

## **SANLAM UNIVERSAL FUNDS PLC**

A company incorporated with limited liability  
as an open-ended umbrella investment company with variable capital  
and segregated liability between sub-funds  
under the laws of Ireland with registered number 267451

### **PROSPECTUS**

This Prospectus is dated the 9 day of March 2021

The Directors of Sanlam Universal Funds plc whose names appear in the "Directors of the Company" section below accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly. Certain of the classes of Shares of the Funds have been admitted to the Official List and traded on the Global Exchange Market of Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**"). Details of the Shares of each Fund admitted to the Official List and traded on the Global Exchange Market of Euronext Dublin are set out in the Supplement for the relevant Fund. Application may be made to Euronext Dublin for the listing of other classes of Shares of the Funds issued and available for issue to be admitted to the Official List and traded on the Global Exchange Market of Euronext Dublin. This Prospectus together with the relevant Supplement shall constitute listing particulars for the purpose of such application. The Directors do not anticipate that an active secondary market will develop in such Shares.

Maples and Calder LLP  
75 St. Stephen's Green  
Dublin 2

## IMPORTANT INFORMATION

**The value of and income from Shares in the Company may go up or down and you may not get back the amount you have invested in the Company. Before investing in the Company you should consider the risks involved in such investment. Please see the "Risk Factors" section below.**

**A Repurchase Fee not exceeding 3% of the Net Asset Value per Share may be charged by the Company for payment to the Manager or as it directs but it is the intention of the Directors that such charge (if any) shall not, until further notice exceed such amount as is set out in the Supplement for the relevant Fund. The difference at any one time between the subscription price (to which may be added a Preliminary Charge) and the repurchase price (from which may be deducted a Repurchase Fee) means that an investment should be viewed as medium to long-term.**

Investors should not treat the contents of this Prospectus as advice relating to legal, taxation or other matters. If you are in any doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

Distribution of this Prospectus is not authorised in any jurisdiction unless accompanied by a copy of the latest published annual report and audited accounts of the Company and, if published after such annual report and audited accounts, a copy of the latest semi-annual report and unaudited accounts. Such reports and accounts and this Prospectus together form the prospectus for the issue of Shares in the Company.

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 so receive it. 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 Company may reject any application in whole or in part without giving any reason for such rejection in which event the subscription monies or any balance thereof will be returned without interest, expenses or compensation to the applicant by transfer to the applicant's designated account or by post at the applicant's risk.

**The Company has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund.**

**The Company is an investment company with variable capital incorporated on 9 June 1997, under the laws of Ireland and is an existing designated open-ended investment company pursuant to Section 1394 of the Companies Act 2014. The Company is now authorised in Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011. This authorisation however, does not constitute a warranty by the Central Bank as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company. Authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of the Prospectus.**

Neither the admission of Shares of the Company to the Official List of Euronext Dublin nor the approval of the Prospectus pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers, or any other party connected with the Company or any Funds, the adequacy of information contained in the Prospectus or the suitability of the Company for investment purposes.

This Prospectus describes the Company. The Company issues Supplements to this Prospectus relating to each Fund. A separate Supplement will be issued at the time of establishment of each Fund. Each Supplement forms part of and should be read in the context of and in conjunction with this Prospectus.

This Prospectus may only be issued with one or more Supplements, each containing information in

relation to a particular Fund. Details relating to classes may be dealt with in the relevant Supplement for the particular Fund or in a separate class supplement for each class.

This Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised. In particular, the Shares have not, nor will be, registered under the United States Securities Act of 1933 (as amended) and may not, except in a transaction which does not violate United States securities laws, be directly or indirectly offered or sold in the United States or to any United States Person. The Company will not be registered under the United States Investment Company Act of 1940 (as amended).

Notwithstanding the foregoing prohibition on offers and sales in the United States or to or for the benefit of U.S. Persons, the Company may make a private placement of its Shares to a limited number or category of U.S. Persons.

The Company is recognised as a collective investment scheme under section 264 of the Financial Services and Markets Act 2000 and for this purpose the address for service of notices or other documents required or authorised to be served on the Company, can be delivered to Sanlam Investments UK Limited, Monument Place, 24 Monument Street, London EC3R 8AJ, United Kingdom. Copies of the Prospectus, the key investor information document(s), the Articles and the most recent annual and half yearly reports can also be obtained at this address.

It should be noted that the Company does not have a place of business in the United Kingdom. A United Kingdom investor who enters into an investment agreement to acquire shares in a Fund in response to this Prospectus may not have the right to cancel the agreement under any cancellation rules made by the Financial Conduct Authority in the United Kingdom. The agreement will be binding upon acceptance of the application by the Fund. Any investor wishing to make a complaint regarding any aspect of the Fund or its operation should first contact their intermediary or financial adviser.

Investors should note that the protections provided to investors by the UK regulatory system established under FSMA do not extend to investments in the Sanlam Universal Funds Plc. In particular, investors will not be entitled to compensation from the Financial Services Compensation Scheme, nor will they be entitled to the benefits provided by the Financial Ombudsman Service or other protections afforded to customers under FSMA. Please note that not all the funds are suitable for UK investors. If you are in any doubt as to whether these funds are suitable for you, you should contact your financial adviser who will be able to discuss the suitability of such investments with you and who will be able to obtain further information concerning the investments.

Sanlam Investments UK Limited will act as the UK Facilities Agent of the Company and will provide general facilities to UK investors as required by Rule 9.4.1R of the UK Financial Services Authority's New Collective Investment Schemes Sourcebook. These include facilities for inspection and the obtaining, free of charge, of the documents referred to in the "Documents for Inspection" section below and where details can be obtained on the price, redemption and payment of Shares. UK investors may also lodge any complaint relating to the operation of the Company with the UK Facilities Agent.

The Articles of the Company give powers to the Directors to impose restrictions on the holding of Shares by (and consequently to repurchase Shares held by) or the transfer of Shares to any United States Persons (unless permitted under certain exceptions under the laws of the United States) or by any person who appears to be in breach of any law or requirement of any country or government authority or by virtue of which such person is not qualified to hold such Shares or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other person or persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company, the relevant Fund or Shareholders as a whole incurring any liability to taxation or suffering pecuniary disadvantages or being in breach of any law or regulation which the Company, the relevant Fund or Shareholders as a whole might not otherwise have incurred, suffered or breached. The Articles of Association also permit the Directors where necessary to repurchase and cancel Shares held by a person who is or is deemed to be Irish Resident on the occurrence of a chargeable event for Irish taxation purposes.

**Potential subscribers and purchasers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements, (c) any foreign exchange restrictions or exchange**

**control requirements and (d) any other requisite governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Shares.**

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

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Articles of the Company, copies of which are available as mentioned herein.

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

## **DIRECTORY**

### **SANLAM UNIVERSAL FUNDS PLC**

#### **REGISTERED OFFICE**

Beech House  
Beech Hill Road  
Dublin 4  
Ireland

#### **DIRECTORS OF THE COMPANY**

Paul Dobbyn  
Haydn Franckeiss  
Tom Murray  
Richard Aslett

#### **MANAGER, COMPANY SECRETARY AND SECURITIES LENDING AGENT**

Sanlam Asset Management (Ireland) Limited  
Beech House  
Beech Hill Road  
Dublin 4  
Ireland

#### **INVESTMENT ALLOCATION MANAGER**

Details of the Investment Allocation Manager (if any)  
are set out in the Supplement  
for the relevant Fund

#### **INVESTMENT ADVISOR**

Details of the Investment Advisor (if any) are set out in the  
Supplement for the relevant Fund

#### **INVESTMENT MANAGER(S)**

Details of the Investment Manager(s) to each Fund  
are set out in the Supplement  
for the relevant Fund

#### **INVESTMENT TRANSITION MANAGERS**

Morgan Stanley & Co. International Limited  
25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

State Street Bank Europe Limited

20 Churchill Place  
Canary Wharf  
London E14 5HJ  
United Kingdom

**DEPOSITARY**

Brown Brothers Harriman Trustee Services (Ireland) Limited  
30 Herbert Street  
Dublin 2  
Ireland

**ADMINISTRATOR**

Brown Brothers Harriman Fund Administration Services (Ireland) Limited  
30 Herbert Street  
Dublin 2  
Ireland

**DISTRIBUTORS**

Sanlam Investment Management (Pty) Limited  
55 Willie van Schoor Avenue  
Bellville  
7530  
South Africa

River and Mercantile Investments Limited  
11 Strand  
London WC2N 5HR  
United Kingdom

Bridge Fund Managers (Pty) Limited  
5 Arundel Close  
Kingsmead Office Park  
Durban  
4001 South Africa

Anchor Capital (Pty) Limited  
25 Culross Road  
Bryanston  
Sandton 2191  
South Africa

Sanlam Investments UK Limited  
Monument Place  
24 Monument Street  
London, EC3R 8AJ  
United Kingdom

High Street Asset Management (Pty) Limited  
The Offices of Hyde Park  
Block B, 1 Strouthos Road  
Hyde Park, Sandton  
Gauteng 2196  
South Africa

Sanlam Global Investment Solutions Ltd

Canon's Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

Absa Asset Management (Pty) Limited  
Barclays Sandton South Campus  
15 Alice Lane  
2nd Floor  
South Africa

Autus Fund Managers (Pty) Limited  
Autus Manor House  
Farm 3, The Vineyards Office Estate  
99 Jip De Jager Drive  
Bellville, 7530  
South Africa

First Avenue Investment Management (Pty) Limited  
21 Fricker Road  
Ground Floor  
Illovo, 2196  
South Africa

Cameron Hume Limited  
Exchange Place 1,  
1 Semple Street,  
Edinburgh, EH3 8BL  
Scotland

Denker Capital (Pty) Limited  
6<sup>th</sup> Floor,  
The Edge,  
3 Howick Close,  
Tyger Falls,  
Bellville 7530,  
South Africa

Perpetua Investment Managers (Pty) Limited  
5th Floor,  
The Citadel,  
15 Cavendish Street,  
Claremont, 7708,  
South Africa

#### **AUDITORS**

Ernst & Young  
Ernst & Young Building  
Harcourt Centre  
Harcourt Street  
Dublin 2  
Ireland

#### **IRISH LEGAL ADVISORS TO THE COMPANY**

Maples and Calder LLP  
75 St. Stephen's Green

Dublin 2  
Ireland

**LISTING BROKERS**

Maples and Calder  
75 St. Stephen's Green  
Dublin 2  
Ireland

**UK FACILITIES AGENT**

Sanlam Investments UK Limited  
Monument Place  
24 Monument Street  
London  
EC3R 8AJ  
United Kingdom



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## DEFINITIONS

**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 day following expiry of the last accounting period.

**Administrator** means Brown Brothers Harriman Fund Administration Services (Ireland) Limited or any other person or persons for the time being duly appointed administrator in accordance with the Central Bank Rules.

**Administration Agreement** means the Administration Agreement between the Manager and the Administrator dated and effective from 1 October 2018 as may be amended, modified or supplemented from time to time in accordance with the requirements of the Central Bank.

**AIF** means an alternative investment fund as defined in regulation 5(1) of the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. No. 257 of 2013) and/or any other collective investment undertaking meeting the criteria outlined in Regulation 68(e) of the Regulations including, where relevant and in the event of the United Kingdom becoming a third country, UCITS authorised by the Financial Conduct Authority in the United Kingdom in accordance with Directive 2009/65/EC of the European Parliament and of the Council, as amended, supplemented, consolidated or otherwise modified from time to time.

**Amended and Restated Management Agreement** means the Amended and Restated Management Agreement between the Company and the Manager dated 28 September 2018 and effective from 1 October 2018 as may be amended, modified or supplemented from time to time in accordance with the requirements of the Central Bank.

**Application Form** means the application form to be completed by subscribers for Shares in the Company.

**Articles** means the Memorandum and Articles of Association of the Company as amended from time to time in accordance with the Central Bank Rules.

**Base Currency** means, in relation to any Fund, such currency as specified in the Supplement for the relevant Fund.

**Benchmark Regulation** means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds;

**Business Day** means, in relation to any Fund, each day as is specified as such in the Supplement for the relevant Fund and or such other day(s) as the Directors may, with the approval of the Depositary, determine in relation to each Fund.

**Central Bank** means the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the Company.

**Central Bank Regulations** means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings For Collective Investment in Transferable Securities) Regulations 2019 as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time;

**Central Bank Rules** means the Central Bank Regulations and any other statutory instrument, regulations, rules, conditions, -, requirements or guidance of the Central Bank issued from time to time applicable to the Company pursuant to the Regulations

**Company** means Sanlam Universal Funds plc.

**Companies Act** means the Companies Act 2014 and every amendment or re-enactment of the same, including any regulations issued pursuant thereto, insofar as they apply to open-ended investment companies with variable capital.

**Connected Person** means the persons defined as such in the section headed "Portfolio Transactions and Conflicts of Interest".

**CRS** means the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development, also known as the Common Reporting Standard, and any bilateral or multilateral competent authority agreements, intergovernmental agreements and treaties, laws, regulations, official guidance or other instrument facilitating the implementation thereof and any law implementing the Common Reporting Standard, as implemented in Ireland.

**Data Protection Legislation** means the EU data protection regime introduced by the General Data Protection Regulation (Regulation 2016/679).

**Dealing Day** means, in respect of each Fund, such Business Day or Business Days as are specified in the Supplement for the relevant Fund and/or such other Dealings Days as the Directors shall determine and notify to Shareholders in advance provided that there shall be at least two Dealing Days per Month (occurring at regular intervals).

**Dealing Deadline** means, in relation to applications for subscription, repurchase or conversion of Shares in a Fund, the day and time specified in the Supplement for the relevant Fund and as may be modified from time to time by the Directors provided that once the calculation of the Net Asset Value of a Fund has commenced, the Administrator will not accept any late applications.

**Depository** means Brown Brothers Harriman Trustee Services (Ireland) Limited or any other person or persons for the time being appointed Depository hereof in succession to the said Brown Brothers Harriman Trustee Services (Ireland) Limited with the prior approval of the Central Bank.

**Director(s)** means the directors of the Company.

**Distribution Date** means, in respect of each Fund, such date (if any) as is specified in the Supplement for the relevant Fund on which dividends are declared.

**Distribution Payment Date** means in respect of each Fund such date (if any) as is specified in the Supplement for the relevant Fund on which dividends shall be paid.

**Distributors** means, unless specifically stated otherwise in the Supplement for the relevant Fund, Sanlam Investment Management (Pty) Limited, River and Mercantile Investments Limited, Bridge Fund Managers (Pty) Limited, Anchor Capital (Pty) Limited, Sanlam Investments UK Limited, High Street Asset Management (Pty) Limited, Sanlam Global Investment Solutions Ltd, Absa Asset Management (Pty) Limited and Autus Fund Managers (Pty) Limited, First Avenue Investment Management (Pty) Limited, Cameron Hume Limited, Denker Capital (Pty) Limited, Perpetua Investment Managers (Pty) Limited or any other person or persons for the time being appointed as a distributor in addition to or in succession to any of the said Sanlam Investment Management (Pty) Limited, River and Mercantile Investments Limited, Bridge Fund Managers (Pty) Limited, Anchor Capital (Pty) Limited, Sanlam FOUR Investments UK Limited, High Street Asset Management (Pty) Limited, Sanlam Global Investment Solutions Ltd, Absa Asset Management (Pty) Limited, Autus Fund Managers (Pty) Limited First Avenue Investment Management (Pty) Limited, Cameron Hume Limited, Denker Capital (Pty) Limited and Perpetua Investment Managers (Pty) Limited.

**Eligible Counterparty** means a counterparty to OTC derivatives with which a Fund may trade and belonging to one of the categories approved by the Central Bank which at the date of this Prospectus comprise the following:

- (i) Relevant Institution;
- (ii) an investment firm, authorised in accordance with the Markets in Financial Instruments Directive in an EEA Member State; or

- (iii) a group company of an entity approved as a bank holding company by the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by the Federal Reserve.

**EEA Member States** means the member states of the European Economic Area, the current members at the date of this Prospectus being the EU Member States, Iceland, Liechtenstein and Norway;

**EMIR** means Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories;

**EU Member States** means the member states of the European Union;

**Euro, EUR or €** means the lawful currency of the European Monetary Union Member States.

**Euronext Dublin** means The Irish Stock Exchange Plc trading as Euronext Dublin.

**Exempt Irish Shareholder** means

- (i) a qualifying management company within the meaning of section 739B(1) TCA;
- (ii) an investment undertaking within the meaning of section 739B(1) TCA;
- (iii) an investment limited partnership within the meaning of section 739J TCA;
- (iv) a pension scheme which is an exempt approved scheme within the meaning of section 774 TCA, or a retirement annuity contract or a trust scheme to which section 784 or 785 TCA applies;
- (v) a company carrying on life business within the meaning of section 706 TCA;
- (vi) a special investment scheme within the meaning of section 737 TCA;
- (vii) a unit trust to which section 731(5)(a) TCA applies;
- (viii) a charity being a person referred to in section 739D(6)(f)(i) TCA;
- (ix) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 784A(2) TCA and the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (x) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 787I TCA and the Shares held are assets of a personal retirement savings account as defined in section 787A TCA;
- (xi) the National Asset Management Agency;
- (xii) the Courts Service;
- (xiii) a credit union within the meaning of section 2 of the Credit Union Act 1997;
- (xiv) an Irish resident company, within the charge to corporation tax under Section 739G(2) TCA, but only where the fund is a money market fund;
- (xv) a company which is within the charge to corporation tax in accordance with section 110(2) TCA in respect of payments made to it by the Company;
- (xvi) any other person as may be approved by the Directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Company in respect of that Shareholder under Part 27, Chapter 1A TCA; and

- (xvii) the National Treasury Management Agency of Ireland, or a fund investment vehicle within the meaning of Section 739D(6)(kb) TCA;

and where necessary the Company is in possession of a Relevant Declaration in respect of that Shareholder.

**FATCA** means:

- (i) sections 1471 to 1474 of the U.S. Internal Revenue Code or any associated regulations or other official guidance;
- (ii) any intergovernmental agreement, treaty, regulation, guidance or other agreement between the Government of Ireland (or any Irish government body) and the US, UK or any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement, implement or give effect to: (a) the legislation, regulations or guidance described in paragraph (i) above; or (b) any similar regime, including any automatic exchange of information regime arising from or in connection with the OECD Common Reporting Standard; and
- (iii) any legislation, regulations or guidance in Ireland that give effect to the matters outlined in the preceding paragraphs;

**FDI** means a financial derivative instrument (including an OTC derivative).

**FSCA** means the South African Financial Sector Conduct Authority or any successor South African regulatory authority.

**Fund(s)** means a separate portfolio of assets which is invested in accordance with the investment objective and policies as set out in the relevant Supplement and to which all liabilities, income and expenditure attributable or allocated to such Fund shall be applied and charged and which is established by the Company from time to time with the prior approval of the Central Bank.

**GBP or Sterling** means the lawful currency of the United Kingdom or any successor currency.

**GEM** means the Global Exchange Market of Euronext Dublin. GEM is an exchange regulated market and is defined as a multilateral trading facility ("MTF") Pursuant to MiFID II.

**Initial Issue Price** means the price (excluding any Preliminary Charge) per Share at which Shares are initially offered in a Fund during the Initial Offer Period as specified (if relevant) in the Supplement for the relevant Fund.

**Initial Offer Period** means the period during which Shares in a Fund are initially offered at the Initial Issue Price specified (if relevant) in the Supplement for the relevant Fund.

**Investment Advisor** means the entity specified (if any) in the Supplement for the relevant Fund as the investment advisor to the relevant Fund in accordance with the Central Bank Rules.

**Investment Allocation Manager** means the entity specified (if any) in the Supplement for the relevant Fund as the investment allocation manager to the relevant Fund in accordance with the Central Bank Rules.

**Investment Manager(s)** means the person(s) specified in the Supplement for the relevant Fund who is/are duly appointed Investment Manager(s) to the relevant Fund with the prior approval of the Central Bank or any person or persons appointed by the Manager as an investment manager in addition to or in succession to an existing Investment Manager and approved by the Central Bank to act as investment manager of a Fund.

**Investor Money Regulations** means the Central Bank (Supervision and Enforcement) Act 2013 (Section

48(1)) Investor Money Regulations 2015 for Fund Service Providers, as may be amended from time to time.

**Investment Transition Managers** means, unless specifically stated otherwise in the Supplement for the relevant Fund, Morgan Stanley & Co. International Limited and State Street Bank Europe Limited or any other person or persons for the time being duly appointed as an investment transition manager in succession or in addition to any of the said Morgan Stanley & Co. International Limited or State Street Bank Europe Limited in accordance with the Central Bank Rules.

**Irish Resident** means any person resident in Ireland or ordinarily resident in Ireland (as defined in the Taxation section of the Prospectus) other than an Exempt Irish Shareholder.

**Manager** means Sanlam Asset Management (Ireland) Limited or any other person or persons for the time being duly appointed manager of the Company in succession to the said Sanlam Asset Management (Ireland) Limited in accordance with the Central Bank Rules.

**Member State** means a member state of the European Union.

**MiFID II** means the Markets in Financial Instruments Directive (recast) (Directive 2014/65/EU)

**Minimum Additional Investment Amount** means such amount (if any) as the Directors may from time to time prescribe as the minimum additional amount of subscription by each Shareholder for Shares of the relevant class in a Fund (after investing the Minimum Initial Investment Amount) as is specified in the Supplement for the relevant Fund.

**Minimum Initial Investment Amount** means such amount (if any) as the Directors may from time to time prescribe as the minimum initial subscription required by each Shareholder for Shares of the relevant class in a Fund as is specified in the Supplement for the relevant Fund.

**Minimum Shareholding** means such number or value of Shares per Shareholder of the relevant class (if any) as is specified in the Supplement for the relevant Fund.

**Month** means calendar month.

**Net Asset Value** or **Net Asset Value per Share** means in respect of the assets of a Fund, the amount determined in accordance with the principles set out in the "Calculation of Net Asset Value" section below as the Net Asset Value of a Fund or the Net Asset Value per Share.

**OECD** means the member states of the Organisation for Economic Co-operation and Development.

**Person Closely Associated** in relation to a director, means –

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

**Preliminary Charge** means in respect of a Fund, the charge (if any) payable on the subscription for Shares as is specified in the Supplement for the relevant Fund.

**Recognised Exchange** means any stock exchange or market which is regulated, operates regularly, is recognised and open to the public.

**Regulations** means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011), as may be amended, consolidated or substituted from time to time.

**Relevant Declaration** means the declaration relevant to the Shareholder as set out in Schedule 2B TCA.

**Relevant Institutions** means credit institutions authorised in an EEA Member State or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (which includes the United Kingdom), or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;

**Repurchase Fee** means in respect of a Fund, the charge (if any) payable on an application for the repurchase of Shares as is specified in the Supplement for the relevant Fund.

**Revenue Commissioners** means the Irish Revenue Commissioners.

**Sanlam Global Funds plc** means Sanlam Global Funds plc, a company incorporated with limited liability as an investment company with variable capital under the laws of Ireland with registration number 307841 and authorised by the Central Bank as a designated open-ended existing investment company pursuant to Section 1394 of the Companies Act 2014.

**Securities Lending Agent** means Sanlam Asset Management (Ireland) Limited or any other person or persons being duly appointed as securities lending agent in succession to the said Sanlam Asset Management (Ireland) Limited.

**Settlement Date** means in respect of receipt of monies for payment of subscription monies for subscription for Shares or dispatch of monies for the repurchase of Shares the date specified in the Supplement for the relevant Fund. In the case of repurchases this date will be no more than ten Business Days after the relevant Dealing Deadline, or if later, the receipt of completed repurchase documentation.

**SFDR** means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time.

**Shares** means participating shares in the Company representing interests in a Fund and where the context so permits or requires, any class of participating shares representing interests in a Fund.

**Shareholders** means holders of Shares, and each a **Shareholder**.

**Supplement** means any supplement to the Prospectus issued on behalf of the Company in connection with a Fund from time to time.

**Sustainability Factors** means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

**Sustainable Investment** means (1) an investment in an economic activity that contributes to an environmental objective, as measured by key resource efficiency indicators on (i) the use of energy, (ii) renewable energy, (iii) raw materials, (iv) water and land, (v) on the production of waste, (vi) greenhouse gas emissions, or (vii) its impact on biodiversity and the circular economy, or (2) an investment in an economic activity that contributes to a social objective (in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations), or (3) an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices.

**Sustainability Risks** means, environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment, including but not limited to, risks stemming from climate change, natural resource depletion, environmental degradation, human rights abuses, bribery, corruption and social and employee matters.

**Taxonomy Regulation** means Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.

**TCA** means the Irish Taxes Consolidation Act 1997, as amended.

**Transferable Securities** shall have the meaning ascribed to that term in the Regulations, which at the date hereof means:

- (i) shares in companies and other securities equivalent to shares in companies which fulfil the applicable criteria specified in Part 1 of Schedule 2 of the Regulations;
- (ii) bonds and other forms of securitised debt which fulfil the applicable criteria specified in Part 1 of Schedule 2 of the Regulations;
- (iii) other negotiable securities which carry the right to acquire any securities within (i) or (ii) above by subscription or exchange which fulfil the criteria specified in Part 1 of Schedule 2 of the Regulations; and
- (iv) securities specified for this purpose in Part 2 of Schedule 2 of the Regulations.

**UCITS V** means Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as regards depositary functions, remuneration and sanctions as amended from time to time and including any supplementing European Commission delegated regulations in force from time to time

**Umbrella Cash Account** means a cash account opened in the name of the Company on behalf of the Funds into which (i) subscription monies received from investors who have subscribed for Shares are deposited and held until Shares are issued as of the relevant Dealing Day; (ii) redemption monies due to Shareholders who have redeemed Shares are deposited and held until paid to the relevant Shareholder and (iii) dividend payments owing to Shareholders are deposited and held until paid to such Shareholders.

**United States** means the United States of America (including each of the states, the District of Columbia and the Commonwealth of Puerto Rico), its territories, possessions and all other areas subject to its jurisdiction.

**United States Person** means a U.S. person as defined in Regulation S under the United States Securities Act of 1933 and CFTC Rule 4.7.

**US Dollars** or **US\$** means the lawful currency of the United States.

**Valuation Point** means the point in time by reference to which the Net Asset Value of a Fund and the Net Asset Value per Share are calculated as is specified in the Supplement for the relevant Fund.



## INTRODUCTION

Details of the existing Funds are set-out in the relevant Supplement for each Fund. As the Company is structured as an umbrella fund with segregated liability between the sub-funds, further Funds may be created from time to time by the Directors with the prior approval of the Central Bank. A separate Fund will be maintained for each portfolio of assets and will be invested in accordance with the investment objective applicable to such Fund. Each Fund may issue one or more classes of Shares, and each class of Shares in a Fund may differ as to certain matters including but not limited to having different charging structures (i.e. different management and distribution fees), different Base Currency, Dealing Days, Repurchase Fee and Preliminary Charge and different Minimum Initial Investment Amounts, Minimum Additional Investment Amounts and Minimum Shareholding requirements. Further classes of Shares may be created from time to time by the Directors in accordance with the Central Bank Rules. A separate pool of assets shall not be maintained in respect of each class. Particulars relating to individual Funds and the class or classes available therein are set out in a Supplement for the relevant Fund. The Company has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund.

The Administrator may decline any application for Shares in whole or in part on the advice of the Manager without assigning any reason therefor and may not accept an initial subscription for Shares of any amount (exclusive of the Preliminary Charge, if any) which is less than the Minimum Initial Investment Amount for the relevant class in the relevant Fund.

A Preliminary Charge of up to 5 per cent of the Initial Issue Price (plus VAT, if any) or, as the case may be, the Net Asset Value per Share (plus VAT, if any) may be charged by the Company for payment on the issue of Shares to the relevant Distributor, but it is the intention of the Directors that such Preliminary Charge should not, until further notice, exceed such amount as is set out in the Supplement for the relevant Fund. The Company may waive in whole or in part any Preliminary Charge.

After the Initial Offer Period, Shares will be issued, repurchased and converted on the relevant Dealing Days for each Fund. All Shares will be issued, converted or repurchased, subject to the limitations set out in this Prospectus, generally at the Net Asset Value. The Net Asset Value of the Shares of each class will be calculated in accordance with the provisions summarised under "Calculation of Net Asset Value" below.

All holders of Shares will be entitled to the benefit of, will be bound by and deemed to have notice of the provisions of the Articles of the Company summarised under "General Information" below, copies of which are available as detailed under "Documents for Inspection" below.

Information in this summary is selective and should be read in conjunction with the full text of this Prospectus.

## MANAGEMENT OF THE COMPANY

### Directors of the Company

The Directors of the Company, all of whom are non-executive directors, are described below:

**Paul Dobbyn** (Irish) was a senior partner in A&L Goodbody, Solicitors from 1986 to 2006, where he specialised in banking, financial services and fund management. Mr Dobbyn practised as a barrister in Ireland from 2006 to April 2010. He was a partner in Maples and Calder between 2010 and 2015 and is currently a director of a number of Irish collective investment schemes.

**Haydn Franckeiss** (South African) serves as the Head of Asset Liability Solutions and ALCO Portfolio Manager at Sanlam Investment Management (Pty) Ltd. Mr. Franckeiss previously served as the Head of Equity at the firm. He began his career with Sappi Limited in the International and Corporate Finance departments. He then joined Liberty Asset Management as an analyst in 1992 where he was heading up the Financial Team and was responsible for managing portfolios. He joined Gensec Asset Management in 1999 and spent time as Head of Equity in private equity and Client Services before becoming ALCO Portfolio Manager. Mr. Franckeiss holds a B.Commerce and B.Accountancy Degree from WITS University. He wrote the Board Examination in 1987 and articulated with KPMG.

**Tom Murray** (Irish) has worked in investment banking and financial services for over 25 years. He is currently a non-executive director of several corporates and collective investment vehicles including UCITs, QIFs, Hedge Funds and s.110 companies. He currently serves as a non-executive director of various regulated funds including funds promoted by Deutsche Bank, Old Mutual, Skandia and Barclays. In addition Mr Murray is a non-executive director of Skillsoft, the leading e-learning company and Touax, an international leasing operation. He obtained a Bachelor of Commerce Degree from University College Dublin in 1976 and qualified as a Chartered Accountant with Coopers & Lybrand in 1980 where he was a computer audit specialist and systems analyst. He was also a member of the National Futures Association between 1990 and 1992. During 2011, Mr Murray was awarded a Diploma in Directors Duties & Responsibilities by the Institute of Chartered Accountants in Ireland. Between 2004 and 2008, Mr Murray was a director of Merrion Corporate Finance Ltd where he was involved in several high profile transactions including the initial public offering of Aer Lingus, Eircom and the sale of Reox. Prior to joining Merrion, he was Treasury Director of Investec Bank Ireland where he was responsible for funding, asset and liability management, corporate and proprietary foreign exchange dealing, stock lending and borrowing, equity financing and structured finance activities. In 1987, he was a founder director and early shareholder in Gandon Securities Ltd, the first entity to be licenced to operate in the International Financial Services Centre, Dublin. Initially, Mr Murray served as Finance Director where, inter alia, he was instrumental in the design and implementation of the financial control and risk management systems for the proprietary trading division. In 1990 Mr Murray moved into a business development role where he established the structured finance, managed futures and equity financing units. In 2000, Gandon Securities Ltd was acquired by Investec Bank and Mr Murray was appointed Treasury Director in which role he served for 4 years. Prior to joining Gandon between 1981 and 1987, Mr Murray was the Chief Financial Officer of Wang International Finance Ltd, the vendor financing division of Wang Computers, where he established the tax, legal and financial reporting structures for computer leasing operations in 14 countries globally.

**Richard Aslett** (British) is the Chief Executive Officer of Sanlam Asset Management (Ireland) Limited, having joined the company in July 2005. Prior to this, he worked as Finance Manager for Bank of Ireland Securities Services Limited, Dublin between 1999 and 2005. Prior to this, he worked in a number of financial services sectors within the United Kingdom including banking, home loan administration and fund management. Mr Aslett is a Fellow of the Association of Chartered Certified Accountants and completed a Masters in Business Administration at University College Dublin in 2003.

No Director has:

- (a) had any unspent convictions in relation to indictable offences; or
- (b) been a director of any company or partnership which, while he was a director with an executive function or partner at the time of or within the 12 months preceding such events, been declared bankrupt, went into receivership, liquidation, administration or voluntary arrangements; or

- (c) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of affairs of any company. Save for the information disclosed herein, no further information is required to be given in respect of the Directors pursuant to the listing requirements of Euronext Dublin.

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

The Company has delegated the day to day management and running of the Company to the Manager. Consequently, all Directors of the Company are non-executive.

### **Manager and Company Secretary**

Sanlam Asset Management (Ireland) Limited has been appointed as manager of the Company pursuant to an Amended and Restated Management Agreement (summarised under "General Information" below) with responsibility for the investment management and general administration of the Company with power to delegate such functions subject to the overall supervision and control of the Directors. The Manager, a private company limited by shares, registered under Part 2 of the Companies Act 2014 and incorporated in Ireland on 18 June 1997, is owned by Sanlam Limited. Gerardine Kelly is the Company Secretary of the Manager. The authorised share capital of the Manager is €1,269,738 of which €126,973.80 is in issue and fully paid. The Manager also acts as manager of four other collective investment schemes namely Sanlam Global Funds plc, Sanlam Qualifying Investors Funds plc, MLC Global Multi-Strategy UCITS Funds plc and Ci Global Investments RIAIF ICAV.

The Manager is the entity that primarily promotes the Company.

The directors of the Manager are:

**Tom Murray** (Irish), whose details are summarised above.

**Richard Aslett** (British), whose details are summarised above.

**Thomas van Heerden** (South African) is currently the Chief Operating Officer of Sanlam Investment Group, a position he has held since 12 April 2019. He joined Sanlam Investment Management in 2002 as the Head of Information Technology and was subsequently appointed Head of Investment Operations in 2005. Following the acquisition of the Satrix business by Sanlam Investment Management in October 2012, Mr van Heerden was appointed as CEO of that business, and thereafter he was appointed as Chief Operating Officer of Sanlam Investments on 1 January 2016.

Prior to joining Sanlam, Mr van Heerden initially worked as a management consultant and later spent seven years in the USA, five of which as a partner in an IT consulting company. Mr van Heerden holds a Ph.D. Engineering from the Cambridge University and a Civil Engineering (Cum Laude) from Stellenbosch University.

**Reece Briesies** (South African) is Chief Operating Officer and Chief Financial Officer of Sanlam Investments. Mr Briesies is a qualified Chartered Accountant and completed his articles at PWC in the Financial Services Division. Mr Briesies joined Sanlam in March 2009. Mr Briesies is currently responsible for Sanlam Investment's operations, finances and supports the Chief Executive of Sanlam Investments with strategic investments and projects.

Prior to his current position he held various positions within Sanlam in the UK, such as COO/CFO of Sanlam Wealth in the UK, Head of Corporate and Commercial Finance and UK Group Finance Manager and more recently was the Chief Operating and Financial Officer of Sanlam Investment Group's International division. Mr Briesies graduated with a Bachelors of Accounting degree from the University of Stellenbosch (USB), as well as a Bachelors of Accounting (Honours) from the University of Stellenbosch (USB) and completed the AMP at Columbia University (NYC).

## **Administrator**

Brown Brothers Harriman Fund Administration Services (Ireland) Limited has been appointed as administrator to the Company. The Administrator is a private limited company that was incorporated in Ireland on 29 March, 1995, under registration number 231236.

The duties and functions of the Administrator include, inter alia, the calculation of the Net Asset Value, the keeping of all relevant records and accounts of the Company as may be required with respect to the obligations assumed by it pursuant to the Administration Agreement, assisting the auditor in relation to the audit of the financial statements of the Company as may be required with respect to the obligations assumed by it pursuant to the Administration Agreement.

## **Investment Allocation Manager**

The Manager may appoint an Investment Allocation Manager to any Fund. The Investment Allocation Manager may also provide certain investment related services to the Manager including in particular, to determine the allocation/reallocation of assets amongst the Investment Managers, to review the performance of each of the Investment Managers and to make recommendations on the removal of existing Investment Managers and the appointment of new Investment Managers. The fees of the Investment Allocation Manager may be paid directly out of the assets of the relevant Fund or may be paid by the Manager out of its own fees. Details of the Investment Allocation Manager and its fees shall be disclosed in the Supplement for the relevant Fund.

## **Investment Advisor**

The Manager may appoint an Investment Advisor to any Fund. The Investment Advisor may provide discretionary investment advice and/or non-discretionary investment advice to the Fund. The fees of the Investment Advisor may be paid directly out of the assets of the relevant Fund or may be paid by the Manager out of its own fees. Details of the Investment Advisor and its fees shall be disclosed in the Supplement for the relevant Fund.

## **Investment Transition Managers**

The Manager has appointed Morgan Stanley & Co. International Limited and State Street Bank Europe Limited to each provide certain investment transition management services to it and to the Investment Allocation Manager including in particular the execution of transactions in securities on behalf of a Fund by the Investment Transition Manager during the transition of investment management services from one Investment Manager to another Investment Manager as may be required from time to time by the Investment Allocation Manager.

## **Investment Manager(s)**

The Manager shall delegate its powers of investment management of some or all of the assets of each Fund to the relevant Investment Manager(s) with the advice of the Investment Allocation Manager. The Investment Managers shall be appointed after an analysis and research process has been conducted in which factors such as investment style, philosophy, fundamental research orientation, track records, level of expertise and financial stability are evaluated. The fees of an Investment Manager may be paid directly out of the assets of the relevant Fund or may be paid by the Manager out of its own fees. Details of the relevant Investment Manager and its fees shall be disclosed in the Supplement for the relevant Fund.

## **Depository**

The Company has appointed Brown Brothers Harriman Trustee Services (Ireland) Limited as depository of its assets pursuant to the Depository Agreement.

The Depository is a private limited liability company incorporated in Ireland on 29 March 1995, under registration 231235, and has paid up share capital in excess of US\$1,500,000. Its main activity is the provision of custodial services to collective investment schemes. The Depository is an indirect wholly-owned subsidiary of Brown Brothers Harriman & Co. The Depository's registered office is at the address specified in the Directory. Its principal business is the provision of custodial and trustee services, including

the provision of corporate trustee services for collective investment schemes.

The Depositary is responsible for the safe-keeping of the assets of the Company. The Depositary may, however, appoint any person or persons to be the sub-depositary of such assets but any liability of the Depositary shall not be affected by the fact that it has entrusted some or all of the assets in its safekeeping to any third party.

The Depositary shall carry out functions in respect of the Company including but not limited to the following:

- (i) the Depositary shall hold in custody all financial instruments capable of being registered or held in a financial instruments account opened in the Depositary's books and all financial instruments capable of being physically delivered to the Depositary;
- (ii) the Depositary shall verify the Company's ownership of all any assets (other than those referred to in (i) above) and maintain and keep up-to-date a record of such assets it is satisfied are owned by the Company;
- (iii) the Depositary shall ensure effective and proper monitoring of the Company's cash flows;
- (iv) the Depositary shall be responsible for certain oversight obligations in respect of the Company – see "Summary of Oversight Obligations" below.

Duties and functions in relation to (iii) and (iv) above may not be delegated by the Depositary.

#### Summary of Oversight Obligations:

The Depositary is obliged, among other things, to:

- (i) ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected by or on behalf of the Company are carried out in accordance with the Regulations and the instrument of incorporation;
- (ii) ensure that the value of Shares is calculated in accordance with the Regulations and the instrument of incorporation;
- (iii) carry out the instructions of the Company unless they conflict with the Regulations or the instrument of incorporation;
- (iv) ensure that in each transaction involving the Company's assets, any consideration is remitted to it within the usual time limits;
- (v) ensure that the Company's income is applied in accordance with the Regulations and the instrument of incorporation;
- (vi) enquire into the conduct of the Company in each Accounting Period and report thereon to the Shareholders. The Depositary's report will be delivered to the Directors in good time to enable the Directors to include a copy of the report in the annual report of the Company. The Depositary's report will state whether, in the Depositary's opinion, the Company has been managed in that period:
  - (a) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Central Bank, the instrument of incorporation and by the Regulations; and
  - (b) otherwise in accordance with the provisions of the instrument of incorporation and the Regulations.

If the Company has not been managed in accordance with (a) or (b) above, the Depositary will state why this is the case and will outline the steps that the Depositary has taken to rectify the situation;

- (vii) notify the Central Bank promptly of any material breach by the Company or the Depositary of any requirement, obligation or document to which Regulation 114(2) of the Central Bank Regulations relates; and
- (viii) notify the Central Bank promptly of any non-material breach by the Company or the Depositary of any requirement, obligation or document to which Regulation 114(2) of the Central Bank Regulations relates where such breach is not resolved within 4 weeks of the Depositary becoming aware of such non-material breach.
- (ix) The duties provided for above may not be delegated by the Depositary to a third party.

If the Company has not complied with (i) or (ii) above, the Depositary will state why this is the case and will outline the steps that the Depositary has taken to rectify the situation. The duties provided for above may not be delegated by the Depositary to a third party.

In discharging its role, the Depositary shall act honestly, fairly, professionally, independently and in the interests of the Company and the Shareholders.

The Company shall make available to investors upon request, up-to-date information in respect of the identity of the Depositary, a description of any safe-keeping functions delegated by the Depositary, the list of the Depositary's delegates and sub-delegates and any conflicts of interest that may arise from such delegation.

### **Distributors**

Under separate Distribution Agreements, Sanlam Investment Management (Pty) Limited, River and Mercantile Investments Limited, Bridge Fund Managers (Pty) Limited, Anchor Capital (Pty) Limited, Sanlam FOUR Investments UK Limited, High Street Asset Management (Pty) Limited, Sanlam Global Investment Solutions Ltd, Absa Asset Management (Pty) Limited and Autus Fund Managers (Pty) Limited have been appointed to market and distribute Shares of Funds as stated in the Supplement for the relevant Fund.

Sanlam Investment Management (Pty) Limited is a company incorporated under the laws of South Africa by Act 61 of 1973, having its registered office at 55 Willie van Schoor Avenue, Bellville 7530, South Africa. Sanlam Investment Management (Pty) Limited is ultimately a subsidiary of Sanlam Limited.

River and Mercantile Investments Limited is a company incorporated under the laws of England and Wales under the Companies Act 1985 on 24 April 1997, having its registered office at 11 Strand, London WC2N 5HR, United Kingdom.

Bridge Fund Managers (Pty) Limited is a company incorporated under the laws of South Africa by Act 61 of 1973, having its registered office at 5 Arundel Close, Kingsmead Office Park, Durban, 4001, South Africa.

Anchor Capital Pty (Limited) is a company incorporated under the laws of South Africa, and has its registered office at 25 Culross Road, Bryanston, Sandton, 2191, South Africa.

Sanlam Investments UK Limited is a company incorporated under the laws of the United Kingdom having its registered office at Monument Place, 24 Monument Street, London, EC3R 8AJ, United Kingdom.

High Street Asset Management (Pty) Limited is a company incorporated under the laws of South Africa, and has its registered office at The Offices of Hyde Park, Block B, 1 Strouthos Road, Hyde Park, Sandton, 2196, Gauteng, South Africa.

Sanlam Global Investment Solutions Ltd is a company incorporated in Bermuda and having its registered office at Canon's Court, 22 Victoria Street, Hamilton HM 12 Bermuda.

Absa Asset Management (Pty) Limited is a company incorporated in South Africa and having its registered office and place of business at Barclays Sandton South Campus, 15 Alice Lane, 2nd Floor, South Africa.

Autus Fund Managers (Pty) Limited ("Autus") is a company incorporated under the laws of South Africa, and has its registered office at Autus Manor House, Farm 3, The Vineyards Office Estate, 99 Jip De Jager Drive, Bellville, 7530, South Africa.

First Avenue Investment Management (Pty) Limited (the "Investment Manager") is a company incorporated under the laws of South Africa having its registered office at 21 Fricker Road, Ground floor, Illovo, 2196, South Africa.

Cameron Hume Limited is a company incorporated under the laws of Scotland and has its registered office at Exchange Place 1, 1 Sempole Street, Edinburgh, EH3 8BL, Scotland.

Denker Capital (Pty) Ltd is a company incorporated in South Africa and having its registered office and place of business at 6<sup>th</sup> Floor, The Edge, 3 Howick Close, Tyger Falls, Bellville 7530, South Africa.

Perpetua Investment Managers (Pty) Limited (the "Investment Manager") is a company incorporated under the laws of South Africa having its registered office at 5th Floor, The Citadel, 15 Cavendish Street, Claremont, 7708, South Africa.

## **INVESTMENT OBJECTIVE, POLICIES AND RESTRICTIONS**

### **Investment Objective and Policies**

The Articles provide that the investment objective and policies for each Fund will be formulated by the Directors at the time of the creation of that Fund. Details of the investment objective and policies for each Fund of the Company are set out in the Supplement for each Fund.

Under the rules of Euronext Dublin, in the absence of unforeseen circumstances, the investment objective and policies for the relevant Fund will be adhered to for at least 3 years following the admission of any Shares of the relevant Fund to the Official List and to trading on the Global Exchange Market of Euronext Dublin (as reduced by any period for which a Fund has been in operation, if earlier). Any material change in the investment objective of a Fund or its policies during the said period may only be made with the approval of an ordinary resolution of the Shareholders of the relevant Fund.

It is a requirement of the Central Bank that any change in the investment objective or any material change to the investment policy of a Fund may only be made with the approval of an ordinary resolution of the Shareholders of the Fund. Subject and without prejudice to the preceding sentence of this paragraph, in the event of a change of investment objective and/or policies of a Fund a reasonable notification period must be given to each Shareholder of the Fund to enable a Shareholder to have its Shares repurchased prior to the implementation of such change.

Certain Funds may refer to indices within the Supplement of the relevant Funds. These indices may be referenced for various purposes including, but not limited to (i) operating as a reference benchmark which the Fund seeks to outperform; (ii) relative VaR measurement; and (iii) calculating performance fees. The particular purpose of the relevant index shall be clearly disclosed in the relevant Supplement. Where an index is used for the purposes of (i) above this will not constitute use of an index within the meaning of Article 3(1)(7)(e) of the Benchmark Regulation unless the relevant Supplement (in particular as part of its investment policy or strategy) defines constraints on the asset allocation of the portfolio in relation to the index (e.g. an investment restriction that the Fund must invest only in components of the index or must be partially invested in line with index composition). Other references to indices, including for example for the purposes of relative VaR measurement as outlined at (ii) above, may not constitute use of an index within the meaning of Article 3 (1)(7)(e) of the Benchmark Regulation. Shareholders should note that the Company and/or its distributors may from time to time refer to other indices in marketing literature or other communications purely for financial or risk comparison purposes. However, unless such indices are referred to as such in the Supplement of the Fund they are not formal benchmarks against which the Fund is managed.

Where relevant the Manager or the Investment Manager shall put in place written plans, in accordance with Article 28(2) of the Benchmark Regulation, detailing the actions it will take in the event that any index it uses for any Fund in accordance with Article 3 (1)(7)(e) of the Benchmark Regulation materially changes or ceases to be provided. These written plans shall detail the steps the Manager or the Investment Manager will take to nominate a suitable alternative index.

Any index used by a Fund in accordance with Article 3 (1)(7)(e) of the Benchmark Regulation shall be provided by an administrator either included in the register referred to in Article 36 of the Benchmark Regulation or availing of the transitional arrangements pursuant to Article 51 of the Benchmark Regulation.

Where a Fund tracks an index, any material change to the methodology of the particular index that could result in a material variation in terms of eligibility of index constituents or diversification levels, will require the prior approval of Shareholders in the manner outlined above.

### **Investment Restrictions**

The investment restrictions section for each Fund will be formulated by the Directors at the time of the creation of the Fund. The Articles provide that investments may only be made as permitted by the Articles and the Regulations and any regulations made thereunder by the Central Bank.



The following general investment restrictions apply to each Fund save to the extent that such restrictions are expressly or implicitly disappplied by investment policies and restrictions contained in the Supplement for the relevant Fund and any additional restrictions specified therein.

### **Permitted Investments**

Investments of each Fund are confined to:

- 1.1. 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.
- 1.2. Recently issued transferable securities which will be admitted to official listing on a Recognised Exchange (as described above) within a year.
- 1.3. Money market instruments, other than those dealt on a regulated market.
- 1.4. Units of UCITS.
- 1.5. Units of AIFs.
- 1.6. Deposits with credit institutions.
- 1.7. Financial derivative instruments ("**FDI**").

### **Investment Restrictions**

- 2.1. Each Fund may invest no more than 10% of its net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
- 2.2. Each Fund shall not invest any more than 10% of its Net Asset Value in securities of the type to which Regulation 68(1)(d) of the Regulations apply. This restriction will not apply in relation to investment by each Fund in certain U.S. securities known as "Rule 144A securities" provided that:
  - the securities have been issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and
  - the securities are not illiquid securities i.e. they may be realised by each Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.
- 2.3. Each Fund may invest no more than 10% of its net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4. Subject to the prior approval of the Central Bank 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.
- 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 Each Fund may not invest more than 20% of net assets in deposits made with the same credit institution.
- 2.8 The risk exposure of each Fund to a counterparty in an over-the-counter ("**OTC**") derivative transaction may not exceed 5% of its net assets.

This limit is raised to 10% in the case of Relevant Institutions.

- 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 the net assets of a Fund:

- investments in transferable securities or money market instruments;
- deposits, and/or
- 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 the net assets of a Fund.

- 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 the net assets of a Fund may be applied to investment in transferable securities and money market instruments within the same group.

- 2.12 Each Fund may invest up to 100% of its net assets in transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities non-Member States or public international bodies of which one or more Member States are members or by Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States or any of the following:

OECD Governments, excluding those listed above (provided the relevant issues are investment grade)

European Investment Bank

European Bank for Reconstruction and Development

International Finance Corporation

International Monetary Fund

Euratom

The Asian Development Bank

European Central Bank

Council of Europe

Eurofima

African Development Bank

International Bank for Reconstruction and Development (The World Bank)

The Inter-American Development Bank

European Union

Federal National Mortgage Association (Fannie Mae)

Federal Home Loan Mortgage Corporation (Freddie Mac)

Government National Mortgage Association (Ginnie Mae)

Student Loan Marketing Association (Sallie Mae)

Export Import Bank

Federal Home Loan Bank

Federal Farm Credit Bank

Tennessee Valley Authority

Government of Brazil (provided the issuers are of investment grade)

Government of India (provided the issuers are of investment grade)

Government of Singapore

Straight-A Funding LLC

The Fund must hold securities from at least 6 different issues, with securities from any one issue

not exceeding 30% of its Net Asset Value.

### **Investment in Collective Investment Schemes**

- 3.1 A Fund may not, in aggregate, invest more than 20% of its net assets in any one collective investment scheme ("CIS").
- 3.2 Investment in AIFs may not, in aggregate, exceed 30% of the net assets of a Fund.
- 3.3 The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
- 3.4 When a Fund invests in the units of another CIS that are managed, directly or by delegation, by the Manager or by any other company with which the Manager is linked by common management or control, or by a substantial direct or indirect holding, neither the Manager nor the other company may charge subscription, conversion or redemption fees on account of that Fund's investment in the units of such other CIS.
- 3.5 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 UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the Fund.

### **Index Tracking Funds**

- 4.1 A Fund may invest up to 20% of its 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 Rules and is recognised by the Central Bank.
- 4.2 The limit in 4.1 above may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

### **General Provisions**

- 5.1 The 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.
- 5.2 Each Fund may acquire no more than:
  - (i) 10% of the non-voting shares of any single issuing body;
  - (ii) 10% of the debt securities of any single issuing body;
  - (iii) 25% of the units of any single CIS;
  - (iv) 10% of the money market instruments of any single issuing body.

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

- 5.3 5.1 and 5.2 shall not be applicable to:
  - (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
  - (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;

- (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
- (iv) shares held by each Fund in the capital of 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 each Fund 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, 5.5 and 5.6 are observed;
- (v) shares held by a Fund in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at Shareholder's request exclusively on their behalf.

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

5.5 The Central Bank may allow recently authorised Funds 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.

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

5.7 A Fund may not carry out uncovered sales of:

- transferable securities;
- money market instruments;
- units of investment funds; or
- financial derivative instruments ("**FDIs**").

5.8 A Fund may hold ancillary liquid assets.

5.9 When a Fund that is registered with the FSB invests in equity securities, 90% of the market value of such securities must be listed on exchanges having obtained full membership of the World Federation of Stock Exchanges whilst up to 10% of the market value of such securities may be invested in securities traded on markets or exchanges not having obtained full membership of the World Federation of Stock Exchanges, provided those markets and exchanges are listed in Appendix I herein and a comprehensive due diligence has been carried out by the Manager. The due diligence will encompass the following areas of enquiry:

- (i) liquidation and repatriation of funds;
- (ii) regulation;
- (iii) regular operations;
- (iv) recognised; and
- (v) open to the public.

This restriction will not apply to Funds which have, as their investment policy, investment in non-

equity securities such as bonds and/or money market instruments. Such Funds will be subject to the credit rating restrictions set out in the relevant Supplement.

### **Financial Derivative Instruments**

- 6.1 Each Fund's global exposure relating to FDI must not exceed its total Net Asset Value.
- 6.2 Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits prescribed by the Central Bank (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank Rules.)
- 6.3 A Fund may invest in OTC derivatives provided that the counterparties to the OTC derivatives are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- 6.4 Investment in FDI is subject to the conditions and limits laid down by the Central Bank.

It is intended that each Fund should have the power to avail of any change in the law, Regulations or guidelines which would permit investment in assets and securities on a wider basis in accordance with the Central Bank Rules. For the avoidance of doubt, Funds registered with the FSB are only permitted to invest in OTC derivatives instruments for forward currency transactions, interest rate or currency (exchange rate) swap transactions.

The Company will not amend such investment restrictions except in accordance with the Central Bank Rules and of Euronext Dublin for as long as the Shares are listed on Euronext Dublin.

### **Efficient Portfolio Management ("EPM")**

#### **General**

The Company on behalf of a Fund may employ techniques and instruments relating to transferable securities, money market instruments and/or other financial instruments in which it invests for efficient portfolio management purposes, a list of which (if any) shall be set out in the relevant Supplement. Use of such techniques and instruments should be in line with the best interests of Shareholders and will generally be made for one or more of the following reasons:

- (a) the reduction of risk;
- (b) the reduction of cost; or
- (c) the generation of additional capital or income for the relevant Fund with an appropriate level of risk, taking into account the risk profile of the Fund and the risk diversification rules set out in the Central Bank Rules.

In addition, the use of such techniques and instruments must be realised in a cost-effective way and must not result in a change to the investment objective of the Fund or add substantial supplementary risks not covered in this Prospectus. Please refer to the section of this Prospectus entitled "Risk Factors; EPM Risk" for more details.

Such techniques and instruments may include foreign exchange transactions which alter the currency characteristics of assets held by the relevant Fund.

Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and 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. The Investment Manager(s) may seek to mitigate this exchange rate risk by using FDI.

Before investing in a FDI, the Manager shall file with the Central Bank a risk management process report. FDI not included in the risk management process report will not be utilised until such time as a revised submission has been provided to the Central Bank. The Company will, on request, provide supplementary

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

Where a Fund invests in FDIs, the Fund shall comply with the provisions of section 6 of the Investment Restrictions.

### **Repurchase/Reverse Repurchase Agreements and Securities Lending**

The Funds may use Securities Financing Transactions (“SFTs”), including entering into Repurchase/Reverse Repurchase Agreements and Securities Lending arrangements, in accordance with normal market practice and subject to the requirements of the SFTR and the Central Bank. A Fund’s use of SFTs shall be consistent with the Fund’s investment objective and policies, and accordingly SFTs may be used to reduce risk, reduce cost and/or generate additional capital or income with a risk level that is consistent with that of the relevant Fund.

Unless otherwise stated in the Supplement of a Fund, the maximum proportion of assets under management that may be subject to Securities Financing Transactions or Total Return Swaps for the purposes of SFTR is 50% of the Net Asset Value of the Fund.

Unless otherwise stated in the Supplement of a Fund, the expected proportion of assets under management of a Fund of the Company subject to Securities Financing Transactions or Total Return Swaps for the purposes of SFTR at any point in time is 30% of the assets under management of that Fund.

The types of assets that may be subject to SFTs include equity securities, fixed income securities, collective investment schemes, money market instruments and cash. Use of such assets is subject to a Fund’s investment objective and policy.

A Fund shall only enter into SFTs with Approved Borrowers/Counterparties that satisfy the criteria (including those relating to legal status, country of origin and minimum credit rating) as set out below:

- Approved Borrowers/Counterparties to SFTs arrangements and agreements shall be entities specified in accordance with the requirements of Regulation 8 (3) of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)(Undertakings for Collective Investment in Transferable Securities) Regulations 2019.
- All Approved Borrowers/Counterparties to SFTs arrangements and agreements shall be domiciled in the OECD. An Approved Borrower/Counterparty may also be an EU branch of a counterparty established outside the European Union or be established in a jurisdiction and be subject to prudential supervision rules in its home jurisdiction considered as equivalent to those prescribed by EU law.
- All Approved Borrowers/Counterparties must have a minimum credit rating of A2 or equivalent or be deemed to have an implied rating of A2.

A Fund may lend securities to a counterparty approved by the Manager. Securities lending refers to transactions by which one party transfers securities to the other party subject to a commitment that the other party will return equivalent securities on a future date or when requested to do so by the party transferring the securities, that transaction being considered as securities lending for the party transferring the securities.

In respect to securities lending arrangements, any Fund that seeks to engage in securities lending should ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

Where a Fund receives collateral as a result of entering into SFTs including repurchase/reverse repurchase agreements, total return swaps and securities lending, an Approved Borrower/Counterparty shall transfer as collateral to the Fund’s Depositary for safekeeping the following items:

- Cash in US Dollars or foreign currency;
- Securities issued or fully guaranteed by the United States government or issued and unconditionally guaranteed by any agencies thereof or issued or fully guaranteed by any of the following foreign sovereigns:
  - France;
  - Germany;
  - Netherlands;
  - Sweden;
  - Switzerland;
  - United Kingdom; and
  - United States

and having an initial value at least equal to the market value of the loaned securities. The collateral shall be of unspecified maturity date.

The collateral received from an Approved Borrower/Counterparty is independent from the Approved Borrower/Counterparty and not expected to display a high correlation with the performance of the Approved Borrower/Counterparty.

Re-use of collateral by a counterparty shall only be permitted in accordance with the requirements of the European Communities (Financial Collateral Arrangements) Regulations 2010 (S.I. No. 626 of 2010) (as amended).

Any Fund that enters into a reverse repurchase agreement should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value of the Fund.

A Fund that enters into a repurchase agreement should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

All the revenues arising from repurchase/reverse repurchase agreements and securities lending shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees (which are all fully transparent), which shall not include hidden revenue, shall include fees and expenses payable to repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Securities Lending Agent, on behalf of the Company, from time to time. Such fees and expenses of any repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Securities Lending Agent, on behalf of the Company, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the Company or the Fund in respect of which the relevant party has been engaged. Details of Fund revenues arising and attendant direct and indirect operational costs and fees as well as the identity of any specific repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Securities Lending Agent, on behalf of the Company, from time to time shall be included in the Company's semi-annual and annual reports.

Pursuant to the Securities Lending Agency Agreement, income from securities lending activities is split in the ratio of 70:30 in favour of the Fund, with the Securities Lending Agent receiving 30% as remuneration for its services which include; the sourcing and negotiation of loans, the supervision and oversight of collateral collection and management processes and any sub agents appointed; and the monitoring of on-loan and collateral positions daily. All costs of running the program are paid from the Securities Lending Agent's portion of the income. The amount of revenue received by the Securities Lending Agent will be disclosed in the semi-annual and annual financial statements of the Company.

In accordance with generally accepted industry practice loaned securities and all collateral are monitored and shall be marked to market on a daily basis and daily variation margins will be used. Where required, an approved borrower/counterparty shall deliver sufficient additional collateral to the Fund to satisfy the applicable margin requirement in respect to such loan.

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

Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 respectively.

### **Collateral Policy**

In the context of SFTs, efficient portfolio management techniques and/or the use of FDI for hedging or investment purposes, collateral may be received from a counterparty for the benefit of a Fund or posted to a counterparty by or on behalf of a Fund. Any receipt or posting of collateral by a Fund will be conducted in accordance with the Central Bank Rules and the terms of the Company's collateral policy outlined below.

#### **Collateral – received by the UCITS**

Collateral posted by the counterparty for the benefit of a Fund may be taken into account as reducing the exposure to such counterparty. Each Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits are not breached. Counterparty risk may be reduced to the extent that the value of the collateral received corresponds with the value of the amount exposed to counterparty risk at any given time.

The Securities Lending Agent or its delegate will liaise with the Depositary in order to manage all aspects of the counterparty collateral process.

A Fund receiving collateral for at least 30% of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy will at least prescribe the following:

- (a) Design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- (b) Empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- (c) Reporting frequency and limit/loss tolerance threshold/s; and
- (d) Mitigation actions to reduce loss including haircut policy and gap risk protection.

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

All assets received by a Fund in the context of SFTs, repurchase/reverse repurchase agreements, total return swaps and securities lending shall be considered as collateral and must comply with the terms of the Company's collateral policy.

#### **Non-cash collateral**

Collateral received must, at all times, meet with the following criteria:

- (i) Liquidity: Collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly



at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the Regulations.

- (ii) Valuation: Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- (iii) Issuer credit quality: Collateral received should be of high quality.
- (iv) Correlation: Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty.
- (v) Diversification (asset concentration): Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Fund's Net Asset Value. When 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.
- (vi) Immediately available: Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.
- (vii) Safe-keeping: Collateral received on a title transfer basis should be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- (viii) Haircuts: The Company (or its delegate), on behalf of each Fund, shall apply suitably conservative haircuts to assets being received as collateral where appropriate on the basis of an assessment of the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of any stress tests performed as referred to above. The Securities Lending Agent, on behalf of the Company, has determined that generally if issuer or issue credit quality of the collateral is not of the necessary quality or the collateral carries a significant level of price volatility with regard to residual maturity or other factors, a conservative haircut must be applied in accordance with more specific guidelines as will be maintained in writing by the Securities Lending Agent, on behalf of the Company, on an on-going basis. However, the application of such a haircut will be determined on a case by case basis, depending on the exact details of the assessment of the collateral. The Securities Lending Agent, on behalf of the Company, in its discretion, may consider it appropriate in certain circumstances to resolve to accept certain collateral with more conservative, less conservative or no haircuts applied if it so determines, on an objectively justifiable basis. Any extenuating circumstances that warrant the acceptance of relevant collateral with haircut provisions other than the guideline levels must be outlined in writing. Documentation of the rationale behind this is imperative.
- (ix) Non-cash collateral cannot be sold, pledged or re-invested.

## **Cash collateral**

Cash collateral may not be invested other than in the following:

- (i) deposits with relevant institutions;
- (ii) high-quality government bonds;

- (iii) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on an accrued basis;
- (iv) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

Invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral outlined above. Invested cash collateral may not be placed on deposit with the counterparty or a related entity. Exposure created through the reinvestment of collateral must be taken into account in determining risk exposures to a counterparty. Re-investment of cash collateral in accordance with the provisions above can still present additional risk for the Fund. Please refer to the section of this Prospectus entitled "Risk Factors; Reinvestment of Cash Collateral Risk" for more details.

### **Collateral – posted by the UCITS**

Collateral posted to a counterparty by or on behalf of the Fund must be taken into account when calculating counterparty risk exposure. Collateral posted to a counterparty and collateral received by such counterparty may be taken into account on a net basis provided the Fund is able to legally enforce netting arrangements with the counterparty.

### **Hedged Classes**

The Company may (but is not obliged to) enter into certain currency-related transactions in order to hedge the currency exposure of the assets of a Fund attributable to a particular class into the currency of denomination of the relevant class for the purposes of efficient portfolio management.

The Company may also (but is not obliged to) enter into certain currency-related transactions in order to hedge the currency exposure of a Fund where the Fund invests in assets denominated in currencies other than the Base Currency. In addition, a class designated in a currency other than the Base Currency may be hedged against exchange rate fluctuation risks between the designated currency of the class and the Base Currency. Any financial instruments used to implement such strategies with respect to one or more classes shall be assets/liabilities of the 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. However, investors should note that there is no segregation of liability between Share classes. Shareholders are therefore exposed to the risk that hedging transactions undertaken in one class may impact negatively on the Net Asset Value of another 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 the Investment Manager 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. Under-hedged positions will not fall short of 95% of the portion of the Net Asset Value of the share class which is to be hedged and any under-hedged positions will be kept under review to ensure it is not carried forward from month to month. Over-hedged positions will not exceed 105% of the Net Asset Value and hedged positions will be kept under review to ensure that positions in excess of 100% of Net Asset Value 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/ lose if the class currency falls/ rises against the Base Currency.

Notwithstanding the above, there can be no guarantee that the hedging techniques will be successful and, while not intended, this activity could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. Further, these hedging techniques are designed to reduce a Shareholder's exposure to currency risk. The use of such class hedging techniques may therefore substantially limit holders of Shares in the relevant Classes from benefiting if the currency of that Class falls against that of the Base Currency of the relevant Fund and/or the currency in which the assets of the relevant Fund are denominated.

## **Borrowing and Lending Powers**

The Company may borrow on a temporary basis for the account of a Fund and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of such Fund. The Depositary may give a charge over the assets of the relevant Fund in order to secure borrowings. In accordance with the Regulations, the Company may charge the assets of a Fund as security for borrowing of that Fund. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding. Specific borrowing limits for each Fund are set out in the relevant Supplement. Without prejudice to the powers of the Company to invest in transferable securities, the Company may not lend to, or act as guarantor on behalf of third parties. A Fund may acquire debt securities.

The Company may acquire foreign currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of Regulation 103(1) provided that the offsetting deposit (a) is denominated in the Base Currency and (b) equals or exceeds the value of the foreign currency loan outstanding.

## **Use of an Umbrella Cash Account**

The Company has established a cash account at umbrella level in the name of the Company into which subscription monies received from investors of all of the Funds shall be lodged and redemption proceeds are paid to investors. Pending payment to the relevant Shareholders, dividend payments shall also be paid into a separate dividend cash at umbrella level in the name of the Company. Each of these cash accounts are defined herein as Umbrella Cash Accounts. All subscriptions, redemptions or dividends payable to or from the relevant Fund will be channelled and managed through such Umbrella Cash Accounts and no such accounts shall be operated at the level of each individual Fund. However the Company will ensure that the amounts within an Umbrella Cash Account whether positive or negative can be attributed to the relevant Fund in order to comply with the requirement that the assets and liabilities of each Fund are kept separate from all other Funds and that separate books and records are maintained for each Fund in which all transactions relevant to a Fund are recorded.

## **Cross-Investment**

Investors should note that, subject to the Central Bank Rules, each of the Funds may invest in the other Funds of the Company where such investment is appropriate to the investment objectives and policies of the relevant Fund. Any commission received by the Manager/Investment Manager in respect of such investment will be paid into the assets of the relevant Fund. In addition, no Preliminary Charge, Repurchase Fee or exchange charge may be charged on the cross-investing Fund's investment.

In order to avoid double-charging of management and/or performance fees, any Fund that is invested in another Fund may not be charged a management fee or performance fee in respect of that part of its assets invested in other Funds unless such investment in another Fund is made into a class of Shares that does not attract any management fee or performance fee. Investment may not be made by a Fund in a Fund which itself cross-invests in another Fund within the Company.

If a Fund invests a substantial proportion of its net assets in other UCITS or non-UCITS collective investment schemes ("**CIS**") or both the maximum level of the investment management fees that may be charged to the Fund by the other UCITS or non-UCITS CIS or both, as the case may be, will be set out in the relevant Supplement. Details of such fees will also be contained in the Company's annual report. Such fees and expenses, in the aggregate, may exceed the fees and expenses that would typically be incurred by an investor making a direct investment in an underlying fund. In addition, performance based compensation arrangements may create an incentive for the investment managers of such underlying funds to make investments that are more risky or more speculative than would be the case if such arrangements were not in effect.

## **Disclosure Regulations**

SFDR seeks to establish a pan-European framework to facilitate Sustainable Investment, by providing for a harmonised approach in respect of sustainability-related disclosures to investors within the European Union's financial services sector.

For the purposes of SFDR, the Manager (and certain of the Investment Managers appointed by the Manager) meet the criteria of a financial market participant, whilst the Company and each Fund of the Company qualifies as a financial product. For further details on how a Fund complies with the requirements of SFDR, please refer to the Supplement for that Fund. In addition, the Supplement will set out, where applicable, further details on how (i) a investment policies that seek to promote environmental and social characteristics; or (ii) whether that Fund has Sustainable Investment as its investment objective.

The Manager currently does not consider the adverse impacts of investment decisions on Sustainability Factors in accordance with the Taxonomy Regulation. The rationale for not considering such adverse impacts is on the basis that the regulatory technical standards which will set out the content, methodology and information required in the principle adverse impact statement remain in draft form and the level two regulatory technical standards (the "**RTS**"), which supplements SFDR, has not yet come into effect. The Manager intends to make a decision on whether it will consider the principal adverse impacts of investment decisions on Sustainability Factors once the RTS come into effect.

Please also refer to the "Risk Factors" section of the Prospectus, for a summary of how an Investment Manager appointed to a Fund of the Company integrates Sustainability Risks into its investment process.

## **RISK FACTORS**

Potential investors should consider the following risks relevant to the Funds before investing. Although the investment objective and policies of each Fund are set forth in the Supplement for the relevant Fund, certain of the Funds' investment policies involve certain risks that a prospective investor should keep in mind.

### **General**

There are risks associated with investment in the Company and in the Shares of each Fund.

The risks described in this Prospectus should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Potential investors should be aware that an investment in a Fund may be exposed to other risks from time to time.

Different risks may apply to different Funds and/or classes. Details of specific risks attaching to a particular Fund or class which are additional to those described in this section will be disclosed in the relevant Supplement.

Investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or other matters. If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the Company or a Fund or the suitability for you of investing in the Company or a Fund, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

As the price of Shares in each Fund may fall as well as rise, the Company shall not be a suitable investment for an investor who cannot sustain a loss on his investment. A target investor profile may also be dependent on specific elements relating to a particular Fund, further details in relation to the profile of a typical investor may be set out in the Supplement for the relevant Fund.

Past performance of the Company or any Fund should not be relied upon as an indicator of future performance.

The possible imposition of a Repurchase Fee and the difference at any one time between the sale and repurchase price of shares in a Fund, means that an investment should be viewed as medium to long term.

### **Investment Risks**

#### **General Investment Risk**

The securities and instruments in which a Fund 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 assurance that a Fund will achieve its investment objective. The value of Shares may rise or fall, as the capital value of the securities in which a Fund invests may fluctuate. The investment income of each Fund is based on the income earned on the securities it holds, less expenses incurred. Therefore, the Fund's investment income may be expected to fluctuate in response to changes in such expenses or income.

#### **Index Risk**

The level of a reference index to which a Fund can have indirect exposure can fall as well as rise.

There is no assurance that the underlying index to which a Fund is indirectly exposed via an FDI will continue to be calculated and published on the basis described in this Prospectus, or at all, or that it will not be amended significantly. Any change to the index may adversely affect the value of the Shares. The past performance of an index is not necessarily a guide to its future performance.

An index sponsor generally reserves the right to review, modify and amend the index or strategy description, components, formula, calculation and publication procedures as further particularised in the index rules; and take any such actions that it believes necessary, appropriate or beneficial, in its sole discretion, in order to preserve or enhance the ability of an index to achieve its objectives. The selection of the component indices, strategies assets or securities of an index is made in accordance with the relevant index or strategy composition rules and eligibility criteria and not by reference to any performance criteria or performance outlook. Accordingly, the composition of an index is not designed to follow recommendations or research reports issued by an index sponsor, any of their affiliates or any other person. An index sponsor has no obligation to take the needs of the relevant Fund or the Shareholders into consideration in determining, composing or calculating the value of the index to which a Fund has indirect exposure. Any change to the index or strategy rules may adversely affect the value of the Shares of a Fund.

### **Value of the Index and the Fund Risk**

The value of an index will be determined by reference to the cumulative net gains or losses (if any) of the investment positions comprised in the index. Therefore the value of the index may vary significantly over time and may go down as well as up.

In addition, although a Fund intends to provide investors with exposure to the performance of the index, the value of the index may differ to a certain extent from the Net Asset Value per Share due to various factors such as the costs incurred in relation to the total return swaps entered into by a Fund to gain such exposure, fees charged by a Fund, differences in currency values and costs associated with hedged or unhedged share classes.

### **Index Change Risk**

The index manager may from time to time modify the index. By way of non-limiting example, it may incorporate different features or characteristics such as the use of different market sectors, weights, contracts, or other underlying assets, or different methods of calculation.

### **Past Performance Risk**

The past investment performance of the Investment Manager(s), the index, the index sponsor, and any of the principals of the Investment Manager and/or any entities with which it has been associated, should not be construed as an indication of the future performance of an index. The index should be evaluated on the basis that there can be no assurance that the Investment Manager's assessments of the short-term or long-term prospects of investments will prove accurate.

### **Dependence on the Index Manager Risk**

The performance of an index is largely dependent upon the index manager's skill as an index manager and there can be no assurance that the index manager or the individuals employed by the index manager will remain able to manage the index or that the management activities will be successful in the future. In such event, no assurance can be given that a replacement index manager of similar experience and credibility will be found or as to the length of time the search for a replacement could take.

An index utilises certain strategies which depend upon the reliability and accuracy of sophisticated quantitative models. To the extent such models (or the assumptions underlying them) do not prove correct, the investments comprising the index may not perform as anticipated, which could result in substantial losses.

As the index is systematic in nature, system errors may occur from time to time. In addition, due to the speed and volume of transactions entered into, occasionally weightings will be calculated, which, with the benefit of hindsight, were erroneous. In this event, the index constituent weightings will not be restated.

### **Index Embedded Leverage Risk**

An index may reflect the use of leverage. As a result, a relatively small price movement in a component may result in immediate and substantial gains or losses for a Fund. While leverage presents opportunities

for increasing total return, it may potentially increase losses. Accordingly, any event which adversely affects the value of an investment would be magnified to the extent leverage is employed. The cumulative effect of leverage in a market that moves adversely to a leveraged investment could be a substantial loss, which would be greater than if leverage was not used. These factors will be reflected in the value of the index.

### **No Operating History for the Index Risk**

The index may have only recently been organised. Therefore, as of the date of the relevant Supplement, potential investors do not have any operating history to use in evaluating the Fund and the index and the probability of success and whether to invest in the Fund. Even if there was an operating history of the relevant Fund and the index, potential investors are reminded that past results are not necessarily indicative of future performance.

### **Credit Risk**

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 or payments due on such securities or instruments (as well as any appreciation of sums invested in such securities).

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

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

### **Currency Risk**

*Currency of Assets/Base Currency:* Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and 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. The Investment Manager(s) may seek to mitigate this exchange rate risk by using FDI. No assurance, however, can be given that such mitigation will be successful.

*Base Currency/Denominated Currency of Classes:* Classes of Shares in a Fund may be denominated in currencies other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the denominated currency of the class may lead to a depreciation of the value of the investor's holding as expressed in the Base Currency even in cases where the class is hedged. No assurance, however, can be given that such mitigation will be successful. Investors' attention is drawn to the section of this Prospectus entitled "Hedged Classes" for further information. Where the class is unhedged a currency conversion will take place on subscription, redemption, exchange and distributions at prevailing exchange rates.

*Currency and Interest Rate Hedging:* A Fund may enter into currency or interest rate exchange transactions and/or use derivatives 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 the hedged currency or interest rate, they also limit any potential gain that might be realised should the value of the hedged currency or interest rate 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. Performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the securities positions held.

### **Depository Risk**

If a Fund invests in assets that are financial instruments that can be held in custody ("**Custody Assets**"), the Depositary is required to perform full safekeeping functions and will be liable for any loss of such assets held in custody unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. In the event of such a loss (and the absence of proof of the loss being caused by such an external event), the Depositary is required to return identical assets to those lost or a corresponding amount to the Fund without undue delay.

If a Fund invests in assets that are not financial instruments that can be held in custody ("**Non-Custody Assets**"), the Depositary is only required to verify the Fund's ownership of such assets and to maintain a record of those assets which the Depositary is satisfied that the Fund holds ownership of. In the event of any loss of such assets, the Depositary will only be liable to the extent the loss has occurred due to its negligent or intentional failure to properly fulfil its obligations pursuant to the Depositary Agreement.

As it is likely that the Funds may each invest in both Custody Assets and Non-Custody Assets, it should be noted that the safekeeping functions of the Depositary in relation to the respective categories of assets and the corresponding standard of liability of the Depositary applicable to such functions differs significantly.

The Funds enjoy a strong level of protection in terms of Depositary liability for the safekeeping of Custody Assets. However, the level of protection for Non-Custody Assets is significantly lower. Accordingly, the greater the proportion of a Fund invested in categories of Non-Custody Assets, the greater the risk that any loss of such assets that may occur may not be recoverable. While it will be determined on a case-by-case whether a specific investment by the Fund is a Custody Asset or a Non-Custody Asset, generally it should be noted that derivatives traded by a Fund over-the-counter will be Non-Custody Assets. There may also be other asset types that a Fund invests in from time to time that would be treated similarly. Given the framework of Depositary liability under UCITS V, these Non-Custody Assets, from a safekeeping perspective, expose the Fund to a greater degree of risk than Custody Assets, such as publicly traded equities and bonds.

### **Subscriptions/Redemptions Account**

Certain risks associated with the operation of the Umbrella Cash Accounts are set out in the sections entitled (i) "Application for Shares"; (ii) "Repurchase of Shares"; and (iii) "Dividend Policy" respectively.

In addition, investors should note that in the event of the insolvency of another Fund of the Company, recovery of any amounts to which a relevant Fund is entitled, but which may have transferred to such other insolvent Fund as a result of the operation of the Umbrella Cash Account(s) (for example by way of an inadvertent error) will be subject to the principles of Irish trust law and the terms of the operational procedures for the Umbrella Cash Accounts. There may be delays in effecting and/or disputes as to the recovery of such amounts, and the insolvent Fund may have insufficient funds to repay the amounts due to the relevant Fund.

### **Financial Markets and Regulatory Change**

The laws and regulations affecting businesses continue to evolve in an unpredictable manner. Laws and regulations, particularly those involving taxation, investment and trade, applicable to the Company's activities can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the interests of the Company. The Company and the Investment Manager may be or may become subject to unduly burdensome and restrictive regulation. In particular, in response to significant recent events in international financial markets, governmental intervention and certain regulatory measures which have been or may be adopted in certain jurisdictions.

### **Third Party Intermediaries**

Certain Share Classes are made available for subscription via third party financial intermediaries. Third party financial intermediaries are used by the relevant Investment Manager, third party investment advisers and other financial advisors to provide individual investors with investment access to the relevant Fund. Where an individual decides to invest via third party financial intermediaries, that individual's investment may be subject to certain fees and charges that are applied by such third party financial



intermediaries to the individual's investment before any remaining cash is received by the relevant Fund to subscribe for Shares. In addition, where an individual invests via third party financial intermediaries, fees charged by such third party financial intermediaries may be more than the value of the individual's investment, particularly where the Directors decide to waive the Minimum Initial Investment Amount for investors investing via third party financial intermediaries, the fees incurred in connection with the investment in a Fund may exceed the value of the initial investment amount. The Company, each Fund, the relevant Investment Manager and the Manager have no control over, and shall not have any responsibility or liability for, the level or calculation of any such fees and charges.

## **Derivatives and Securities Financing Transactions Risk**

*General:* Derivatives may be used as a means of gaining indirect exposure to a specific asset, rate or index and/or as part of a strategy designed to reduce exposure to other risks, such as interest rate or currency risk. Use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other investments. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index.

Investing in a derivative instrument could cause a Fund to lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that a Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

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, national and international political and economic events, changes in local laws 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 derivatives 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 a Fund's securities; and (4) the possible absence of a liquid market for any particular instrument at any particular time.

Securities Financing Transactions create several risks for the Company and its investors, including counterparty risk if the counterparty to a Securities Financing Transaction defaults on its obligation to return assets equivalent to the ones provided to it by the relevant Fund and liquidity risk if the Fund is unable to liquidate collateral provided to it to cover a counterparty default.

*Absence of Regulation; Counterparty Risk:* In general, there is less government regulation and supervision of transactions in the "over-the-counter"/ "OTC" markets (in which currencies, spot and option contracts, certain options on currencies and swaps are generally traded) than of transactions entered into on exchanges. In addition, many of the protections afforded to participants on some exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions. OTC options are not regulated. OTC options are non-exchange traded option agreements, which are specifically tailored to the needs of an individual investor. These options enable the user to structure precisely the date, market level and amount of a given position. The counterparty for these agreements will be the specific firm involved in the transaction rather than an exchange, and accordingly the bankruptcy or default of a counterparty with which a Fund trades OTC options could result in substantial losses to a Fund. In addition, a counterparty may refrain from settling a transaction in accordance with its terms and conditions because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing a Fund to suffer a loss. To the extent that a counterparty defaults on its obligation and a 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.

Regardless of the measures a Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that a Fund will not sustain losses on the transactions as a result.

*Credit Risk and Counterparty Risk:* Funds will be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in derivative instruments. To the extent that a counterparty defaults on its obligation and a 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. Regardless of the measures a Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that a Fund will not sustain losses on the transactions as a result.

*Correlation Risk:* The prices of derivative instruments may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements.

*Collateral Risk:* Collateral or margin may be passed by a Fund to a counterparty or broker in respect of OTC FDI transactions or Securities Financing Transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

*Forward Trading:* Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised. 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.

*Foreign Exchange Transactions:* Where a Fund utilises derivatives which alter the currency exposure characteristics of transferable securities held by a Fund the performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the securities positions held.

*Futures and Options Trading is Speculative and Volatile:* Substantial risks are involved in trading futures, forward and option contracts and various other instruments in which a Fund may trade. Certain of the instruments in which a Fund may invest are sensitive to interest rates and foreign exchange rates, which means that their value and, consequently, the Net Asset Value, will fluctuate as interest and/or foreign exchange rates fluctuate. The Fund's performance, therefore, will depend in part on its ability to anticipate and respond to such fluctuations in market interest rates and foreign exchange rates, and to utilise appropriate strategies to maximise returns to the Fund, while attempting to minimise the associated risks to its investment capital. Variance in the degree of volatility of the market from the Fund's expectations may produce significant losses to the Fund.

*Index Risk:* If a derivative is linked to the performance of an index, it will be subject to the risks associated with changes to that index. If the index changes, a Fund could receive lower interest payments or experience a reduction in the value of the derivative to below what the Fund paid. Certain indexed securities – including inverse securities (which move in the opposite direction to the index) – may create leverage, to the extent that the increase or decrease in value is at a rate that is a multiple of the changes in the applicable index.

*Legal Risk:* The use of OTC derivatives, such as forward contracts, swap agreements and contracts for difference, will expose the Funds to the risk that the legal documentation of the relevant OTC contract may not accurately reflect the intention of the parties.

*Leverage Component Risk:* Since many derivative instruments have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain derivative instruments have the potential for unlimited loss regardless of the size of the initial investment. If there is default by the other party to any such transaction, there will be contractual remedies; however, exercising such contractual rights may involve delays or costs which could result in the value of the total assets of the related portfolio being less

than if the transaction had not been entered.

*Margin Risk:* A Fund may be obliged to pay margin deposits and option premia to brokers in relation to futures and option contracts entered into for the relevant Fund. While exchange traded contracts are generally guaranteed by the relevant exchange, the relevant Fund may still be exposed to the fraud or insolvency of the broker through which the transaction is undertaken. The relevant Fund will seek to minimise this risk by trading only through high quality names.

*OTC Markets Risk:* Where any Fund acquires securities on OTC markets, there is no guarantee that the Fund will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

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

*Liquidity of Futures Contracts:* Futures positions may be illiquid because certain 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.

*Necessity for Counterparty Trading Relationships:* Participants in the OTC currency market typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While the Company believes that the Company will be able to establish the necessary counterparty business relationships to permit a Fund to effect transactions in the OTC currency market and other counterparty markets, including the swaps market, there can be no assurance that it will be able to do so. An inability to establish such relationships would limit a Fund's activities and could require a Fund to conduct a more substantial portion of such activities in the cash or exchange traded markets. Moreover, the counterparties with which a Fund expects to establish such relationships will not be obligated to maintain the credit lines extended to a Fund, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

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

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

*Efficient Portfolio Management Risk:* The Company on behalf of a Fund may employ techniques and instruments relating to securities and/or other financial instruments (including FDI and SFTs) in which it invests for efficient portfolio management purposes. Many of the risks attendant in utilising derivatives, as disclosed in the section entitled "Derivatives Risks" above, will be equally relevant when employing such efficient portfolio management techniques. Investors should also be aware that from time to time, a Fund

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

*Risks Associated with Swaps:* A Fund may enter into swap agreements with respect to currencies, interest rates, credit defaults and financial indices. A Fund may use these techniques for investment purposes or for efficient portfolio management purposes to hedge against changes in interest rates, currency rates, securities prices, or as part of their overall investment strategies. Whether a Fund's use of swap agreements will be successful will depend on an Investment Manager's ability to correctly predict whether certain types of investments are likely to produce greater returns than other investments. Payments under a swap contract may be made at the conclusion of the contract or periodically during its term. If there is a default by the counterparty to a swap contract a Fund will be limited to contractual remedies pursuant to the agreements related to the transaction. There is no assurance that swap contract counterparties will be able to meet their obligations pursuant to swap contracts or that, in the event of default, the Fund will succeed in pursuing contractual remedies. A Fund thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to swap contracts.

### **Emerging Markets Risk**

Where a Fund invests in securities in emerging markets, additional risks may be encountered. These include:

*Accounting Standards:* in emerging markets there is an absence of uniform accounting, auditing and financial reporting standards and practices.

*Business Risks:* in some emerging markets, for example Russia, crime and corruption, including extortion and fraud, pose a risk to businesses. Property and employees of underlying investments may become targets of theft, violence and/or extortion.

*Country Risk:* the value of the Fund's assets may be affected by political, legal, economic and fiscal uncertainties. Existing laws and regulations may not be consistently applied.

*Currency Risk:* the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.

*Depositary Risk:* depositaries may not be able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the Fund will not be recognised as the owner of securities held on its behalf by a sub-depositary. As some of the Funds may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of a Fund which are traded in such markets and which have been entrusted to sub-depositaries in such markets may be exposed to risk in circumstances in which the Depositary will have no liability. Rules regulating corporate governance are undeveloped and therefore may offer little protection to shareholders.

*Disclosure:* less complete and reliable fiscal and other information may be available to investors.

*Legal:* the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. Risks associated with many emerging market legal systems (for example the Russian legal system) include (i) the untested nature of the independence of the judiciary and its immunity from economic, political or nationalistic influences; (ii) inconsistencies among laws, presidential decrees and governmental and ministerial orders and resolutions; (iii) the lack of judicial and administrative guidance on interpreting applicable laws; (iv) a high degree of discretion on the part of government authorities; (v) conflicting local, regional and federal laws and regulations; (vi) the relative inexperience of judges and courts in interpreting new legal norms; and (vii) the unpredictability of enforcement of foreign judgements and foreign arbitration awards. There is no

guarantee that further judicial reform aimed at balancing the rights of private and governmental authorities in courts and reducing grounds for re-litigation of decided cases will be implemented and succeed in building a reliable and independent judicial system.

*Market Characteristics/ Liquidity and Settlement Risks:* in general, emerging markets are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and many emerging markets are not highly regulated. When seeking to sell emerging market securities, little or no market may exist for the securities. The combination of price volatility and the less liquid nature of securities markets in emerging markets may, in certain cases, affect a Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund. Settlement of transactions may be subject to delay and administrative uncertainties.

*Political Risk:* the risk of government intervention is particularly high in the emerging markets because of both the political climate in many of these countries and the less developed character of their markets and economies. Government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the value of securities in a Fund's portfolio.

*Tax:* The taxation system in some emerging market countries is subject to varying interpretations, frequent changes and inconsistent enforcement at the federal, regional and local levels. Tax laws and practices in some emerging market countries are at an initial stage of development and are not as clearly established as in more developed countries.

*Frontier Markets Risk:* Investing in the securities of issuers operating in frontier emerging markets carries a high degree of risk and special considerations not typically associated with investing in more traditional developed markets. In addition, the risks associated with investing in the securities of issuers operating in emerging market countries are magnified when investing in frontier emerging market countries. These types of investments could be affected by factors not usually associated with investments in more traditional developed markets, including risks associated with expropriation and/or nationalisation, political or social instability, pervasiveness of corruption and crime, armed conflict, the impact on the economy of civil war, religious or ethnic unrest and the withdrawal or non-renewal of any licence enabling a Fund to trade in securities of a particular country, confiscatory taxation, restrictions on transfers of assets, lack of uniform accounting, auditing and financial reporting standards, less publicly available financial and other information, diplomatic development which could affect investment in those countries and potential difficulties in enforcing contractual obligations. These risks and special considerations make investments in securities in frontier emerging market countries highly speculative in nature and, accordingly, an investment in a Fund's shares must be viewed as highly speculative in nature and may not be suitable for an investor who is not able to afford the loss of their entire investment. To the extent that a Fund invests a significant percentage of its assets in a single frontier emerging market country, a Fund will be subject to heightened risk associated with investing in frontier emerging market countries and additional risks associated with that particular country.

## **EPM Risk**

The Company on behalf of a Fund may employ techniques and instruments relating to transferable securities, money market instruments and/or other financial instruments in which it invests for efficient portfolio management purposes. Many of the risks attendant in utilising derivatives, as disclosed in the section entitled "**Derivatives Risk**" above, will be equally relevant when employing such efficient portfolio management techniques. In addition to the sub-section entitled "*General*", particular attention is drawn to the sub-sections entitled "*Credit Risk and Counterparty Risk*" and "*Collateral Risk*". Investors should also be aware that from time to time, a Fund may engage with repurchase/reverse repurchase agreements counterparties and/or securities lending agents that are related parties to the Depositary or other service providers of the Company. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the Company. Please refer to the section entitled "Portfolio Transactions and Conflicts of Interest" for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the Company's semi-annual and annual reports.

## **Exchange Control and Repatriation Risk**

It may not be possible for Funds to repatriate capital, dividends, interest and other income from certain countries, or it may require government consents to do so. Funds could be adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

### **Subscriptions/Redemptions Account**

Certain risks associated with the operation of the Umbrella Cash Accounts are set out in the sections entitled (i) "Application for Shares"; (ii) "Repurchase of Shares"; and (iii) "Dividend Policy" respectively.

In addition, investors should note that in the event of the insolvency of another Fund of the Company, recovery of any amounts to which a relevant Fund is entitled, but which may have transferred to such other insolvent Fund as a result of the operation of the Umbrella Cash Account(s) (for example by way of an inadvertent error) will be subject to the principles of Irish trust law and the terms of the operational procedures for the Umbrella Cash Accounts. There may be delays in effecting and/or disputes as to the recovery of such amounts, and the insolvent Fund may have insufficient funds to repay the amounts due to the relevant Fund

### **Equity Risks**

A Fund may invest directly or indirectly in equity securities. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. Prices of equities fluctuate daily dependent on market conditions. Markets can be influenced by a series of factors such as political and economic news, corporate earnings reports, demographic trends, catastrophic events and wider market expectations. The value of equities can fall as well as rise. Potentially a Fund investing in equities could incur significant losses.

Investing in equity securities may offer a higher rate of return than those investing in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. As a result, the market value of the equity securities that it invests in may go down and the relevant Fund may suffer losses. Factors affecting the equity securities are numerous, including but not limited to changes in investment sentiment, political environment, economic environment, and the business and social conditions in local and global marketplace. Securities exchanges typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible to liquidate positions and can thereby expose the relevant Fund to losses.

### **Investing in Fixed Income Securities Risk**

The prices of fixed income securities fluctuate in response to perceptions of the issuer's creditworthiness and also tend to vary inversely with market interest rates. The value of such securities is likely to decline in times of rising interest rates. Conversely, when rates fall, the value of these investments is likely to rise. Typically, the longer the time to maturity the greater are such variations. A Fund investing in fixed income securities will be subject to credit risk (i.e. the risk that an issuer of securities will be unable or unwilling to pay principal and interest when due, or that the value of a security will suffer because investors believe the issuer is less able or willing to pay). This is broadly gauged by the credit ratings of the securities in which a Fund invests. However, ratings are only the opinions of the agencies issuing them and are not absolute guarantees as to quality.

Not all government securities are backed by the full faith and credit of the relevant national government. Some are backed only by the credit of the issuing agency or instrumentality. Accordingly, there is at least a chance of default on these government securities in which the Funds may invest, which may subject a Fund to additional credit risk.

To the extent a Fund invests in medium or low-rated securities and unrated securities of comparable quality, the Fund may realise a higher current yield than the yield offered by higher-rated securities, but investment in such securities involves greater volatility of price and risk of loss of income and principal,

including the probability of default by or bankruptcy of the issuers of such securities. Low-rated and comparable unrated securities (collectively referred to as "low-rated" securities) likely have quality and protective characteristics that, in the judgment of a rating organisation, are outweighed by large uncertainties or major risk exposures to adverse conditions, and are predominantly speculative with respect to an issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation.

When economic conditions appear to be deteriorating, these medium or low-rated securities may decline in value due to heightened concern over credit quality, regardless of the prevailing interest rates. Investors should carefully consider the relative risks of investing in high yield securities and understand that such securities are not generally meant for short-term investing.

Adverse economic developments can disrupt the market for low-rated securities, and severely affect the ability of issuers, especially highly leveraged issuers, to service their debt obligations or to repay their obligations upon maturity, which may lead to a higher incidence of default on such securities. Low-rated securities are especially affected by adverse changes in the industries in which the issuers are engaged and by changes in the financial condition of the issuers.

Debt securities rated below BBB- (or its equivalent) and comparable unrated securities are considered below investment grade and are commonly known as "junk bonds". They are considered to be of poor standing and mainly speculative, and those in the lowest rating category may be in default and are generally regarded by the rating agency as having extremely poor prospects of attaining any real investment standing. The lower ratings of these debt securities reflect a greater possibility that the issuer may be unable or unwilling to make timely payments of interest and principal and thus default. If this happens, or is perceived as likely to happen, the values of those debt securities will usually be more volatile. A default or expected default could also make it difficult for the Fund to sell the debt securities at prices approximating the values the Fund had previously placed on them. Because junk bonds are traded mainly by institutions, they usually have a limited market, which may at times make it difficult for the Fund to establish their fair value.

### **Leverage Risk**

A Fund may engage in leverage for investment purposes or as part of a hedging strategy, as will be outlined in the relevant Supplement, if applicable. The use of leverage creates special risks and may significantly increase the Fund's investment risk. Leverage will create an opportunity for greater yield and total return but, at the same time, will increase the Fund's exposure to capital risk and interest costs. Any investment income and gains earned on investments made through the use of leverage that are in excess of the interest costs associated therewith may cause the Net Asset Value of the Shares to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the Net Asset Value of the Shares may decrease more rapidly than would otherwise be the case.

### **Credit Ratings Risk**

The ratings of fixed-income securities by Moody's and Standard & Poor's are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint. The rating on an issuer or a security is heavily weighted by past performance and does not necessarily reflect probable future conditions. There is frequently a lag between the time the rating is assigned and the time it is updated. In addition, there may be varying degrees of difference in credit risk of securities within each rating category. In the event of a down-grading of the credit rating of a security or an issuer relating to a security, the value of a Fund investing in such security may be adversely affected.

There is no assurance that the ratings of each rating agency will continue to be calculated and published on the basis described in this Prospectus or that they will not be amended significantly. The past performance of a rating agency in rating an investment is not necessarily a guide to future performance.

### **Liquidity Risk**

Not all securities or instruments that may be invested in by the relevant Fund 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. A Fund may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity.

### **Market Capitalisation Risk**

Certain Funds may invest in the securities of small-to-medium-sized (by market capitalisation) companies, or FDI related to such securities. Such securities may have a more limited market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports. Additional risk factors associated with companies whose market capitalisation is small or mid-cap may include but are not limited to the following: limited or unproven operating history; weak or leveraged balance sheets, limited borrowing capacity; low or negative profit margins; high concentration of sales from limited number of customers; competition from more established companies; and key-man management risk.

### **Recent Developments in Financial Markets Risk**

Recent developments in the global financial markets illustrate that the current environment is one of extraordinary and possibly unprecedented uncertainty. In light of such recent market turmoil and the overall weakening of the financial services industry, the Company, the Investment Manager(s) and other financial institutions' financial condition may be adversely affected and they may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the Company's business and operations.

### **Reinvestment of Cash Collateral Risk**

As a Fund may reinvest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, a Fund reinvesting cash collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

### **Repurchase Risk**

Large repurchases 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 which may be materially adverse to the Fund.

### **Securities Lending Risk**

There are risks associated with a Fund engaging in securities lending. 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. A securities lending transaction will involve the receipt of collateral. However there is a risk that the value of the collateral may fall and the Fund suffer loss as a result.

### **Sovereign Debt Risk**

Investments in sovereign debt securities involve certain risks. The governmental authority that controls the repayment of the debt may be unwilling or unable to repay the principal and/or interest when due in accordance with the terms of such securities due to a range of factors that may include: the extent of its foreign reserves; the availability of sufficient foreign exchange on the date a payment is due; the relative size of the debt service burden to the economy as a whole; or the government debtor's policy towards the International Monetary Fund and the political constraints to which a government debtor may be subject. If an issuer of sovereign debt defaults on payments of principal and/or interest, a Fund may have limited legal recourse against the issuer and/or guarantor. In certain cases, remedies must be pursued in the courts of the defaulting party itself, and the Fund's ability to obtain recourse may be limited. Historically, certain issuers of the government debt securities in which a Fund may invest have experienced substantial difficulties in meeting their external or local market debt obligations, resulting in



defaults on certain obligations and the restructuring of certain indebtedness. Such restructuring arrangements have included obtaining additional credit to finance outstanding obligations and the reduction and rescheduling of payments of interest and principal through the negotiation of new or amended credit agreements.

### **OTC Counterparty Rating Downgrade Risk**

The Company will enter into OTC transactions only with those counterparties that it believes to be sufficiently creditworthy. In addition, pursuant to Irish regulatory requirements, a Fund may be required to refrain from entering into transactions which involve collateral arrangements with OTC counterparties who do not meet minimum credit rating criteria set by the Central Bank. In this regard, at the date of this Prospectus, the Central Bank requires that, eligible counterparties must have a minimum short term credit rating of A-2 from Standard & Poor's or an equivalent rating from an internationally recognised credit rating agency.

If an OTC counterparty engaged by the Company, in respect of a Fund, is subject to a credit rating downgrade, this could potentially have significant implications for the relevant Fund both from a commercial perspective and a regulatory perspective. A rating downgrade below the minimum regulatory levels set by the Central Bank could require the relevant Fund to refrain from entering into transactions with such counterparty.

The Investment Manager(s) shall endeavour to monitor the rating of all OTC counterparties currently engaged by the Company, in respect of a Fund, on an on-going basis to ensure such minimum credit ratings are maintained and that any appropriate and necessary steps are taken in the event of any counterparty being subject to a credit rating downgrade. However, it is possible that such counterparties could be subject to a credit rating downgrade in circumstances where this is not notified to the relevant Fund or identified by the Investment Manager(s) in which case the relevant Fund may be in technical breach of the regulatory requirements regarding eligible OTC counterparties. This regulatory risk is in addition to the commercial risk associated with continuing to engage (and possibly have exposure to) an OTC counterparty with a lower credit rating.

In addition, if the Investment Manager(s) is required to take steps to exit positions with an OTC counterparty subject to a credit rating downgrade, due to regulatory requirements or otherwise, this may result in positions being terminated on unfavourable terms or in unfavourable market conditions with the consequence of the relevant Fund suffering substantial losses.

Regardless of the measures the Company, in respect of a Fund, may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the relevant Fund will not sustain losses on the transactions as a result.

### **Investment in Collective Investment Scheme ("CIS") Risk**

A Fund may invest in one or more CIS including schemes managed by the Investment Manager(s) or its affiliates. As a shareholder of another CIS, a Fund would bear, along with other shareholders, its pro rata portion of the expenses of the other CIS, including investment management and/or other fees. These fees would be in addition to the investment management fees and other expenses which a Fund bears directly in connection with its own operations.

Underlying funds may have different settlement cycles than that of a Fund. Thus, there may be mismatch between the two settlement cycles causing a Fund to use borrowing on a temporary basis to meet such obligations. This may result in charges being incurred by the relevant Fund. Any such borrowing will comply with the Central Bank Rules. Further, each underlying fund may not be valued at the same time or on the same day as the relevant Fund and accordingly the net asset value of such underlying fund used in the calculation of the Net Asset Value of the relevant Fund will be the latest available net asset value of such underlying fund (further details on the calculation of the Net Asset Value are set out under the heading "Calculation of Net Asset Value").

At various times, the markets for securities purchased or sold by the underlying funds may be "thin" or illiquid, making purchases or sales at desired prices or in desired quantities difficult or impossible. This may indirectly impact upon the Net Asset Value of the relevant Fund.

The underlying funds selected by the Investment Manager(s) may be leveraged. This includes the use of borrowed funds and investments in options, such as puts and calls, regulated futures contracts and warrants. Also, they may engage in short sales. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of the relevant Fund.

To the extent that the relevant Fund is invested in collective investment schemes, the success of the relevant Fund shall depend upon the ability of the underlying funds to develop and implement investment strategies that achieve the relevant Funds' investment objective. Subjective decisions made by the underlying funds may cause the relevant Fund to incur losses or to miss profit opportunities on which it could otherwise have capitalised. In addition, the overall performance of the relevant Fund will be dependent not only on the investment performance of the underlying funds, but also on the ability of the Investment Manager(s) to select and allocate the Funds' assets among such underlying funds effectively on an on-going basis. There can be no assurance that the allocations made by the Investment Manager(s) will prove as successful as other allocations that might otherwise have been made, or as adopting a static approach in which underlying funds are not changed.

### **Accounting, Legal, Operational, Valuation and Tax Risks**

#### **Accounting, Auditing and Financial Reporting Standards**

The accounting, auditing and financial reporting standards of many of the countries in which a Fund may invest may be less extensive than those applicable in the European Union.

#### **Dependence on Key Personnel**

The investment performance of a Fund will be dependent on the services of certain key employees of the Investment Manager(s) and its appointees. While contingency measures may be put in place, in the event of the death, incapacity or departure of any of these individuals, the performance of the relevant Fund may be adversely affected.

#### **Financial Markets and Regulatory Change**

The laws and regulations affecting businesses continue to evolve in an unpredictable manner. Laws and regulations, particularly those involving taxation, investment and trade, applicable to the Company's activities can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the interests of the Company. The Company and the Investment Manager(s) may be or may become subject to unduly burdensome and restrictive regulation. In particular, in response to significant recent events in international financial markets, governmental intervention and certain regulatory measures which have been or may be adopted in certain jurisdictions. Two examples in particular are (1) The European Union (Short Selling) Regulations 2012 (SI No. 340/2012) implementing the Regulation (EU) No. 236/2012 of the European Parliament and of the Council of 14 March 2012, on short selling and certain aspects of credit default swaps (the "**SSR**") and (2) the recently enacted US piece of legislation, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act.**"). The SSR aims to address certain systemic risk concerns with naked or uncovered short selling by providing for, amongst other things, enhanced transparency relating to significant net short positions in specific financial instruments. Please refer to the section entitled "Short Selling Risk" in this prospectus for further information. The Dodd-Frank Act contains a range of measures designed to address systemic risk in the financial services sector and will significantly increase US regulation of investment funds and managers of investment funds. These and other significant changes in global financial regulation may present the Company with significant challenges and could result in losses to the Company.

#### **Investment Manager Valuation Risk**

The Administrator may consult the Investment Manager(s) with respect to the valuation of certain investments. Whilst there is an inherent conflict of interest between the involvement of the Investment Manager(s) in determining the valuation price of each Fund's investments and the Investment Manager's other duties and responsibilities in relation to the Funds (particularly as the Investment Manager's fees

may increase as the value of assets increases), the Investment Manager has in place pricing procedures which follows industry standard procedures for valuing unlisted investments.

### **Lack of Operating History**

Each Fund is a sub-fund of the Company which may be newly established and have no operating history. The past performance of any investments or investment funds managed by the Investment Manager or any of its affiliates cannot be construed as any indication of the future results of an investment in the Company or any of the Funds.

### **Segregated Liability**

The Company is an umbrella company with segregated liability between Funds. As a result, as a matter of Irish law, any liability attributable to a particular Fund may only be discharged out of the assets of that Fund and the assets of other Funds may not be used to satisfy the liability of that Fund. In addition, any contract entered into by the Company will by operation of law include an implied term to the effect that the counterparty to the contract may not have any recourse to assets of any of the Funds other than the Fund in respect of which the contract was entered into. These provisions are binding both on creditors and in any insolvency but do not prevent the application of any enactment or rule of law which would require the application of the assets of one Fund to discharge some, or all liabilities of another Fund on the grounds of fraud or misrepresentation. In addition, whilst these provisions are binding in an Irish court which would be the primary venue for an action to enforce a debt against the Company, these provisions have not been tested in other jurisdictions, and there remains a possibility that a creditor might seek to attach or seize assets of one Fund in satisfaction of an obligation owed in relation to another Fund in a jurisdiction which would not recognise the principle of segregation of liability between Funds.

### **Valuation Risk**

A Fund may invest some of its assets in unquoted securities or instruments. Such investments or instruments will be valued at their probable realisation value estimated with care and good faith by the Directors or a competent person, firm or corporation (including the Investment Manager(s)) selected by the Directors and approved for the purpose by the Depositary. 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.

### **Tax Risks**

Where a Fund invests in assets that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Fund may not be able to recover such withheld tax and so any change may have an adverse effect on the Net Asset Value of the Shares.

The attention of potential investors is drawn to the taxation risks associated with investing in the Company. Please refer to the section of this Prospectus entitled "Taxation".

### **Short Selling Risk**

Although the Regulations prohibit the short selling of physical securities, UCITS are permitted to create synthetic short positions through the use of FDIs. A short sale means any sale of a security which the seller does not own at the time of entering into the agreement to sell including such a sale where at the time of entering into the agreement to sell the seller has borrowed or agreed to borrow the security for delivery at settlement. The seller sells the borrowed or agreed to be borrowed securities in anticipation of a decline in price of the relevant security. The benefit to the seller where the value of the security declines is the difference between the price at which the security is sold and the cost of repurchasing the borrowed security in order to return it to the person from whom it was borrowed. A synthetic short position allows a fund to achieve a similar economic outcome without short selling the physical securities.

Synthetic short selling may be achieved through the use of a variety of FDIs including contract for

differences, futures and options. Please refer to the section 'Derivative Risk' for further details in relation to the risks attached to trading each of these FDIs.

### *Short Selling Regulations*

Pursuant to the European Union Short Selling Regulations 2012 (SI No. 340/2012) implementing the Regulation (EU) No. 236/2012 of the European Parliament and of the Council of 14 March 2012, on short selling of certain aspects of credit default swaps (the "**SSR**"), information on net short positions, in shares admitted to trading on a trading venue in the EU (except where the principal trading venue of that instrument is outside the EU) or sovereign debt issued by a Member State or the EU, is required to be notified to the relevant competent authority as prescribed in the SSR and the delegated regulations adopted by the European Commission to supplement the SSR. In brief, under the SSR, a short position may be generated either by the short selling of physical shares or sovereign debt or by entering into a transaction relating to a financial instrument, other than shares or sovereign debt, where the effect is to confer a financial advantage on the person entering in to the transaction in the event of a decrease in the price or value of the relevant share or sovereign debt instrument. The term 'financial instrument' is defined by reference to Section C of Annex I to Directive 2004/39/EC ("**MiFID**") and includes transferable securities, money market instruments, units in collective investment schemes and a broad range of derivatives referencing various underlying investments. Accordingly, the SSR notification requirements cover net short positions created by the use of FDIs such as options, futures, index-related instruments, contracts for differences and spread bets relating to shares or sovereign debt.

The SSR and the delegated regulations set out the deadlines by which notifications of net short positions must be made to the relevant competent authority and the thresholds at which a notification requirement is triggered. The thresholds, in the case of shares, are set by reference to the value of the short position relative to the issued share capital of the issuer and, in the case of sovereign debt, by reference to the total amount of outstanding issued sovereign debt. Depending on the value of the short position, notifications may constitute private notifications to the relevant competent authority or public disclosure where information on net short positions notified will be available to the public.

In order to comply with the SSR, where a Fund is engaging in synthetic shorting of shares or sovereign debt, the Company must be aware of the notification and disclosure obligations under the SSR. Failure to adhere to the notification and disclosure requirements under the SSR could result in losses to the Company.

Compliance with the SSR and the delegated regulations may represent a significant increase in the administrative burden on the Company in respect of Funds impacted by the SSR with inevitable adverse cost implications.

### **Operational Risks (including Cyber Security and Identity Theft)**

An investment in a sub-fund of the Company, like any sub-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 AIFM or the Administrator. While the Company seeks to minimise such events through controls and oversight, there may still be failures that could cause losses to a sub-fund.

The Manager, Investment Manager, Investment Allocation Manager, Administrator and Depositary (and their respective groups) each maintain information technology systems which each service provider believes are reasonably designed to protect such information and prevent data loss and security breaches. However, like any other system, these systems cannot provide absolute security.

The techniques used to obtain unauthorised access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties may be susceptible to compromise, leading to a breach of the network. Systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services

provided to the Shareholders may also be susceptible to compromise.

Any service providers of the Company are subject to the same electronic information security threats. If there is a failure to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Company and personally identifiable information of the Shareholders may be lost or improperly accessed, used or disclosed.

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, the loss or improper access, use or disclosure of proprietary information may cause a Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the relevant Fund and the Shareholders' investments therein.

It should be noted that investors in the Company will be afforded all appropriate safeguards and rights in accordance with the Data Protection Legislation.

### **Umbrella Collection Account Risk**

Monies in the Umbrella Collection Account are deemed assets of the respective Funds and shall not have the protection of any investor money protection rules. There is a risk for Shareholders and investors to the extent that monies are held by the Company in an Umbrella Collection Account for the account of a Fund at a point where such Fund (or another Fund of the Company) becomes insolvent. In respect of any claim by a Shareholder or investor in relation to monies held in an Umbrella Collection Account, the relevant Shareholder or investor shall rank as an unsecured creditor of the Company.

### **Vote by the United Kingdom to leave the European Union**

On June 23, 2016, the United Kingdom (U.K.) held a referendum in which a majority of voters approved an exit from the European Union ("E.U."), commonly referred to as "Brexit". The referendum was voluntary and not mandatory and, as a result of the referendum, the British government has begun negotiating the terms of the U.K.'s withdrawal from the E.U. The announcement of Brexit caused significant volatility in global stock markets and currency exchange fluctuations, including a sharp decline in the value of the Pound Sterling as compared to the U.S. dollar and other currencies. Consequently, loans and investments denominated in Pounds Sterling are subject to increased risks related to these currency rate fluctuations. In addition, the announcement of Brexit and the expected withdrawal of the U.K. from the E.U. may also adversely affect the ability of U.K. and E.U.-based borrowers to satisfy their debt payment obligations, increasing default risk and/or making it more difficult to generate attractive risk-adjusted returns.

The long-term effects of Brexit are expected to depend on, among other things, any agreements the U.K. makes to retain access to E.U. markets either during a transitional period or more permanently. Brexit could adversely affect European or worldwide economic or market conditions and could contribute to instability in global financial and real estate markets. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the U.K. determines which E.U. laws to replace or replicate. Until the terms and timing of the U.K.'s exit from the E.U. become more clear, it is not possible to determine the impact that the referendum, the U.K.'s departure from the E.U. and/or any related matters may have on a Fund; however, any of these effects of Brexit could adversely affect a Fund's investments.

### **Terrorist Risk, Hostilities, and Pandemic Risk**

Acts of terrorist violence, political unrest, armed regional and international hostilities and international responses to these hostilities, natural disasters, including hurricanes or floods, global health risks or pandemics or the threat of or perceived potential for these events could have a negative impact on the performance of the Fund. These events could adversely affect levels of business activity and precipitate sudden significant changes in regional and global economic conditions and cycles. These events also pose significant risks to people and physical facilities and operations around the world.

In particular, a novel coronavirus was first detected in late December 2019 in Wuhan City, Hubei Province, China and is causing an outbreak of respiratory disease in countries around the world. On February 11, 2020, the World Health Organization (the "WHO") named the disease "COVID-19" and on March 11, 2020, the WHO declared a pandemic. Most countries around the world have suffered outbreaks of the disease and are likely to suffer a continued increase in recorded cases of the disease. The COVID-19 outbreak has seen a continual decline in global economic growth.

There has been extreme volatility and limited liquidity in securities markets and such markets have been subject to governmental intervention. Certain Governments have imposed restrictions on the manufacture of goods and the provision of services in addition to the free movement of persons. This has had a material impact on the activities of businesses, their profitability and their ability to generate positive cash flow. In these market conditions there is a much higher risk of credit defaults and bankruptcies. As a result, this may have a material impact on the performance of the Fund.

There is a possibility with the severe decline in economic activity and restrictions imposed, of disruption of electricity, other public utilities or network services, as well as system failures at facilities or otherwise affecting businesses which could adversely affect the performance of the Fund. COVID19 has resulted in employees of the Investment Manager and certain of the other service providers to the Fund to be absent from work or work remotely for prolonged periods of time. The ability of the employees of the Investment Manager and/or other service providers to the Fund to work effectively on a remote basis may adversely impact the day to day operations of the Fund.

### **Sustainable Investment Risks**

Certain Funds may be established with either (i) investment policies that seek to promote environmental and social characteristics; or (ii) a Sustainable Investment objective. In managing those Funds, the Investment Manager may forgo opportunities for a Fund to gain exposure to certain companies, industries, sectors or countries and it may choose to sell a security when it might otherwise be disadvantageous to do so. Such Funds may focus on investments in companies that relate to certain sustainable development themes and demonstrate adherence to environmental, social and corporate governance ("**ESG**") practices. Accordingly, the universe of investments of such Funds may be smaller than that of other funds and therefore the relevant Funds may underperform the market as a whole if such investments underperform the market. The relevant policy applicable to a Fund will be indicated in its Supplement.

### **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 may be exposed to risks of an exceptional nature from time to time.

## DIVIDEND POLICY

The dividend arrangements relating to each Fund will be decided by the Directors at the time of the creation of the relevant Fund and details are set out where applicable in the Supplement for the relevant Fund. Under the Articles, the Directors are entitled to pay such dividends at such times as they think fit and as appear to be justified by the profits of the relevant Fund out of the net income (i.e. income less expenses); and/or realised and unrealised gains net of unrealised losses; or out of capital. If dividends are to be paid out of capital then the rationale for distributions out of the capital and the required additional risk warnings and disclosures will be set out in the Supplement for the relevant Fund. In respect of annual dividends, these will be declared and paid within four months of the financial year-end of the Company. Furthermore, any dividend paid will be paid in accordance with the policy of Euronext Dublin.

Pending payment to the relevant Shareholder, dividend payments will be held in the Umbrella Cash Account and will be treated as an asset of the Fund until paid to that Shareholder and will not benefit from the application of any investor money protection rules (i.e. the distribution monies in such circumstance will not be held on trust for the relevant Shareholder). In such circumstance, the Shareholder will be an unsecured creditor of the relevant Fund with respect to the distribution amount held by the Company until paid to the Shareholder and the Shareholder entitled to such dividend amount will be an unsecured creditor of the Fund.

In the event of an insolvency of the Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full. Shareholders due dividend monies which are held in an Umbrella Cash Account will rank equally with all other unsecured creditors of the relevant Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the Shareholder may not recover all monies originally paid into an Umbrella Cash Account for onward transmission to that Shareholder.

The Company will be entitled to deduct an amount in respect of withholding tax, required by the provisions of FATCA, from any distribution payable to a Shareholder in any Fund or to redeem any Shares held by a Shareholder where such Shareholder is not in compliance with FATCA or where that Shareholder refuses to provide any information requested by the Company or any Fund for the purposes of complying with FATCA.

Dividends not claimed within six years from their date of declaration will be forfeited and shall revert to the relevant Fund.

Unless a Shareholder elects by notice in writing to the Manager and the Administrator to re-invest the dividend in the purchase of Shares of the relevant class for the account of the relevant Shareholder (unless otherwise stated in the Supplement for the relevant Fund), dividends payable to Shareholders will be paid by telegraphic transfer unless the payment is for an amount less than US\$50 (or the equivalent of US\$50 in the relevant share class currency) in which case such payment will be automatically reinvested in the purchase of Shares of the relevant class for the account of the relevant Shareholder. Payments by telegraphic transfer shall be made to the account in the name of the relevant Shareholder, and in the case of joint Shareholders to the first named joint Shareholder on the Register. Payment by telegraphic transfer shall be a good discharge to the Company. The cost of all dividends relating to a Fund shall be borne by that Fund.

Any dividend income being paid out by a Fund and held in an Umbrella Collection Account shall remain an asset of the relevant Fund until such time as the dividend income is released to a Shareholder. Where dividend income is held in the Dividend Cash Account, a Shareholder will rank as an unsecured creditor of the Company.

Any amendment to the dividend policy for the relevant Fund will be provided for in an updated Supplement and the relevant Shareholders will be notified in advance.

## APPLICATIONS FOR SHARES

Under the Articles, the Directors are given authority to effect the issue of Shares and to create new classes of Shares and have absolute discretion to accept or reject in whole or in part any application for Shares.

It is intended that issues of Shares will normally be made with effect from a Dealing Day in respect of applications received on or prior to the Dealing Deadline. Dealing Days and Dealing Deadlines relating to each Fund are specified in the Supplement for the relevant Fund. Applications for the issue of Shares should be made to the Company c/o the Administrator and applications received after the Dealing Deadline for the relevant Dealing Day shall, be deemed to have been received prior to the following Dealing Deadline, subject to the discretion of the Directors provided that once the Net Asset Value of a Fund has been calculated, the Administrator will not accept any further applications in respect of that Dealing Day.

During the Initial Offer Period of the relevant class of Shares in the relevant Fund, the Initial Issue Price for the relevant class of Shares in the relevant Fund shall be the amount set out (if relevant) in the Supplement for the relevant Fund.

The issue price at which Shares of any Fund will normally be issued on a Dealing Day, after the Initial Offer Period, is calculated by ascertaining the Net Asset Value per Share of the relevant class on the relevant Dealing Day. The Net Asset Value per Share of the relevant Fund is calculated by dividing the value of the assets of the relevant Fund, less its liabilities, by the total number of Shares of the relevant Fund in issue on the relevant Dealing Day. Where there is more than one class of Shares in issue in a Fund, the Net Asset Value per Share of each class shall be calculated by determining that proportion of the Net Asset Value of the relevant Fund which is attributable to such class and dividing the resulting sum by the number of Shares in issue of such class. The Net Asset Value per Share of the relevant class is the resulting sum rounded to four decimal places.

The Company may add to the issue price for its own account, a charge sufficient to cover stamp duties and other costs in connection with the issue of Shares.

The Company may also require any person to whom Shares of any class are to be allotted to pay to the relevant Distributor a Preliminary Charge in respect of each Share to be allotted. The Preliminary Charge (if any) payable on the allotment of Shares of each Fund is set out in the Supplement for the relevant Fund. The Preliminary Charge is calculated as a percentage of the Net Asset Value per Share and is deducted from the subscription monies.

The Articles permit the issue of Shares in consideration of the vesting in the Depositary on behalf of the Company of investments approved by the Directors. Any investments transferred to the Company will be valued in accordance with the valuation principles described under the heading "Calculation of Net Asset Value" below. In exercising their discretion, the Directors shall consider whether the terms of any such allotment are such as would result in any material prejudice to existing Shareholders.

The Minimum Initial Investment Amount for each class of Shares of each Fund that may be subscribed for by each Shareholder on initial application is set out in the Supplement for the relevant Fund. Thereafter, existing Shareholders may make additional subscriptions for Shares of that class in that Fund so long as they satisfy the Minimum Additional Investment Amount set out in the Supplement for the relevant Fund or such other amount as the Directors may agree.

Payment in respect of the issue of Shares must be made by the relevant Settlement Date, in the Base Currency of the relevant Fund. The Administrator may accept payment in other freely transferable currencies, but such payments will be converted into the Base Currency at the then prevailing exchange rate available to the Administrator and only the net proceeds (after deducting the conversion expenses) will be applied towards payment of the subscription monies. If payment in full has not been received by the Settlement Date or in the event of non-clearance, any allotment of Shares made in respect of such application may, at the discretion of the Directors, be cancelled. In such a case and notwithstanding cancellation of the application, the Company may charge the applicant for any resulting loss incurred by the Company.



Where subscription monies are received into the Umbrella Collection Account from an investor in advance of Shares being issued (as will be the case in the context of a Fund which operates on a cleared funds basis), such subscription monies will be the property of the relevant Fund and accordingly an investor will be treated as an unsecured creditor of the Company during the period between receipt of subscription monies into the Umbrella Collection Account and the issue of Shares.

Payment in respect of subscriptions must be received in cleared funds into the Umbrella Collection Account on or before the Settlement Date as outlined in the Supplement for the relevant Fund. If payment in full in respect of the issue of Shares has not been received by the relevant time on the relevant Settlement Date, or in the event of non-clearance of funds, the allotment of Shares made in respect of such application may, at the discretion of the Directors, be cancelled, or, alternatively, the investor may be charged interest together with an administration fee. In addition the Directors will have the right to sell all or part of the investor's holdings of Shares in the Fund or any other Fund of the Company in order to meet those charges.

Fractions of not less than 1/100 of a Share may be issued. Subscription moneys representing smaller fractions of Shares will not be returned to the applicant but will be retained as part of the assets of the relevant Fund.

The Application Form contains certain conditions regarding the application procedure for Shares in the Company and certain indemnities in favour of the Company, the Manager, the Administrator, the Depositary and the other Shareholders for any loss suffered by them as a result of such applicant or applicants acquiring or holding Shares in the Company.

The method of establishing the Net Asset Value of any Fund and the Net Asset Value per Share of any class of Shares in a Fund is set out in the Articles and described herein under the section "Calculation of Net Asset Value" below.

Shares may not be issued or sold by the Directors during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under the section "Suspension of Calculation of Net Asset Value" below. Applicants for Shares will be notified of such postponement or cancellation and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

In circumstances where subscription monies are received from an investor in advance of a Dealing Day in respect of which an application for Shares has been, or expected to be, received and are held in an Umbrella Cash Account, any such investor shall rank as a general creditor of the Fund until such time as Shares are issued as of the relevant Dealing Day. Therefore in the event that such monies are lost prior to the issue of Shares as of the relevant Dealing Day to the relevant investor, the Company on behalf of the Fund may be obliged to make good any losses which the Fund incurs in connection with the loss of such monies to the investor (in its capacity as a creditor of the Fund), in which case such loss will need to be discharged out of the assets of the relevant Fund and therefore will represent a diminution in the Net Asset Value per Share for existing Shareholders of the relevant Fund.

### **Anti-Money Laundering and Counter Terrorist Financing Measures**

Measures aimed at the prevention of money laundering and terrorist financing require a detailed verification of both the investor's identity and any persons purporting to act on the investor's behalf. This will include obtaining proof of address, source of funds, the on-going monitoring of the business relationship and where applicable, identifying and verifying the identity of the beneficial owner on a risk sensitive basis in order to comply with Irish law anti-money laundering obligations. Politically exposed persons ("PEPs"), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, and immediate family members, or persons known to be close associates of such persons, must also be identified.

By way of example an individual may be required to produce an original certified copy of a passport or identification card together with evidence of his/her address such as two original copies of evidence of his/her address, i.e. utility bills or bank statements (not more than six months old), date of birth and tax residence. In the case of corporate investors, such measures may require production of a certified copy of

the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), a certified copy of the corporate investor's authorised signatory list, the names, occupations, dates of birth and resident and business address of all directors. The level of customer due diligence ("CDD") documentation required will depend on the circumstances of each application and the results of the risk assessment on each investor. For example, a detailed verification might not be required where the application is deemed low risk after consideration of a number of risk variables including jurisdiction, customer type and distribution channels. The Company is regulated by the Central Bank, and must comply with the measures provided for in the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 to 2018 which are aimed towards the prevention of money laundering and terrorist financing. In order to comply with the anti-money laundering and countering the financing of terrorism requirements, it is the Administrator, on the Company's behalf, who will require from any subscriber or Shareholder a detailed verification of the identity of such subscriber or Shareholder, the identity of the beneficial owners of such subscriber or Shareholder, the source of funds used to subscribe for Shares, or other additional information which may be requested from any subscriber or Shareholder for such purposes from time to time. The Company and the Administrator each reserve the right to request such information as is necessary to verify the identity of an applicant and where applicable, the beneficial owner pursuant to the Beneficial Ownership Regulations 2019 (SI 110 of 2019) or as otherwise required.

In the event that the Administrator requires further proof of the identity of any applicant it will contact the applicant on receipt of subscription instructions. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and return all subscription monies.

None of the Company, the Directors, the Manager, the Investment Manager or the Administrator shall be liable to the subscriber or Shareholder where an application for Shares is not processed or Shares are compulsorily repurchased or payment of Repurchase Proceeds is delayed in such circumstances.

## **Foreign Exchange Arrangements**

Where provided for in the Supplement, a Fund may enter into forward foreign exchange contracts in the context of its investment activity and/or for efficient portfolio management purposes and this may give rise to variation margin requirements under EMIR. However, it should be noted that the EMIR variation margin rules will not apply to foreign exchange contracts characterised as spot trades in accordance with Commission Delegated Regulation (EU) 2017/565. This includes foreign exchange contracts with up to T+5 settlement terms where the main purpose of the contract is in connection with the sale or purchase of investments by a Fund and this corresponds with the standard settlement period for such investments.

## **Data Protection**

Prospective investors should note that, by virtue of making an investment in the Company and the associated interactions with the Company and its affiliates and delegates (including completing the Application Form, and including the recording of electronic communications or phone calls where applicable), or by virtue of providing the Company with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Company and its affiliates and delegates with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation. The Company shall act as a data controller in respect of this personal data and its affiliates and delegates, such as the Administrator, the Investment Manager and the Distributor, may act as data processors (or joint data controllers in some circumstances).

The Company has prepared a document outlining the Company's data protection obligations and the data protection rights of individuals under the Data Protection Legislation (the "**Privacy Notice**").

All new investors shall receive a copy of the Privacy Notice as part of the process to subscribe for Shares in the Company. The Privacy Notice contains information on the following matters in relation to data protection:

- that investors will provide the Company with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation;

- a description of the purposes and legal bases for which the personal data may be used;
- details on the transmission of personal data, including (if applicable) to entities located outside the EEA;
- details of data protection measures taken by the Company;
- an outline of the various data protection rights of individuals as data subjects under the Data Protection Legislation;
- information on the Company 's policy for retention of personal data;
- contact details for further information on data protection matters.

Given the specific purposes for which the Company and its affiliates and delegates envisage using personal data, under the provisions of the Data Protection Legislation, it is not anticipated that individual consent will be required for such use. However, as outlined in the Privacy Notice, individuals have the right to object to the processing of their data where the Company has considered this to be necessary for the purposes of its or a third party's legitimate interests.

By signing the Application Form, prospective investors consent to the recording of telephone calls made to and received from investors by the Company, its delegates, its duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes.

## **REPURCHASES OF SHARES**

The repurchase price per Share is based on the Net Asset Value per Share of the relevant class of the

relevant Fund calculated on the relevant Dealing Day.

In addition, the Directors may, in calculating the repurchase price, deduct such sum as they consider fair, in respect of repurchase requests which will necessitate the Company breaking deposits at a penalty or realising investments at a discount in order to realise assets to provide monies to meet such repurchase requests or, in the event that the Company borrows funds, to meet the cost of such borrowing.

The Directors may require a Shareholder to pay to the Manager or as it directs a Repurchase Fee (as set out in the Supplement for the relevant Fund, if any) in respect of each Share to be repurchased not exceeding 3% of the Net Asset Value per Share of the relevant class in the relevant Fund.

The Articles provide that the Company cannot effect a repurchase of Shares, if after payment of any account in connection with such repurchase, the Net Asset Value of the issued share capital of the Company would be equal to or less than €300,000 or its foreign currency equivalent. This will not apply to a repurchase request permitted by the Directors in contemplation of the dissolution of the Company.

Requests for the repurchase of Shares should be made to the Company c/o the Administrator in writing or by facsimile and requests by facsimile will be treated as definite orders even if not subsequently confirmed in writing and will not be capable of withdrawal after acceptance by the Administrator and. Requests received on or prior to the Dealing Deadline will, subject as mentioned in this section and in the Supplement for the relevant Fund, normally be dealt with on the relevant Dealing Day. Repurchase requests received after the Dealing Deadline shall be treated as having been received prior to the following Dealing Deadline, subject to the discretion of the Directors provided that once the Net Asset Value of a Fund has been calculated, the Administrator will not accept any further repurchase requests in respect of that Dealing Day.

The Administrator may decline to effect a repurchase request which would have the effect of reducing the value of any holding of Shares of any class relating to any Fund below the Minimum Shareholding for that class of Shares of that Fund. Any repurchase request having such an effect may be treated by the Company as a request to repurchase the Shareholder's entire holding of that class of Shares.

If Shares are held in certificated form, the duly endorsed Share certificate together with the repurchase instruction should be sent to the Company c/o the Administrator. Payment of repurchase proceeds will be made to the registered Shareholder or in favour of the joint registered Shareholders as appropriate.

The amount due on repurchase of Shares will be paid by negotiable instrument or telegraphic transfer in the Base Currency of the relevant Fund by the Settlement Date. Payment may be made in other currencies. Such payments shall be converted from the Base Currency into such freely transferable currency at the then prevailing exchange rate available to the Administrator and only the net proceeds (after deducting the conversion expenses) will be paid to the Shareholder. The Directors may, at the request, risk and expense of the Shareholder requesting repurchase remit the amount due on repurchase by telegraphic transfer to an account in the name of the Shareholder. The proceeds of the repurchase of the Shares will only be paid on receipt by the Administrator of any relevant repurchase documentation.

Shareholders should note that any redemption proceeds being paid out by a Fund and held for any time in the Umbrella Collection Account shall remain an asset of the relevant Fund until such time as the proceeds are released to the Shareholder. This would include, for example, cases where redemption proceeds are temporarily withheld pending the receipt of any outstanding identity verification documents as may be required by the Company or the Administrator – enhancing the need to address these issues promptly so that the proceeds may be released. It should also be noted that the Shareholder shall have ceased being considered a Shareholder and instead will rank as an unsecured creditor of the Company.

The Directors are entitled to limit the number of Shares of any Fund repurchased on any Dealing Day to Shares representing 10 per cent of the total Net Asset Value of Shares of that Fund in issue on that Dealing Day. In this event, the limitation will apply *pro rata* so that all Shareholders wishing to have Shares of that Fund repurchased on that Dealing Day realise the same proportion of such Shares and Shares not repurchased, but which would otherwise have been repurchased, will be carried forward for repurchase on the next Dealing Day and will be dealt with in priority (on a rateable basis) to repurchase requests received subsequently. If requests for repurchase are so carried forward, the Administrator will

inform the Shareholders affected.

The Articles contain special provisions where a repurchase request received from a Shareholder would result in more than 5 per cent of the Net Asset Value of Shares of any Fund being repurchased by the Company on any Dealing Day. In such a case the Company may satisfy all or part of the repurchase request by a distribution of investments of the relevant Fund in specie provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Fund. The Shareholder however may require the Company to sell such investments on his behalf and pay him the proceeds of sale less any costs incurred in connection with such sale.

The Company will, upon the request of a Shareholder effect a repurchase of Shares by a division of the Assets of the relevant Fund in specie, subject to the approval of the Depositary and provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders in such Fund.

When a repurchase request has been submitted by an investor who is or is deemed to be an Irish Person or is acting on behalf of an Irish Person, the Company shall deduct from the repurchase proceeds an amount which is equal to the tax payable by the Company to the Irish Revenue Commissioners in respect of the relevant transaction.

The Articles permit the Company where necessary to repurchase and cancel Shares held by a person who is or is deemed to be an Irish Person or is acting on behalf of an Irish Person on the occurrence of a chargeable event for taxation purposes and pay the proceeds thereof to the Irish Revenue Commissioners.

Shares of the relevant Fund may not be repurchased and no repurchase proceeds shall be paid by the Company during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under the section "Suspension of Calculation of Net Asset Value" below. Applicants for repurchases of Shares in the relevant Fund will be notified of such postponement or cancellation and, unless withdrawn, their repurchase applications will be considered as at the next Dealing Day following the ending of such suspension.

In circumstances where redemption monies are payable to an investor subsequent to a Dealing Day of a Fund as of which Shares of that investor were redeemed or dividend monies are payable to an investor and such redemption / dividend monies are held in an Umbrella Cash Account, any such investor /Shareholder shall rank as an unsecured creditor of the relevant Fund until such time as such redemption/dividend monies are paid to the investor/Shareholder. Therefore in the event that such monies are lost prior to payment to the relevant investor/ Shareholder, the Company on behalf of the Fund may be obliged to make good any losses which the Fund incurs in connection with the loss of such monies to the investor/ Shareholder (in its capacity as a general creditor of the Fund), in which case such loss will need to be discharged out of the assets of the relevant Fund and therefore will represent a diminution in the Net Asset Value per Share for existing Shareholders of the relevant Fund.

### **Total Repurchase of Shares**

The Company shall have power (but shall not be under any duty) to impose such restrictions as they may think necessary for the purpose of ensuring that no shares of any class are acquired or held directly or beneficially by a person who is in the opinion of the Directors any of the following:

- (a) any person who appears to be in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such shares; or
- (b) any United States Person (other than pursuant to an exemption available under the laws of the United States); or
- (c) any person who does not clear such anti-money laundering checks as the Directors may determine; or
- (d) any person or persons in circumstances which, (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons connected or not, or any other circumstances appearing to the Directors to be relevant) in the opinion of the

Directors might result in the Company, the relevant Fund or Shareholders as a whole incurring any liability to taxation or suffering pecuniary disadvantages or being in breach of any law or regulation which the Company, the relevant Fund or Shareholders as a whole might not otherwise have incurred, suffered or breached; or

- (e) an individual who is under the age of 18 (or such other age as the Directors may think fit) or of unsound mind; or
- (f) any person unless the transferee of such shares would, following such transfer, be the holder of shares equal to or greater than the Minimum Initial Investment Amount (where relevant); or
- (g) any person in circumstances where as a result of such transfer, the transferor or transferee would hold less than the Minimum Shareholding; or
- (h) any person where in respect of such transfer, any payment of taxation remains outstanding.

The Directors shall have the power at any time to compulsorily repurchase shares of any class or classes as the case may be in order to satisfy any fees, costs or expenses owed by any Shareholder of the relevant class or classes.

Where the Company is required to pay tax on the transfer of shares by a Shareholder who is or is deemed to be Irish Resident or a person Ordinarily Resident in Ireland or is acting on behalf of such a person or, in respect of such a Shareholder, on the occurrence of a chargeable event, as defined in Section 739B of the TCA, the Company shall be entitled to repurchase and cancel a sufficient portion of the Shareholder's shares and to appropriate the proceeds thereof as necessary to discharge the amount of taxation payable in respect of the transfer or the relevant chargeable event.

## CONVERSION OF SHARES

Class E Shares in each Fund are only being made available for purchase by Sanlam Global Funds plc or any other collective investment scheme as the Manager may determine from time to time and notify to the Administrator and the Depositary. Accordingly, Sanlam Global Funds plc and such other collective investment scheme(s) will only be entitled to switch between the Class E Shares of each Fund.

Subject to the restrictions outlined above, Shareholders will be able to apply to convert on any Dealing Day all or part of their holding of Shares of any class in a Fund (the **old class**) into Shares of another class which are being offered at that time (the **new class**) provided that all the criteria for applying for Shares in the new class have been met and by giving notice to the Administrator on behalf of the Company on or prior to the Dealing Deadline for the relevant Dealing Day. The general provisions and procedures relating to repurchases will apply equally to conversions. No conversion will be made, however, if it would result in the Shareholder holding a number of Shares of either the old class or the new class of a number or value which is less than the Minimum Shareholding for the relevant class of Shares.

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

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

where:

- R** = the number of Shares of the old class to be converted;
- S** = the number of Shares of the new class to be issued;
- RP** = the repurchase price per Share of the old class on the relevant Dealing Day;
- ER** = in the case of a conversion of Shares designated in the same Base Currency is 1. In any other case it is the currency conversion factor determined by the Directors on the relevant Dealing Day as representing the effective rate of exchange applicable to the transfer of assets relating to the old and new classes of Shares after adjusting such rate as may be necessary to reflect the effective costs of making such transfer;
- SP** = the issue price per Share of the new class for issue on the applicable Dealing Day; and
- F** = the fee payable (if any) to the Manager on the conversion of Shares.

The Company may charge a fee payable to the Manager in connection with conversions. This fee shall be calculated as a percentage of the value of the Shares of the old class being converted which percentage shall not exceed two per cent of the Net Asset Value per Share of the new class for issue on the applicable Dealing Day (See F in the above formula).

When requesting the conversion of Shares of any class as an initial investment in a Fund, Shareholders should ensure that the value of the Shares converted is equal to or exceeds the Minimum Initial Investment Amount for the relevant new class of Shares in the relevant Fund as specified in the Supplement for the relevant Fund. In the case of a conversion of a partial holding only, the value of the remaining holding must also be at least equal to the Minimum Shareholding for the relevant old class of Shares in the relevant Fund.

Shares may not be converted from one class to another class during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under "Suspension of Calculation of Net Asset Value" below. Shareholders applying to have their Shares converted will be notified of such postponement or cancellation and unless withdrawn their conversion applications will be considered as of the next Dealing Day following the ending of such suspension.

## CALCULATION OF NET ASSET VALUE

The Net Asset Value of a Fund shall be expressed in the Base Currency of the relevant Fund and shall be calculated by the Administrator on each Dealing Day by ascertaining the value of the assets of the Fund and deducting from such amount the liabilities of the Fund on the Dealing Day.

The Net Asset Value per Share of each class shall be calculated on each Dealing Day by determining that proportion of the Net Asset Value of the relevant Fund which is attributable to such class and dividing the resulting sum by the number of Shares in issue in such class on the relevant Dealing Day. The Net Asset Value per Share of the relevant class is the resulting sum rounded to four decimal places of the unit of account of the relevant Base Currency.

The assets of a Fund shall be valued by reference to the close of business prices/values on the Business Day immediately preceding the relevant Dealing Day, unless specified otherwise in the Supplement for the relevant Fund, as follows:

- (a) any investment listed or dealt on a Recognised Exchange shall be calculated by reference to the last traded price as at the Valuation Point, provided that the value of any investment listed or traded on a Recognised Exchange but acquired or traded at a premium or at a discount outside or off the relevant Recognised Exchange may be valued taking into account the level of premium or discount as at the Valuation Point provided that the Depositary must ensure that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the investment. Such premia or discounts thereon above shall be provided by an independent broker or market maker or if such premia/discounts are unavailable, by the relevant Investment Manager;
- (b) if an investment is listed on several Recognised Exchanges, the last traded price as at the Valuation Point on the Recognised Exchange which in the opinion of the Directors or their delegate, constitutes the main market for such investments will be used;
- (c) investments which are not listed or traded on a Recognised Exchange or which are listed or traded on a Recognised Exchange but in respect of which a last traded price is not available or in respect of which the available last traded price does not in the opinion of the Directors, or of a competent person, firm or corporation appointed by the Directors and who has been approved for the purpose by the Depositary, represent fair market value shall be valued at their probable realisation value estimated with care in good faith by (i) the Directors or (ii) a competent person, firm or entity appointed by the Directors and who has been approved for the purpose by the Depositary;
- (d) exchange traded derivative instruments dealt in on a Recognised Exchange shall be valued at the settlement price for such instruments on such market as at the Valuation Point provided that where such settlement price is not available for any reason as at a Valuation Point, such value shall be the probable realisation value estimated with care and in good faith by (i) the Directors or (ii) a competent person, firm or entity appointed by the Directors and who has been approved for the purpose by the Depositary. The value of any off-exchange traded derivative instruments shall be the valuation provided by the relevant counterparty at the Valuation Point and shall be valued daily. The valuation shall be approved or verified at least weekly by a party independent of the counterparty appointed by the Directors and who has been approved for this purpose by the Depositary (and who may be an Investment Manager). Forward foreign exchange contracts which are dealt in on a Recognised Exchange shall be valued by reference to freely available market quotations provided that if such price is not available, shall be valued as per off-exchange traded derivative instruments;
- (e) units or shares in collective investment schemes shall be valued at the last available net asset value per unit or share as at the Valuation Point as advised by the collective investment schemes or its manager;
- (f) assets denominated in a currency other than in the Base Currency of a Fund shall be converted into that Base Currency at the rate (whether official or otherwise) which the Directors or such competent person appointed by the Directors and approved for such purpose by the Depositary deems appropriate in the circumstances;



- (g) the value of any cash in hand or on deposit, prepaid expenses, cash dividends and interest declared or accrued and not yet received as at the Valuation Point will be valued at its face value plus accrued interest, where applicable, as at the Valuation Point (unless in any case the Directors or their delegate are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors or their delegate may consider appropriate in such case to reflect the true value thereof);
- (h) certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable investments should each be valued at each Valuation Point at the latest available mid-market dealing price on the market in which these investments are traded or admitted for trading (being the market which is the sole market or in the opinion of the Directors or their delegate is the principal market on which the investments in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired. The value of any certificate of deposit or treasury bill which is not listed or admitted for trading shall be the probable realisation thereof estimated with care and good faith by the Directors or another competent person appointed by the Directors, provided that the Directors or such other competent person has been approved for such purpose by the Depositary;
- (i) the Directors or their delegate may, where a Fund is a money market type Fund use the amortised cost method of valuation in accordance with the Central Bank Rules;
- (j) the Directors or their delegate may, where a Fund invests in money market instruments, value those instruments using amortised cost, in accordance with the Central Bank Rules;
- (k) the Directors or their delegate may, with the approval of the Depositary, adjust the value of any investment if, having regard to its currency, marketability, 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 as at any Valuation Point; and
- (l) if in any case a particular value is not ascertainable as provided from paragraphs (a) to (l) above or if the Directors or their delegate shall consider that some other method of valuation better reflects the probable realisation value of the relevant investment, then in such case the method of valuation of the relevant investment shall be such as the Directors or other competent person appointed by the Directors shall determine, such method of valuation to be approved by the Depositary.

In valuing the assets of each Fund, the Directors or their delegate may, in their sole discretion, permit any other method of valuation to be used if it considers that such method of valuation better reflects value and is in accordance with accepted accounting practice, provided that such alternative method of valuation is approved by the Depositary.

The Administrator shall determine the Net Asset Value.

Notwithstanding the above provisions applicable to the rounding of calculations, in the case of a redemption application for the redemption of the entire Net Asset Value of a particular Share class, the Administrator will calculate a Net Asset Value per Share which rateably allocates the entire Net Asset Value of the Share class to the Shareholders making the redemption.

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

The Directors may at any time temporarily suspend the calculation of the Net Asset Value of any Fund and the issue, repurchase and conversion of Shares and the payment of repurchase proceeds during (i) any period when any of the principal markets or stock exchanges on which a substantial portion of the investments of the relevant Fund from time to time are quoted is closed, otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended; or (ii) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial portion of the investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of the Shareholders of the relevant Fund or if, in the opinion of the Directors the Net Asset Value of the Fund cannot be fairly calculated; or (iii) any breakdown in the means of communication normally employed in

determining the price of a substantial portion of any of the investments of the relevant Fund or when for any other reason the current prices on any market or stock exchange of any of the investments of the relevant Fund cannot be promptly and accurately ascertained; or (iv) any period during which any transfer of funds involved in the realisation or acquisition of investments of the relevant Fund cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange; or (v) any period during which the Directors are unable to repatriate funds required for the purpose of making payments due on repurchase of Shares in the relevant Fund; or (vi) any period when the Directors consider it to be in the best interest of the Company. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Any suspension in the calculation of the Net Asset Value will be notified to the Central Bank and to Euronext Dublin immediately and in any event within the same working day on which such suspension occurs.

### **Pricing Errors**

It is possible that errors may be made in the calculation of the Net Asset Value. In determining whether compensation will be payable to a Fund and/or individual Shareholders as a result of such errors, the Company may have regard to the guidelines in this regard issued by Irish Funds (or such other future guidance as may be published by the Central Bank). These guidelines apply a materiality threshold to the level of the pricing error for the purposes of determining whether compensation should be considered, and the guidelines also set out guidance on circumstances where a pricing error does not merit compensation. In this context, the materiality threshold currently set out in the guidelines is 0.5% of Net Asset Value, which is considered to reflect general market practice at the date of this Prospectus. As such, and subject on each occasion to the approval of the Depositary, who in accordance with the Central Bank Rules is ultimately responsible for determining materiality, compensation may not be payable for errors where the effect on the relevant Fund's Net Asset Value is below the materiality threshold. Notwithstanding the foregoing, there may be circumstances when the Directors or Depositary consider it appropriate for compensation to be paid notwithstanding that the impact of the error was below the materiality threshold. Conversely, in the case of errors above the materiality threshold, where there is fault on the part of the Company or its service providers, compensation will generally be payable, with any decision not to pay compensation in such circumstances requiring the approval of the Directors and also the Depositary. The Central Bank has not set any requirements in this regard and the Central Bank's approval of this Prospectus should not be interpreted as an endorsement of what is market practice and a term of this offering.

## CHARGES AND EXPENSES

A Preliminary Charge of up to 5 per cent of the Initial Issue Price (plus VAT, if any) or the Net Asset Value per Share (plus VAT, if any) as the case may be may be charged by the Company for payment on the issue of Shares to the relevant Distributor but it is the intention of the Directors that any such Preliminary Charge should not, until further notice, exceed such amount as is set out in the Supplement for the relevant Fund.

The Directors may require a Shareholder to pay to the Manager or as it directs a Repurchase Fee (as set out in the Supplement for the relevant Fund, if any) in respect of each Share to be repurchased not exceeding 3% of the Net Asset Value per Share of the relevant class in the relevant Fund.

A conversion fee of up to 2% may be charged on applications to convert Shares of any class to Shares of another class.

Particulars of the fees (including performance fees, if any) payable to the Manager and the Depositary out of the assets of each Fund are set out in the Supplement for the relevant Fund.

The Directors will be entitled to remuneration for their services as directors provided however that the aggregate emoluments of the Directors in respect of any twelve month accounting period shall not exceed €75,000 or such higher amount as may be approved by the board of Directors. In addition, the Directors will be entitled to be reimbursed for their reasonable out of pocket expenses incurred in discharging their duties as Directors.

The Company will pay out of the assets of each Fund the fees and expenses payable to the Manager, the fees and expenses of the Administrator, the fees and expenses of the Securities Lending Agent, any commissions payable to the Investment Transition Managers and the fees and expenses payable to the Depositary appointed in respect of such Fund and the Directors (as referred to above), (together with VAT if chargeable), any fees in respect of circulating details of the Net Asset Value, stamp duties, taxes, regulatory fees, company secretarial fees, foreign registration fees and fees relating to the maintenance of such registrations including translation costs and local legal costs and other expenses due to supervisory authorities in various jurisdictions and local representatives' remunerations in foreign jurisdictions, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors, tax, legal advisers and the costs of obtaining and maintaining a listing of any class of Shares on Euronext Dublin or on any other recognised exchange. The costs of printing and distributing reports, accounts and any explanatory memoranda, any necessary translation fees, publishing prices and any costs incurred as a result of periodic updates of the Prospectus, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law) will also be paid by the Company.

Such fees, duties and charges will be charged to the Fund in respect of which they were incurred or, where an expense is not considered by the Administrator to be attributable to any one Fund, the expense will be allocated by the Administrator, approved for such purpose by the Depositary, in such manner and on such basis as the Administrator in its discretion deems fair and equitable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Administrator may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

The cost of preparing this Prospectus, obtaining authorisation from any authority, regulatory or other body, listing the Shares on Euronext Dublin, filing fees and preparation and printing of the Prospectus were borne by the Company.

The cost of establishing subsequent Funds, obtaining authorisation from any authority, regulatory or other body, listing the Shares on Euronext Dublin, filing fees and the preparation and printing of this Prospectus, marketing costs and the fees of all professionals relating to it will be borne by the relevant Fund or by the entity which is set out in the Supplement for the relevant Fund.

Notwithstanding the above, the Directors at such times as they think fit and with the prior approval of the Central Bank may pay the fees, expenses and/or the management fee or a portion thereof out of the capital of the relevant Fund.

If fees, expenses and/or the management fee or a portion thereof are to be paid out of capital then the rationale for such payment out of the capital and the required additional risk warnings and disclosures will be set out in the Supplement for the relevant Fund.

## PORTFOLIO TRANSACTIONS AND CONFLICTS OF INTEREST

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

In addition, any cash of the Company may be deposited, subject to the provisions of the Central Bank Acts 1942 to 1998 as amended by the Central Bank and Financial Services Authority of Ireland Acts 2003 to 2004 with any Connected Person (being a banker or other financial institution) and such banker or other financial institution shall allow interest thereon in accordance with normal banking practice for deposits at a rate not lower than the prevailing rate for deposits of a similar size and duration.

Any Connected Person may also deal as agent or principal in the sale or purchase of securities and other investments (including foreign exchange and securities lending transactions) to or from the Company through or with any Connected Person. There will be no obligation on the part of any Connected Person to account to Shareholders for any benefits so arising and any such benefits may be retained by the relevant party, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length and are consistent with the best interests of Shareholders and

- (a) a certified valuation of such transaction by a person approved by the Depositary (or in the case of any such transaction entered into by the Depositary, the Directors) as independent and competent has been obtained; or
- (b) such transaction has been executed on best terms reasonably obtainable on an organised investment exchange under its rules; or
- (c) where (a) and (b) are not practicable such transaction has been executed on terms which the Depositary (or in the case of any such transaction entered into by the Depositary, the Directors) is satisfied conform with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length and are consistent with the best interest of Shareholders.

The Depositary (or in the case of a transaction involving the Depositary, the Directors) shall document how it complied with paragraphs (a), (b) and (c) above and where transactions are conducted in accordance with paragraph (c), the Depositary (or in the case of a transaction involving the Depositary, the Directors), must document the rationale for being satisfied that the transaction conformed to the principles outlined above.

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, custodian 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.

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. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of the Depositary's functions from its other potentially conflicting tasks and by the Depositary adhering to its "Conflicts of Interest Policy" (a copy of which can be obtained on request from the head of compliance for the Depositary).

The Company is required to provide the Central Bank with a report within its annual and semi-annual report in respect of all related party transactions. The Connected Person will disclose details of each related party transaction to the Company upon completion of such transaction (including the name of the related party involved and where relevant, fees paid to that party in connection with the transaction).

In order to facilitate the Company discharging its obligation to provide the Central Bank with a report within its annual and semi-annual report in respect of all related party transactions, the Connected Person will disclose details of each transaction to the Company (including the name of the related party involved and where relevant, fees paid to that party in connection with the transaction).

The Manager, the Investment Allocation Manager, any Investment Transition Manager and any Investment Manager may also, in the course of their business, have potential conflicts of interest with the Company in circumstances other than those referred to above. Each of the Manager, the Investment Allocation Manager, any Investment Transition Manager and any Investment Manager will, however, have regard in such event to its obligations under the Amended and Restated Management Agreement, the Investment Management and Allocation Agreement, the relevant Investment Transition Agreement and the relevant Investment Management Agreement respectively and, in particular, to its obligations to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise and will seek to resolve such conflicts fairly. In the event that a conflict of interest does arise the Manager, the Investment Allocation Manager, the relevant Investment Transition Manager or the relevant Investment Manager as the case may be will endeavour to ensure that such conflicts are resolved fairly.

The Manager may subscribe for and deal in Shares in any Fund.

The Investment Allocation Manager may recommend to the Manager the appointment of Investment Managers which may be subsidiaries, affiliates or associates of the Investment Allocation Manager or entities in which the Sanlam group have an economic interest. Details of any such entity will be included in the relevant Supplement.

As the fees of the Manager are based on the Net Asset Value of a Fund, if the Net Asset Value of a Fund increases so too do the fees payable to the Manager. Accordingly, there is a conflict of interest for the Manager in cases where the Manager is responsible for determining the valuation price of a Fund's investments.

### **Soft Commissions**

The Manager, the Investment Allocation Manager, any Investment Transition Manager, any Investment Advisor any Investment Manager, the Depositary, and the Administrator and any of their respective subsidiaries, affiliates, associates, agents or delegates ("**Connected Persons**" and each a "**Connected Person**") may effect transactions through the agency of another person with whom the Connected Persons have an arrangement under which that party will from time to time provide or procure for the Connected Persons goods, services or other benefits such as research and advisory services computer hardware associated with specialised software or research services and performance measures etc., the nature of which is such that their provision shall assist in the provision of investment services to a Fund as a whole and may contribute to an improvement in a Fund's performance and that of any Connected Person in providing services to a Fund and for which no direct payment is made but instead the Connected Person undertakes to place business with that party. 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. In any event the broker/counterparty will provide best execution of transactions and brokerage rates will not be in excess of customary institutional full-service brokerage rates. Details of any such soft commission arrangements will be disclosed in the periodic reports of the Funds and in the Company's annual and half-yearly reports.

### **Cash Commission/ Rebates and Fee Sharing**

Where the Investment Manager, or any of its delegates, successfully negotiates the recapture of a portion

of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities or FDI for a Fund, the rebated commission shall be paid to the relevant Fund. The Investment Manager or its delegates may be paid/reimbursed out of the assets of the relevant Fund for reasonable properly vouched costs and expenses directly incurred by the Investment Manager or its delegates in this regard.

## TAXATION

### General

The following statements on taxation are with regard to the law and practice in force in Ireland at the date of this document and do not constitute legal or tax advice to Shareholders or prospective Shareholders. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely, as the basis for and rates of taxation can fluctuate.

Prospective Shareholders should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and repurchase of, Shares in the places of their citizenship, residence and domicile.

The Directors recommend that Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Shares in the Company and any investment returns from those Shares.

### Ireland

#### **(a) Taxation of the Company**

The Directors have been advised that the Company is an investment undertaking within the meaning of section 739B TCA and therefore is not chargeable to Irish tax on its relevant income or relevant gains so long as the Company is resident for tax purposes in Ireland. The Company will be resident for tax purposes in Ireland if it is centrally managed and controlled in Ireland. It is intended that the Directors of the Company will conduct the affairs of the Company in a manner that will allow for this.

The income and capital gains received by the Company from securities issued in countries other than Ireland or assets located in countries other than Ireland may be subject to taxes including withholding tax in the countries where such income and gains arise. The Company may not be able to benefit from reduced rates of withholding tax by virtue of the double taxation treaties in operation between Ireland and other countries. The Directors will have sole discretion as to whether the Company will apply for such benefits and may decide not to apply for such benefits if they determine that it may be administratively burdensome, cost prohibitive or otherwise impractical.

In the event that the Company receives any repayment of withholding tax suffered, the Net Asset Value of the Company will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of repayment.

Notwithstanding the above, a charge to tax may arise for the Company in respect of Shareholders on the happening of a "Chargeable Event" in the Company.

A Chargeable Event includes:

- (i) any payment to a Shareholder by the Company in respect of their Shares;
- (ii) any transfer, cancellation, redemption or repurchase of Shares; and
- (iii) any deemed disposal by a Shareholder of their Shares at the end of a "relevant period" (a **Deemed Disposal**).

A "relevant period" is a period of 8 years beginning with the acquisition of Shares by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding relevant period.

A Chargeable Event does not include:

- (i) any transaction in relation to Shares held in a recognised clearing system;



- (ii) any exchange by a Shareholder effected by way of a bargain made at arm's length by the Company, of Shares in the Company for other Shares in the Company;
- (iii) certain transfers of Shares between spouses or civil partners and former spouses or former civil partners;
- (iv) an exchange of Shares arising on a qualifying amalgamation or reconstruction of the Company with another Irish investment undertaking; or
- (v) the cancellation of shares in the company arising from and exchange in relation to a scheme of amalgamation (as defined in section 739HA).

On the happening of a Chargeable Event, the Company shall be entitled to deduct the appropriate amount of tax on any payment made to a Shareholder in respect of the Chargeable Event. On the occurrence of a Chargeable Event where no payment is made by the Company to the Shareholder, the Company may appropriate or cancel the required number of Shares to meet the tax liability.

Where the Chargeable Event is a Deemed Disposal and the value of Shares held by Irish Resident Shareholders in the Company is less than 10% of the total value of Shares in the Company (or a sub-fund) and the Company has made an election to the Revenue Commissioners to report annually certain details for each Irish Resident Shareholder, the Company will not be required to deduct the appropriate tax and the Irish Resident Shareholder (and not the Company) must pay the tax on the Deemed Disposal on a self-assessment basis. Credit is available against appropriate tax relating to the Chargeable Event for appropriate tax paid by the Company or the Shareholder on any previous Deemed Disposal. On the eventual disposal by the Shareholder of the Shares, a refund of any unutilised credit will be payable.

## **(b) Taxation of Shareholders**

### Non-Irish Resident Shareholders

Non-Irish Resident Shareholders will not be chargeable to Irish tax on the happening of a Chargeable Event provided that either:

- (i) the Company is in possession of a completed Relevant Declaration to the effect that the Shareholder is not an Irish Resident, or
- (ii) the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide a Relevant Declaration is deemed to have been complied with in respect of that Shareholder and the written notice of approval has not been withdrawn by the Revenue Commissioners.

If the Company is not in possession of a Relevant Declaration or the Company is in possession of information which would reasonably suggest that the Relevant Declaration is not or is no longer materially correct, the Company must deduct tax on the happening of a Chargeable Event in relation to such Shareholder. The tax deducted will generally not be refunded.

Intermediaries acting on behalf of non-Irish Resident Shareholders can claim the same exemption on behalf of the Shareholders for whom they are acting. The intermediary must complete a Relevant Declaration that it is acting on behalf of a non-Irish Resident Shareholder.

A non-Irish Resident corporate Shareholder which holds Shares directly or indirectly by or for a trading branch or agency of the Shareholder in Ireland, will be liable for Irish corporation tax on income from the Shares or gains made on the disposal of the Shares.

### Exempt Irish Shareholders

The Company is not required to deduct tax in respect of an Exempt Irish Shareholder so long as the Company is in possession of a completed Relevant Declaration from those persons and the Company has no reason to believe that the Relevant Declaration is materially incorrect. The Exempt Irish Shareholder must notify the Company if it ceases to be an Exempt Irish Shareholder. Exempt Irish Shareholders in

respect of whom the Company is not in possession of a Relevant Declaration will be treated by the Company as if they are not Exempt Irish Shareholders.

Exempt Irish Shareholders may be liable to Irish tax on their income, profits and gains in relation to any sale, transfer, repurchase, redemption or cancellation of Shares or dividends or distributions or other payments in respect of their Shares depending on their circumstances. It is the obligation of the Exempt Irish Shareholder to account for tax to the Revenue Commissioners.

### Irish Resident Shareholders

Irish Resident Shareholders (who are not Exempt Irish Shareholders) will be liable to tax on the happening of a Chargeable Event. Tax at the rate of 41% will be deducted by the Company on payments made to the Shareholder in relation to the Shares or on the sale, transfer, Deemed Disposal (subject to the 10% threshold outlined above), cancellation, redemption or repurchase of Shares or the making of any other payment in respect of the Shares.

An Irish Resident Shareholder who is not a company and is not an Exempt Irish Shareholder will not be liable to any further income or capital gains tax in respect of any sale, transfer, Deemed Disposal, cancellation, redemption or repurchase, of Shares or the making of any other payment in respect of their Shares.

Where the Irish Resident Shareholder is a company which is not an Exempt Irish Shareholder, and the payment is not taxable as trading income under Schedule D Case I, the amount received will be treated as the net amount of an annual payment chargeable to tax under Schedule D Case IV from the gross amount of which income tax has been deducted. The rate of tax applicable to a Chargeable Event in respect of any Irish tax resident corporate investor in this instance is 25% provided the corporate investor has made a declaration to the Company including its Irish tax reference number..

Where the Irish Resident Shareholder is a company which is not an Exempt Irish Shareholder, and the payment is taxable as trading income under Schedule D Case I, the following provisions apply:

- (i) the amount received by the Shareholder is increased by any amount of tax deducted by the Company and will be treated as income of the Shareholder for the chargeable period in which the payment is made;
- (ii) where the payment is made on the sale, transfer, Deemed Disposal, cancellation, redemption or repurchase of Shares, such income will be reduced by the amount of consideration in money or money's worth given by the Shareholder for the acquisition of those Shares; and
- (iii) the amount of tax deducted by the Company will be set off against the Irish corporation tax assessable on the Shareholder in respect of the chargeable period in which the payment is made.

### Personal Portfolio Investment Undertaking

An investment undertaking will be considered to be a personal portfolio investment undertaking (PPIU) in relation to a specific Irish Resident Shareholder where that Irish Resident Shareholder can influence the selection of some or all of the property of the undertaking. The undertaking will only be a PPIU in respect of those Irish Resident Shareholders who can influence the selection. A gain arising on a chargeable event in relation to a PPIU will be taxed at the rate of 60%. An undertaking will not be considered to be a PPIU where certain conditions are complied with as set out in section 739BA TCA.

### Currency Gains

Where a currency gain is made by an Irish Resident Shareholder on the disposal of Shares that Shareholder may be liable to capital gains tax in respect of any chargeable gain made on the disposal.

### Stamp Duty

On the basis that the Company qualifies as an investment undertaking within the meaning of section 739B TCA, no Irish stamp duty will be payable on the subscription, transfer or repurchase of Shares. The stamp

duty implications for subscriptions for Shares or transfer or repurchase of Shares in specie should be considered on a case by case basis.

### Capital Acquisitions Tax

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

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

### Automatic Exchange of Information

The Company is obliged, pursuant to the IGA, Council Directive 2011/16/EU, section 891E, section 891F and section 891G of the TCA and regulations made pursuant to those sections, to collect certain information about its investors.

The Company will be required to provide certain information to the Revenue Commissioners in relation to the investors (including information in respect of the investor's tax residence status) and also in relation to accounts held by investors. For further information on FATCA or CRS please refer to the website of the Revenue Commissioners at [www.revenue.ie/en/business/aeoi/index.html](http://www.revenue.ie/en/business/aeoi/index.html).

Further detail in respect of FATCA and CRS is set out below.

### FATCA Implementation in Ireland

On 21 December 2012, the governments of Ireland and the United States signed an agreement to "Improve International Tax Compliance and to Implement FATCA" (the "Inter-Governmental Agreement"). Under the Inter-Governmental Agreement, an entity classified as a Foreign Financial Institution (an "FFI") that is treated as resident in Ireland is expected to provide the Irish tax authorities with certain information in respect of its "account" holders (i.e. Shareholders). This agreement will significantly increase the amount of tax information automatically exchanged between Ireland and the United States. It provides for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. The Company is subject to these rules.

Complying with such requirements will require the Company to request and obtain certain information and documentation from its Shareholders, other account holders and (where applicable) the beneficial owners of its Shareholders and to provide any information or documentation indicating direct or indirect ownership by U.S. Persons to the competent authorities in Ireland. Shareholders and other account holders will be required to comply with these requirements, and non-complying Shareholders may be subject to compulsory redemption and/or U.S. withholding tax of 30% on withholding payments and/ or other monetary penalties.

The Inter-Governmental Agreement provides that Irish financial institutions will report to the Revenue Commissioners in respect of U.S. account-holders and, in exchange, U.S. financial institutions will be required to report to the U.S. Internal Revenue Service in respect of any Irish-resident account-holders. The two tax authorities will then automatically exchange this information on an annual basis.

The Company (and/or its duly appointed agents) shall be entitled to require Shareholders to provide any information regarding their tax status, identity or residency in order to satisfy any reporting requirements which a Company may have as a result of the Inter-Governmental Agreement or any legislation promulgated in connection with the agreement and Shareholders will be deemed, by their subscription for or holding of Shares to have authorised the automatic disclosure of such information by the Company or any other person to the relevant tax authorities. The Company may redeem Shares which are held by any person or which the Company, or the Administrator, acting on the Company's instructions, suspects are

held by any person who is not compliant with FATCA or may cause the Company or a Fund to come non-compliant with FATCA.

There can be no assurance that the payments to the Company in respect of its assets, including on an investment will not be subject to withholding under FATCA. Accordingly a shareholder could consult its own tax advisors as to the potential implication of the US withholding taxes on the Shares before investing.

### OECD Common Reporting Standard

Ireland has provided for the implementation of CRS through section 891F of the TCA and the enactment of the CRS Regulations.

CRS, which has applied in Ireland since 1 January 2016, is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.

Ireland and a number of other jurisdictions have entered or will enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the OECD. The Fund is required to provide certain information to the Revenue Commissioners about investors resident or established in jurisdictions which are party to CRS arrangements.

The Fund, or a person appointed by the Fund, will request and obtain certain information in relation to the tax residence of its shareholders or "account holders" for CRS purposes and (where applicable) will request information in relation to the beneficial owners of any such account holders. The Fund, or a person appointed by the Fund, will report the information required to the Revenue Commissioners by 30 June in the year following the year of assessment for which a return is due. The Revenue Commissioners will share the appropriate information with the relevant tax authorities in participating jurisdictions.

All prospective investors / shareholders should consult with their own tax advisors regarding the possible CRS implications of an investment in the Company.

### Certain Irish Tax Definitions

#### *Residence – Company*

A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country. In certain limited circumstances, companies incorporated in Ireland but managed and controlled outside of a double taxation treaty territory may not be regarded as resident in Ireland. Specific rules may apply to companies incorporated prior to 1 January 2015.

#### *Residence – Individual*

The Irish tax year operates on a calendar year basis.

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

- (i) spends 183 days or more in Ireland in that tax year; or
- (ii) has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that tax year together with the number of days spent in Ireland in the preceding tax year.

Presence in a tax year by an individual of not more than 30 days in Ireland will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at any point in time during the particular day in question.

### *Ordinary Residence – Individual*

The term "ordinary residence" as distinct from "residence", relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity.

An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.

An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which that individual is not resident in Ireland. Thus, an individual who is resident and ordinarily resident in Ireland in 2012 will remain ordinarily resident in Ireland until the end of the tax year 2015.

### *Intermediary*

means a person who:

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

### **South Africa**

The summary below is a general guide and is not intended to constitute a complete analysis of the possible South African tax consequences of an investment in the Company. It neither purports to constitute tax advice in any form whatsoever, nor does it intend to deal with the tax position of any particular shareholder in the Company. It merely draws the attention of shareholders in the Company to certain key aspects of the South African tax legislation that may be relevant in their particular circumstances. Shareholders in the Company are advised to consult their own tax advisors about their respective tax positions.

South African tax "residents" (as defined in the Income Tax Act, No. 58 of 1962 (the "**Act**")) are taxable in South Africa on their worldwide income unless they are exempt from tax (e.g. retirement funds and other exempt entities).

In general, shareholders who are South African tax "residents" (other than retirement funds and other exempt entities) will be subject to income tax on any distribution from the Company at the rate at which foreign dividends are taxed in the hands of the relevant shareholder. To the extent that such distribution is subject to any foreign withholding taxes, tax rebate provisions in the Act and South Africa's extensive network of agreements for the avoidance of double taxation should eliminate taxation in excess of the relevant shareholder's normal tax rate. Distributions previously included in the taxable income of a shareholder by virtue of the "controlled foreign company" provisions of the Act (refer below) should, in general, be exempt.

The Company is furthermore a "controlled foreign company" as defined in section 9D of the Act. As such, South African tax resident shareholders in the Company who, together with any "connected person" (as defined in the Act) in relation to them, hold 10% or more of the Shares in the Company at any time, will be subject to income tax in South Africa on their pro-rata share of the "net income" (as defined in section 9D of the Act) of the Company. Tax rebate provisions and/or exemptions should eliminate double taxation on this income.

A specified portion of the capital gain (as determined in accordance with the provisions of the Eighth Schedule to the Act) realised on the disposal of Shares in the Company will be subject to tax in the hands of shareholders (other than retirement funds and other exempt entities). The specified portions are as follows:

- Individuals and special trusts: 40% in respect of disposals on or after 1 March 2016 (33,3% in respect of disposals on or after 1 March 2012, but before 1 March 2016, and 25% in respect of disposals before 1 March 2012);
- Companies: 80% in respect of disposals in any year of assessment commencing on or after 1 March 2016 (66.6% in respect of disposals in any year of assessment commencing on or after 1 March 2012 and ending before 1 March 2016 and 50% in respect of disposals prior to the aforementioned period);
- Trusts other than special trusts: 80% in respect of disposals on or after 1 March 2016 (66.6% in respect of disposals on or after 1 March 2012, but before 1 March 2016 and 50% in respect of disposals before 1 March 2012).

## **United Kingdom**

### **The Company**

The Directors intend to conduct the affairs of the Company so that it does not become resident in the UK for taxation purposes. Accordingly, provided that it does not carry on a trade in the UK (whether through a branch or agency situated in the UK or otherwise), the Company will not be subject to UK income tax or corporation tax other than on UK source income.

It is not expected that the activities of the Company will be regarded as trading activities for the purposes of UK taxation. However, to the extent that trading activities are carried on in the UK they may in principle be liable to UK tax. The profit from such trading activities will not, based on the UK Finance Act 1995, be assessed to UK tax provided that the Company and the Manager meet certain conditions. The Directors and the Manager intend to conduct the respective affairs of the Company and the Manager so that all the conditions are satisfied, so far as those conditions are within their respective control. Certain income received by the Company, which has a UK source, may be subject to withholding taxes in the UK.

### **Shareholders**

Subject to their personal circumstances, Shareholders resident in the UK for taxation purposes will normally be liable to UK income tax or corporation tax in respect of dividends or other distributions of the Company (including redemption dividends and any dividends funded out of realised capital profits of the Company). UK resident Shareholders will also be liable to UK income or corporation tax in respect of reportable income amounts (see below) which will be regarded as deemed dividends or interest in certain cases (refer below).

### *Reporting Status*

The Offshore Funds (Tax) Regulations 2009 which were introduced on 1 December 2009 provide that if an investor resident or ordinarily resident in the UK for taxation purposes holds an interest in an offshore fund and that offshore fund is a 'non-reporting fund', any gain accruing to that investor upon the sale or other disposal of that interest will be charged to UK tax as income rather than a capital gain. Alternatively, where an investor resident or ordinarily resident in the UK holds an interest in an offshore fund that has been a "reporting fund" (and a "distributing fund" prior to 1 January 2010 if an existing fund) for all periods of account for which they hold their interest, any gain accruing upon sale or other disposal of the interest will be subject to tax as a capital gain rather than income; with relief for any accumulated or reinvested profits which have already been subject to UK income tax or corporation tax on income (even where such profits are exempt from UK corporation tax).

Shareholdings in the Company are likely to constitute interests in offshore funds, as defined for the purposes of the UK Finance Act 2008, with each class of the Funds of the Company treated as a separate 'offshore fund' for these purposes.

In broad terms, a 'reporting fund' is an offshore fund that meets certain upfront and annual reporting requirements to HM Revenue & Customs and its Shareholders. The Directors intend to manage the affairs of the Company and certain Funds so that these upfront and annual requirements are met and continue to be met on an on-going basis for each class within the relevant Fund that intends to seek UK reporting fund status with effect from inception or from 1 January 2011 in respect of the existing share classes. Such annual requirements will include calculating and reporting the income returns of the offshore fund for each reporting period (as defined for UK tax purposes) on a per-share basis to all relevant Shareholders (as defined for these

purposes). UK Shareholders who hold their interests at the end of the reporting period, to which the reported income relates, will be subject to income tax or corporation tax on the higher of any cash distribution paid and the full reported amount. The reported income will be deemed to arise to UK Shareholders on the date the report is issued by the Company.

It is the intention of the Manager to seek UK "reporting fund" status for accounting periods commencing on 1 January 2011 for certain Share classes of certain Funds of the Company, details of which will be set out in the Supplements for the relevant Funds.

Once reporting fund status is obtained from HM Revenue & Customs for the relevant classes it will remain in place permanently, provided the annual requirements are complied with. Investors should refer to their tax advisors in relation to the implications of the relevant Funds obtaining such status.

When the relevant Funds or Share classes obtain UK reporting fund status, UK Shareholders holding such shares at the end of each "reporting period" (as defined for UK tax purposes) will potentially be subject to UK income tax or corporation tax on their share of the "reported income" of a class, to the extent that this amount exceeds dividends received. The terms "reported income", "reporting period" and their implications are discussed above. Both dividends and reported income will be treated as dividends received from a foreign corporation, subject to any re-characterisation as interest. In the case where the reported income is re-characterised as interest, the tax treatment for UK resident individual shareholders and UK corporate shareholders are as described below.

When UK resident individuals receive dividends or reported income from the Company, there may be a non-refundable tax credit equivalent to 10% of the dividend plus the tax credit, which may be offset against their liability to tax. However, where the Fund holds more than 60% of "qualifying investments" (reference below), any distribution will be treated as interest in the hands of the UK individual investor. This means that no tax credit will be available and the relevant tax rates will be those applying to interest.

Following the enactment of Finance Act 2009, when any UK corporate shareholders which are within the charge to UK corporation tax receive dividends from the Company on and after 1 July 2009, the dividend is likely to fall within one of a number of exemptions from UK corporation tax. In addition, distributions to non-UK companies carrying on a trade in the UK through a permanent establishment in the UK should also fall within the exemption from UK corporation tax on dividends to the extent that the shares held by that company are used by, or held for, that permanent establishment. Reported income will be treated in the same way as a dividend distribution for these purposes.

When any UK corporate shareholders which are within the charge to UK corporation tax invest in the Fund whose investments consist of more than 60% (by value) of "qualifying investments", such shareholders will be taxed on the increase in value of its holding on a mark to market basis (rather than on disposal or the reported income) under the corporate debt tax regime or will obtain tax relief on any equivalent decrease in value. Qualifying investments are broadly those assets in interest bearing (or similar) form, which yield a return directly or indirectly in the form of interest and include:

- (a) money placed at interest;
- (b) securities, but this term does not include shares in a company;
- (c) shares in a building society;
- (d) any holdings in a unit trust scheme, offshore fund or open-ended investment company which would itself fall within the above 60% test.

Shareholders who are life insurance companies within the charge to UK corporation tax will be deemed to dispose and immediately acquire any relevant interest in an offshore fund held by them at the end of each accounting period. One seventh of any chargeable gain or loss arising is treated as accruing in that accounting period with a further seventh treated as accruing in each of the six succeeding accounting periods until the gain or loss is exhausted.

An individual Shareholder domiciled or deemed for UK tax purposes domiciled in the UK may be liable to UK Inheritance Tax on their shares in the event of death or on making certain categories of lifetime transfer.

The attention of individuals ordinarily resident in the UK for tax purposes is drawn to Chapter III (Section 739 and 740) of Part XVII of the Income and Corporation Taxes Act 1988 (the UK Taxes Act), which may render them liable to income tax in respect of undistributed income or profits of the Company. These provisions are aimed at preventing the avoidance of income tax by individuals through a transaction resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad and may render them liable to income or corporation tax in respect of undistributed income or profits of the Company on an annual basis. The legislation is not directed towards the taxation of capital gains.

The attention of persons resident or ordinarily resident in the UK for taxation purposes (and who, if individuals, are also domiciled in the UK for those purposes) is drawn to the fact that the provisions of Section 13 of the Taxation of Chargeable Gains Act 1992 could be material to any such person whose proportionate interest in the Company (whether as a Shareholder or otherwise as a "participator" for UK taxation purposes) when aggregated with that of persons connected with that person is 10% or more of the Shares if, at the same time, the Company is controlled in such a manner as to render it a company that would, were it to have been resident in the UK, be a "close company" for UK taxation purposes. Those provisions could, if applied, result in such a person being treated, for the purposes of the UK taxation of chargeable gains, as if a part of any gain accruing to the Company (such as on a disposal of its investments that constitutes a chargeable gain for those purposes) had accrued to that person directly; that part being equal to the proportion of the assets of the Company to which that person would be entitled on the liquidation of the Company at the time when the chargeable gain accrued to the Company. It is likely that the Shares of the Company will be widely held, however, the Directors cannot guarantee that this will be (or continue to be) the case.

The attention of the UK resident corporate investors is drawn to the provisions concerning "Controlled Foreign Companies" in Chapter IV (Section 747) of the Taxes Act which may have the effect in certain circumstances of subjecting a company resident in the UK to UK corporation tax on the profits of a company resident in a low tax jurisdiction outside the UK. A charge to tax cannot however arise unless the non-resident company is under the control of persons resident in the UK and, on an apportionment of the non-resident's "chargeable profits", at least 25% would be attributed to the UK resident and persons associated or connected with them. The legislation is not directed towards the taxation of capital gains. Corporate Shareholders should note that these rules are currently under review as part of a wider consultation process covering the Taxation of Foreign Profits.

The tax position for Shareholders who are not investors (for example, those Shareholders which act as dealers) may be subject to different provisions. If you are in doubt about your position, or if you may be subject to tax in a jurisdiction other than the UK, you should consult your independent financial advisor."

## **Stamp Duty**

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

In the absence of an exemption applicable to a prospective Shareholder (such as that available to intermediaries under section 88A of the Finance Act 1986) stamp duty reserve tax (or stamp duty) at the same rate as above will also be payable by prospective Shareholders on the acquisition of shares in companies incorporated in the UK or which maintain a share register in the UK for the purpose of subsequent subscription for shares, and may arise on the transfer of Investments to Shareholders on redemption.

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

## **Genuine Diversity of Ownership**

Shares in each of the Funds shall be widely available. The intended categories of investors for the Funds are



not restricted. Shares in the Funds shall be marketed and made available sufficiently widely to reach the intended categories of investors, and in a manner appropriate to attract those categories of investors.

## REPORTS AND ACCOUNTS

The Company's financial year-end is 31 December of each year. The annual report and the audited accounts of the Company will be sent to Shareholders and to Euronext Dublin within four months after the conclusion of each accounting year and at least 21 days before the Annual General Meeting of the Company at which they are to be submitted for approval. The annual report and audited accounts of the Company will also be made available to Shareholders by publishing it on the Company's website [www.sanlam.ie](http://www.sanlam.ie).

The Company's semi-annual period ends on 30 June in each year. The Company will also publish a semi-annual report and unaudited accounts of the Company on its website [www.sanlam.ie](http://www.sanlam.ie) within two months of the end of the half-year period.

Audited information will be sent on request to any prospective investor.

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

Shareholders may request printed copies of the semi-annual and annual reports by writing to the Company at its registered offices.

## **FORM OF SHARES, SHARE CERTIFICATES AND TRANSFER OF SHARES**

Shares will be issued in registered form. Share certificates will only be issued if requested in writing by the applicant(s) and any certificates issued will normally be issued within thirty days after the Dealing Day on which Shares are allotted. The Directors recommend that applicants do not request a certificate because the holding of Shares in certificated form can cause delays in payment of repurchase proceeds. Purchase contract notes will normally be issued within 24 hours after the allocation of Shares. Written confirmations of ownership will be issued within ten days after the Dealing Day on which Shares are allotted. Shares do not carry any right of pre-emption.

Shares in each Fund will be transferable by instrument in writing signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor. In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Company as having any title to or interest in the Shares registered in the names of such joint Shareholders.

Shares may not be transferred to a United States Person (unless permitted under certain exceptions under the laws of the United States) or to a minor or person of unsound mind. Registration of any transfer may be refused by the Directors if following the transfer

- (a) either transferor or transferee would hold Shares having a value less than the Minimum Shareholding for the relevant class of Shares in the relevant Fund as specified in the Supplement for the relevant Fund;
- (b) any payment of taxation remains outstanding; or
- (c) the transferee holds Shares with a value of less than the Minimum Initial Investment Amount for the relevant class of Shares in the relevant Fund as specified in the Supplement for the relevant Fund; or
- (d) either transferor or transferee is a minor or person of unsound mind (or such other age as the Directors may determine); or
- (e) either transferor or transferee has payment of taxation outstanding; or
- (f) the transferee has not cleared anti money laundering checks.

### **Notification of Prices**

The Net Asset Value per Share of each class of Share in each Fund will be available on request from the Administrator and will be notified to Euronext Dublin without delay following calculation. The Net Asset Value of each Share class will be published daily on the Manager's website [www.sanlam.ie](http://www.sanlam.ie).

## GENERAL INFORMATION

### **Directors' Confirmation - Commencement of Business**

The Directors confirm that the Company was incorporated on 9 June 1997 and commenced business on 31 July 1997. The Company does not have any subsidiaries at the date hereof. The Directors confirm that there has been no significant change in the financial or trading position of the Company since 31 December 2015, the date of the latest financial statements of the Company.

### **Incorporation and Share Capital**

The Company was incorporated and registered in Ireland and was initially authorised under Part XIII of the Companies Act 1990, as an investment company with variable capital on 9 June 1997 with registered number 267451. The Company applied to the Central Bank for revocation of its authorisation under Part XIII of the Companies Act 1990 which was granted by the Central Bank. The Company is now authorised in Ireland as an undertaking for collective investment in transferable securities pursuant to the Regulations.

At the date hereof, the authorised share capital of the Company is 1,000,000,000,000 shares of no par value initially designated as unclassified shares.

The unclassified shares are available for issue as Shares. The issue price is payable in full on acceptance.

### **Memorandum and Articles of Association**

Clause 2 of the Memorandum of Association provides that the sole object of the Company is the collective investment in transferable securities and/or other liquid financial assets of capital raised from the public operating on the principle of risk-spreading in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011.

The Articles contain provisions to the following effect:

- (a) **Directors' Authority to Allot Shares.** The Directors are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities, including fractions thereof, up to an amount equal to the authorised but as yet unissued share capital of the Company and such authority shall expire five years from the date of incorporation of the Company, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred thereby had not expired.
- (b) **Variation of rights.** The rights attached to any class may be varied or abrogated with the consent in writing of the holders of three-fourths in number of the issued Shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of the class, and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up but such consent or sanction will not be required in the case of a variation, amendment or abrogation of the rights attached to any shares of any class if, in the view of the Directors, such variation, amendment or abrogation does not materially prejudice the interests of the relevant Shareholders or any of them. Any such variation, amendment or abrogation will be set out in a supplement to (or re-statement of) the Prospectus or the relevant Supplement originally issued in connection with the relevant shares, a copy of which will be sent to the relevant Shareholders entered on the Register on the date of issue of such document and will be binding on the relevant Shareholders. The quorum at any such separate general meeting, other than an adjourned meeting, shall be two persons holding or representing by proxy at least one third of the issued Shares of the class in question and the quorum at an adjourned meeting shall be one person holding Shares of the class in question or his proxy.
- (c) **Voting Rights.** Subject to disenfranchisement in the event of non-compliance with any notice requiring disclosure of the beneficial ownership of Shares and subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands at a general

meeting or class meeting of the Company, every member holding Shares who is present in person or by proxy shall have one vote and on a poll every member present in person or by proxy shall have one vote for every Share of which he is the holder. Members who hold a fraction of a Share may not exercise any voting rights, whether on a show of hands or on a poll, in respect of such Share.

- (d) **Change in Share Capital.** The Company may from time to time by ordinary resolution increase the share capital by such amount and/or number as the resolution may prescribe. The Company may also by ordinary resolution, consolidate and divide its share capital into shares of larger amount, subdivide its Shares into Shares of smaller amount or value or cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the Shares so cancelled or redenominate the currency of any class of Shares.
- (e) **Directors' Interests.** Provided that the nature and extent of his interest shall be disclosed as set out below, no Director or intending Director shall be disqualified by his office from contracting with the Company nor shall any such contract or arrangement entered into by or on behalf of any other company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

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

A Director shall not vote at a meeting of the Directors or a committee of the Directors on any resolution concerning a matter in which he has, directly or indirectly an interest which is material (other than an interest arising by virtue of his interest in shares or debentures or other securities or otherwise in or through the Company) or a duty which conflicts or may conflict with the interest of the Company. A Director shall not vote (or be counted in the quorum present) on any resolution in respect of his appointment (or the arrangement of the terms of appointment) to hold any office or place of profit with the Company.

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

- (i) the giving of any security, guarantee or indemnity to him in respect of money lent by him to the Company or any of its subsidiary or associated companies or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary or associated companies;
- (ii) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries or associated companies for which he himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning any offer of Shares or debentures or other securities of or by the Company or any of its subsidiary or associated companies for subscription, purchase or exchange in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (iv) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer, shareholder or otherwise howsoever.

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

- (f) **Borrowing Powers.** Subject to the Regulations, the Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and assets (both present and future) and uncalled capital or any part thereof and to issue debentures, debenture stock or other securities, whether outright or as collateral security for any debt, liability or obligation of the Company provided that all such borrowings shall be within the limits laid down by the Central Bank.
- (g) **Committees.** The Directors may delegate any of their powers to any committee whether or not consisting of Directors. Any such delegation may be made subject to any conditions the Directors may impose and either collaterally with or to the exclusion of their own powers and may be revoked. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of the Articles of Association regulating the proceedings of Directors so far as they are capable of applying.
- (h) **Retirement of Directors.** The Directors shall not be required to retire by rotation or by virtue of their attaining a certain age.
- (i) **Directors' Remuneration.** Unless and until otherwise determined from time to time by the Company in general meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors. Any Director who holds any executive office (including for this purpose the office of chairman or deputy chairman) or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine. The Directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Directors or committees established by the Directors or general meetings or separate meetings of the holders of any class of shares of the Company or otherwise in connection with the discharge of their duties.
- (j) **Transfer of Shares.** Subject as set out below, the Shares of any holder may be transferred by instrument in writing in any usual or common form or any other form which the Directors may approve. The Directors in their absolute discretion and without assigning any reason therefor may decline to register any transfer of a Share to a US Person, any person who, by holding Shares, would be in breach of any law or requirement of any country or governmental authority or might result in the Company incurring any liability to taxation or suffering pecuniary disadvantages and any transfer to or by a minor or a person of unsound mind. The Directors may decline to recognise any instrument of transfer unless it is accompanied by the certificate for the Shares to which it relates (if issued), is in respect of one class of Share only, is in favour of not more than four transferees and is lodged at the registered office or at such other place as the Directors may appoint.
- (k) **Right of Repurchase.** Holders have the right to request the Company to repurchase their Shares in accordance with the provisions of the Articles of Association.
- (l) **Dividends.** The Articles of Association permit the Directors to declare such dividends on any class of Shares as appears to the Directors to be justified by the profits of the relevant Fund. The Directors may, satisfy any dividend due to holders of Shares in whole or in part by distributing to them in specie any of the assets of the relevant Fund, and in particular any investments to which the relevant Fund is entitled. Any dividend unclaimed for six years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund.
- (m) **Funds.** The Directors are required to establish a separate portfolio of assets for each Fund created by the Company from time to time, to which the following shall apply:
  - (i) the proceeds from the allotment and issue of Shares of each class in the Fund shall be applied to the Fund established for that purpose, and the investments and the liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Articles;
  - (ii) any asset derived from any other asset(s) (whether cash or otherwise) comprised in any

Fund, shall be applied in the books and records of the Company to the same Fund as the asset from which it was derived and any increase or diminution in the value of such an asset shall be applied to the relevant Fund;

- (iii) in the event that there are any assets of the Company which the Directors do not consider are attributable to a particular Fund or Funds, the Directors shall, with the approval of the Depositary, allocate such assets to and among any one or more of the Funds in such manner and on such basis as they, in their discretion, deem fair and equitable; and the Directors shall have the power to and may from time to time, with the approval of the Depositary vary the basis in relation to assets previously allocated;
- (iv) each fund shall be charged with the liabilities, expenses, costs, charges or reserves of the Company in respect of or attributable to that Fund and any such liabilities, expenses, costs, charges, or reserves of the Company not attributable to any particular Fund or Funds shall be allocated and charged by the Directors, with the approval of the Depositary, in such manner and on such basis as the Directors, in their sole and absolute discretion deem fair and equitable, and the Directors shall have the power to and may at any time and from time to time, with the approval of the Depositary, vary such basis including, where circumstances so permit, the re-allocation of such liabilities, expenses, costs, charges and reserves;
- (v) in the event that any Asset attributable to a Fund is taken in execution of a liability not attributable to that Fund, the provisions of Section 1406 of the Companies Act 2014 shall apply.

(n) **Fund Exchanges**

Subject to the provisions of the Articles of Association, a holder holding shares in any class in a Fund on any Dealing Day shall have the right from time to time to exchange all or any of such shares for shares of another class (such class being either an existing class or a class agreed by the Directors to be brought into existence with effect from that Dealing Day).

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

- (i) If the Company shall be wound up the liquidator shall, subject to the provisions of the Companies Act, apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund.
- (ii) The assets available for distribution amongst the holders shall be applied as follows: first the proportion of the assets in a Fund attributable to each class of share shall be distributed to the holders of shares in the relevant class in the proportion that the number of shares held by each holder bears to the total number of shares relating to each such class of shares in issue as at the date of commencement to wind up and secondly, any balance then remaining and not attributable to any of the classes of shares shall be apportioned pro-rata as between the classes of shares based on the Net Asset Value of each class of shares as at the date of commencement to wind up and the amount so apportioned to a class shall be distributed to holders pro-rata to the number of shares in that class of shares held by them.
- (iii) A Fund may be wound up pursuant to Section 1406 of the Companies Act 2014 and in such event the provisions in this paragraph apply mutatis mutandis in respect of that Fund.
- (iv) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the relevant holders and any other sanction required by the Companies Acts of Ireland, divide among the holders of shares of any class or classes within a Fund in specie the whole or any part of the assets of the Company relating to that Fund, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between all the holders of the Company or the holders

of different classes of shares in the Fund. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of holders as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no holder shall be compelled to accept any assets in respect of which there is a liability.

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

(q) **Segregation of Liability**

- (i) Notwithstanding any statutory provision or rule of law to the contrary any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund, and no Director, receiver, examiner, liquidator, provisional liquidator or other person shall apply nor be obliged to apply the assets of any such Fund in satisfaction of any liability incurred on behalf of or attributable to any other Fund.
- (ii) The assets allocated to a Fund shall be applied solely in respect of the Shares of such Fund and no Shareholder relating to such Fund shall have any claim or right to any asset allocated to any other Fund.
- (iii) Any asset or sum recovered by the Company by any means whatsoever or wheresoever shall, after the deduction or payment of any costs of recovery, be applied to a Fund affected. In the event that assets attributable to a Fund are taken in execution of a liability not attributable to that Fund, and in so far as such assets or compensation in respect hereof cannot otherwise be restored to that Fund, the Directors with the consent of the Depositary, shall certify or cause to be certified, the value of the assets lost to a Fund affected and transfer or pay from the assets of a Fund or Funds to which the liability was attributable, in priority to all other claims against such Fund or Funds, assets or sums sufficient to restore to a Fund affected, the value of the assets or sums lost to it.
- (iv) The Company may sue and be sued in respect of a particular Fund and may exercise the same rights of set-off, if any, as between its Funds as apply at law in respect of companies and the property of a Fund is subject to orders of the Irish courts as it would have been if a Fund were a separate legal person.
- (v) In any proceedings brought by any Shareholder of a particular Fund, any liability of the Company to such Shareholder in respect of such proceeding can only be settled out of the assets of a Fund corresponding to such Shares without recourse in respect of such liability or any allocation of such liability to any other Fund of the Company.
- (vi) Nothing in this section shall prevent the application of any enactment or rule of law which would require the application of the assets of any Fund in discharge of some or all of the liabilities of any other Fund on the grounds of fraud or misrepresentation and, in particular, by reason of the application of sections 185 and 604 of the Companies Act 2014.
- (vii) Where a Fund enters into financial derivative transactions for and on behalf of a particular class the gains and losses attributable to such transactions shall accrue solely to the Shareholders of the Shares in that class. The relevant transaction will be valued in accordance with the provisions of the Articles and shall be clearly attributable to the specific class. The counterparty to any such transaction shall have their recourse limited to the particular class's proportionate participation in the assets of the relevant Fund represented by the Net Asset Value of such class. The Company may, for the purposes of meeting any such claim, apply the assets representing that particular class's participation in the relevant Fund in discharging its obligations under the financial derivative transaction. Upon exhaustion of the particular class's participation in the assets of the relevant Fund, such counterparty's claim shall be fully satisfied by the payment of such amounts as are available to be paid from that class and any claim for further payment shall be extinguished.



## **Litigation and Arbitration**

Since incorporation, the Company is not involved in any litigation or arbitration nor are the Directors aware of any pending or threatened litigation or arbitration.

## **Directors' Interests**

- (a) There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed.
- (b) At the date of this Prospectus, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Company and no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company.
- (c) As at the date of this Prospectus, no Director nor their spouses nor their infant children or any person closely associated have any interest in the share capital of the Company or any options in respect of such capital.
- (d) Paul Dobbyn is a Director of the Company;
- (e) Haydn Franckeiss is a Director of the Company and Head of Asset Liability Solutions at Sanlam Investment Management (Pty) Ltd;
- (d) Tom Murray is a director of the Company and the Manager; and
- (e) Richard Aslett is a director and the Chief Executive Officer of the Manager.

## **Material Contracts**

The following contracts have been entered into otherwise than in the ordinary course of the business intended to be carried on by the Company and are or may be material, details of any material contracts specific to a Fund will be contained in the Supplement for the relevant Fund:

- (a) the Amended and Restated Management Agreement dated 28 September and effective from 1 October 2018 between the Company and the Manager; the Agreement provides that the appointment of the Manager will continue in force unless and until terminated by either party giving to the other not less than 90 days written notice although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other; the Agreement contains certain indemnities in favour of the Manager which are restricted to exclude matters arising by reasons of the fraud, bad faith, negligence or wilful default of the Manager in the performance or non-performance of its duties or obligations and certain provisions regarding its legal responsibilities and limitations thereon;
- (b) the Depositary Agreement dated 9 June 2016 between the Company and the Depositary; this Agreement provides that the Depositary shall be liable to the Company, or to the Shareholders, for all losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations as set out in the Depositary Agreement and UCITS V. The Depositary shall be liable to the Company and to the Shareholders, for the loss by the Depositary or a duly appointed third party of any financial instruments held in custody (determined in accordance with UCITS V) and shall be responsible for the return of financial instruments or corresponding amount to the Company without undue delay. The Depositary Agreement contains indemnities in favour of the Depositary for certain losses incurred but excluding circumstances where the Depositary is liable for the losses incurred. The Depositary Agreement shall continue in force unless and until terminated by either party giving not less than 90 days' prior written notice to the other, although termination may be immediate in certain circumstances, such as the insolvency of the Depositary. Upon an (envisaged) removal or resignation of the Depositary, the Company shall with due observance of the Central Bank Rules, appoint a successor Depositary. The Depositary may not be replaced without the approval of the Central Bank.

- (c) the Distribution Agreement dated 16 May 2001 between the Manager and Sanlam Investment Management (Pty) Limited, the Investment Management and Distribution Agreement dated 16 September 2010 between the Manager and River and Mercantile Investments Limited), the Investment Management and Distribution Agreement dated 22 October 2010 between the Manager and Grindrod Bank Limited as novated by the Deed of Novation between the Manager and Bridge Fund Managers (Pty) Limited dated 1 September 2014, the Investment Management and Distribution Agreement dated 10 December 2014 between the Manager and Anchor Capital (Pty) Limited, the Distribution Agreement dated 21 December 2015 between the Manager and Sanlam FOUR Investments UK Limited, the Distribution Agreement dated 9 March 2015 between the Manager and High Street Asset Management (Pty) Limited, the Distribution Agreement dated 31 May 2013 between the Manager and Sanlam Global Investment Solutions Ltd, the Investment Management and Distribution Agreement dated 12 May 2016 between the Manager and Absa Asset Management (Pty) Limited, the Investment Management and Distribution Agreement dated 21 March 2016 between the Manager and Autus Fund Managers (Pty) Limited, the Distribution Agreement dated 17 January 2017 between the Manager and First Avenue Investment Management (Pty) Limited, the Investment Management and Distribution Agreement dated 11 July 2018 between the Manager and Cameron Hume Limited, the Distribution Agreement dated 18 December 2018 between the Manager and Denker Capital (Pty) Limited, the Investment Management and Distribution Agreement dated 8 October 2018 between the Manager and Perpetua Investment Managers (Pty) Limited; these Agreements provide that the appointment of the relevant Distributor will continue in force unless and until terminated by either party giving to the other not less than 90 days' notice in writing (and in the case of River and Mercantile Investments Limited, Bridge Fund Managers (Pty) Limited, Absa Asset Management (Pty) Limited, First Avenue Investment Management (Pty) Limited, Cameron Hume Limited, Denker Capital (Pty) Limited and Perpetua Investment Managers (Pty) Limited the Manager may terminate its appointment by giving not less than 30 days' notice to River and Mercantile Investments Limited, Bridge Fund Managers (Pty) Limited, Absa Asset Management (Pty) Limited, First Avenue Investment Management (Pty) Limited, Cameron Hume Limited, Denker Capital (Pty) Limited and Perpetua Investment Managers (Pty) Limited although in certain circumstances these Agreements may be terminated forthwith by notice in writing by either party to the other; these Agreements contain certain indemnities in favour of the relevant Distributor which are restricted to exclude matters arising by reason of the fraud, bad faith, wilful default or negligence on the part of the relevant Distributor, its servants or agents;
- (d) the Administration Agreement dated and effective from 1 October 2018 between the Manager and the Administrator; this Agreement provides that the appointment of the Administrator will continue in force unless and until terminated by either party giving to the other not less than 90 days' prior written notice although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other; the Agreement contains certain indemnities in favour of the Administrator which are restricted to exclude matters arising by reason of the fraud, bad faith, negligence or wilful malfeasance of the Administrator in the performance of its duties and obligations and certain provisions regarding its legal responsibilities and limitations thereon.; and
- (e) the Investment Management Transition Agreements dated 16 May 2001 and 27 August 2013 between the Manager, the Investment Allocation Manager and Morgan Stanley & Co. International Limited and State Street Bank Europe Limited respectively; these Agreements provide that the appointment of the relevant Investment Transition Manager will continue unless and until terminated by the Manager or the relevant Investment Transition Manager giving to the other not less than 30 days' notice in writing although in certain circumstances these Agreements may be terminated forthwith by notice in writing by either party to the other; these Agreements contains certain indemnities in favour of the relevant Investment Transition Manager which are restricted to exclude matters arising by reason of the fraud, bad faith, negligence, wilful default or wilful misfeasance of the relevant Investment Transition Manager in the performance or non-performance of its duties under the Agreement.
- (f) the Securities Lending Agency Agreement effective 24 February 2016 between the Company and the Securities Lending Agent; this Agreement provides for the appointment of the Securities Lending Agent and will continue in force unless and until terminated by either party giving to the other not less than 90 days written notice although in certain circumstances the Agreement may

be terminated forthwith by notice in writing by either party to the other; the Agreement contains certain indemnities in favour of the Securities Lending Agent which are restricted to exclude matters arising by reason of the fraud, bad faith, negligence, wilful default of the Securities Lending Agent in the performance or non-performance of its duties or obligations under the Agreement.

- (g) the Securities Lending Sub-Agency Agreement effective 24 February 2016 between the Company, the Securities Lending Agent and Brown Brothers Harriman & Co; this Agreement provides for the appointment of the Securities Lending Sub-Agent and will continue in force unless and until terminated by either party giving to the other not less than 90 days written notice although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other; the Agreement contains certain indemnities in favour of the Securities Lending Sub-Agent which are restricted to exclude matters arising by reason of the fraud, bad faith, negligence, wilful default of the Securities Lending Sub-Agent in the performance or non-performance of its duties or obligations under the Agreement.

Please refer to the relevant Supplement for details of relevant material contracts in respect of a Fund.

### **Miscellaneous**

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

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

Save as disclosed in this Prospectus, no commissions, discounts, brokerages or other special terms have been paid or granted or are payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares or loan capital of the Company.

### **Documents for Inspection**

Copies of the following documents may be inspected at the registered office of the Company during usual business hours on weekdays, except Saturdays and public holidays:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the material contracts referred to above;
- (c) the latest available annual and semi-annual reports;
- (d) the Central Bank Rules;
- (e) the key investor information document;
- (f) the Companies Act;
- (g) the Regulations; and
- (h) a list of directorships or partnerships, past or present, held by the Directors in the last five years.

Copies of the Memorandum and Articles of Association of the Company (and, after publication thereof, the

periodic reports and accounts) may be obtained from the Administrator and from the Investment Allocation Manager free of charge.

An up-to-date versions of the key investor information documents, as well as other documentation, are available for access at the following website: [www.sanlam.ie](http://www.sanlam.ie) for this purpose. In the event that the Company proposes to register one or more Funds for public offering in other EU Member States, it shall make the following additional documentation available on such website:

- this Prospectus;
- once published, the latest annual and half yearly reports of the Company; and
- the Articles.

To the extent not captured in this Prospectus or in the event such details have changed and have not been reflected in a revised version of this Prospectus, up-to-date information will be provided to Shareholders on request, free of charge regarding:

- the identity of the Depositary and a description of its duties and of conflicts of interest that may arise; and
- a description of any safe-keeping functions delegated by the Depositary, a list of delegates and sub-delegates and any conflicts of interest that may arise from such delegation.

### **Remuneration Policy**

The Manager has a remuneration policy in place to ensure compliance with UCITS V. This remuneration policy imposes remuneration rules on staff and senior management within Manager whose activities have a material impact on the risk profile of the Funds. The Directors will be entitled to remuneration for their services as directors provided however that the aggregate emoluments of the Directors in respect of any twelve month accounting period shall not exceed €75,000 or such higher amount as may be approved by the board of Directors. In addition, the Directors will be entitled to be reimbursed for their reasonable out of pocket expenses incurred in discharging their duties as Directors. The Directors will ensure that its remuneration policies and practices are consistent with sound and effective risk management, will not encourage risk-taking which is inconsistent with the risk profile of the Funds and the Memorandum and Articles of Association, and will be consistent with UCITS V. The Directors will ensure that the remuneration policy is at all times consistent with the business strategy, objectives, values and interests of the Company, the Funds and Shareholders, and includes measures to ensure that all relevant conflicts of interest may be managed appropriately at all times. Further details with regard to the remuneration policy are available at the following website: [www.sanlam.ie](http://www.sanlam.ie). The remuneration policy may be obtained free of charge on request from the Manager.

## APPENDIX I

### List of Recognised Exchanges

The following are the list of stock exchanges and regulated markets on which the assets of the Funds of the Company may be invested and is set out in accordance with the Central Bank Rules. The Central Bank does not issue a list of approved stock exchanges or markets. With the exception of permitted investments in unlisted securities, investments will be restricted to the Recognised Exchanges listed below and subject to the "Investment Restrictions" section above.

- (a) (i) any stock exchange which is:
- located in any Member State; or
  - located in an EEA Member State; or
  - located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United Kingdom, United States of America; or
- (ii) any stock exchange included in the following list:

Argentina	Bolsa de Comercio de Buenos Aires, Bolsa de Comercio de Cordoba, Bolsa de Comercio de Mendoza S.A. and Bolsa de Comercio Rosario;
Bahrain	Bahrain Stock Exchange;
Bangladesh	Chittangong Stock Exchange Ltd. and Dhaka Stock Exchange Ltd.;
Bermuda	Bermuda Stock Exchange Ltd.;
Botswana	Botswana Stock Exchange;
Brazil	Bolsa de Valores Minas and Bolsa De Valores, Mercadorias e Futuros;
Bulgaria	Bulgarian Stock Exchange;
Channel Islands (Guernsey, Jersey, Isle of Man)	Channel Islands Stock Exchange;
Chile	Santiago Stock Exchange;
China	Shanghai Stock Exchange and Shenzhen Stock Exchange;
Colombia	Bolsa de Valores de Colombia;
Croatia	Zagreb Stock Exchange;
Egypt	Egyptian Exchange and Nile Stock Exchange;
Ghana	Ghana Stock Exchange;
India	Mumbai Stock Exchange, Madras Stock Exchange, Delhi Stock Exchange, Bangalore Stock Exchange Ltd., Calcutta Stock Exchange and the National Stock Exchange of India;

Indonesia	Jakarta Futures Exchange and Indonesia Stock Exchange;
Israel	Tel Aviv Stock Exchange;
Ivory Coast	Bourse Regionale des Valeurs Mobilières;
Jordan	Amman Stock Exchange;
Kazakhstan	Kazakhstan Stock Exchange;
Kenya	Nairobi Stock Exchange;
Kuwait	Kuwait Stock Exchange;
Malaysia	Bursa Malaysia;
Mauritius	Stock Exchange of Mauritius Ltd.;
Mexico	Bolsa Mexicana de Valores;
Morocco	Casablanca Stock Exchange;
Namibia	Namibian Stock Exchange;
Nigeria	Nigerian Stock Exchange;
Oman	Muscat Securities Market;
Pakistan	Lahore Stock Exchange and Karachi Stock Exchange (Guarantee) Limited;
Peru	Bolsa de Valores de Lima;
Philippines	Philippine Stock Exchange, Inc.;
Qatar	The Qatar Exchange;
Romania	Romanian Commodities Exchange;
Russia	RTS Stock Exchange and MICEX (solely in relation to equity securities that are traded on level 1 or level 2 of the relevant exchange);
Serbia	Belgrade Stock Exchange;
Saudi Arabia	Saudi Stock Exchange (Tadawul);
Singapore	Singapore Exchange;
South Africa	Johannesburg Stock Exchange;
South Korea	Korean Stock Exchange;
Sri Lanka	Colombo Stock Exchange;
Taiwan	Taiwan Stock Exchange;
Tanzania	The Dar es Salaam Stock Exchange;

Thailand	Stock Exchange of Thailand;
Tunisia	Bourse de Tunis;
Turkey	Istanbul Stock Exchange;
Uganda	Uganda Securities Exchange;
Ukraine	Ukrainian Exchange;
United Arab Emirates	Abu Dhabi Securities Market and Dubai Financial Market;
Uruguay	Bolsa de Valores de Montevideo;
Vietnam	Ho Chi Minh Stock Exchange and Hanoi Stock Exchange;
Zambia	Lusaka Stock Exchange; and
Zimbabwe	Zimbabwe Stock Exchange.

(iii) any of the following over-the-counter markets:

The market organised by the International Securities Market Association;

The (i) market conducted by banks and other institutions regulated by the Financial Conduct Authority (FCA) and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook and (2) market in non-investment products which is subject to the guidance contained in the Non-Investment Products Code drawn up by the participants in the London market, including the FCA and the Bank of England;

The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the US Securities and Exchange Commission;

The over-the-counter market in the United States conducted by primary and second dealers regulated by the Securities and Exchanges Commission and by the Financial Industry Regulatory Authority, Inc ("**FINRA**") (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

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

The Over-the-Counter market in Canadian Government Bonds as regulated by the Investment Industry Regulatory Organisation of Canada;

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

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

(iv) any of the following electronic exchanges:

JASDAQ (Japan);

KOSDAQ (Korea);

NASDAQ;

SESDAQ (Singapore);

TAISDAQ/Gretai Market (Taiwan); and

Virt-X Exchange Limited.

- (b) In relation to any exchange traded financial derivatives contract, any Recognised Exchange which is (i) located in a Member State or (ii) located in an EEA Member State or (iii) located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland or the United States or (iv) the Channel Islands Stock Exchange or (v) listed at (a) (iv) above or (vi) any of the following:

The Chicago Board of Trade;  
The Chicago Mercantile Exchange;  
The Chicago Board Options Exchange;  
ICE Futures  
International Securities Exchange (ISE)  
LCH.Clearnet Limited  
OMLX, The London Securities and Derivatives Exchange;  
The Options Clearing Corporation, Inc.  
New York Mercantile Exchange;  
New York Board of Trade;  
New Zealand Futures and Options Exchange;  
Hong Kong Futures Exchange;  
Osaka Securities Exchange;  
Singapore Commodity Exchange;  
Tokyo International Financial Futures Exchange.



## **SANLAM UNIVERSAL FUNDS PLC**

### **First Addendum to the Prospectus (the "Addendum")**

**This Addendum is supplemental to, forms part of and should be read in conjunction with the prospectus for Sanlam Universal Funds plc (the "Company") dated 9 March 2021 (the "Prospectus").**

**This Addendum forms part of and may not be distributed unless accompanied by (other than to prior recipients of) the Prospectus and must be read in conjunction with the Prospectus. The purpose of this Addendum is to add certain disclosure to the Prospectus in respect of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR").**

The Directors of the Company whose names appear in the "Directors of the Company" section of the Prospectus accept responsibility for the information contained in this Addendum. 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 Addendum is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Addendum. For the purposes of interpretation, in the event of any conflict between this Addendum and the Prospectus, any such conflict shall be resolved in favour of this Addendum.

**IMPORTANT:** If you are in doubt about the contents of this Addendum, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

Neither the delivery of this Addendum nor the issue or sale of Shares, under any circumstances, constitutes a representation that the information contained in this Addendum is correct as of any time subsequent to the date of this Addendum.

Date: 1 December 2022

## **1. Amendments to the Prospectus**

### **1.1 The "Definitions" section of the Prospectus shall be amended by the inclusion of the following additional definition as it would appear in alphabetical order:**

**SFDR Annex** means an annex to the Supplement of the relevant Fund issued from time to time, prepared for the purpose of meeting the specific financial product level disclosures contained in SFDR and specifically, the disclosure requirements applicable to Article 8 financial products or Article 9 financial products (as applicable). The Manager is responsible for the contents of the SFDR Annex;

### **1.2 To delete the section entitled "Disclosure Regulations" and replace it with the following;-**

#### **Disclosure Regulations**

SFDR seeks to establish a pan-European framework to facilitate Sustainable Investment, by providing for a harmonised approach in respect of sustainability-related disclosures to investors within the European Union's financial services sector.

For the purposes of SFDR, the Manager (and certain of the Investment Managers appointed by the Manager) meet the criteria of a financial market participant, whilst the Company and each Fund of the Company qualifies as a financial product. For further details on how a Fund complies with the requirements of SFDR, please refer to the Supplement for that Fund. In addition, the Supplement will set out, where applicable, further details on how (i) investment policies seek to promote environmental and social characteristics; or (ii) whether that Fund has Sustainable Investment as its investment objective.

Unless otherwise disclosed in the Supplement for the relevant Fund, given the investment strategy of the Funds and the asset classes of the Funds, the Manager, in conjunction with the relevant Investment Manager (where applicable), does not consider the principal adverse impacts of its investment decisions on Sustainability Factors as the likely impacts of Sustainability Risks are not expected to materially impact the expected risk or return characteristics of the Funds. Should there be a change in the type of asset classes of the Funds or the investment strategy of the Funds this may be reconsidered by the Manager, together with the relevant Investment Manager (where applicable).

Please also refer to the "Risk Factors" section of the Prospectus, for a summary of how an Investment Manager appointed to a Fund of the Company integrates Sustainability Risks into its investment process.