Policy of the Manager**

In line with the provisions of the UCITS Regulations, the Manager applies its remuneration policy and practices in a way and to the extent that is proportionate to its size, its internal organisation and the nature, scope and complexity of its activities. Further information on the remuneration policy of the Manager is available on <https://bridgefundservices.com/disclosures/>. As the Manager has delegated the investment management of the Funds to the relevant Investment Advisor, the Manager will ensure

that the Investment Advisor applies in a proportionate manner the remuneration rules as detailed in the UCITS Regulations or, alternatively, that the Investment Advisor is subject to equally effective remuneration requirements in Japan and Hong Kong, as applicable, or contractual arrangements are put in place between with the Manager and the Investment Advisor in order to ensure that there is no circumvention of the remuneration rules set down in the ESMA Guidelines on Remuneration for UCITS.

Details of the remuneration policy of the Manager including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists, will be available free of charge upon request from the Manager.

### **Administrator's and Passive Hedging Calculation Agent's Fees**

The Company shall pay to the Administrator out of the assets of each Fund an annual fee, accrued at each Valuation Point and payable monthly in arrears.

The Administrator's fees as set out below will be payable based on the Net Asset Value of each Fund as of each Valuation Point, subject to the minimum monthly fee. The Administrator will receive 0.06% per annum in respect of the first \$500 million assets under management and 0.05% per annum in respect any assets under management above \$500 million. The Administrators fee will be subject to a minimum annual fee for the first share class of \$35,000 and a minimum monthly fee of \$500 for every additional share class. The Administrator will also receive a fee for Business Plan reporting of \$4,000 per annum per Fund.

The Administrator will receive an FX hedging calculation fee on behalf of the Passive Hedging Calculation Agent as agreed between the parties from time to time and which will be at normal commercial rates.

In addition, the Company shall pay to the Administrator US\$15,000 for the preparation of the annual and interim financial statements.

The Administrator shall also be entitled to be repaid out of the assets of each Fund all of its reasonable out-of-pocket expenses incurred on behalf of the Fund which shall include legal fees, couriers' fees and telecommunication costs and expenses.

### **Depositary's Fee**

The Company shall pay to the Depositary out of the assets of each Fund an annual fee, accrued at each Valuation Point and payable monthly in arrears.

The Depositary's fees will be payable based on the Net Asset Value of each Fund as of each Valuation Point, subject to a minimum annual fee of US\$25,000. The Depositary will receive 0.04% per annum in respect of the first \$500 million assets under custody and 0.03% per annum in respect of any assets under custody above \$500 million.

The Depositary shall also be entitled to be repaid all of its disbursements out of the assets of the relevant Fund, including legal fees, couriers' fees and telecommunication costs, transaction charges and expenses and any reasonable out-of-pocket expenses and the fees, transaction charges and expenses of any sub-custodian appointed by it which shall be at normal commercial rates.

### **Investment Advisory Fees**

The fees of each Investment Advisor are disclosed in the relevant Supplement for each Fund.

### **Distributor Fees**

The Investment Advisor will be responsible for the fees and expenses of the Distributor (excluding subscription fees) such fees to be agreed between the parties from time to time.

### **Paying Agents' Fees**

The Company shall pay the fees and expenses of any paying agent appointed at normal commercial rates together with VAT, if any, thereon to provide services at the rate(s) disclosed in the relevant Country Supplement. Each Fund will bear its proportion of the fees and expenses of paying agents so appointed.

### **Subscription Fee**

The Company, in consultation with the Manager, may charge a sales charge not exceeding 5% of the subscription proceeds, which shall be paid to the Company or to any placing or sales agent or agents or distributors appointed by or on behalf of the Company for its or their sole use and benefit or as it or they may determine and shall not form part of the assets of the relevant Fund. The Company in its absolute discretion may waive, or differentiate between investors as to the amount of, any such sales charge.

### **Redemption Fee**

The Directors, in consultation with the Manager, may impose a redemption fee of up to 3% of the Net Asset Value of the Shares being redeemed. Details of applicable redemption fees will be set out in the relevant Supplement and shall be payable to and shall be for the sole benefit and account of the relevant Fund. In the event of a redemption fee being charged, Shareholders should view their investment as medium to long-term.

### **Conversion Fee**

The Directors, in consultation with the Manager, do not currently intend to charge any conversion fee and will give one month's written notice to Shareholders of any intention to charge such a fee.

### **Anti-Dilution Levy**

Where disclosed in the relevant Supplement, the Directors, in consultation with the Manager, are entitled to implement an Anti-Dilution Levy in respect of a Fund or Class as described in this Prospectus in the section entitled “Net Asset Value and Valuation of Assets”.

### **Directors' Fees**

The Articles of Association authorise the Directors to charge an aggregate fee for their services at a rate determined by the Directors up to a maximum of €75,000 per annum. Directors may be entitled to special remuneration if called upon to perform any special or extra services to the Company. All Directors will be entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties.

### **Allocation of Fees**

All fees, duties and charges will be charged to the relevant Fund and within such Fund to the Classes in respect of which they were incurred. Where an expense is not considered by the Directors in consultation with the Manager to be attributable to any one Fund, the Directors shall have the discretion to determine the basis upon which such expense shall be allocated between Funds. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors in consultation with the Manager may calculate such fees or expenses on an estimated figure for yearly or other periods in advance and accrue them in equal proportions over any period.

### **Fee Increases**

The rates of fees for the provision of services to any Fund or Class may be increased within the maximum levels stated above so long as at least one month's written notice of the new rate(s) is given to Shareholders of the relevant Fund or Class. Any increase in fees in excess of the maximum level will require Shareholder consent.

### **Accounts and Information**

The Company's financial year end is 31<sup>st</sup> October in each year. Annual reports and audited accounts of the Company will be published within four months from the end of the period to which they relate.

Audited accounts will be sent to Shareholders and prospective investors on request.

## 4. THE SHARES

### General

Shares may be issued on any Dealing Day. Shares issued in a Fund or Class will be denominated in the Base Currency or in such other currency as may be specified in the Supplements. Shares will have no par value and during the Initial Offer Period for the relevant Class will be issued at the initial price specified in the relevant Supplement. Thereafter Shares shall be issued at the Net Asset Value per Share adjusted for any Anti-Dilution Levy, if applicable.

The Directors may decline to accept any application for Shares without giving any reason and may restrict the ownership of Shares by any person, firm or corporation in certain circumstances including where such ownership would be in breach of any regulatory or legal requirement or might affect the tax status of the Company or might result in the Company suffering certain disadvantages which it might not otherwise suffer. In particular, the Directors intend to exclude applicants whom the Directors believe to be engaging in “market timing” or short-term trading of Shares. Any person who holds Shares in contravention of restrictions imposed by the Directors or, by virtue of his holding, is in breach of the laws and regulations of any applicable jurisdiction or whose holding could, in the opinion of the Directors, cause the Company to incur any liability to taxation or to suffer any pecuniary disadvantage which it or the Shareholders or any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the Company, the Investment Advisors, the Depositary, the Administrator and the Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the Company.

The Directors, in consultation with the Manager, have power under the Articles of Association to compulsorily redeem and/or cancel any Shares held or beneficially owned in contravention of any restrictions imposed by them or in breach of any law or regulation. If it shall come to the notice of the Directors or if the Directors shall have reason to believe that any Shares are owned directly or beneficially by any person or persons in breach of restrictions imposed by the Directors or any declarations or information is outstanding (including inter alia any declarations or information required pursuant to anti-money laundering or counter terrorist financing requirements), the Directors shall be entitled (subject to appropriate authority under the Articles of Association ) to give notice (in such form as the Directors in consultation with the Manager deem appropriate) of their intention to compulsorily redeem that person’s Shares. The Directors may (subject to appropriate authority under the Articles of Association) charge any such Shareholder, any legal, accounting or administration costs associated with such compulsory redemption. In the event of a compulsory redemption, the redemption price will be determined as of the Valuation Point in respect of the relevant Redemption Day specified by the Directors in their notice to the Shareholder. The proceeds of a compulsory redemption shall be paid in accordance with the redemption provisions outlined below.

None of the Company, the Manager, the Investment Advisors, the Administrator, the Depositary or the Distributor or any of their respective directors, officers, employees or agents will be responsible or liable for the authenticity of instructions from Shareholders reasonably believed to be genuine and shall not be liable for any losses, costs or expenses arising out of or in conjunction with any unauthorised or

fraudulent instructions. The Administrator shall, however, employ reasonable procedures to confirm that instructions are genuine.

### **Application for Shares**

Applications for Shares should be made to the Administrator. Applications received by the Administrator prior to the Dealing Deadline for any Dealing Day will be dealt with on that Dealing Day. Any applications received after the Dealing Deadline will be dealt with on the following Dealing Day unless the Directors, in consultation with the Manager, in their absolute discretion otherwise determine provided that the application is received before the relevant Valuation Point for the Fund.

Applicants for Shares should note that subscription monies are not to be submitted to the Administrator until after the Administrator has confirmed that their investor account has been opened by the Administrator.

An Application Form which has not been fully completed will be returned to the applicant for completion. In such circumstances, the opening of the applicant's investor account will not be processed by the Administrator until a completed Application Form, including anti-money laundering documentation, has been received, which may cause delays in account opening and processing subscription applications received by the Administrator.

Shares will be issued in registered form and may be issued on each Dealing Day on receipt by the Administrator of a completed Application Form in the case of an initial application for Shares and, in the case of subsequent application for Shares, receipt and acceptance of an application in such form or by such means, including by facsimile or email or by other electronic means, provided that such other means shall be agreed in writing in advance with the Administrator and are in accordance with the requirements of the Administrator and the Central Bank and receipt of such information as may be required and otherwise subject to compliance by the applicant with the requirements relating to applications as specified in this Prospectus including the furnishing of such declarations as to the applicant's identity, residence or otherwise as the Directors, in consultation with the Manager, may from time to time determine. Amendments to a Shareholders' registration and account details and payment instructions will only be made on receipt of documentation. Fractions of Shares may be issued. Confirmation of ownership after each purchase of Shares will be sent to Shareholders by post or facsimile upon determination of the Net Asset Value and the receipt of all necessary money laundering documentation. Title to Shares will be evidenced by the entering of the investor's name on the Company's register of Shareholders. It is not intended that Share Certificates will be issued.

### Application for Shares - Collection Account

The Administrator operates a Collection Account in accordance with the Central Bank's Investor Money Regulations. The Collection Account is held at a credit institution as prescribed by the Investor Money Regulations ("Relevant Credit Institution") in the name of the Administrator and is designated as a "Collection Account" or "Coll a/c". All monies in the Collection Account will be held at the Relevant Credit Institution on a segregated basis by the Administrator, in trust for the benefit of the investors and on behalf of, and at the risk of, the investors for whom such investor monies are being held. The Relevant Credit Institution will hold the cash on the Administrator's behalf (for the benefit of the investors

on behalf of whom such monies are being held) in an account separate from any money the Relevant Credit Institution holds for the Administrator in its own right.

In the event of the insolvency of the Relevant Credit Institution, the Administrator may have a claim against the Relevant Credit Institution on behalf of the investors for whom the monies in the Collection Account are being held. In the event of the insolvency of the Administrator, monies in the Collection Account may not form part of the Administrator's assets. Investors should note that the Company acting on behalf of a Fund, is not responsible or liable to investors for the default or failure of the Administrator in applying the Investor Money Regulations or in the event of the default or failure of any Relevant Credit Institution in which the money of investors is held, and which do not qualify as assets of a relevant Fund.

Any subscription monies which are received by the Administrator prior to investment in a Fund will be held in a collection account and will not form part of the assets of the relevant Fund until such monies are transferred from the Collection Account to the account of the relevant Fund.

Redemption proceeds will be paid into the Collection Account on the relevant settlement date and distributions on the relevant distribution payment date, when they will no longer be considered an asset of the relevant Fund.

No interest is payable by the Company or the Administrator on monies credited to the Collection Account.

#### *Fractions*

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than 0.0001 of a Share.

Subscription monies, representing less than 0.0001 of a Share will not be returned to the investor but will be retained by the Company in order to defray administration costs.

#### *Method of Payment*

Subscription payments net of all bank charges should be paid by CHAPS, SWIFT or telegraphic or electronic transfer to the bank account specified in the Application Form enclosed with this Prospectus. Other methods of payment are subject to the prior approval of the Directors. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

Dealing is carried out at forward pricing basis. i.e. the Net Asset Value next computed after receipt of subscription requests.

#### *Currency of Payment*

Subscription monies are payable in the currency of the respective Class. If, however, the Company accepts payment in any other freely convertible currency the necessary foreign exchange transaction

may be arranged by the Administrator (at its discretion) at the prevailing exchange rate available to the Administrator and as notified to the relevant Investment Advisor on behalf of and for the account, risk and expense of the investor.

#### *Timing of Payment*

Payment in respect of subscriptions must be received in cleared funds by the Administrator no later than three Business Days after the Dealing Deadline. If payment in cleared funds in respect of a subscription is not received three Business days after the Dealing Deadline the Administrator may, with the approval of the Company, accept the application provided that the cleared funds are received within four Business Days of the Dealing Deadline and further provided that the investor pays interest at LIBOR. Any interest so charged will be paid into the relevant Fund together with any fees and charges incurred as a result of the failure to meet the subscription deadline, which are payable by the Company. The Company may waive any such interest and/or fees and charges in whole or in part.

If cleared funds are not received within four Business Days of the Dealing Deadline the Company may cancel the allotment of Shares. In the event that the Company cancels such an allotment, the investor shall be liable for any and all fees, charges and losses incurred by the Company.

It is the policy of the Investment Advisors to begin investing only after the receipt of cleared funds by the Company.

The Directors reserve the right to differentiate between Shareholders as to, and waive or reduce, the Minimum Subscription and Minimum Holding for certain investors. There is currently no minimum transaction size applicable to subscriptions.

#### **Anti-Money Laundering**

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

By way of example, an individual will be required to produce a copy of a passport or identification card, which shows a photograph, signature and date of birth, duly certified by a public authority such as a notary public, the police or the ambassador in their country of residence, together with one item evidencing their address such as a utility bill or bank statement (not more than six months old). In the case of corporate applicants this may require production of certified copies of the certificate of incorporation (and any change of name) and of the memorandum and articles of association (or equivalent), a certified copy of the corporation's authorised signatory list, the names, occupations, dates of birth and residential and business addresses of all directors and beneficial owners (who may also be required to verify their identity as described above).

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

The Administrator and the Company each reserves the right to request such information as is necessary to verify the identity, address and source of funds of an investor. In the event of delay or failure by an investor or applicant to produce any information required for verification purposes, the Administrator or the Company may refuse to accept the application and subscription monies. The Administrator may also refuse to process redemption requests or pay redemption proceeds in such circumstances. Applicants should note that redemption proceeds will only be made to the account of record.

Each applicant for Shares acknowledges that the Administrator and the Company shall be held harmless against any loss arising as result of a failure to process his/her application for Shares or redemption request, if such information and documentation has been requested by the Administrator and has not been provided by the applicant. Furthermore the Company or the Administrator also reserve the right to refuse to make any redemption payment or distribution to a Shareholder if any of the Directors or the Administrator suspects or is advised that the payment of any redemption or distribution moneys to such Shareholder might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Company, its Directors or the Administrator with any such laws or regulations in any relevant jurisdiction.

The Administrator or the Distributor may, at the discretion of the Directors, accept any application for Shares in the relevant Fund or Class, by way of transfer of assets in specie subject to the following restrictions:

- (i) The Directors must be satisfied that the terms of any such exchange shall not be such as are likely to result in any prejudice to existing Shareholders;
- (ii) The assets which will vest in the relevant Fund must comply with the requirements of the Investment Objectives and Policies of the Fund;
- (iii) No Shares shall be issued until the assets have been vested in the Depository for the account of the relevant Fund to the Depository's satisfaction;
- (iv) The number of Shares to be issued shall be that number which would have been issued for cash at the current price against payment of a sum equal to the value of the assets transferred plus such sum as the Administrator or the Distributor may consider represents an appropriate provision for fiscal and purchase charges which would arise on the acquisition of the assets by purchase for cash but minus such sum as the Administrator or the Distributor may consider represents any fiscal or other expenses as aforesaid to be paid out of the Fund's assets in connection with the vesting of the assets;
- (v) The assets to be transferred to the Fund shall be valued on such basis as the Directors with the consent of Administrator or the Distributor may decide so long as such value does not exceed the highest amount that would be obtained on the date of the subscription by applying the valuation provisions set out under the section of the Prospectus entitled "Net Asset Value and Valuation of Assets";
- (vi) Where the value of the assets to be transferred will not purchase an exact number of Share, Share may be issued in fractions of up to 0.0001 of a Share.

### **Beneficial Ownership Regulations**

The Company or the Administrator may also request such information (including by means of statutory notices) as may be required for the establishment and maintenance of the Company's beneficial ownership register in accordance with the Beneficial Ownership Regulations.

It should be noted that a Beneficial Owner has, in certain circumstances, obligations to notify the Company in writing of relevant information as to his/her status as a Beneficial Owner and any changes thereto (including where a Beneficial Owner has ceased to be a Beneficial Owner). Under the Beneficial Ownership Regulations, the Company shall be obliged to file certain information on its Beneficial Owners (including name, nationality, country of residence, social security number (which shall be displayed in hashed form only) and details of the interest held in the Company) with a central register which will be accessible to the public.

It should also be noted that it is an offence under the Beneficial Ownership Regulations for a Beneficial Owner to (i) fail to comply with the terms of a beneficial ownership notice received from or on behalf of the Company or (ii) provide materially false information in response to such a notice or (iii) fail to comply with his/her obligations to provide relevant information to the Company as to his/her status as a Beneficial Owner or changes thereto (in circumstances referred to above) or in purporting to comply, provide materially false information.

### **Data Protection**

Prospective investors should note that by completing the Application Form they are providing information to the Company which may constitute personal data within the meaning of data protection legislation in Ireland or with effect from 25<sup>th</sup> May 2018, "personal data" within the meaning of the GDPR. This data will be used by or on behalf of the Company for the purposes of client identification and the subscription process, management and administration of your holding in the Fund and to comply with any applicable legal, taxation or regulatory requirements. Such data may be disclosed and / or transferred to third parties including regulatory bodies, tax authorities, delegates, advisers and service providers of the Company and their or the Company's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including to countries outside the EEA which may not have the same data protection laws as in Ireland) for the purposes specified. Investors have a right to obtain a copy of their personal data kept by the Company, the right to rectify any inaccuracies in personal data held by the Company and in a number of circumstances a right to be forgotten and a right to restrict or object to processing. In certain limited circumstances a right to data portability may apply. Where a Shareholder gives consents to the processing of personal data, that Shareholder may withdraw this consent at any time.

The Company and its appointed service providers will retain all documentation provided by a Shareholder in relation to its investment in the Company for such period of time as may be required by Irish legal and regulatory requirements, but for at least six years after the period of investment has ended or the date on which a Shareholder has had its last transaction with the Company.

A copy of the data privacy statement of the Company is available upon request.

### **Redemption of Shares**

Applications for the redemption of Shares should be made to the Administrator by facsimile or post. Redemption requests may also be accepted electronically (in such format or method as shall be agreed in writing in advance with the Administrator) and subject to and in accordance with the requirements of the Administrator and the Central Bank. Redemption requests sent by fax or electronically may only be processed where payment is made to the account of record. Requests for redemption received prior to the Dealing Deadline for any Dealing Day will be dealt with on that Dealing Day. Any requests for redemption received after the Dealing Deadline for a Dealing Day will be dealt with on the next Dealing Day unless the Directors in their absolute discretion determine otherwise, provided that the application is received before the relevant Valuation Point. Redemption requests will only be accepted where cleared funds and completed documents are in place for original subscriptions and all of the necessary anti-money laundering checks have been completed. Redemption proceeds will only be paid on foot of receipt of redemption requests and be made into the account of record specified in the original Share application form.

In the event of a Shareholder requesting a redemption which would, if carried out, leave the Shareholder holding Shares having a Net Asset Value less than the Minimum Holding, the Company may, if it thinks fit, redeem the whole of the Shareholder's holding.

The redemption price per Share shall be the Net Asset Value per Share, less any Anti-Dilution Levy which may be deducted. There is currently no minimum transaction size applicable to redemptions. It is not the current intention of the Directors to charge a redemption fee other than as noted in any specific Supplement. The Directors will give not less than one month's notice to Shareholders of their intention to introduce a redemption fee generally. In the event of a redemption fee being charged, Shareholders should view their investment as medium to long term.

Redemption monies, representing less than 0.0001 of a Share will not be returned to the investor but will be retained by the Company in order to defray administration costs.

#### *Method of Payment*

Redemption payments will be made by electronic bank transfer to the bank account detailed on the Application Form or as subsequently notified to the Administrator (or Distributor) in writing provided that such other account is not a third party account and is in the name of the original investor.

#### *Currency of Payment*

Shareholders will normally be repaid in the currency of the respective Class. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) at the prevailing exchange rate available to the Administrator and as notified to the relevant Investment Advisor on behalf of and for the account, risk and expense of the Shareholder.

#### *Timing of Payment*

Redemption proceeds in respect of Shares are expected to be paid within 3 Business Days of the relevant Dealing Day but in any event no later than 10 Business Days assuming all required documentation has been furnished to and received by the Administrator.

Shares will not receive or be credited with any dividend declared on or after the Dealing Day on which they were redeemed.

If the number of Shares to be redeemed on any Dealing Day equals one tenth or more of the total number of Shares of a Fund in issue on that day the Company or the Administrator may at its discretion refuse to redeem any Shares in excess of one tenth of the total number of Shares in issue as aforesaid and, if it so refuses, the requests for redemption on such Dealing Day shall be reduced pro rata and Shares which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all Shares to which the original request related have been redeemed.

The Directors may, with the consent of the relevant Shareholders, satisfy any request for redemption of Shares by the transfer in specie to those Shareholders of assets of the relevant Fund having a value equal to the redemption price for the Shares redeemed as if the redemption proceeds were paid in cash less any redemption charge, Anti-Dilution Levy and other expenses of the transfer provided that any Shareholder requesting redemption shall be entitled to request the sale of any asset or assets proposed to be distributed in specie and the distribution to such Shareholder of the cash proceeds of such sale, the costs of which shall be borne by the relevant Shareholder.

### **Withdrawal of Redemption Requests**

Requests for redemption may not be withdrawn save with the written consent of the Directors in consultation with the Manager or in the event of suspension of calculation of the Net Asset Value of the relevant Fund.

### **Compulsory Redemption of Shares/Deduction of Tax**

Shareholders are required to notify the Company, the Administrator and the Distributor immediately if they become US Persons or persons who are otherwise subject to restrictions on ownership imposed by the Directors and such Shareholders may be required to redeem or transfer their Shares. The Company may redeem any Shares which are or become owned, directly or indirectly, by or for the benefit of any person in breach of any restrictions on ownership from time to time specified by the Directors or if the holding of Shares by any person is unlawful or is likely to result or results in any tax, fiscal, legal, regulatory, pecuniary liability or disadvantage or material administrative disadvantage to any of the Company, Shareholders or any Fund or by any person who holds less than the Minimum Holding or does not supply any information or declaration required under the Articles of Association within seven days of a request to do so. Any such redemption will be effected on a Dealing Day at the Net Asset Value per Share calculated on or with respect to the relevant Dealing Day on which the Shares are to be redeemed. The Company may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by a Shareholder including any interest or penalties payable thereon. The attention of investors in relation to the section of the prospectus entitled "Taxation" and in particular the section

therein headed "Irish Taxation" which details circumstances in which the Company shall be entitled to deduct from payments to Shareholders amounts in respect of liability to Irish taxation including any penalties and interest thereon and/or compulsorily redeem Shares to discharge such liability. Relevant Shareholders are required to indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event.

### **Total Redemption of Shares**

All of the Shares of any Class or any Fund may be redeemed:

- (a) on the giving by the Company of not less than four nor more than twelve weeks' notice expiring on a Dealing Day to Shareholders of its intention to redeem such Shares; or
- (b) if the holders of 75% in value of the relevant Class or Fund resolve at a meeting of the Shareholders duly convened and held that such Shares should be redeemed.

### **Conversion of Shares**

In general, Shares in a Fund designated in a particular Class (the "Original Fund") may only be converted into Shares of the same Class of another Fund (the "New Fund").

Shareholders may, only at the sole discretion of the Directors, convert some or all of their Shares in the Original Fund to Shares in a different Class within the same Fund or to Shares in a different Class in another Fund. Shareholders may apply to convert Shares on any day which is a Dealing Day in both the Original Fund and the New Fund by facsimile or written communication or such other means as may from time to time be specified by the Directors or their delegate. Applications for conversion of Shares should be made to the Administrator or to the Distributor by facsimile or written communication or such other means and should include such information as may be specified from time to time by the Directors or their delegate. Requests for conversion should be received prior to the earlier of the Dealing Deadline for redemptions in the Fund from which conversion is requested and the Dealing Deadline for subscriptions in the Fund into which conversion is requested. Any applications received after such time will be dealt with on the next Dealing Day which is a dealing day for the relevant Funds, unless the Company in its absolute discretion otherwise determines provided that the request has been received before the NAV per Share is calculated. Conversion requests will only be accepted where cleared funds and completed documents are in place from original subscriptions.

It is not the current intention of the Directors, in consultation with the Manager, to charge a conversion fee.

Where a conversion request would result in a Shareholder holding a number of Shares of either the Original Fund or the New Fund which would be less than the Minimum Holding for such Fund, the Manager or its delegate may, if it thinks fit, convert the whole of the holding in the Original Fund to Shares in the New Fund or refuse to effect any conversion from the Original Fund.

Fractions of Shares which shall not be less than 0.0001 of a Share may be issued by the Company on conversion where the value of Shares converted from the Original Fund are not sufficient to purchase an integral number of Shares in the New Fund and any balance representing less than 0.0001 of a Share will be retained by the Company in order to defray administration costs.

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

$$S = \frac{(R \times NAV \times ER)}{SP}$$

where

S is the number of Shares of the New Fund to be allotted.

R is the number of Shares in the Original Fund to be redeemed.

NAV is the Net Asset Value per Share of the Original Fund at the Valuation Point on the relevant Dealing Day.

ER is the currency conversion factor (if any) as determined by the Administrator.

SP is the Net Asset Value per Share of the New Fund at the Valuation Point on the relevant Dealing Day.

Conversion requests may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of a suspension of calculation of the Net Asset Value of the Funds in respect of which the conversion request was made.

### **Net Asset Value and Valuation of Assets**

The Net Asset Value of each Fund or, if there are different Classes within a Fund, each Class will be calculated by the Administrator as at the Valuation Point on or with respect to each Dealing Day in accordance with the Articles of Association. The Net Asset Value of a Fund shall be determined by valuing the assets of the relevant Fund (including income accrued but not collected) and deducting the liabilities of the relevant Fund (including duties and charges, accrued expenses and fees and other liabilities). The Net Asset Value of a Class shall be determined by calculating that portion of the Net Asset Value of the relevant Fund attributable to the relevant Class subject to adjustment to take account of assets and/or liabilities attributable to the Class including the gains/losses on the costs of financial instruments employed in the currency hedging of a particular Class. The Net Asset Value of a Fund will be expressed in the Base Currency of the Fund, or in such other currency as the Directors in consultation with the Manager may determine either generally or in relation to a particular Class or in a specific case.

The Net Asset Value per Share shall be calculated by dividing the Net Asset Value of the relevant Fund or Class by the total number of Shares in issue in the Fund or Class at the relevant Valuation Point

rounded to 4 decimal places or in the case of JPY dominated Classes, rounded to the nearest unit (i.e. the nearest whole Japanese Yen).

In determining the Net Asset Value of the Company and each Fund:-

- (a) Investments which are quoted, listed or dealt in on a Recognised Exchange save as hereinafter provided at (d), (e), (f), (g), (h) and (i) will be valued at last closing prices. Where an investment is listed or dealt in on more than one Recognised Exchange the relevant exchange or market shall be the principal stock exchange or market on which the Investment is listed or dealt on or the exchange or market which the Directors in consultation with the Manager determine provides the fairest criteria in determining a value for the relevant investment. Investments listed or traded on a Recognised Exchange, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount at the Valuation Point provided that the Depositary shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the investment.
- (b) The value of any investment which is not quoted, listed or dealt in on a Recognised Exchange or which is so quoted, listed or dealt but for which no such quotation or value is available or the available quotation or value is not representative of the fair market value shall be either (i) the probable realisation value as estimated with care and good faith by (i) the Directors (ii) by a competent person, firm or corporation (including the Investment Advisors) selected by the Directors, in consultation with the Manager, and approved for the purpose by the Depositary or (ii) the value as determined by any other means provided that such value is approved by the Depositary. 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.
- (c) Cash and other liquid assets will be valued at their nominal value plus accrued interest unless in any case the Directors are of the opinion that such assets are 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 delegate (with the approval of the Depositary) may consider appropriate in such case to reflect the true value thereof.
- (d) Derivative contracts traded on a regulated market including without limitation futures and options contracts and index futures shall be valued at the settlement price as determined by the market where the instrument is traded. If the settlement price is not available, the instrument may be valued as per unlisted securities and securities which are listed/traded on a regulated market where the price is unrepresentative/not available.
- (e) Derivative contracts traded on a regulated market including without limitation futures and options contracts and index futures shall be valued at the settlement price as determined by the market. If the settlement price is not available, the value may be valued in accordance with paragraph (b) above shall be the probable realisation value estimated with care and in good faith by (i) the Directors or (ii) a competent person, firm or corporation (including the Investment Advisors) selected by the Directors and approved for the purpose by the Depositary. Derivative

contracts which are not traded on a regulated market and which are cleared by a clearing counterparty (including, without limitation, swap contracts) may be valued either using the counterparty valuation or an alternative valuation such as a valuation calculated by the relevant Investment Advisor or by an independent pricing vendor. The Company must value an OTC derivative on a daily basis. Where the Company values an OTC derivative using an alternative valuation, the Company will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as IOSCO and AIMA. The alternative valuation is that provided by a competent person appointed by the Company and approved for the purpose by the Depositary, or a valuation by any other means provided that the value is approved by the Depositary and the alternative must be fully reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained. Where the Company values an OTC derivative, which is cleared by a clearing counterparty, using the clearing counterparty valuation, the valuation must be approved or verified by a party who is approved for the purpose by the Depositary and who is independent of the counterparty and the independent verification must be carried out at least weekly. The reference to an independent party may include the Investment Advisors. It can also include a party related to the counterparty provided the related party constitutes an independent unit within the counterparty's group which does not rely on the same pricing models employed by the counterparty and the relationship between the parties and attendant risks are disclosed in the Prospectus. Where the independent party is related to the OTC counterparty and the risk exposure to the counterparty may be reduced through the provision of collateral, the position must also be subject to verification by an unrelated party to the counterparty on a six month basis.

- (f) Forward foreign exchange contracts shall be valued in the same manner as derivatives contracts which are not traded in a regulated market or alternatively, by reference to the freely available market quotations. If the latter is used, there is no requirement to have such prices independently verified or reconciled to the counterparty valuation.
- (g) Notwithstanding paragraph (a) above units in collective investment schemes shall be valued at the latest available redemption price or net asset value of the units of the relevant collective investment scheme.
- (h) In the case of a Fund which is a short term money market fund the Directors may value any Investment with a known residual maturity of fifteen months or less using the amortised cost method of valuation whereby the Investment is valued at its acquisition cost adjusted for amortisation of premium or accretion of discount on the Investments. The Directors or their delegate shall review or cause a review to take place of deviations between the amortised method of valuation and the market value of Investments, in accordance with the requirements of the Central Bank.
- (i) In the case of a Fund in relation to which it is not intended to apply the amortised cost method of valuation as a whole, the Directors may value using the amortised cost method of valuation of money market instruments within the Fund having a residual maturity of less than three months and which do not have specific sensitivity to market parameters, including credit risk.

- (j) The Directors may value floating rate instruments using the amortised cost method of valuation where such floating rate instruments:
  - (i) have an annual or shorter reset date; and
  - (ii) are determined by the Directors to have a market value that approximates the amortised cost valuation; and
  - (iii) have a residual value of two years or less or, in the case of investment grade instruments, up to five years provided that procedures are adopted for instruments having a residual maturity of between two and five years to ensure that the valuation produced does not vary significantly from its true market value.
- (k) The Directors may value securities having a residual maturity not exceeding six months using the amortised cost method of valuation. The intention to use this method of valuing securities will be disclosed in the relevant sections of the Supplements.
- (l) The Directors may, with the approval of the Depositary, adjust the value of any investment if having regard to its currency, marketability, dealing costs, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof.
- (m) Any value expressed otherwise than in the Base Currency of the relevant Fund shall be converted into the Base Currency of the relevant Fund at the exchange rate (whether official or otherwise) which the Directors shall determine to be appropriate.

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

In the absence of negligence, fraud or wilful default, every decision taken by the Directors or any committee of the Directors, the Administrator or any duly authorised person on behalf of the Company in calculating the Net Asset Value of a Fund or Class or the Net Asset Value per Share shall be final and binding on the Company and on present, past or future Shareholders.

### **Suspension of Valuation of Assets**

The Directors, in consultation with the Manager, may temporarily suspend the determination of the Net Asset Value of any Fund and the issue, conversion and redemption of Shares in any Fund during:

- a) the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the Recognised Exchanges on which the relevant Fund's investments are quoted, listed,

traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted; or

- b) the whole or part of any period when an emergency outside the control of the Directors exists as a result of which any disposal or valuation of investments of the Fund is not reasonably practicable or would be detrimental to the interests of Shareholders or it is not possible to transfer monies involved in the acquisition or disposition of investments at normal rates of exchange; or
- c) the whole or any part of any period when any breakdown occurs in the means of communication normally employed in determining the value of the Fund's investments; or
- d) the whole or any part of any period when for any reason the value of any of the Fund's investments cannot be reasonably, promptly or accurately ascertained; or
- e) the whole or any part of any period when the Company is unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the Directors in consultation with the Manager, be carried out at normal rates of exchange.

Any suspension of valuation shall be notified to the Central Bank and the Depositary without delay and, in any event, within the same Dealing Day and where the suspension lasts more than 14 days shall be published on [www.bloomberg.com](http://www.bloomberg.com), <https://www.fundinfo.com/en/LandingPage?apiKey=868f8d90-d589-4023-a288-db042dedc161> and the Financial Times. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Applicants for Shares and Shareholders wishing to redeem or convert Shares will be notified of the declaration and termination of any suspension and may withdraw their applications and requests for redemption or conversion so long as such suspension continues. Unless withdrawn, applications for subscription redemption and conversion will be considered on the first Dealing Day following the termination of a suspension.

The Central Bank may also require that the Company temporarily suspends the determination of the Net Asset Value and the issue and redemption of Shares in a Fund if it decides that it is in the best interests of the general public and the Shareholders to do so.

### **Anti-Dilution Levy**

Where a Fund buys/enters or sells/exits investments in response to a request for the issue or redemption of Shares, it will generally incur a reduction in value made up of dealing costs incurred as a result of the purchase or sale of such investments.

Where disclosed in the relevant Supplement, the Directors may charge an Anti-Dilution Levy, the aim of which is to reduce the impact of such costs (which, if material, disadvantage existing Shareholders of the relevant Fund) so as to preserve the underlying assets of the relevant Fund.

The need to charge an Anti-Dilution Levy will depend amongst other things on general market liquidity of the Fund's investments and on the net share transactional activity of Shares on any given Dealing Day, and this will be evaluated by the Investment Advisor and implemented by the Administrator without

prior notification to the relevant Shareholder. Net transactional activity of Shares is determined with reference to the cumulative subscription and redemption requests (including subscriptions and/or redemptions which would be affected as a result of conversions from one Fund into another Fund) processed in respect of any given Dealing Day.

Further information relating to the risks associated with the application of an Anti-Dilution Levy is set out in the section of the Prospectus entitled “**Risk Factors-Anti Dilution Levy**”.

### **Dividends and Distributions**

The Directors are empowered to declare and pay dividends for Shares of any Fund in the Company. The Directors will disclose the intended dividend policy for each Fund and for the relevant Classes of Shares in each Fund in the relevant Supplement.

## 5. TAXATION

### Irish Taxation

***The information given is not exhaustive and does not constitute legal or tax advice. It does not purport to deal with all of the tax consequences applicable to the Company or its current or future Funds or to all categories of investors, some of whom may be subject to special rules.***

***Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax.***

***The following is a brief summary of certain aspects of Irish taxation law and practice relevant to the transactions contemplated in this Prospectus. It is based on the law and practice and official interpretation currently in effect, all of which are subject to change.***

Dividends, interest and capital gains (if any) which the Company or any of the Funds receive with respect to their investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the Company 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 a repayment to the Company the Net Asset Value will not be restated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

### Irish Taxation

The Directors have been advised that on the basis that the Company is resident in Ireland for taxation purposes the taxation position of the Company and the Shareholders is as set out below.

#### Taxation of the Company

The Directors have been advised that, under current Irish law and practice, the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Act, so long as the Company is resident in Ireland. Accordingly, the Company is not chargeable to Irish tax on its income and gains.

However, tax can arise on the happening of a “chargeable event” in the Company. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a Relevant Period) of Shares or the appropriation or cancellation of Shares of a Shareholder by the Company for the purposes of meeting the amount of tax payable on a gain arising on a transfer. No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who is neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event provided that a Relevant Declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration or the Company satisfying and availing of equivalent measures (see paragraph headed “*Equivalent Measures*” below) there is a presumption that the investor is Irish Resident or Ordinarily Resident in Ireland. A chargeable event does not include:

- An exchange by a Shareholder, effected by way of an arm's length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company;
- Any transactions (which might otherwise be a chargeable event) in relation to shares held in a Recognised Clearing System as designated by order of the Irish Revenue Commissioners;
- A transfer by a Shareholder of the entitlement to Shares where the transfer is between spouses and former spouses, subject to certain conditions; or
- An exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the Company with another investment undertaking.

If the Company becomes liable to account for tax if a chargeable event occurs, the Company shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

Dividends received by the Company from investment in Irish equities may be subject to Irish dividend withholding tax at a rate of tax of 25% (such sum representing income tax). However, the Company can make a declaration to the payer that it is a collective investment undertaking beneficially entitled to the dividends which will entitle the Company to receive such dividends without deduction of Irish dividend withholding tax.

### ***Stamp Duty***

No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. Where any subscription for or redemption of Shares is satisfied by the in specie transfer of securities, property or other types of assets, Irish stamp duty may arise on the transfer of such assets.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B (1) of the Taxes Act (that is not an Irish Real Estate Fund within the meaning of Section 739K of the Taxes Act) or a "qualifying company" within the meaning of Section 110 of the Taxes Act) which is registered in Ireland.

### **Shareholders Tax**

#### *Shares which are held in a Recognised Clearing System*

Any payments to a Shareholder or any encashment, redemption, cancellation or transfer of Shares held in a Recognised Clearing System will not give rise to a chargeable event in the Company (there is however ambiguity in the legislation as to whether the rules outlined in this paragraph with regard to

Shares held in a Recognised Clearing System, apply in the case of chargeable events arising on a deemed disposal, therefore Shareholders should seek their own tax advice in this regard). Thus, the Company will not have to deduct any Irish taxes on such payments regardless of whether they are held by Shareholders who are Irish Residents or Ordinarily Resident in Ireland, or whether a non-resident Shareholder has made a Relevant Declaration. However, Shareholders who are Irish Resident or Ordinarily Resident in Ireland or who are not Irish Resident or Ordinarily Resident in Ireland but whose Shares are attributable to a branch or agency in Ireland may still have a liability to account for Irish tax on a distribution or encashment, redemption or transfer of their Shares.

To the extent any Shares are not held in a Recognised Clearing System at the time of a chargeable event (and subject to the discussion in the previous paragraph relating to a chargeable event arising on a deemed disposal), the following tax consequences will typically arise on a chargeable event.

*Shareholders who are neither Irish Residents nor Ordinarily Resident in Ireland*

The Company will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder if (a) the Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland, (b) the Shareholder has made a Relevant Declaration on or about the time when the Shares are applied for or acquired by the Shareholder and (c) the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration (provided in a timely manner) or the Company satisfying and availing of equivalent measures (see paragraph headed “*Equivalent Measures*” below) tax will arise on the happening of a chargeable event in the Company regardless of the fact that a Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland. The appropriate tax that will be deducted is as described below.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Ordinarily Resident in Ireland no tax will have to be deducted by the Company on the occasion of a chargeable event provided that either (i) the Company satisfied and availed of the equivalent measures or (ii) the Intermediary has made a Relevant Declaration that he/she is acting on behalf of such persons and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Shareholders who are neither Irish Residents nor Ordinarily Resident in Ireland and either (i) the Company has satisfied and availed of the equivalent measures or (ii) such Shareholders have made Relevant Declarations in respect of which the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct, will not be liable to Irish tax in respect of income from their Shares and gains made on the disposal of their Shares. However, any corporate Shareholder which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from their Shares or gains made on disposals of the Shares.

Where tax is withheld by the Company on the basis that no Relevant Declaration has been filed with the Company by the Shareholder, Irish legislation provides for a refund of tax only to companies within the charge to Irish corporation tax, to certain incapacitated persons and in certain other limited circumstances.

### *Shareholders who are Irish Residents or Ordinarily Resident in Ireland*

Unless a Shareholder is an Exempt Irish Investor and makes a Relevant Declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct (or unless the Shares are purchased by the Courts Service), tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place) will be required to be deducted by the Company from any distribution to the Shareholder or on any gain arising to the Shareholder on an encashment, redemption, cancellation, transfer or deemed disposal (see below) of Shares.

An automatic exit tax applies for Shareholders who are Irish Resident or Ordinarily Resident in Ireland (and that are not Exempt Irish Investors) in respect of Shares held by them in the Company at the ending of a Relevant Period. Such Shareholders (both companies and individuals) will be deemed to have disposed of their Shares (“deemed disposal”) at the expiration of that Relevant Period and will be charged to tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place) on any deemed gain (calculated without the benefit of indexation relief) accruing to them based on the increased value (if any) of the Shares since purchase or since the previous exit tax applied, whichever is later.

For the purposes of calculating if any further tax arises on a subsequent chargeable event, credit is immediately given against this tax for any tax paid as a result of the preceding deemed disposal. Where the tax arising on the subsequent chargeable event is greater than that which arose on the preceding deemed disposal, the Company will have to deduct the difference. Where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal, the Company will refund the Shareholder for the excess (subject to the paragraph headed “15% threshold” below).

#### 10% Threshold

The Company will not have to deduct tax (“exit tax”) in respect of this deemed disposal where the value of the chargeable Shares (i.e. those Shares held by Shareholders to whom the declaration procedures do not apply) in the Company (or Fund being an umbrella scheme) is less than 10% of the value of the total Shares in the Company (or the Fund) and the Company has made an election to report certain details in respect of each affected Shareholder to the Irish Revenue Commissioners (the “Affected Shareholder”) in each year that the de minimus limit applies. In such a situation the obligation to account for the tax on any gain arising on a deemed disposal will be the responsibility of the Shareholder on a self-assessment basis (“self-assessors”) as opposed to the Company or Fund (or their service providers). The Company is deemed to have made the election to report once it has advised the Affected Shareholders in writing that it will make the required report.

#### 15 % Threshold

As previously stated where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal (e.g. due to a subsequent loss on an actual disposal), the Company will refund the Shareholder the excess. Where however immediately before the subsequent chargeable event, the value of chargeable Shares in the Company (or Fund being an umbrella scheme) does not exceed 15% of the value of the total Shares, the Company may elect to have any excess tax

arising repaid directly by the Irish Revenue Commissioners to the Shareholder. The Company is deemed to have made this election once it notifies the Shareholder in writing that any repayment due will be made directly by the Irish Revenue Commissioners on receipt of a claim by the Shareholder.

#### *Other*

To avoid multiple deemed disposal events for multiple units an irrevocable election under Section 739D(5B) can be made by the Company to value the Shares held at the 30<sup>th</sup> June or 31<sup>st</sup> December of each year prior to the deemed disposal occurring. While the legislation is ambiguous, it is generally understood that the intention is to permit a fund to group shares in six month batches and thereby make it easier to calculate the exit tax by avoiding having to carry out valuations at various dates during the year resulting in a large administrative burden.

The Irish Revenue Commissioners have provided updated investment undertaking guidance notes which deal with the practical aspects of how the above calculations/objectives will be accomplished.

Shareholders (depending on their own personal tax position) who are Irish Resident or Ordinarily Resident in Ireland may still be required to pay tax or further tax on a distribution or gain arising on an encashment, redemption, cancellation, transfer or deemed disposal of their Shares. Alternatively they may be entitled to a refund of all or part of any tax deducted by the Company on a chargeable event.

#### *Equivalent Measures*

As detailed in prior paragraphs, no Irish tax should arise on an investment undertaking with regard to chargeable events in respect of a Shareholder who was neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event, provided that a Relevant Declaration was in place and the investment undertaking was not in possession of any information which would reasonably suggest that the information contained therein was no longer materially correct. In the absence of such a Relevant Declaration there is a presumption that the Shareholder is Irish Resident or Ordinarily Resident in Ireland.

As an alternative to the above requirement to obtain Relevant Declarations from Shareholders, Irish tax legislation also includes provision for "equivalent measures." In brief, these provisions provide that where the investment undertaking is not actively marketed to Shareholders that are Irish Resident or Ordinarily Resident in Ireland, appropriate equivalent measures are put in place by the investment undertaking to ensure that such Shareholders are not Irish Resident nor Ordinarily Resident in Ireland and the investment undertaking has received approval from the Irish Revenue Commissioners in this regard; then, there should be no requirement for the investment undertaking to obtain Relevant Declarations from Shareholders.

#### *Personal Portfolio Investment Undertaking*

Special rules apply to the taxation of Irish Resident individuals or Ordinarily Resident in Ireland individuals who hold Shares in an investment undertaking, where it is considered a personal portfolio investment undertaking ("PPIU") in respect of a particular investor. Essentially, an investment undertaking will be considered a PPIU in relation to a specific investor where that investor can influence

the selection of some or all of the property held by the investment undertaking either directly or through persons acting on behalf of or connected to the investor. Depending on individuals' circumstances, an investment undertaking may be considered a PPIU in relation to some, none or all individual investors (i.e. it will only be a PPIU in respect of those individuals' who can "influence" selection). Any gain arising on a chargeable event in relation to an investment undertaking which is a PPIU in respect of an individual, will be taxed at the rate of 60%. Specific exemptions apply where the property invested in has been widely marketed and made available to the public or for non-property investments entered into by the investment undertaking. Further restrictions may be required in the case of investments in land or unquoted shares deriving their value from land.

## **Reporting**

Pursuant to Section 891C of the Taxes Act and the Return of Values (Investment Undertakings) Regulations 2013, the Company is obliged to report certain details in relation to Shares held by investors to the Irish Revenue Commissioners on an annual basis. The details to be reported include the name, address and date of birth if on record of, and the value of the Shares held by, a Shareholder. In respect of Shares acquired on or after 1<sup>st</sup> January 2014, the details to be reported also include the tax reference number of the Shareholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual's PPS number) or, in the absence of a tax reference number, a marker indicating that this was not provided. No details are to be reported in respect of Shareholders who are;

- Exempt Irish Investors (as defined above);
- Shareholders who are neither Irish Resident nor Ordinarily Resident in Ireland (provided the relevant declaration has been made); or
- Shareholders whose Shares are held in a Recognised Clearing System.

## **Capital Acquisitions Tax**

The disposal of Shares may be subject to Irish gift or inheritance tax (Capital Acquisitions Tax). However, provided that the Company falls within the definition of investment undertaking (within the meaning of Section 739B (1) of the Taxes Act), the disposal of Shares by a Shareholder is not liable to Capital Acquisitions Tax provided that (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor Ordinarily Resident in Ireland; (b) at the date of the disposition, the Shareholder disposing ("disponer") of the Shares is neither domiciled nor Ordinarily Resident in Ireland; and (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

With regard to Irish tax residency for Capital Acquisitions Tax purposes, special rules apply for non-Irish domiciled persons. A non-Irish domiciled donee or disponer will not be deemed to be resident or ordinarily resident in Ireland at the relevant date unless;

- i) that person has been resident in Ireland for the 5 consecutive years of assessment immediately preceding the year of assessment in which that date falls; and
- ii) that person is either resident or ordinarily resident in Ireland on that date.

## Compliance with US reporting and withholding requirements

The foreign account tax compliance provisions (“**FATCA**”) of the Hiring Incentives to Restore Employment Act 2010 represent an expansive information reporting regime enacted by the United States (“**US**”) aimed at ensuring that Specified US Persons with financial assets outside the US are paying the correct amount of US tax. FATCA will generally impose a withholding tax of up to 30% with respect to certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends paid to a foreign financial institution (“**FFI**”) unless the FFI enters directly into a contract (“**FFI agreement**”) with the US Internal Revenue Service (“**IRS**”) or alternatively the FFI is located in a IGA country (please see below). An FFI agreement will impose obligations on the FFI including disclosure of certain information about US investors directly to the IRS and the imposition of withholding tax in the case of non-compliant investors. For these purposes the Company would fall within the definition of a FFI for the purpose of FATCA.

In recognition of both the fact that the stated policy objective of FATCA is to achieve reporting (as opposed to being solely the collecting of withholding tax) and the difficulties which may arise in certain jurisdictions with respect to compliance with FATCA by FFIs, the US developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and US Governments signed an intergovernmental agreement (“**Irish IGA**”) on the 21<sup>st</sup> December 2012 and provisions were included in Finance Act 2013 for the implementation of the Irish IGA and also to permit regulations to be made by the Irish Revenue Commissioners with regard to registration and reporting requirements arising from the Irish IGA. In this regard, the Irish Revenue Commissioners (in conjunction with the Department of Finance) have issued Regulations – S.I. No. 292 of 2014 which is effective from 1<sup>st</sup> July 2014. Supporting Guidance Notes have been issued by the Irish Revenue Commissioners and are updated on an ad-hoc basis.

The Irish IGA is intended to reduce the burden for Irish FFIs of complying with FATCA by simplifying the compliance process and minimising the risk of withholding tax. Under the Irish IGA, information about relevant US investors will be provided on an annual basis by each Irish FFI (unless the FFI is exempted from the FATCA requirements) directly to the Irish Revenue Commissioners. The Irish Revenue Commissioners will then provide such information to the IRS (by the 30<sup>th</sup> September of the following year) without the need for the FFI to enter into a FFI agreement with the IRS. Nevertheless, the FFI will generally be required to register with the IRS to obtain a Global Intermediary Identification Number commonly referred to as a GIIN.

Under the Irish IGA, FFIs should generally not be required to apply 30% withholding tax. To the extent the Company does suffer US withholding tax on its investments as a result of FATCA, the Directors may take any action in relation to an investor's investment in the Company to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or to become a participating FFI gave rise to the withholding.

Each prospective investor should consult their own tax advisor regarding the requirements under FATCA with respect to their own solution.

## **Common Reporting Standard**

On 14<sup>th</sup> July 2014, the OECD issued the Standard for Automatic Exchange of Financial Account Information (“the Standard”) which therein contains the Common Reporting Standard. This has been applied in Ireland by means of the relevant international legal framework and Irish tax legislation. Additionally, on 9<sup>th</sup> December 2014, the European Union adopted EU Council Directive 2014/107/EU, amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (“DAC2”) which, in turn, has been applied in Ireland by means of the relevant Irish tax legislation.

The main objective of the Common Reporting Standard and DAC2 (collectively referred to herein as “CRS”) is to provide for the annual automatic exchange of certain financial account information between relevant tax authorities of participating jurisdictions or EU Member States.

CRS draws extensively on the intergovernmental approach used for the purposes of implementing FATCA and, as such, there are significant similarities between the reporting mechanisms. However, whereas FATCA essentially only requires reporting of specific information in relation to Specified US Persons to the IRS, CRS has significantly wider ambit due to the multiple jurisdictions participating in the regimes.

Broadly speaking, CRS will require Irish Financial Institutions to identify Account Holders (and, in particular situations, Controlling Persons of such Account Holders) resident in other participating jurisdictions or EU Member States and to report specific information in relation to these Account Holders (and, in particular situations, specific information in relation to identified Controlling Persons) to the Irish Revenue Commissioners on an annual basis (which, in turn, will provide this information to the relevant tax authorities where the Account Holder is resident). In this regard, please note that the Company will be considered an Irish Financial Institution for the purposes of CRS.

For further information on CRS requirements of the Company, please refer to the below “CRS Data Protection Information Notice”.

### *CRS Data Protection Information Notice*

The Company hereby confirms that it intends to take such steps as may be required to satisfy any obligations imposed by (i) the Standard and, specifically, the Common Reporting Standard therein, as applied in Ireland by means of the relevant international legal framework and Irish tax legislation and (ii) DAC2, as applied in Ireland by means of the relevant Irish tax legislation, so as to ensure compliance or deemed compliance (as the case may be) with CRS from 1<sup>st</sup> January 2016.

In this regard, the Company is obliged under Section 891F and Section 891G of the Taxes Act and regulations made pursuant to those sections to collect certain information about each Shareholder’s tax arrangements (and also collect information in relation to relevant Controlling Persons of specific Shareholders).

In certain circumstances, the Company may be legally obliged to share this information and other financial information with respect to a Shareholder’s interests in the Company with the Irish Revenue

Commissioners (and, in particular situations, also share information in relation to relevant Controlling Persons of specific Shareholders). In turn, and to the extent the account has been identified as a Reportable Account, the Irish Revenue Commissioners will exchange this information with the country of residence of the Reportable Person(s) in respect of that Reportable Account.

In particular, information that may be reported in respect of a Shareholder (and relevant Controlling Persons, if applicable) includes name, address, date of birth, place of birth, account number, account balance or value at year end (or, if the account was closed during such year, the balance or value at the date of closure of the account), any payments (including redemption and dividend/interest payments) made with respect to the account during the calendar year, tax residency(ies) and tax identification number(s).

Shareholders (and relevant Controlling Persons) can obtain more information on the Company's tax reporting obligations on the website of the Irish Revenue Commissioners (which is available at <http://www.revenue.ie/en/business/aeoi/index.html>) or the following link in the case of CRS only: <http://www.oecd.org/tax/automatic-exchange/>.

All capitalised terms above, unless otherwise defined above, shall have the same meaning as they have in the Standard or DAC2 (as applicable).

### **Mandatory Disclosure Rules**

Council Directive (EU) 2018/822 (amending Directive 2011/16/EU), commonly referred to as "DAC6", became effective on 25 June 2018. Relevant Irish tax legislation has since been introduced to implement this Directive in Ireland.

DAC6 creates an obligation for persons referred to as "intermediaries" to make a return to the relevant tax authorities of information regarding certain cross-border arrangements with particular characteristics, referred to as "hallmarks" (most of which focus on aggressive tax planning arrangements). In certain circumstances, instead of an intermediary, the obligation to report may pass to the relevant taxpayer of a reportable cross-border arrangement.

The transactions contemplated under the prospectus may fall within the scope of DAC6 and thus may qualify as reportable cross-border arrangements. If that were the case any person that falls within the definition of an "intermediary" (this could include the Administrator, the legal and tax advisers of the Company, the Investment Advisor, the Distributor, the Promoter etc.) or, in certain circumstances, the relevant taxpayer of a reportable cross-border arrangement (this could include Shareholder(s)) may have to report information in respect of the transactions to the relevant tax authorities. Please note that this may result in the reporting of certain Shareholder information to the relevant tax authorities.

Shareholders and prospective investors should consult their own tax advisor regarding the requirements of DAC6 with respect to their own situation.

## **6. GENERAL INFORMATION**

### **1. Incorporation, Registered Office and Share Capital**

- (a) The Company was incorporated in Ireland on 16<sup>th</sup> September, 2003 as an investment company with variable capital with limited liability under registration number 375775. The Company has no subsidiaries. The Company has segregated liability between Funds.
- (b) The registered office of the Company is as stated in the Directory at the front of the Prospectus.
- (c) Clause 3 of the Articles of Association provides that the Company's sole object is the collective investment in either or both:
  - (i) transferable securities;
  - (ii) other liquid financial assets referred to in the UCITS Regulations of capital raised from the public and the Company operates on the principle of risk-spreading in accordance with the UCITS Regulations.
- (d) The authorised share capital of the Company is 5,000,000,000 Shares of no par value and euro 40,000 divided into 40,000 redeemable non-participating shares of Euro 1.00 each. Non-participating Shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the amount paid up thereon but do not otherwise entitle them to participate in the assets of the Company. The Directors have the power to allot shares up to the authorised share capital of the Company. There are two one quarter paid non-participating shares currently in issue which were taken by the subscribers to the Company and are held by the nominees of the relevant Investment Advisor.
- (f) No share capital of the Company has been put under option nor has any share capital been agreed (conditionally or unconditionally) to be put under option.

### **2. Variation of Share Rights and Pre-Emption Rights**

- (a) The rights attaching to the Shares issued in any Class or Fund may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the Shareholders of three-quarters of the issued Shares or of that Class or Fund, or with the sanction of a resolution passed at a separate meeting of the holders of the Participating Shares of the class by a majority of three-fourths of the votes cast at such a meeting of that Class or Fund.
- (b) A resolution in writing signed by all the Shareholders and holders of non-participating shares for the time being entitled to attend and vote on such resolution at a general meeting of the Company shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the Company duly convened and held and if described as a special resolution shall be deemed to be a special resolution.
- (c) The rights attaching to the Shares shall not be deemed to be varied by the creation, allotment or issue of any further Shares ranking *pari passu* with Shares already in issue.

- (d) There are no rights of pre-emption upon the issue of Shares in the Company.

### **3. Voting Rights**

The following rules relating to voting rights apply:-

- (a) Fractions of Shares do not carry voting rights.
- (b) Every Shareholder or holder of non-participating shares present in person or by proxy who votes on a show of hands shall be entitled to one vote.
- (c) The chairman of a general meeting of a Fund or Class or any Shareholder of a Fund or Class present in person or by proxy at a meeting of a Fund or Class may demand a poll.
- (d) On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him and every holder of non-participating shares shall be entitled to one vote in respect of all non-participating shares held by him. A Shareholder entitled to more than one vote need not cast all his votes or cast all the votes he uses in the same way.
- (e) Any person (whether a Shareholder or not) may be appointed to act as a proxy; a Shareholder may appoint more than one proxy to attend on the same occasion.
- (f) To be passed, ordinary resolutions of the Company or of the Shareholders of a particular Fund or Class will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed. Special resolutions of the Company or of the Shareholders of a particular Fund or Class will require a majority of not less than 75% of the Shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Articles.

### **4. Meetings**

- (a) The Directors may convene extraordinary general meetings of the Company at any time. The Directors shall convene an annual general meeting within nine months of the end of each Accounting Period.
- (b) Subject to the provisions of the Act permitting a general meeting to be called at shorter notice not less than twenty one days notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to Shareholders and fourteen days' notice must be given in the case of any other general meeting.
- (c) Two Members present either in person or by proxy shall be a quorum for a general meeting provided that the quorum for a general meeting convened to consider any alteration to the Class rights of Shares shall be two Shareholders holding or representing by proxy at least one third of the issued Shares of the relevant Fund or Class. If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of or by

Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same time, day and place in the next week or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be a quorum and in the case of a meeting of a Fund or Class convened to consider the variation of rights of Shareholders in such Fund or Class the quorum shall be one Shareholder holding Shares of the Fund or Class in question or his proxy. All general meetings will be held in Ireland.

- (d) The foregoing provisions with respect to the convening and conduct of meetings shall save as otherwise specified with respect to meetings of Funds or Classes and, subject to the Act, have effect with respect to separate meetings of each Fund or Class at which a resolution varying the rights of Shareholders in such Fund or Class is tabled.
- (e) Where notice of a general meeting is given by posting it by ordinary prepaid post to the registered address of a Shareholder, then, for the purposes of any issue as to whether the correct period of notice for that meeting has been given, the giving of the notice shall be deemed to have been effected on the expiration of twenty four (24) hours following posting.

## **5. Reports and Accounts**

The Company will prepare an annual report and audited accounts as of 31<sup>st</sup> October in each year and a half-yearly report and unaudited accounts as of 30<sup>th</sup> April in each year. Copies of the audited annual report and accounts of the Company will be sent to Shareholders within 4 months of the end of the relevant financial period and copies of the half-yearly reports will be sent to Shareholders within 2 months of the end of the half year period to which they relate.

## **6. Transfer of Shares**

- (a) Transfers of Shares may be effected in writing in any usual or common form, signed by or on behalf of the transferor and every transfer shall state the full name and address of the transferor and transferee.
- (b) The Directors may decline to register any transfer of Shares if:-
  - (i) in consequence of such transfer the transferor or the transferee would hold a number of Shares less than the Minimum Holding;
  - (ii) all applicable taxes and/or stamp duties have not been paid in respect of the instrument of transfer;
  - (iii) the instrument of transfer is not deposited at the registered office of the Company or such other place as the Directors may reasonably require, accompanied by the certificate for the Shares to which it relates, such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, such relevant information and declarations as the Directors may reasonably require from the transferee including, without limitation, information and declarations of the type

which may be requested from an applicant for Shares in the Company and such fee as may from time to time be specified by the Directors for the registration of any instrument of transfer; or

- (iv) they are aware or reasonably believe the transfer would result in the beneficial ownership of such Shares by a person in contravention of any restrictions on ownership imposed by the Directors or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the relevant Fund or Class or Shareholders as a whole.
- (c) The registration of transfers may be suspended for such periods as the Directors may determine provided always that registration may not be suspended for any time or times not exceeding in the whole 30 Business Days in each year.

## **7. Directors**

The following is a summary of the principal provisions in the Articles of Association relating to the Directors:

- (a) Unless otherwise determined by an ordinary resolution of the Company in general meeting, the number of Directors shall not be less than two.
- (b) A Director need not be a Shareholder.
- (c) The Articles of Association contain no provisions requiring Directors to retire on attaining a particular age or to retire on rotation.
- (d) A Director may vote and be counted in the quorum at a meeting to consider the appointment or the fixing or variation of the terms of appointment of any Director to any office or employment with the Company or any company in which the Company is interested, but a Director may not vote or be counted in the quorum on a resolution concerning his own appointment.
- (e) The Directors for the time being are entitled to such remuneration as may be determined by the Directors and disclosed in the Prospectus and may be reimbursed all reasonable travel, hotel and other expenses incurred in connection with the business of the Company or the discharge of their duties and may be entitled to additional remuneration if called upon to perform any special or extra services to or at the request of the Company.
- (f) A Director may hold any other office or place of profit under the Company, other than the office of Auditor, in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine.
- (g) No Director or intending Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise, nor shall any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director who is 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, but the nature of his interest must be declared by the Director in question at the meeting of the Directors at which the proposal to enter into the contract or agreement is first considered or, if the Director in question was not at the date of that meeting interested in the proposed contract or arrangement, at the next Directors' meeting held after that Director becomes so interested. A general notice in writing given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or arrangement which may thereafter be made with that company or firm is deemed to be a sufficient declaration of interest in relation to any contract or arrangement so made.

- (h) A Director may not vote in respect of any contract or arrangement or any proposal whatsoever in which that Director has any material interest. However, a Director may vote in respect of any proposal concerning any other company in which he is interested directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of 5 per cent or more of the issued shares of any class of such company or of the voting rights available to members of such company. A Director may also vote in respect of any proposal concerning an offer of Shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Company or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the Company for which the Director has assumed responsibility in whole or in part. A Director shall not be counted in the quorum at a meeting in relation to any resolution upon which he is debarred from voting unless the Directors resolve otherwise.
- (i) The office of a Director shall be vacated in any of the following events namely:-
  - (a) if the relevant Director resigns their office by notice in writing signed by them and left at the registered office of the Company;
  - (b) if the relevant Director becomes bankrupt or makes any arrangement or composition with their creditors generally;
  - (c) if the relevant Director becomes of unsound mind;
  - (d) if the relevant Director is absent from meetings of the Directors for six successive months without leave expressed by a resolution of the Directors and the Directors resolve that their office be vacated;
  - (e) if the relevant Director ceases to be a Director by virtue of, or becomes prohibited or restricted from being a Director by reason of, an order made under the provisions of any law or enactment or if the Central Bank gives notice to the Company that it has withdrawn its approval of the relevant Director as a director of the Company;
  - (f) if the relevant Director is requested by a majority of the other Directors (not being less than two in number) to vacate office; or

- (g) if the relevant Director is removed from office by ordinary resolution of the Company.

## **8. Directors' Interests**

- (a) None of the Directors has or has had any direct interest in the promotion of the Company or in any transaction effected by the Company which is unusual in its nature or conditions or is significant to the business of the Company up to the date of this Prospectus or in any contracts or arrangements of the Company subsisting at the date hereof other than:

- (i) Ms. Satomi Fujii is an employee of SPARX Asset Management Co., Ltd.

- (b) No present Director or any connected person has any interests beneficial or non-beneficial in the share capital of the Company.
- (c) None of the Directors has a service contract with the Company nor are any such service contracts proposed.

## **9. Winding Up**

- (a) The Company may be wound up if:
  - (i) at any time after the first anniversary of the incorporation of the Company, the aggregate Net Asset Value of the Company falls below 5 million euros (or its foreign currency equivalent) the Company shall be obliged either (a) to procure forthwith such additional subscriptions as would result in the aggregate Net Asset Value exceeding 5 million euros (or its foreign currency equivalent) or (b) compulsorily to redeem all Shares and dissolve the Company;
  - (ii) the Shareholders resolve by Ordinary Resolution that the Company by reason of its liabilities cannot continue its business and that it be wound up;
  - (iii) the Shareholders resolve by special resolution to wind up the Company.
- (b) The liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders (pro rata to the value of their respective shareholdings in the Company) in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind provided that any Shareholder shall be entitled to request the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such sale. The costs of any such sale shall be borne by the relevant Shareholder. The liquidator may, with like Central Bank, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator 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 asset in respect of which there is any liability.
- (c) Notwithstanding any other provision contained in the Memorandum and Articles of Association of the Company, should the Directors at any time and in their absolute discretion resolve that it

would be in the best interests of the Shareholders to wind up the Company, the Company Secretary shall forthwith at the Directors' request convene an extraordinary general meeting of the Company at which there shall be presented a proposal to appoint a liquidator to wind up the Company and if so appointed, the liquidator shall distribute the assets of the Company in accordance with the Articles of Association of the Company.

## **10. Indemnities**

The Directors, (including alternates), Company Secretary and other officers of the Company and its former directors and officers, the Investment Advisors, the Administrator, the Depositary, the Distributor and the Manager shall be indemnified by the Company against losses and expenses to which any such person may become liable by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (under such terms and subject to such conditions and exceptions and with such entitlement to have recourse to the assets of the Company with a view to meeting and discharging the cost thereof as shall be provided under the relevant Investment Advisory Agreement, Administration Agreement, the Depositary Agreement and the Distribution Agreement).

## **11. General**

- (a) In accordance with Section 623 of the Act, any dividends which remain unclaimed for seven years as from the date on which they become payable will be forfeited. On forfeiture such dividends will become part of the assets of the Fund to which they relate.

## **12. Material Contracts**

The following contracts which are or may be material have been entered into otherwise than in the ordinary course of business:

- (a) *The Management Agreement* between the Company and the Manager dated 22 April, 2020 under which the Manager was appointed by the Company as manager of the Company's assets and to provide certain related services to the Company. The Management Agreement may be terminated by either party on 90 days written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. The Manager has the power to delegate its duties in accordance with the Management Agreement and the Central Bank's requirements. The Manager shall not in the absence of negligence, fraud or wilful default on the part of the Manager be liable to the Company or any Shareholder for any act or omission in the course of or in connection with its services rendered under the Management Agreement. In no circumstances shall the Manager be liable for consequential or indirect loss or damage. The Agreement provides that the Company shall out of the assets of the relevant Fund indemnify the Manager against and hold it harmless from any actions, proceedings, claims, demands, losses, liabilities, damages and reasonable costs or expenses (including legal and professional fees and expenses) brought against or suffered or incurred by the Manager in the

performance of its duties other than due to fraud, negligence, bad faith, recklessness or wilful default of the Manager in the performance of its obligations or duties under the Management Agreement.

- (b) *Investment Advisory Agreement* between the Manager, the Company and the SPARX Asset Management Co., Ltd. under which SPARX Asset Management Co., Ltd. was appointed by the Manager as Investment Advisor of the assets of SPARX Japan Fund and SPARX Japan Sustainable Equity Fund subject to the overall supervision of the Manager. The Investment Advisory Agreement between the Manager, the Company and SPARX Asset Management Co., Ltd. may be terminated by any party on written notice or forthwith by notice in writing in certain circumstances such as the insolvency of any party or unremedied breach after notice. The Investment Advisor has the power to delegate its duties in accordance with the requirements of the Central Bank.
  
- (c) *Administration Agreement* between the Manager, the Company and the Administrator under which the Administrator was appointed by the Manager as Administrator to manage and administer the affairs of the Company, subject to the terms and conditions of the Administration Agreement and subject to the overall supervision of the Manager. The Administration Agreement may be terminated by any party on 90 days written notice or forthwith by notice in writing in certain circumstances such as the insolvency of any party or unremedied breach after notice. The Administrator has the power to delegate its duties in accordance with the requirements of the Central Bank. The Agreement provides that the Company shall indemnify the Administrator and its delegates, agents and employees against and hold it harmless from any actions, proceedings, damages, claims, costs, demands and expenses including legal and professional expenses brought against or suffered or incurred by the Administrator in the performance of its duties other than due to the fraud, negligence, or wilful misconduct of the Administrator in the performance of its obligations.
  
- (d) *Depositary Agreement* between the Company and the Depositary whereby the Company appointed the Depositary to provide depositary services to the Company. The Depositary Agreement shall continue in force until terminated by either party on ninety (90) days' notice in writing to the other party or as otherwise provided by the Depositary Agreement, provided that such termination shall only take effect upon the appointment of a successor depositary with the prior approval of the Central Bank. The Depositary has the power to delegate its duties but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary Agreement provides that the Company shall hold harmless and indemnify the Depositary against all losses, liabilities, demands, damages, costs, claims or expenses (including reasonable legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Depositary by reason of its performance of its duties under the terms of the Depositary Agreement (other than to the extent that it relates to loss for which the Depositary is liable by reason of (i) loss of financial instruments

held in custody (unless the loss has arisen as a result of an external event beyond the control of the Custodian) and/or (ii) the Depository's negligent or intentional failure to properly fulfil its obligations under the UCITS Regulations.

- (e) The Company has appointed the Manager as the global distributor for the Company pursuant to a Distribution Agreement between the Company, the Manager, SPARX Asset Management Co., Ltd and SPARX Asia Investment Advisors Limited dated 22 April, 2020.

The Distribution Agreement may be terminated by each party on 90 days written notice to the other parties. The Company and the Manager may terminate forthwith if either party shall commit a breach of its obligations which is not remedied within 30 days' notice of such breach or if either party is to be wound up. The Distribution Agreement provides that the Company shall indemnify and hold harmless the Manager from damage to or loss incurred by the Manager in connection with the subject matter of the Distribution Agreement provided that such damage or loss is not as a result of any negligence, fraud or wilful default of the Manager.

- (f) The Manager may also enter into one or more paying agent agreements pursuant to which it shall appoint one or more Paying Agents to maintain facilities whereby Shareholders who are resident in the relevant country can obtain payment of dividends and redemption proceeds, examine and receive copies of the Articles of Association and periodic reports and notices of the Company and make complaints if and when appropriate which shall be forwarded to the Company's registered office for consideration.
- (g) Passive Hedging Calculation Agreement between the Company and HSBC Bank plc under which HSBC Bank plc was appointed as Passive Hedging Calculation Agent for the Company. The Passive Hedging Calculation Agreement may be terminated by either party on giving 90 days' notice to the other party. The Agreement provides that the Company shall indemnify HSBC Bank plc in due performance of the terms of the Passive Hedging Calculation Agreement and fully and effectively indemnify and keep HSBC Bank plc indemnified on an after tax basis against any and all losses suffered or incurred by HSBC Bank plc in the performance of the services provided that HSBC Bank plc will not be indemnified against any losses to the extent that they arise directly out of its negligence, fraud or wilful default, including losses that arise or are notified to the Company or HSBC Bank plc before or after the termination of the Passive Hedging Calculation Agreement.

### **13. Documents Available for Inspection**

Copies of the following documents, which are available for information only and do not form part of this document, may be inspected at the registered office of the Company in Ireland during normal business hours on any Business Day :-

- (a) The Articles of Association (copies may be obtained free of charge from the Administrator or the Manager).
- (b) The Act and the UCITS Regulations.
- (c) The material contracts detailed above.
- (d) Once published, the latest annual and half yearly reports of the Company (copies of which may be obtained from the Administrator or the Manager free of charge).

## Appendix I - Investment and Borrowing Restrictions

<b>1</b>	<b>Permitted Investments</b>
	Investments of a UCITS are confined to:
<b>1.1</b>	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of AIFs.
<b>1.6</b>	Deposits with credit institutions.
<b>1.7</b>	Financial derivative instruments.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	Each Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in section 1.
<b>2.2</b>	<p>Recently Issued Transferable Securities</p> <p>Subject to section 2 a responsible person 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 Fund Regulations 2011 apply.</p> <p>Section 1 does not apply to an investment by a responsible person in US Securities known as “Rule 144 A securities” provided that;</p> <p>(a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and</p> <p>(b) the securities are not illiquid securities i.e. they may be realised by the Fund within 7 days at the price, or approximately at the price, which they are valued by the Fund.</p>
<b>2.3</b>	A 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%.
<b>2.4</b>	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to

protect bond-holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Fund. This restriction requires the prior approval of the Central Bank.

- 2.5** The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 2.6** The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
- 2.7** Cash booked in accounts and held as ancillary liquidity shall not exceed 20% of the net assets of the Fund.
- 2.8** The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.
- This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution in a third country deemed equivalent pursuant to Article 107(4) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.
- 2.9** Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
- investments in transferable securities or money market instruments;
  - deposits, and/or
  - counterparty risk exposures arising from OTC derivatives transactions.
- 2.10** The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
- 2.11** Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
- 2.12** A Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.

The individual issuers must be listed in the prospectus and may be drawn from the following list:  
OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe,

	<p>Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter-American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC, Export-Import Bank.</p> <p>The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
<b>3</b>	<b>Investment in Collective Investment Schemes (“CIS”)</b>
<b>3.1</b>	A Fund may not invest more than 20% of net assets in any one CIS.
<b>3.2</b>	Investment in AIFs may not, in aggregate, exceed 30% of net assets.
<b>3.3</b>	The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
<b>3.4</b>	When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the Fund management company or by any other company with which the Fund management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund investment in the units of such other CIS.
<b>3.5</b>	Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the Fund (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the Fund.
<b>4</b>	<b>Index Tracking UCITS</b>
<b>4.1</b>	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 Central Bank UCITS Regulations and is recognised by the Central Bank.
<b>4.2</b>	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
<b>5</b>	<b>General Provisions</b>
<b>5.1</b>	An investment company, ICAV or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

<p><b>5.2</b></p>	<p>Each Fund may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul> <p>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.</p>
<p><b>5.3</b></p>	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> <li>(iv) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.</li> <li>(v) Shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</li> </ul>
<p><b>5.4</b></p> <p><b>5.5</b></p> <p><b>5.6</b></p> <p><b>5.7</b></p>	<p>Each Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.</p> <p>The Central Bank may allow recently authorised Fund to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.</p> <p>If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.</p> <p>Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:</p> <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- money market instruments*;</li> <li>- units of investment funds; or</li> </ul>

	<ul style="list-style-type: none"> <li>- financial derivative instruments.</li> </ul> <p>* Any short selling of money market instruments by a Fund is prohibited.</p>
<b>5.8</b>	A UCITS may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments ('FDIs')</b>
<b>6.1</b>	The Fund's global exposure relating to FDI must not exceed its total net asset value.
<b>6.2</b>	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations /Guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Central Bank UCITS Regulations).
<b>6.3</b>	<p>Funds may invest in FDIs dealt in over-the-counter (OTC) provided that:</p> <ul style="list-style-type: none"> <li>- The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.</li> </ul>
<b>6.4</b>	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

## Appendix II - Recognised Exchanges

The following is a list of regulated stock exchanges and markets in which the assets of each Fund may be invested from time to time and is set out in accordance with Central Bank requirements. With the exception of permitted investments in unlisted securities or in units of open-ended collective investment schemes, investment will be restricted to the stock exchanges and markets below. The Central Bank does not issue a list of approved stock exchanges or markets.

(i) any stock exchange which is:-

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

(ii) any of the following stock exchanges or markets:-

Argentina	-	Bolsa de Comercio de Buenos Aires
Argentina	-	Bolsa de Comercio de Cordoba
Argentina	-	Bolsa de Comercio de Rosario
Bahrain	-	Bahrain Stock Exchange
Brazil	-	Bolsa de Valores do Rio de Janeiro
Brazil	-	Bolsa de Valores de Sao Paulo
Chile	-	Bolsa de Comercio de Santiago
Chile	-	Bolsa Electronica de Chile
China (Peoples' Rep. of Shanghai)	-	Shanghai Securities Exchange
China (Peoples' Rep. of Shenzhen)	-	Shenzhen Stock Exchange
Egypt	-	Alexandria Stock Exchange
Egypt	-	Cairo Stock Exchange
India	-	Bangalore Stock Exchange
India	-	Delhi Stock Exchange
India	-	Mumbai Stock Exchange
India	-	National Stock Exchange of India
Israel	-	Tel-Aviv Stock Exchange
Malaysia	-	Kuala Lumpur Stock Exchange

Mauritius	-	Stock Exchange of Mauritius
Mexico	-	Bolsa Mexicana de Valores
New Zealand	-	New Zealand Stock Exchange
Peru	-	Bolsa de Valores de Lima
Philippines	-	Philippine Stock Exchange
Singapore	-	Singapore Stock Exchange
South Africa	-	Johannesburg Stock Exchange
South Korea	-	Korea Stock Exchange
South Korea	-	KOSDAQ Market
Sri Lanka	-	Colombo Stock Exchange
Taiwan (Republic of China)	-	Taiwan Stock Exchange Corporation
Thailand	-	Stock Exchange of Thailand
Turkey	-	Istanbul Stock Exchange
Vietnam	-	Ho Chi Minh Stock Exchange

(iii) any of the following markets:

MICEX (equity securities that are traded on level 1 or level 2 only);

RTS1 (equity securities that are traded on level 1 or level 2 only);

RTS2 (equity securities that are traded on level 1 or level 2 only);

The market organised by the International Capital Market Association;

The market conducted by the "listed money market institutions", as described in the FSA publication "The Regulation of the Wholesale Cash and OTC Derivatives Markets under Section 43 of the FSA (the "Grey Paper") as amended from time to time (in Sterling, foreign currency and bullion);

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

The over-the-counter markets in Japan regulated by the Securities Dealers Association of Japan;

NASDAQ in the United States;

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 National Association of Securities Dealers Inc. (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 National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

The French market for Titres de Créances Négociables (over-the-counter market in negotiable debt instruments);

NASDAQ Europe (is a recently formed market and the general level of liquidity may not compare favourably to that found on more established exchanges);

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

SESDAQ (the second tier of the Singapore Stock Exchange);

(iv) any of the following Regulated Derivatives Markets:

The London International Financial Futures and Option Exchange ("LIFFE");

The London Securities and Derivatives Exchange;

The Singapore International Monetary Exchange.

For the purposes only of determining the value of the assets of a Fund, the term "Recognised Exchange" shall be deemed to include, in relation to any futures or options contract utilised by the Fund for the purposes of efficient portfolio management or to provide protection against exchange rate risk any organised exchange or market on which such futures or options contract is regularly traded.

## **Appendix III - Techniques and Instruments for the Purpose of Efficient Portfolio Management**

*For the purposes of this Section, "relevant institutions" refers to those institutions specified in the Central Bank UCITS Regulations.*

1. The Manager and/or the Investment Advisors may employ techniques and instruments relating to transferable securities and money market instruments which the Manager reasonably believe to be economically appropriate to the efficient portfolio management of the Company in accordance with the investment objective of each Fund and subject to the UCITS Regulations and to conditions imposed by the Central Bank. The attention of investors is drawn to the risks described under the headings "Currency Risk" and "Techniques and Instruments Risk" in the Risk Factors Section of the Prospectus.
2. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:
  - (i) they are economically appropriate in that they are realised in a cost-effective way;
  - (ii) they are entered into for one or more of the following specific aims:
    - (a) reduction of risk;
    - (b) reduction of cost;
    - (c) generation of additional capital or income for the Company with a level of risk which is consistent with the risk profile of the Company and the risk diversification rules set out in the UCITS Regulations;
  - (iii) their risks are adequately captured by the risk management process of the Manager;and
  - (iv) they cannot result in a change to the Company declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

### **Derivative Contracts**

3. Please refer to Appendix I "Investment and Borrowing Restrictions" in this Prospectus in relation to the Central Bank's requirements where financial derivative instruments are used. Financial derivative instruments used for efficient portfolio management, in accordance with paragraph 1, must also comply with the provisions of the Central Bank UCITS Regulations.

## Use of Repurchase/Reverse Repurchase agreements and Stock Lending

4. Repurchase/reverse repurchase agreements, (“repo contracts”) and stock lending may only be effected in accordance with normal market practice.
5. Collateral obtained under a repo contract or stock lending arrangement must, at all times, meet with the following criteria:
  - (i) **Liquidity:** Non-cash collateral shall be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation;
  - (ii) **Valuation:** Collateral must be capable of being valued on at least a daily basis and must be marked to market daily;
  - (iii) **Issuer credit quality:** Where the collateral issuer is not rated A-1 or equivalent, conservative haircuts must be applied. The Company shall ensure:
    - (a) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the relevant Investment Advisor acting on behalf of the Company in the credit assessment process; and
    - (b) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in (a) this shall result in a new credit assessment being conducted of the issuer by the relevant Investment Advisor acting on behalf of the Company without delay.
  - (iv) **Diversification (asset concentration):**
    - (a) subject to sub-paragraph (b) below, 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 a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.
    - (b) a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, non-Member State, or public international body of which one or more Member States belong (and which issuers are set out in Section 2.12 of the “Investment Restrictions” section in this Prospectus), provided the Fund will receive securities from at least six different issues with securities from any single issue not accounting for more than 30% of the Fund’s net asset value;
6. Until the expiry of the repo contract or stock lending arrangement, collateral obtained under such contracts or arrangements:

- (i) must equal or exceed, in value, at all times the value of the amount invested or securities loaned;
- (ii) must be transferred to the Depository, or its agent; and
- (iii) must be immediately available to the Company, without recourse to the counterparty, in the event of a default by that entity.

Paragraph (ii) is not applicable in the event that the Company uses tri-party collateral management services of International Central Securities Depositories or relevant institutions which are generally recognised as specialists in this type of transaction. The Depository must be a named participant to the collateral arrangements.

**7. Non-cash collateral:**

- (i) cannot be sold, pledged or re-invested;
- (ii) must be held at the risk of the counterparty;
- (iii) must be issued by an entity independent of the counterparty, and
- (iv) must be diversified to avoid concentration in one issue, sector or country.

**8. Cash collateral:**

Cash may not be invested other than in the following:

- (i) deposits with relevant institutions;
- (ii) government or other public securities;
- (iii) certificates of deposit issued by relevant institutions;
- (iv) letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by relevant institutions;
- (v) repurchase agreements, provided collateral received falls under categories (i)-(iv) and (vi) of this paragraph;
- (vi) daily dealing money market funds which have and maintain a rating of AAA or equivalent. If investment is made in a linked fund, as described in the Central Bank UCITS Regulations, no subscription, conversion or redemption charge can be made by the underlying money market fund.

9. In accordance with paragraph 2(iv) of this Section, invested cash collateral held at the risk of the Company, other than cash collateral invested in government or other public securities or money market funds, must be invested in a diversified manner. The Company must be satisfied, at all times, that any investment of cash collateral will enable it to meet with its repayment obligations.

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

11. Notwithstanding the provisions of paragraph 6(ii), the Company may enter into stock lending programmes organised by generally recognised International Central Securities Depositories Systems provided that the programme is subject to a guarantee from the system operator.

12. Without prejudice to paragraphs 7 and 8 above, the Company may be permitted to undertake repo transactions pursuant to which additional leverage is generated through the re-investment of collateral. In this case the repo transaction must be taken into consideration for the determination of global exposure as required by the Central Bank UCITS Regulations. Any global exposure generated must be added to the global exposure created through the use of derivatives and the total of these must not be greater than 100% of the net asset value of the Company. Where collateral is re-invested in financial assets that provide a return in excess of the risk-free return the Company must include, in the calculation of global exposure:
  - (i) the amount received if cash collateral is held;
  - (ii) the market value of the instrument concerned if non-cash collateral is held.
13. Any counterparty to a stocklending agreement, repurchase agreement, reverse repurchase agreements and/or financial derivatives instrument shall be subject to an appropriate internal credit assessment carried out by the Manager and/or the relevant Investment Advisor on behalf of the Company which shall include amongst other considerations, external credit ratings of the counterparty. Where such counterparty (a) is subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the relevant Investment Advisor in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted of the counterparty by the relevant Investment Advisor on behalf of the Company without delay.
14. The Manager must have the right to terminate the stock lending arrangement at any time and demand the return of any or all of the securities loaned. The agreement must provide that, once such notice is given, the borrower is obligated to redeliver the securities within 5 Business Days or other period as normal market practice dictates.
15. Repo contracts, stock borrowing or stock lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the UCITS Regulations respectively.
16. The annual report and audited accounts and the half yearly report and unaudited accounts of the Company will contain details of the following:
  - (a) the exposure obtained through efficient portfolio management techniques;
  - (b) the identity of the counterparty(ies) to these efficient portfolio management techniques;
  - (c) the type and amount of collateral received by the UCITS to reduce counterparty exposure; and
  - (d) the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.

#### Appendix IV – Delegates Appointed by the Depository

Country	Appointed Service Provider
Argentina	HSBC Bank Argentina S.A.
Australia	HSBC Bank Australia Ltd
Austria	HSBC Trinkaus & Burkhardt AG
Bahrain	HSBC Bank Middle East Ltd (Bahrain)
Bangladesh	The Hongkong and Shanghai Banking Corporation Ltd (Bangladesh)
Belgium	BNP Paribas Securities Services (Belgium)
Belgium	Euroclear Bank S.A./N.V.
Bosnia-Herzegovina*	Unicredit Bank DD (Bosnia)
Botswana	Standard Chartered (Botswana)
Brazil	Banco BNP Paribas Brazil S.A.
Bulgaria	UniCredit Bulbank AD
Canada	Royal Bank of Canada
Chile	Banco Santander Chile
China	HSBC Bank (China) Company Limited
Colombia	Itau Securities Services Colombia S.A. Sociedad Fuduciaria
Costa Rica	Banco Nacional De Costa Rica
Croatia	Privredna Banka Zagreb

<b>Function</b>	<b>Appointed Service Provider</b>
Cyprus	HSBC Continental Europe, Greece
Czech Republic	Ceskoslovenska Obchodni Banks, AS
Denmark	Skandinaviska Enskilda Banken AB (publ), Copenhagen Branch
Egypt	HSBC Bank Egypt SAE
Estonia	AS SEB Pank
Finland	Skandinaviska Enskilda Banken AB (publ.), Helsinki Branch
France	CACEIS Bank
Germany	HSBC Trinkaus & Burkhardt
Ghana	Standard Chartered Bank Ghana Ltd
Greece	HSBC Continental Europe, Greece
Hong Kong	The Hongkong and Shanghai Banking Corporation Ltd (CNC) (HK)
Hungary	Unicredit Bank Hungary Zrt
India	The Hongkong and Shanghai Banking Corporation Ltd (India)
Indonesia	PT Bank HSBC Indonesia
Ireland	HSBC Bank Plc (UK)
Israel	Bank Leumi Le-Israel BM
Italy	BNP Paribas Securities Services (Italy)
Japan	The Hongkong and Shanghai Banking Corporation Ltd (Japan)

<b>Function</b>	<b>Appointed Service Provider</b>
Jordan	Bank of Jordan
Kazakhstan	JSC Citibank Kazakhstan
Kenya	Standard Chartered Bank Kenya
Kuwait	HSBC Bank Middle East Ltd (Kuwait)
Latvia	AS SEB Banka
Lebanon	Bank Audi s.a.l.
Lithuania	SEB Bankas
Luxembourg	Clearstream Banking SA
Malaysia	HSBC Bank Malaysia Berhad
Mauritius	The Hongkong and Shanghai Banking Corporation Ltd (Mauritius)
Mexico	HSBC Mexico, SA
Morocco	Citibank Maghreb
Netherlands	BNP Paribas Securities Services (Netherlands)
New Zealand	The Hongkong and Shanghai Banking Corporation Ltd (New Zealand)
Nigeria*	Stanbic IBTC Bank plc
Norway	Skandinaviska Enskilda Banken AB (publ) Oslo Branch
Oman	HSBC Bank Oman S.A.O.G.
Pakistan	Citibank NA (Pakistan)
Palestine	Bank of Jordan (Palestine Branch)
Peru	Citibank del Peru
Philippines	The Hongkong and Shanghai Banking Corporation Ltd (Philippines)
Poland	Bank Polska Kasa Opieki SA

<b>Function</b>	<b>Appointed Service Provider</b>
Portugal	BNP Paribas Securities Services (Portugal)
Qatar	HSBC Bank Middle East Ltd (Qatar)
Romania	Citibank Europe plc, Romania branch
Saudi Arabia	HSBC Saudi Arabia Ltd
Serbia	Unicredit Bank Serbia JSC
Singapore	The Hongkong and Shanghai Banking Corporation Ltd (Singapore)
Slovakia	Ceskoslovenska Obchodna Banka A.S.
Slovenia	Unicredit Banka Slovenija DD
South Africa	Standard Bank of South Africa Ltd
South Korea	The Hongkong and Shanghai Banking Corporation Ltd (South Korea)
Spain	BNP Paribas Securities Services (Spain)
Sri Lanka	The Hongkong and Shanghai Banking Corporation Ltd (Sri Lanka)
Sweden	Skandinaviska Enskilda Banken AB (publ.)
Switzerland	Credit Suisse AG
Taiwan	HSBC Bank (Taiwan) Ltd
Tanzania	Standard Chartered Bank (Mauritius) Ltd, Tanzania
Thailand	The Hongkong and Shanghai Banking Corporation Ltd (Thailand)
Tunisia	Union Internationale de Banques
Turkey	HSBC Bank AS
Uganda*	Standard Chartered Bank Uganda Ltd
United Arab Emirates	HSBC Bank Middle East Ltd (UAE)
United Kingdom	HSBC Bank plc

United States	HSBC Bank (USA) NA
Vietnam	HSBC (Vietnam) Ltd
Zambia*	Standard Chartered Bank Zambia Ltd

\*Approved restricted market: approved only for treasury bills, government debt and equities.

The Depositary's sub-custodian in each jurisdiction supported by the Depositary for investment by the funds it acts as depositary of is included in the list above. The sub-custody delegates from time to time used by the Depositary in relation to the Company are the sub-custody delegates listed for the jurisdictions in which the Company has actually invested