

## **PROSPECTUS**

**IMPORTANT: IF YOU ARE IN ANY DOUBT AS TO THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR ACCOUNTANT OR OTHER FINANCIAL ADVISER.**

The Directors, whose names appear on page (x), accept responsibility for the information contained in this document. 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 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.

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### **ASPECT UCITS FUNDS PLC**

An investment company with variable capital structured as an umbrella fund with segregated liability between sub-funds and incorporated pursuant to the Companies Act 2014 with limited liability in Ireland under registered number 490560 and authorised by the Central Bank pursuant to the UCITS Regulations.

**ASPECT CAPITAL LIMITED**  
(INVESTMENT MANAGER)

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20 March 2019

## IMPORTANT INFORMATION

**Aspect UCITS Funds PLC (the “Company”) is both authorised and supervised by the Central Bank. The authorisation of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank and the Central Bank is not responsible for the contents of this Prospectus.**

No person has been authorised by the Company to give any information or make any representations in connection with the offering of Shares other than those contained in this Prospectus, and, if given or made, such information or representations must not be relied on as having been made by the Company.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

This Prospectus may only be issued with one or more supplements (each a “Supplement”), each containing information relating to a separate Fund. The creation of new Funds requires the prior approval of the Central Bank. If there are different Classes of Shares representing a Fund, details relating to the separate Classes may be dealt with in the same Supplement or in a separate Supplement for each Class. The creation of further Classes of Shares will be effected in accordance with the requirements of the Central Bank. This Prospectus and the relevant Supplement should be read and construed as one document. To the extent that there is any inconsistency between this Prospectus and the relevant Supplement, the relevant Supplement shall prevail.

Applications for Shares will only be considered on the basis of this Prospectus (and any relevant Supplement). The latest audited annual report and accounts and the latest unaudited semi-annual report may be obtained from the offices of the Administrator. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

The provisions of the Company’s Articles are binding on each of its Shareholders (who are taken to have notice of them).

This Prospectus is based on information, law and practice currently in force in Ireland (which may be subject to change) at the date hereof. The Company cannot be bound by an out of date Prospectus when it has issued a new Prospectus, and investors should check with the Investment Manager that this is the most recently published Prospectus.

**The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Fund.**

**Where appropriate and as described in the relevant Supplement, all or part of the fees and expenses may be charged to the capital of the Company. This will have the effect of lowering the capital value of your investment and may result in you not receiving back the full amount invested.**

**As the Funds of the Company may be subject to subscription, redemption and exchanging charges (which, in the case of redemption charges, shall not exceed 3% of the Net Asset Value per Share), the difference at any one time between the sale and repurchase price of Shares in any Fund means that an investment in any Fund should be viewed as a medium to long-term investment.**

**In particular, investors in any Fund with an emerging markets exposure should note that as certain of the Funds may invest more than 20% of their net assets in emerging markets, it is recommended that investment in those Funds should not constitute a substantial proportion of an investor's portfolio and may not be appropriate for all investors.**

**Argentina:** This Prospectus includes a private invitation to invest in Shares. It is addressed only to you on an individual, exclusive, and confidential basis, and its unauthorised copying, disclosure, or transfer by any means whatsoever is absolutely and strictly forbidden. Neither the Company nor the Investment Manager will provide copies of this Prospectus, or provide any kind of advice or clarification, or accept any offer or commitment to purchase the Shares herein referred to from persons other than the intended recipient. The offer herein contained is not a public offering, and as such it is not and will not be registered with, or authorised by, the Comisión Nacional de Valores. The information contained herein has been compiled by the Company, which (save as otherwise expressly set out herein) assumes the sole responsibility for the accuracy of the data herein disclosed.

**Austria:** Neither this Prospectus nor any other document in connection with the Shares is a Prospectus according to the Austrian Investment Funds Act (Investmentfondsgesetz 2011, InvFG 2011), the Austrian Capital Markets Act (Kapitalmarktgesetz, KMG) or the Austrian Stock Exchange Act (Börsegesetz, BörseG) and has therefore not been drawn up, audited, approved, passported and/or published in accordance with the aforesaid acts. Neither the Company nor the Investment Manager is under the supervision of the Austrian Financial Market Authority or any other Austrian supervision authority.

Prospective purchasers of Shares should note that the Shares have not been and will not be offered in the Republic of Austria in the course of an offer to the public within the meaning of section 140 of the Austrian Investment Funds Act or sec 1 para 1 no 1 of the Austrian Capital Markets Act but under circumstances which will not be considered as an offer to the public under any of the aforesaid acts. Therefore, the provisions of the Austrian Investment Funds Act 2011 and the provisions of the Austrian Capital Markets Act relating to registration requirements and to prospectus requirements do not apply and the Shares have thus neither been registered for public distribution in Austria with the Austrian Financial Market Authority (Finanzmarktaufsichtsbehörde) nor been the subject matter of a prospectus compliant with the Austrian Investment Funds Act or the Austrian Capital Markets Act.

This Prospectus is confidential and is being provided only to a limited number of recipients who have been individually selected in advance by certain criteria and are targeted in Austria exclusively by means of a private placement. This Prospectus is provided solely for the information of such recipients and must not be reproduced, published, distributed or made available to any other person (including the press and any other media), in whole or in part, for any purpose and no steps may be taken that would constitute a public offer of the Shares under either the Austrian Investment Funds Act 2011 or the Austrian Capital Markets Act (whether presently or in the future).

This Prospectus is a marketing communication and has not been prepared in accordance with legal requirements designed to promote the independence of investment research.

This Prospectus is not intended to provide a basis of any credit or other evaluation of the Company and its business and should not be considered as a personal recommendation for any recipient of this Prospectus to purchase Shares as it does not take into account the particular investment objectives, financial situation or needs of any specific recipient. Each investor contemplating purchasing any Shares therefore represents to make its own independent investigation of the Company and of the suitability of an investment in Shares in light of their particular circumstances and represents to seek independent professional advice, including tax advice.

This Prospectus is distributed under the condition that the above obligations are accepted by the recipient and complied with.

**Bahrain:** The Prospectus has not been approved by the Central Bank of Bahrain which takes no responsibility for its contents. No offer to the public to purchase the Shares will be made in the Kingdom of Bahrain and this Prospectus is intended to be read by the addressee only and must not be passed to, issued to, or shown to the public generally.

**Belgium:** The offering of Shares has not been and will not be notified to the Belgian Financial Services and Markets Authority (Autoriteit voor Financiële Diensten en Markten/Autorité des Services et Marchés Financiers) nor has this Prospectus been, nor will it be, approved by the Financial Services and Markets Authority. The Shares may be offered in Belgium only to a maximum of 149 investors or to investors investing a minimum of €250,000 or to professional or institutional investors, in reliance on Article 5 of the Law of August 3, 2012. This Prospectus may be distributed in Belgium only to such investors for their personal use and exclusively for the purposes of this offering of Shares. Accordingly, this Prospectus may not be used for any other purpose nor passed on to any other investor in Belgium.

**Brazil:** The Shares in the Company may not be offered or sold to the public in Brazil. Accordingly, the Shares have not been nor will be registered with the Brazilian Securities Commission - CVM nor have they been submitted to the foregoing agency for approval. Documents relating to the Shares, as well as the information contained therein, may not be supplied to the public in Brazil, as the offering of Shares is not a public offering of securities in Brazil, nor used in connection with any offer for subscription or sale of securities to the public in Brazil.

**Brunei:** This Prospectus has not been delivered to, licensed or permitted by Autoriti Monetari Brunei Darussalam. Nor has it been registered with the Registrar of Companies. This Prospectus is for informational purposes only and does not constitute an invitation or offer to the public. As such, it must not be distributed or redistributed to and may not be relied upon or used by any person in Brunei other than the person to whom it is directly communicated and who belongs to a class of persons as defined under Section 20 of the Brunei Securities Market Order, 2013.

**China:** This Prospectus does not constitute a public offer of Shares in the Company, whether by sale or subscription, in the People's Republic of China (the "PRC"). The Shares in the Company are not being offered or sold directly or indirectly in the PRC to or for the benefit of, legal or natural persons of the PRC.

Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Shares in the Company or any beneficial interest therein without obtaining all prior PRC governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this document are required by the issuer and its representatives to observe these restrictions.

**Guernsey:** The Shares may only be offered or sold in, or from within the Bailiwick of Guernsey (i) to or by persons licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, (ii) to persons licensed under the Banking Supervision (Bailiwick of Guernsey) Law, 1994 as amended, (iii) to persons licensed under the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2000 as amended or (iv) to persons licensed under the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 as amended. The offer referred to in this Prospectus and this Prospectus are not available in or from within the Bailiwick of Guernsey other than in accordance with the above wording and must not be relied upon by any person unless made or received in accordance with the foregoing.

**Hong Kong:** Warning: The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Prospectus, you should obtain independent professional advice. This Prospectus has not been registered by the Registrar of Companies in Hong Kong. The Company is a collective investment scheme as defined in the Securities and Futures Ordinance of Hong Kong (the "Ordinance") but has not been authorised by the Securities and Futures Commission

pursuant to the Ordinance. Accordingly the Shares may only be offered or sold in Hong Kong to persons who are “professional investors” as defined in the Ordinance and any rules made under the Ordinance or in circumstances which are permitted under the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong and the Ordinance. In addition, this Prospectus may not be issued or possessed for the purposes of issue, whether in Hong Kong or elsewhere, and the Shares may not be disposed of to any person unless such person is outside Hong Kong, such person is a “professional investor” as defined in the Ordinance and any rules made under the Ordinance or as otherwise may be permitted by the Ordinance.

**Iceland:** This document has been issued to you for your use only and exclusively for the purposes of the described investment opportunities. Accordingly, this document and relevant information may not be used for any other purpose or passed on to any other person in Iceland. The investment described in this Prospectus is not a public offering of Shares. This Prospectus is not registered for public distribution in Iceland with the Financial Supervisory Authority pursuant to the Icelandic Act on Undertakings for Collective Investment in Transferable Securities (UCITS) and Investment Funds and Institutional Investment Funds No. 128/2011 and Supplementary Regulations. The Shares may not be offered or sold by means of this Prospectus or anyway later resold otherwise than in accordance with Article 47 of the Act No 128/2011.

**Isle of Man:** The Company is not subject to any form of regulation or approval in the Isle of Man. This Prospectus has not been registered or approved for distribution in the Isle of Man and may only be distributed in or into the Isle of Man by a person permitted under Isle of Man law to do so and in accordance with the Isle of Man Collective Investment Schemes Act 2008 and regulations made thereunder. The Shareholders in the Company are not protected by any statutory compensation scheme.

**Japan:** The Shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended) and, accordingly, none of the Shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit, of any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, a “Japanese person” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

**Jersey:** This Prospectus relates to a private placement and does not constitute an offer to the public in Jersey to subscribe for the Shares offered hereby. No regulatory approval has been sought to the offer in Jersey and it must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Company. The offer of Shares is personal to the person to whom this Prospectus is being delivered by or on behalf of the Company, and a subscription for the Shares will only be accepted from such person. The Prospectus may not be reproduced or used for any other purpose.

**South Korea:** Neither the Company nor the Investment Manager is making any representation with respect to the eligibility of any recipients of this Prospectus to acquire the Shares therein under the laws of Korea, including but without limitation the Foreign Exchange Transaction Act and Regulations thereunder. The Shares have not been registered under the Financial Investment Services and Capital Markets Act of Korea, and none of the Shares may be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea.

**Mexico:** The Shares have not been and will not be registered with the National Registry of Securities, maintained by the Mexican National Banking Commission and, as a result, may not be offered or sold publicly in Mexico. The Company and any underwriter or purchaser may offer and sell the Shares in

Mexico, to Institutional and Accredited investors, on a private placement basis, pursuant to Article 8 of the Mexican Securities Market Law. Each investor shall be responsible for calculating and paying its own taxes, receiving any necessary tax advice and that neither the Company nor the marketing entity shall be deemed to have provided tax advice to the potential investor, and shall be indemnified from any resulting liability.

**New Zealand:** This Prospectus is not a product disclosure statement for the purposes of the Financial Markets Conduct Act 2013 (the FMCA) and does not contain all the information typically included in such offering documentation. This offer of Shares in the Company does not constitute a "regulated offer" for the purposes of the FMCA and, accordingly, there is neither a product disclosure statement nor a register entry available in respect of the offer. Shares in the Company may only be offered in New Zealand in accordance with the FMCA and the Financial Markets Conduct Regulations 2014.

**Oman:** The information contained in this Prospectus neither constitutes a public offer of securities in the Sultanate of Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Law of Oman (Royal Decree 80/98), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non-Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations to the Capital Market Law (issued by Decision No. 1/2009). Additionally, this private placement memorandum is not intended to lead to the conclusion of any contract of whatsoever nature within the territory of the Sultanate of Oman.

**Qatar:** The Shares are only being offered to a limited number of investors who are willing and able to conduct an independent investigation of the risks involved in an investment in such Shares. The Prospectus does not constitute an offer to the public and is for the use only of the named addressee and should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof). The Company has not been and will not be registered with the Qatar Central Bank or under any laws of the State of Qatar. No transaction will be concluded in your jurisdiction and any inquiries regarding the Shares should be made to the Investment Manager.

**Singapore:** This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor pursuant to Section 304 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") or (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

**Switzerland:** The distribution of Shares in Switzerland will be exclusively made to, and directed at, qualified investors (the "Qualified Investors"), as defined in the Swiss Collective Investment Schemes Act of 23 June 2006, as amended (the "CISA"). Accordingly, the Company has not been and will not be registered with the Swiss Financial Market Supervisory Authority (FINMA). This Prospectus and/or any other offering materials relating to the Shares may be made available in Switzerland solely by the Swiss representative and/or authorised distributors to Qualified Investors.

The representative of the Company in Switzerland is Hugo Fund Services SA (the "Representative"), with its registered office at 6 Cours de Rive, CH-1204 Geneva (Tel: +4122 707 41 60; Fax: +4122 707 41 85). The statutory documents of the Company, this Prospectus and the audited financial statements of the Company can be obtained free of charge from the Representative. The place of performance and jurisdiction for Shares of the Company offered or distributed in or from Switzerland is the registered office of the Representative. The paying agent in Switzerland (the "Swiss Paying Agent") is Swissquote Bank Ltd, with its registered office at Chemin de la Cretaux 33, CH-1196, Gland (Tel: +41 22 999 94 11; Fax: +44 22 999 95 11). Shares may be subscribed and/or redeemed with the Swiss Paying Agent.

A handling commission of CHF 200 (two hundred Swiss francs) per transaction will be charged by the Swiss Paying Agent and deducted from the subscription monies or redemption proceeds paid or received (as applicable).

The Company is authorised to pass on compensation linked to the distribution of Shares in Switzerland to the following categories of distributors and sales partners: (a) distributors subject to authorisation as defined in Article 19 al. 1 of the CISA (Swiss or foreign distributors regulated in their home jurisdiction), (b) distributors that are not required to obtain an authorisation as defined under Article 19 al 4 of the CISA and article 8 of CISO (financial intermediaries regulated by FINMA), and (c) sales partners who place shares in funds/sub-funds with their customers exclusively through a written commission-based asset management mandate.

When a retrocession/compensation payment may give rise to a conflict of interest, the recipient of the retrocession must ensure transparent disclosure and inform investors, unsolicited and free of charge, of the amount of retrocession it may receive for distribution. Upon request, the recipient must disclose the actual amount of retrocession received for distributing the Fund to the investor requiring information.

**Taiwan:** The Shares are not registered in Taiwan and may not be sold, issued or offered in Taiwan. No person or entity in Taiwan has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Shares in Taiwan.

**United Arab Emirates:**

This Prospectus and the information contained herein, does not constitute, and is not intended to constitute, a public offer of securities in the United Arab Emirates and accordingly should not be construed as such. The Shares are only being offered to a limited number of exempt investors in the UAE who are federal and local government entities or companies wholly-owned by any such entities.

The Shares have not been approved by or licensed or registered with the UAE Central Bank, the Securities and Commodities Authority or any other relevant licensing authorities or governmental agencies in the UAE. The Prospectus is for the use of the named addressee only and should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof).

**United States of America:** None of the Shares have been, nor will be, registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or the securities laws of any of the states or territories of the United States. Except in a transaction which does not violate the 1933 Act or any other applicable United States securities laws (including without limitation any applicable law of any of the States of the United States), none of the Shares may be directly or indirectly offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a US Person. Any re-offer or resale of any of the Shares in the United States or to US Persons may constitute a violation of US law. There is no public market for the Shares and no such market is expected to develop in the future. The Shares offered hereby are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Company's Articles, the 1933 Act and applicable state securities law pursuant to registration or exemption therefrom. The Shares are being offered outside the United States pursuant to the exemption from registration under Regulation S under the 1933 Act and inside the United States in reliance on Regulation D promulgated under the 1933 Act and Section 4(a)(2) thereof to a limited number of US Persons who qualify as "accredited investors" as defined in Regulation D promulgated under the 1933 Act and as "qualified purchasers", as defined in the United States Investment Company Act of 1940, as amended (the "1940 Act") and the regulations promulgated thereunder.

The Company is not and will not be registered as an investment company under the 1940 Act.

**PURSUANT TO AN EXEMPTION FROM THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH POOLS WHOSE PARTICIPANTS ARE LIMITED TO QUALIFIED ELIGIBLE PERSONS, AN OFFERING MEMORANDUM FOR THIS POOL IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN OFFERING MEMORANDUM. CONSEQUENTLY, THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY OFFERING MEMORANDUM FOR THIS POOL.**

The Shares have not been filed with or approved or disapproved by any regulatory authority of the United States or any state or territory thereof, nor has any such regulatory authority passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is unlawful.

This Prospectus has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Company, and should not be reproduced or used for any other purpose. Notwithstanding anything to the contrary herein, each investor (and each employee, representative, or other agent of such investor) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of (i) the Company and (ii) any of its transactions described herein, and all materials of any kind (including opinions or other tax analyses) that are provided to the investor relating to such tax treatment and tax structure.

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

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

Distributors and other intermediaries must consider such information about the Fund and each Class of Shares as is made available by the Investment Manager for the purposes of the EU's product governance regime under the FCA Rules including, without limitation, target market information and negative target market information.

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

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

#### **Reliance on this Prospectus**

Statements made in this Prospectus and any Supplement are based on the law and practice in force in the Republic of Ireland at the date of the Prospectus or Supplement as the case may be, which may be subject to change. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares in



the Company shall under any circumstances constitute a representation that the affairs of the Company have not changed since the date hereof. This Prospectus will be updated by the Company to take into account any material changes from time to time and any such amendments will be notified in advance to the Central Bank. Any information or representation not contained herein or given or made by any broker, salesperson or other person should be regarded as unauthorised and should accordingly not be relied upon.

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

### **Risk Factors**

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

### **Financial Derivative Instruments**

The Company may engage in transactions in Financial Derivative Instruments on behalf of a Fund either for investment purposes or for the purposes of efficient portfolio management as more particularly disclosed in this Prospectus and the Supplement for the relevant Fund.

The Company employs a risk management process which enables it to accurately measure, monitor and manage the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. The Company will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been submitted to and cleared by the Central Bank. The Company will provide on request to Shareholders supplementary information relating to the risk management methods employed by the Company including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

### **Translations**

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

## DIRECTORY

### ASPECT UCITS FUNDS PLC

#### **Directors**

Teddy Otto  
Jonathan Greenwold  
John Skelly  
Adrian Waters

#### **Registered Office**

2<sup>nd</sup> Floor, Block E  
Iveagh Court  
Harcourt Road  
Dublin 2  
Ireland

#### **Investment Manager and Principal Distributor**

Aspect Capital Limited  
10 Portman Square  
London, W1H 6AZ  
United Kingdom

#### **Depository**

BNY Mellon Trust Company (Ireland) Limited  
Guild House  
Guild Street  
IFSC  
Dublin 1  
Ireland

#### **Administrator**

U.S. Bank Global Fund Services (Ireland) Limited  
24–26 City Quay  
Dublin 2  
Ireland

#### **Legal Advisers**

***In Ireland***  
Maples and Calder  
75 Saint Stephen's Green  
Dublin 2  
Ireland

#### **Auditor**

KPMG  
1 Harbourmaster Place  
IFSC  
Dublin 1  
Ireland

#### ***In England***

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

#### **Company Secretary**

Carne Global Financial Services Limited  
2<sup>nd</sup> Floor, Block E  
Iveagh Court  
Harcourt Road  
Dublin 2  
Ireland

#### ***In the United States***

Akin Gump Strauss Hauer & Feld LLP  
One Bryant Park  
New York, NY 10036  
United States

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## DEFINITIONS

"Accumulation Shares"	Shares in respect of which income is accumulated and added to the capital property of a Fund.
"Administration Agreement"	the amended and restated administration agreement dated 7 June 2012 between the Company and the Administrator, as amended from time to time.
"Administrator"	U.S. Bank Global Fund Services (Ireland) Limited.
"ADRs"	American Depositary Receipts.
"Articles"	Articles of Association of the Company.
"Auditor"	KPMG.
"Business Day"	in relation to any Fund, as specified in the Supplement for the relevant Fund.
"Central Bank"	the Central Bank of Ireland or any successor regulatory authority thereto.
"Central Bank Regulations"	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings For Collective Investment in Transferable Securities) Regulations 2015 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, notices, requirements or guidance of the Central Bank issued from time to time applicable to the Company pursuant to the Regulations.
"CFTC"	means the US Commodity Futures Trading Commission.
"Clearing Systems"	means any third party clearing and settlement system or fund distribution platform approved by the Company.
"Companies Acts"	means the Companies Act 2014, as may be amended from time to time.
"Company"	Aspect UCITS Funds PLC.
"Code"	the US Internal Revenue Code of 1986, as amended.
"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;

"Data Protection Legislation"	means the current data protection legislation in force in Ireland, which as of the date of this Prospectus is the Data Protection Acts 1988 and 2003;
"Dealing Documentation"	means the subscription and redemption agreement/application form, pursuant to the provisions of which an investor agrees to acquire Shares and become a Shareholder in the relevant Fund and which must also be completed in connection with a transfer of Shares;
"Depositary"	BNY Mellon Trust Company (Ireland) Limited.
"Depositary Agreement"	the amended and restated agreement dated 6 April 2016 between the Company and the Depositary.
"Directors"	the members of the board of directors of the Company for the time being and any duly constituted committee thereof and any successors to such members as may be appointed from time to time.
"Distribution Agreement"	the distribution agreement dated 21 December 2010 between the Company and the Investment Manager.
"Distribution Shares"	Shares in respect of which income is distributed periodically to Shareholders.
"EEA State"	the European Economic Area States (European Union Member States, Norway, Iceland and Liechtenstein).
"ERISA"	The US Employee Retirement Income Security Act of 1974, as amended.
"FATCA"	<ul style="list-style-type: none"><li>(a) Legislation known as the US Foreign Account Tax Compliance Act, including sections 1471 through 1474 of the Code and the Treasury Regulations thereunder, including any successor provisions, subsequent amendments, and administrative guidance promulgated thereunder (or which may be promulgated in the future);</li><li>(b) 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 the legislation, regulations or guidance described in paragraph (a) above; and</li><li>(c) any legislation, regulations or guidance in Ireland that give effect to the matters outlined in the preceding</li></ul>

paragraphs.

“Financial Derivative Instrument” or “FDI”	as set out in Appendix 3 attached hereto.
“FCA”	the Financial Conduct Authority of the United Kingdom or any successor regulatory authority thereto.
“FCA Rules”	means all applicable rules, regulations and guidelines issued by the United Kingdom Financial Conduct Authority and any successor organisation.
“Fund”	a sub-fund of the Company representing the designation by the Directors of a particular Class of Shares as a sub-fund, the proceeds of issue of which are pooled separately and invested in accordance with the investment objective and investment policies applicable to such sub-fund and which is established by the Directors from time to time with the prior approval of the Central Bank.
“Futures and Forward Contracts”	as set out in Appendix 3 attached hereto.
“GDRs”	Global Depositary Receipts.
“IFRS”	International Financial Reporting Standards.
“Eligible Applicant”	an eligible applicant as described on page 23.
“Initial Offer Period”	the period set out by the Directors in relation to any Fund or Class of Shares as the period during which Shares are initially on offer and as specified in the relevant Supplement.
“Initial Offer Price”	the initial price payable for a Share as specified in the relevant Supplement for each Fund.
“Initial Charge”	the initial charge which a Shareholder may be required to pay on a subscription for Shares as specified in the relevant Supplement for each Fund.
“Investment Management Agreement”	the investment management agreement dated 21 December 2010 between the Company and the Investment Manager.
“Investment Management Fee”	the investment management fee payable in respect of certain Shares in a Fund to the Investment Manager as specified in the relevant Supplement for that Fund.
“Investment Manager”	Aspect Capital Limited.
“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.
“Ireland”	the Republic of Ireland.

“IRS”	the US Internal Revenue Service.
“Managed Futures”	an investment strategy that typically employs quantitative processes to identify opportunities in markets exhibiting trending or momentum characteristics across a wide range of financial and commodity markets accessed primarily using Futures and Forward Contracts.
“Memorandum”	Memorandum of Association of the Company.
“MiFID 2”	Directive 2014/65/EU on Markets in Financial Instruments (the “MiFID 2 Directive”), the EU’s Markets in Financial Instruments Regulation (600/2014), delegated and implementing EU regulations made under the MiFID 2 Directive, and laws and regulations introduced by Member States of the EU to implement the MiFID 2 Directive.
“Minimum Holding”	the minimum holding for each Class of Shares as specified in the relevant Supplement for each Fund.
“Minimum Additional Subscription”	the minimum additional investment for each Class of Shares as specified in the relevant Supplement for each Fund.
“Member State”	means a Member State of the European Community.
“Minimum Initial Subscription”	the minimum initial investment for each Class of Shares as specified in the relevant Supplement for each Fund.
“Money Market Instruments”	instruments normally dealt in on a money market which are liquid and have a value which can be accurately determined at any time and which comply with the requirements of the Central Bank.
“Net Asset Value”	the value of the Company, a Fund or a Class (as the context may require) less the liabilities of (or attributable to) the Company, Fund or Class concerned, determined in accordance with the Articles.
“Net Asset Value per Share”	the Net Asset Value in issue in respect of any Fund divided by the number of Shares of the relevant Fund in issue in that Fund.
“non-Member State”	means a country other than a Member State of the European Community.
“Non-United States Person”	(a) a natural person who is not a resident of the United States; (b) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a foreign jurisdiction and which has its principal place of business in a foreign jurisdiction; (c) an estate or trust, the income of which is not subject to United States income tax regardless of source; (d) an entity organised principally for passive investment such as a pool, investment company or other similar entity; provided that units of participation in the entity held by persons who do not qualify as Non-United States Persons or otherwise as qualified eligible persons represent in

the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States Persons in a pool with respect to which the operator is exempt from certain requirements of part 4 of the CFTC's regulations by virtue of its participants being Non-United States Persons; and (e) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States.

"OECD"	the Organisation for Economic Co-operation and Development.
"OTC"	over-the-counter.
"Paying Agent"	any paying agent as may be appointed by the Company.
"Performance Fee"	the performance fee payable in respect of certain shares in a Fund to the Investment Manager as specified in the relevant Supplement for that Fund.
"Principal Distributor"	Aspect Capital Limited.
"Recognised Exchange"	the stock exchanges or regulated markets set out in Appendix 2.
"Recognised Rating Agency"	Standard & Poor's Rating Group, Moody's Investors Services, Fitch IBCA or an equivalent rating agency as the Directors may from time to time determine.
"Redemption Day"	such Business Day or Business Days for each Class of Shares being not less than two per month at regular intervals as shall be specified in the relevant Supplement for that Fund or any such other day or days as the Directors may determine and notify in advance to the Shareholders provided there is at least one per fortnight.
"Redemption Price"	the price per Share at which Shares are redeemed or calculated in the manner described on page 26.
"Redemption Request Deadline"	such time in respect of any relevant Redemption Day as shall be specified in the relevant Supplement for that Fund or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Redemption Request Deadline is no later than the Valuation Point.
"SEC"	means the U.S. Securities and Exchange Commission.
"Securities Financing Transactions"	means repurchase agreements, reverse repurchase agreements, securities lending agreements, commodities lending, buy-sell back transactions, sell-buy back transactions, margin lending transactions and any other transactions within the scope of SFTR that a Fund is permitted to engage in.
"SFT Regulations" or "SFTR"	means Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation



(EU) No 648/2012 as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time.

“Share” or “Shares”	Shares of any Class in the Company issued in respect of any Fund as the context requires.
“Share Class” or “Class of Shares” or “Class”	all of the Shares issued by the Company as a particular class of Shares relating to a single Fund.
“Shareholder”	a holder of Shares in the Company.
“Structured Financial Instrument” or “SFI”	as set out in Appendix 3 attached hereto.
“Subscription Day”	such Business Day or Business Days for each Class of Shares being not less than two per month at regular intervals as shall be specified in the relevant Supplement for that Fund or any such other day or days as the Directors may determine and notify in advance to the Shareholders provided there is at least one per fortnight.
“Subscription Price”	the price per Share at which Shares may be issued after the close of the Initial Offer Period calculated in the manner described on page 21.
“Subscriptions/Redemptions Account”	means the account in the name of the Company through which subscription monies and redemption proceeds and dividend income (if any) for each Fund are channelled, the details of which are specified in the application form;
“Subscription Request Deadline”	such time in respect of any relevant Subscription Day as shall be specified in the relevant Supplement for that Fund or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Subscription Request Deadline is no later than the Valuation Point.
“Supplement”	a supplement to this Prospectus specifying certain information in respect of a Fund and/or one or more Classes.
“Treasury Regulations”	means the US Treasury Regulations promulgated under the Code.
“UCITS”	an undertaking for collective investment in transferable securities established pursuant to EC Council Directive no. 85/611/EEC of 20 December 1985 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended or recast from time to time.
“UCITS Regulations”	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. Number 352 of 2011) as amended and as may be further amended, consolidated or substituted from time to time.

"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.

"US" or "United States"

the United States of America, its States, territories and possessions or an enclave of the United States government, its agencies or instrumentalities.

"US Person"

(a) any natural person resident in the United States; (b) any partnership or corporation organised or incorporated under the laws of the United States; (c) any estate of which any executor or administrator is a US Person; (d) any trust of which any trustee is a US Person; (e) any agency or branch of a foreign entity located in the United States; (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident, in the United States; and (h) any partnership or corporation if (1) organised or incorporated under the laws of any non-US jurisdiction and (2) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) promulgated under the 1933 Act) who are not natural persons, estates or trusts. Notwithstanding the foregoing, the following persons do not constitute "US Persons:" (a) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident, in the United States; (b) any estate of which any professional fiduciary acting as executor or administrator is a US Person if (1) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate and (2) the estate is governed by non-US law; (c) any trust of which any professional fiduciary acting as trustee is a U.S. Person shall not be deemed a US Person if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person; (d) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; (e) any agency or branch of a US Person located outside the United States if (1) the agency or branch operates for valid business reasons and (2) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and (f) the International Monetary

Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans.

“Valuation Point”

the point, whether on a periodic basis or for a particular valuation, as at which the Administrator carries out a valuation of the assets and liabilities of the Company or a Fund (as the case may be) for the purpose of determining the price at which Shares of a Class may be issued, cancelled or redeemed as specified in the relevant Supplement for that Fund.

In this Prospectus the words and expressions set out in the first column above shall have the meanings set opposite them unless the context requires otherwise. All references to “Euro”, “EURO” and “€” are to the unit of the European single currency, all references to “US\$”, “USD” and \$ are to the currency of the United States, all references to “Sterling”, “GBP” and “£” are to the currency of the United Kingdom, all references to “CHF” are to the currency of Switzerland and all references to “SEK” are to the currency of Sweden.

## THE COMPANY AND THE FUNDS

### The Company

The Company was incorporated in Ireland on 22 October, 2010 as an investment company with variable capital structured as an umbrella fund with segregated liability between sub-funds and with limited liability under registration number 490560. The Company is authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations.

The Central Bank Regulations introduce the concept of the *responsible person*, being the party responsible for compliance with the relevant requirements of the Central Bank Regulations on behalf of a particular Irish authorised UCITS. As the Company has not designated a management company, the Directors collectively (as opposed to any director or other officer individually) assume the role of the responsible person for the Company and any relevant references in the Prospectus to the Directors shall be construed accordingly, as appropriate.

At the date of this Prospectus, the Company consists of the following Funds, which have been approved by the Central Bank:

Aspect Diversified Trends Fund; and

Aspect Systematic Global Macro Fund.

The base currency of each Fund is set out in the relevant Supplement.

Subject to the UCITS Regulations and the Articles, the Directors may establish additional Funds from time to time in respect of which a Supplement or Supplements will be issued with the prior approval of the Central Bank.

The assets of each Fund will be segregated from one another and will be invested in accordance with the investment objective and investment policies applicable to each such Fund and as set out in the relevant Supplement. A Fund may, subject to the conditions imposed by the Central Bank, invest in collective investment schemes, including other Funds of the Company (provided that the Fund in which the investments are made does not itself hold Shares in other Funds of the Company and subject to the conditions set out in Appendix 1).

The liabilities of a particular Fund (in the event of a winding up of the Company or a repurchase of the Shares in the Company or all of the Shares of any Fund) shall be binding on the Company but only to the extent of the particular Fund's assets and in the event of a particular Fund's liabilities exceeding its assets, recourse shall not be made against the assets of another Fund to satisfy any such deficit.

Shareholders of Shares denominated in a currency other than the base currency of the relevant Fund ("**Non Base Currency Shares**") will be subject to the risk that the value of their Non Base Currency Shares will fluctuate against the base currency shares. The Company may, in respect of the Fund in question, at the discretion of the Investment Manager, attempt to reduce or minimise the effect of fluctuations in the exchange rate on the value of the Non Base Currency Shares. However, while not the intention, over-hedged or under-hedged positions may arise due to factors outside of the control of the Company. Any profit and loss resulting from foreign exchange hedging will be allocated only to the Non Base Currency Share Class to which the specific hedge relates. Due to the foregoing, each Class of Shares may differ from each other in their overall performance. Accordingly, to the extent that hedging is undertaken and successful, the performance of the hedged Share Class is likely to move in line with the performance of the underlying assets and that investors in such Share Class will not benefit if the class currency falls against the Base Currency and/or the currency in which the assets of the relevant Fund are denominated. The Investment Manager intends to limit hedging to the extent of the relevant hedged Share Class currency exposure and shall monitor such hedging on at least a monthly basis to ensure that such hedging shall not exceed 105% of the Net Asset Value of the

relevant hedged Share Class and to review un-hedged positions of the relevant hedged Share Class so as to seek to ensure that they are not carried forward from month to month. In the event that the hedging in respect of a hedged Share Class exceeds 105% of the Net Asset Value of the relevant hedged Share Class due to market movements or redemptions of Shares, the Investment Manager shall modify such hedging appropriately as soon as possible thereafter.

Subject to the above, each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund, and within the Funds charges will be allocated between Classes in accordance with the terms of issue of Shares of those Classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the Directors in a manner which they believe is fair to the Shareholders generally. This allocation will normally be pro rata to the Net Asset Value of the relevant Funds.

### The Funds and their Investment Objectives and Investment Policies

Details of the investment objective, investment policies and certain terms relating to an investment in the Funds will be set out in the relevant Supplement.

The Recognised Exchanges in which the Funds may invest are set out in Appendix 2. These stock exchanges and markets are listed in accordance with the requirements of the Central Bank, it being noted that the Central Bank does not issue a list of approved exchanges or markets.

Any alteration to the investment objective or a material alteration to the investment policies of any Fund at any time will be subject to the prior approval in writing of all the Shareholders of the relevant Fund, or, if a general meeting of the Shareholders of such Fund is convened, by a majority of the votes cast at such meeting. Shareholders will be given at least 14 calendar days' advance notice of the implementation of any alteration to the investment objective or investment policies in a Fund to enable them to redeem their Shares prior to such implementation.

### Leverage and use of VaR

Where deemed appropriate, and subject to the UCITS Regulations, the Funds may employ leverage including, without limitation, by entering into derivatives transactions. The exposure created through the use of Financial Derivative Instruments will be measured using either the commitment approach or using a sophisticated risk measurement technique known as "value-at-risk" (VaR) depending on the risk profile of the strategies pursued by each Fund. The commitment approach calculates leverage by measuring the market value of the underlying exposures of Financial Derivative Instruments. VaR is a statistical methodology that predicts, using historical data of not less than one year (unless a shorter observation period is justified), the likely maximum daily loss that a Fund could suffer, calculated to a specific (e.g. 95%) confidence level. Using a 95% confidence interval, there is, therefore, a 5% statistical chance that the daily VaR limit may be exceeded. In accordance with the requirements of the Central Bank, the Fund may use an "absolute" VaR model where the measurement of VaR is relative to the Net Asset Value of the Fund or the Fund may use a "relative" VaR model where the measurement of VaR is relative to the VaR of a derivatives free comparable benchmark or equivalent portfolio. Where an "absolute" VaR model is used, the VaR of the Fund may not exceed 20% of the Net Asset Value of the Fund, based on a 20 day time horizon and a 99% confidence interval, or a statistically equivalent percentage for another holding period or confidence interval. Where a "relative" VaR model is used, the VaR may not exceed twice the VaR of the derivatives-free benchmark or equivalent portfolio. The approach to the measurement of leverage taken in respect of each Fund will be set out in the relevant Supplement.

### Profile of Typical Investor

The typical investor in the Funds will be an investor who understands and appreciates the risks associated with investing in Shares of such Funds. The choice of a specific Fund should be

determined by the attitude to risk, wish for income or growth, intended investment time horizon and in the context of the investor's overall portfolio. Investors should seek professional advice before making investment decisions.

### Classes of Shares

Several Classes of Share may be issued in respect of each Fund, distinguished, inter alia, by their criteria for subscription, redemption, minimum holding, fee structure, currency and dividend policy. The Classes of Share currently available for each Fund are set out in the relevant Supplement. Further Classes may be created in accordance with the requirements of the Central Bank.

The limits for minimum initial or additional subscriptions for any Fund or Class of Shares may be waived or reduced at the discretion of the Directors.

### Investment Restrictions

Investment of the assets of each Fund must comply with the UCITS Regulations. The investment and borrowing restrictions applying to the Company and each Fund are set out in Appendix 1. The Directors may impose further restrictions in respect of any Fund. With the exception of permitted investments in unlisted securities or in units of open-ended collective investment schemes or in OTC derivative contracts, investments will be made on Recognised Exchanges. Each Fund may also hold ancillary liquid assets.

### Cross-Investment

Where it is appropriate to its investment objective and policies, a Fund may invest in other Funds of the Company. A Fund may only invest in another Fund if the Fund in which it is investing does not itself hold Shares in any other Fund of the Company. A Fund shall not invest in its own Shares. Where a Fund invests in the Shares of another Fund of the Company: (i) the Investment Manager will waive the initial charge which it is entitled to charge for its own account; and (ii) the Investment Manager will waive that portion of its annual Investment Management Fee in order to avoid a double charge.

### Changes to the UCITS Regulations

It is intended that the Company shall have the power (subject to the prior approval of the Central Bank and any applicable restrictions imposed by any exchange on which the Shares are listed) to avail itself of any change in the investment and borrowing restrictions specified in the UCITS Regulations which would permit investment by the Company in securities, derivative instruments or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited under the UCITS Regulations. The Company will give Shareholders at least 14 calendar days' prior written notice of its intention to avail itself of any change which is material in nature. The Company will update the Prospectus and relevant Supplement(s) as necessary prior to availing itself of any such change.

Funds may to the extent set out in the relevant Supplement use Financial Derivative Instruments for direct investment purposes and/or for efficient portfolio management. The Funds will use Financial Derivative Instruments for such purposes as are deemed to be of benefit to the Fund for example, increasing the yield, generating or increasing returns or altering the risk exposure for a given Fund. The use of Financial Derivative Instruments may increase the volatility of the relevant Fund, as may further be described in the relevant Supplement. Details of some of the strategies that may be employed through the use of Financial Derivative Instruments are set out in Appendix 3.

### Reports and Financial Statements

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

The Company will prepare an annual report and audited annual accounts within four months of the financial period to which they relate i.e. by 30 April of each year. Copies of the unaudited half yearly reports (made up to 30 June in each year) will also be prepared within two months of the end of the half year period to which they relate i.e. by 31 August of each year.

All correspondence to Shareholders will be sent at their own risk. The annual and semi-annual reports will be sent to Shareholders and the Central Bank within four months and two months respectively of the end of the period to which they relate. The most recent audited annual and unaudited semi-annual reports will be sent to any Shareholder and any potential investor upon request by the Administrator.

### Distribution Policy

Whether Accumulation or Distribution Shares will be issued in relation to a particular Fund will be described in the relevant Supplement. Each year the general meeting of Shareholders will decide, based on a proposal from the Board of Directors, for each Fund and for both Distribution and Accumulation Shares, on the use of the balance of the year's net income of the investments, from which dividends may be paid. Where applicable, a dividend will be distributed, either in cash or Shares within 2 months of the relevant annual general meeting which is expected to be held on or about May of each year.

The year's net income of each Fund will be spread across, on the one hand, all the Distribution Shares and on the other hand, all Accumulation Shares, in proportion of the net income corresponding to the Class of Shares in question.

The part of the year's net income corresponding to Distribution Shares will be distributed to the holders of the Distribution Shares either in cash or Shares.

The part of the year's net income corresponding to Accumulation Shares will not be paid to shareholders and instead will be capitalised in the relevant Fund for the benefit of the Accumulation Shares.

At the same time that dividends are paid in respect of Distribution Shares, the part of the net assets of the Fund to be allocated to all the Distribution Shares will be reduced by the global amount of the dividends paid out while the part of the net assets of the Fund to be allocated to all Accumulation Shares will increase.

In addition to the dividends described in the preceding paragraphs, the Board of Directors may decide to make a payment of interim dividends in accordance with the requirements of the Central Bank.

Payments will be made in the base currency of a Fund or any other currency as specified in the Supplement in relation to the relevant Fund and will be paid by electronic transfer to the bank account designated by the Shareholder at the expense of the payee of that bank account. Dividends remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Fund.

Dividends may be declared separately in respect of each Fund by a resolution of the Shareholders of the Fund concerned at the annual general meeting of Shareholders.

Investors should note that any dividend income being paid out by a Fund and held in the Subscriptions/Redemptions Account shall remain an asset of the relevant Fund until such time as the income is released to the investor and that during this time the investor will rank as a general unsecured creditor of the Company.

### Publication of Net Asset Value per Share

The most up-to-date Net Asset Value per Share is published on [www.aspectcapital.com](http://www.aspectcapital.com) or such other public information source(s) that the Company may notify to investors from time to time and will be updated following each calculation of Net Asset Value. In addition, the Net Asset Value per Share may be obtained free of charge from, and will be available at, the offices of the Administrator or the Investment Manager during normal business hours.



## **DIRECTORS**

### Directors Functions

The Directors are responsible for the overall management and control of the Company in accordance with the Articles. The Directors review the operations of the Company at regular meetings and it is the current intention of the Directors to meet at least quarterly. For this purpose, the Directors receive periodic reports from the Investment Manager detailing the performance of the Company and the Funds and providing an analysis of the investment portfolios. The Investment Manager provides such other information as may from time to time be reasonably required by the Directors for the purpose of such meetings.

### Directors of the Company

#### **Teddy Otto**

Mr Otto is a principal of Carne Global Financial Services Limited which he joined in 2007. He specialises mainly in corporate governance, product development, fund establishment, compliance and risk management. Before joining Carne Global Financial Services Limited, Mr Otto was employed by the Allianz/Dresdner Bank group in Ireland for six years. During this time he acted as Head of Fund Operations, Head of Product Management and was appointed as a director of the Irish management company of Allianz Global Investors and a range of Irish- and Cayman-domiciled investment companies. He had previously held senior positions in the areas of market data and custody at Deutsche International (Ireland) Limited and worked in the investment banking division of Deutsche Bank, Frankfurt. He spent over six years at Deutsche Bank group. Prior to that, he was employed with Bankgesellschaft Berlin for two years. He holds a degree in business administration from Technische Universität Berlin.

#### **John Skelly**

Mr Skelly joined Carne Global Financial Services Limited in 2006 and specialises in compliance, product and operations for traditional funds and hedge funds. Prior to joining Carne Global Financial Services Limited, he was Chief Operating Officer of Carlton Capital Partners, London from 2005 to 2006 where he was responsible for developing and running its fund of hedge fund operations. Prior to this, he was General Manager of the Dublin Branch of BNP Paribas Securities Services from 2000 to 2005 where he set up and managed the company's Trust and Custody business in Dublin. During this period, he was a member of the Irish Funds Industry Association Trustee Committee. From 1999 to 2000, he acted as Financial Controller of Investments for Norwich Union Insurance Group (Ireland) and, from 1997 to 1999, as Head of Operations at Custom House Fund Management, an alternative investment/hedge fund administrator. Prior to this, he was Accounting and Tax manager with Ulster Bank Investment Services Limited having trained with Deloitte in Dublin. Mr Skelly is a Fellow of the Institute of Chartered Accountants in Ireland and holds a Bachelor of Commerce degree from University College Dublin.

#### **Jonathan Greenwold**

Mr Greenwold joined the Investment Manager in June 2008 and in March 2015 was appointed to the Investment Manager's Executive Board as General Counsel. Mr Greenwold has had responsibility for the Investment Manager's Legal and Compliance teams since July 2011 when he was appointed as Director of Legal and Compliance; has been the Investment Manager's Company Secretary since May 2011; and has also had responsibility for the Investment Manager's operational risk since September 2018. Mr Greenwold was previously Head of Legal at the Investment Manager from May 2010, with responsibility for the Investment Manager's Legal team, having initially joined the Investment Manager as a Senior Lawyer. Prior to joining the Investment Manager, Mr Greenwold worked at the leading international law firm Slaughter and May, initially as a trainee solicitor from August 2001 to November

2003 and subsequently as a qualified solicitor from November 2003 to May 2008. Mr Greenwold holds an M.A. in law from City University, London and an M.A. in history from St Hugh's College, Oxford University.

### **Adrian Waters**

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

All the Directors act in a non-executive capacity. For the purposes of this Prospectus, the address of each of the Directors is the registered office of the Fund.

The company secretary of the Company is Carne Global Financial Services Limited.

## **INVESTMENT MANAGER AND PRINCIPAL DISTRIBUTOR**

### Details of Investment Manager and Principal Distributor

The Company has delegated the performance of discretionary investment management of the Funds to Aspect Capital Limited. Aspect Capital Limited was incorporated as a private limited company in England and Wales on 12 January 1998 and is authorised and regulated by the FCA. The Investment Manager is also registered with the CFTC as a commodity pool operator and as a commodity trading advisor and is a member of the US National Futures Association (the "NFA") and is registered with the US Securities and Exchange Commission (the "SEC") as an investment adviser. Such registrations and memberships in no way imply that the FCA, the CFTC, the NFA or the SEC have endorsed the Investment Manager's qualifications to provide the advisory services described in this Prospectus.

The Investment Manager manages a range of funds, using both traditional and alternative strategies, aimed at meeting its clients' investment objectives.

The Investment Manager also acts as Principal Distributor of the Company, and is therefore the entity with primary responsibility for promoting the Company.

### Appointment of Investment Manager and Principal Distributor

The Investment Manager was appointed pursuant to the Investment Management Agreement. Under the Investment Management Agreement, the Investment Manager has full discretion (subject to the control of and review by the Directors) to invest the assets of the Funds in pursuit of the investment objective and policy described in each Supplement and subject to the investment restrictions.

The Company has also appointed the Investment Manager, pursuant to the Distribution Agreement, to act as a non-exclusive distributor to solicit subscriptions for Shares with power to appoint sales agents.

The Investment Manager (and/or its members, employees, related entities and connected persons) may subscribe, directly or indirectly, for Shares.

## **THE ADMINISTRATOR**

The Company has appointed U.S. Bank Global Fund Services (Ireland) Limited to act as administrator, registrar and transfer agent for the Company, pursuant to the Administration Agreement.

U.S. Bank Global Fund Services (Ireland) Limited is an independent fund administration company which offers a range of outsourced accounting and investor services solutions to the investment fund community and is authorised by the Central Bank under the Investment Intermediaries Act, 1995 of Ireland. The Administrator is a private limited liability company incorporated in Ireland on 15 February 2006.

The Administrator has been appointed to administer the day to day operations and business of the Company including processing subscriptions, redemptions, transfers, computing the Net Asset Value and the Net Asset Value per Share, maintaining books and records, disbursing payments, establishing and maintaining accounts on behalf of the Company and any other matters usually performed for the administration of a fund. The Administrator will also maintain the register of Shareholders.

The Administrator is a service provider to the Company and is not involved directly or indirectly with the business affairs, organisation, distribution or management of the Company and is responsible and liable only for the administration services that it provides to the Company pursuant to the Administration Agreement.

The Company reserves the right to change the administration arrangement described above by agreement with the Administrator and/or in its discretion to appoint an alternative administrator. Shareholders will be notified in due course of any appointment of an alternative administrator.

## THE DEPOSITARY

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

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

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

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

Under the Depositary Agreement, the Depositary has power to delegate the whole or any part of its depositary functions, however, its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary has delegated its safe-keeping duties in respect of financial instruments in custody to The Bank of New York Mellon SA/NV and/or The Bank of New York Mellon. The list of sub delegates appointed by The Bank of New York Mellon SA/NV or The Bank of New York Mellon is set out in Appendix 4 hereto. The use of particular sub delegates will depend on the markets in which the Company invests. No conflicts arise as a result of such delegation.

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

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

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

2016, it had US\$29.9 trillion in assets under custody and administration and US\$1.6 trillion in assets under management.

## **PAYING AGENTS**

Local laws/regulations in EEA Member States may require the appointment of paying agents / representatives / distributors / correspondent banks and maintenance of accounts by such paying agents through which subscription and redemption monies or distributions may be paid. Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or distributions via an intermediate entity rather than directly to or from the Administrator (e.g. a paying agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Administrator for the account of the Company or the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder. Fees and expenses of paying agents appointed by the Company on behalf of a Fund which will be at normal commercial rates will be borne by the Company or the Fund in respect of which a paying agent has been appointed.

## **SUBSCRIPTIONS**

### Initial Offer

Shares in the Company may be subscribed for during the Initial Offer Period at the Initial Offer Price and will be issued for the first time on the first Business Day following the close of the Initial Offer Period. The Directors may extend or shorten the Initial Offer Period at their discretion. Any such extension or shortening of the Initial Offer Period will be notified to the Central Bank in accordance with its requirements.

Cleared funds must be received prior to the end of the Initial Offer Period or on such other date and time (being no later than 5:30 p.m. (Dublin time) on the third Business Day after the relevant Subscription Day) as may be specified in the application form. If timely settlement is not made, the relevant issue of Shares may be cancelled and an applicant may be required to compensate the Fund for any loss, costs or expenses incurred directly or indirectly in relation to such cancellation.

### Subsequent Subscriptions

Following the close of the Initial Offer Period, Shares will be available for subscription at the Subscription Price on each Subscription Day on a forward pricing basis (see below under "Procedure"). The Subscription Price will be equal to the Net Asset Value per Share as at the relevant Valuation Point. The investor may also be required to pay an Initial Charge on such a subscription for Shares as set out in "Fees and Expenses".

The Directors are authorised from time to time to resolve to close a Fund or any Class of Shares to new subscriptions on such basis and on such terms as the Directors may in their absolute discretion determine.

### Procedure

Applicants for Shares during the Initial Offer Period should complete and sign an application form which may be obtained from the Administrator and send it to the Administrator, together with any information required in respect of anti-money laundering requirements as detailed in the application form, by mail (with a copy by facsimile or email) so as to be received by the Administrator no later than 2.00 p.m. (Dublin time) on the last Business Day of the Initial Offer Period. Cleared funds in the relevant currency in respect of the subscription monies must be received by the Administrator by the same time on that day or such other date and time (being no later than 5.30 p.m. (Dublin time) on the third Business Day after the relevant Subscription Day) as may be specified in the application form. If the relevant application form and/or subscription monies is/are not received by these times, the application will be held over until the first Subscription Day after the close of the Initial Offer Period and Shares will then be issued at the relevant Subscription Price on that Subscription Day.

Thereafter, applicants for Shares, and (unless otherwise stated in a Supplement in respect of one or more Classes) Shareholders wishing to apply for additional Shares, must send their completed and signed application form by mail (with a copy by facsimile or email) to the Administrator so as to be received before the relevant Subscription Request Deadline, together with any information required in respect of anti-money laundering requirements as detailed in the application form. Applications accepted prior to the Subscription Request Deadline for any particular Subscription Day will be processed on that Subscription Day. Subscription monies must be received by the Administrator as outlined in the relevant Supplement. Any applications (or the accompanying funds) received after the Subscription Request Deadline for a particular Subscription Day or after any other deadline stated in the relevant Supplement will be processed on the following Subscription Day unless the Directors in their absolute discretion otherwise determine to accept one or more applications (or the accompanying funds) received after the Subscription Request Deadline (or other such deadline stated in the relevant Supplement) for processing on that Subscription Day provided that such application(s) have been



received prior to the Valuation Point for that particular Subscription Day. Investors should note that the Directors will only exercise their discretion to accept applications for subscriptions received after the Subscription Request Deadline in exceptional circumstances.

Upon receipt into the Subscriptions/Redemptions Account, subscription monies will become the property of the relevant Fund and accordingly an investor will be treated as a general creditor of the relevant Fund during the period between receipt of subscription monies into the Subscriptions/Redemptions Account and the issue of Shares.

Payment in respect of subscription must be received in cleared funds into the Subscriptions/Redemptions Account on or before the relevant Subscription Day 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 Subscription Day, 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 applicant may be charged interest together with an administration fee. In addition the Directors will have the right to sell all or part of the applicant's holdings of Shares in the Fund or any other Fund of the Company in order to meet those charges.

Fractions of Shares to four decimal places will be issued if necessary. Interest on subscription monies will accrue to the Company, on behalf of the relevant Fund.

The Company reserves the right to reject any application in whole or part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of the applicant.

The Administrator will issue a written confirmation via e-mail to successful applicants confirming acceptance of their application. A contract note will be issued to applicants once the Net Asset Value for the relevant Subscription Day is finalised and the Shares have been allocated. Once completed applications have been received by the Administrator, they are irrevocable (unless the Directors in their absolute discretion otherwise determine).

The Company and/or the Administrator reserve the right to ask for the production of original documents or other information to authenticate the communication and to require communications to be re-sent in the event that such communication has not been properly received or has been corrupted. Facsimiles or emails sent to the Administrator will be acknowledged by the Administrator. In the event that no acknowledgement is received from the Administrator within one (1) Business Day of submission of the request, the applicant should contact the Administrator on telephone number +353 1 523 8290 or email at [Investorservices@quintillion.com](mailto:Investorservices@quintillion.com) to confirm receipt by the Administrator of the request. The applicant must use the form of document provided by the Administrator/Company in respect of subscriptions, redemptions, exchanges or transfers, unless such condition is waived by the Company in agreement with the Administrator. Subject thereto, Shares are deemed to be issued on the relevant Subscription Day.

The Administrator shall effect amendments to a Shareholder's registration details and details relating to a Shareholder's payment instructions only upon receipt of signed written instruction only.

An Initial Charge of up to 5% of the Subscription Price may be payable by applicants for Shares at the discretion of the Directors. Any Initial Charge with respect to Shares purchased by non-US Persons will be payable to the Investment Manager, while any Initial Charge with respect to Shares purchased by US Persons will be paid to the relevant distributor.

### Minimum Investment

The Minimum Holding, the Minimum Initial Subscription and the Minimum Additional Subscription for each Class in respect of each Fund are set out in the relevant Supplement.

### Eligible Applicants

The application form requires each prospective applicant for Shares to represent and warrant to the Company that, among other things, it is either (a) not a US Person and is a Non-United States Person or (b) a US Person who qualifies as an "accredited investor" (as defined in Regulation D promulgated under the 1933 Act) and a "qualified purchaser" (as defined in the 1940 Act and the regulations promulgated thereunder), in each case who is able to acquire and hold Shares without violating applicable laws.

The Company reserves the right to reject any application in whole or in part at its absolute discretion. In particular, the Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise incur or suffer, or would result in the Company being required to register under any applicable US securities laws

Each applicant for, and transferee of, Shares who is a US Person will be required to provide such representations, warranties or documentation as may be required by the Directors to ensure that these requirements are met prior to the issue or the registration of any transfer of Shares. If the transferee is not already a Shareholder, it will be required to complete the appropriate application form.

### Form of Shares

All the Shares will be registered Shares and will only be issued in book entry form, meaning that a Shareholder's entitlement will be evidenced by an entry in the Company's register of Shareholders, as maintained by the Administrator, and not by a share certificate.

### Suspension

The Directors may declare a suspension of the issue of Shares in certain circumstances as described under "Suspension of Valuation of Assets" in the section "General Information". No Shares will be issued during any such period of suspension.

### Anti-Money Laundering

Measures provided for in the EU Directive 2015/849 (the "**Fourth AML Directive**") aimed at the prevention and detection of money laundering and terrorist financing, requires documentary verification of each applicant's identity, address and establishing whether an applicant is a politically exposed person ("**PEP**") or an immediate family member or close associate of a PEP. The source of funds and wealth must also be established for any PEP applicants.

In the case of corporate applicants, the verification process will require certain information being provided including a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), annual audited accounts, the names, occupations, dates of birth and residential and business address of the directors of the company, PEP details and details of persons with substantial beneficial ownership or control of the corporate applicant.

Depending on the circumstances of each application, detailed verification may not be required where an applicant is identified as a lower risk category pursuant to a money laundering and terrorist financing risk assessment of that applicant. While relevant to this risk assessment, the regulated

status and country of origin for any financial institution will no longer be conclusive factors in the application of the reduced verification requirements. Applicants may contact the Administrator in order to determine whether they meet the above exceptions.

The Administrator reserves the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and return all subscription money or compulsorily redeem such Shareholder's Shares and/or payment of redemption proceeds may be delayed and none of the Company, the Directors, the Depositary or the Administrator shall be liable to the subscriber or Shareholder where an application for Shares is not processed or Shares are compulsorily redeemed in such circumstances. If an application is rejected, the Administrator will return application money or the balance thereof by telegraphic transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the applicant. The Administrator may refuse to pay redemption proceeds or accept further subscription money where the requisite information for verification purposes has not been produced by a Shareholder.

Each subscriber and Shareholder will be required to make such representations as may be required by the Company in connection with applicable anti-money laundering/counter terrorist financing programmes, including, without limitation, representations that such subscriber or Shareholder:

- (a) understands and agrees that the Company prohibits subscription for Shares by any persons or entities that are acting, directly or indirectly, (i) in contravention of any U.S. or international laws and regulations, including anti-money laundering regulations or conventions, (ii) on behalf of terrorists or terrorist organisations, including those persons or entities that are included on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**"), as such list may be amended from time to time, (iii) for a senior foreign political figure, any member of a senior foreign political figure's immediate family or any close associate of a senior foreign political figure or the Administrator, acting on behalf of the Company, unless the Company, having been specifically notified by the subscriber in writing that it is such a person, conducts further due diligence, and determines that such investment shall be permitted, or (iv) for a foreign shell bank (such persons or entities in (i) to (iv) are collectively referred to as "**Prohibited Persons**");
- (b) (i) it is not, nor is any person or entity controlling, controlled by or under common control with it, a Prohibited Person, and (ii) to the extent it has any beneficial owners, (A) it has carried out thorough due diligence to establish the identities of such beneficial owners, (B) based on such due diligence, it reasonably believes that no such beneficial owners are Prohibited Persons, (C) it holds the evidence of such identities and status and will maintain all such evidence for at least five years from the date of its complete redemption from each Sub-Fund, and (D) it will make available such information and any additional information that the Company or the Administrator, acting on behalf of the Company, may request; and

if any of the foregoing representations, warranties or covenants cease to be true or if the Company or the Administrator, acting on behalf of the Company, no longer reasonably believes that it has satisfactory evidence as to their truth, notwithstanding any other agreement to the contrary, the Company or the Administrator, acting on behalf of the Company, may, in accordance with applicable regulations, be obligated to freeze the Shareholder's investment, either by prohibiting additional investments, declining or suspending any redemption requests and/or segregating the assets constituting the investment, or the Shareholder's investment may immediately be involuntarily redeemed by the Company, and the Company may also be required to report such action and to disclose the Shareholder's identity to OFAC or other authority. In the event that the Company, in respect of a Sub-Fund, is required to take any of the foregoing actions, the Shareholder understands and agrees that it shall have no claim against the Company, in respect of that Sub-Fund, the Administrator, and their respective affiliates, directors, members, partners, Shareholders, officers, employees and agents for any form of damages as a result of any of the aforementioned actions.

The Administrator may disclose information regarding investors to such parties (e.g., affiliates, attorneys, auditors, administrators or regulators) as it deems necessary or advisable to facilitate the dealing in the Shares, including, but not limited to, in connection with anti-money laundering/counter terrorist financing and similar laws. The Administrator or other service providers may also release information if directed to do so by the investors in the Shares, if compelled to do so by law or in connection with any government or self-regulatory organisation request or investigation. In connection with the establishment of anti-money laundering/counter terrorist financing procedures, the Directors may implement additional restrictions on the transfer or dealing in Shares.

The Directors may impose additional requirements from time to time to comply with all applicable anti-money laundering/counter terrorist financing laws and regulations, including the U.S. Patriot Act.

### Data Protection

Prospective investors should note that by completing the Dealing Documentation they are providing to the Administrator personal information, which may constitute personal data within the meaning of the Data Protection Legislation. This data will be used for the purposes of administration, transfer agency, statistical analysis, research and disclosure to the Company, its delegates and agents. By signing the Dealing Documentation, investors acknowledge that they are providing their consent to the Company, its delegates and its or their duly authorised agents and any of their respective Associates obtaining, holding, using, disclosing and processing the data for any one or more of the following purposes:

- (a) to manage and administer the investor's holding in the relevant Sub-Fund(s) and any related accounts on an on-going basis;
- (b) for any other specific purposes where the investor has given specific consent;
- (c) to carry out statistical analysis and market research;
- (d) to comply with legal and regulatory obligations applicable to the investor, the Company and the relevant Sub-Fund(s);
- (e) for disclosure or transfer whether in Ireland or countries outside Ireland including without limitation the United States, which may not have the same level of protection as the data protection laws in Ireland, to third parties including financial advisers, regulatory bodies, taxation authorities (including the Revenue Commissioners in accordance with FATCA and CRS), auditors, technology providers of the Company and its delegates and its or their duly appointed agents and any of their respective Associates for the purposes specified above;
- (f) for disclosure to the U.S. Internal Revenue Service to meet the Company's obligations under FATCA as further disclosed in the section entitled "Tax Considerations" below; and
- (g) for other legitimate business interests of the Company.

Pursuant to Data Protection Legislation, investors have a right of access to their personal data kept by the Administrator and the right to amend and rectify any inaccuracies in their personal data held by the Administrator by making a request to the Administrator in writing.

The Administrator will hold any personal information provided by investors in confidence and in accordance with Data Protection Legislation.

By signing the Dealing Documentation, prospective investors consent to the recording of telephone calls made to and received from investors by the Administrator, its delegates, its duly appointed agents and any of their respective Associates to comply with relevant laws or regulations, for record keeping, security and/or training purposes.

## REDEMPTIONS

Shares will be redeemable at the option of the Shareholder on each Redemption Day.

Unless otherwise stated in a Supplement in respect of one or more Classes, Shareholders should send a completed redemption request in the form available from the Administrator to be received by the Administrator before the relevant Redemption Request Deadline for any Redemption Day as outlined in the relevant Supplement, failing which the redemption request will be held over until the next following Redemption Day (unless, provided that such request has been received prior to the Valuation Point for that Redemption Day, the Directors in their absolute discretion determine otherwise in exceptional circumstances) and Shares will be redeemed at the relevant Redemption Price applicable on that Redemption Day. Completed redemption requests may be submitted by facsimile or email, with the original to be received by the Administrator promptly thereafter.

No redemption payment may be made until the original subscription application form and redemption request have been received and all the documentation required by the Company (including any documents in connection with anti-money laundering procedures) has been received and the anti-money-laundering procedures have been completed.

A request for a partial redemption of Shares may be refused, or the holding redeemed in its entirety, if, as a result of such partial redemption, the Net Asset Value of the Shares retained by the Shareholder would be less than the Minimum Holding.

A redemption request, once given, is irrevocable save with the consent of the Directors (which may be withheld in their discretion).

### Redemption Price

The Redemption Price per Share will be equal to the Net Asset Value per Share as at the relevant Valuation Point less any redemption charge as set out in the Supplement for each Fund.

### Settlement

Payment of redemption proceeds will be made as soon as practicable after the relevant Redemption Day and normally within 5 Business Days of the relevant Redemption Request Deadline. Payment will be made in the currency of denomination of the Shares being redeemed by direct transfer in accordance with instructions given by the redeeming Shareholder to the Administrator and at the Shareholder's risk and expense. Payments made on receipt of faxed instructions will only be processed where payment is made to the account of record of the Shareholder.

Investors should note that any redemption proceeds being paid out by a Fund and held for any time in the Subscriptions/Redemptions Account shall remain an asset of the relevant Fund until such time as the proceeds are released to the investor. 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 investor shall have ceased being considered a Shareholder and instead will rank as a general unsecured creditor of the Company.

### Suspension

The Directors may declare a suspension of the redemption of Shares in certain circumstances as described under the heading "Suspension of Valuation of Assets" in the section "General Information". No Shares will be redeemed during any such period of suspension.

### Compulsory Redemptions

The Directors have the right to require the compulsory redemption of all or part of the Shares held by or for the benefit of a Shareholder if the Directors determine that the Shares are held by or for the benefit of any Shareholder who is not or is no longer an Eligible Applicant as described under "Subscriptions". The Company also reserves the right to require compulsory redemption of all Shares held by a Shareholder if the Net Asset Value of the Shares held by the Shareholder is less than the Minimum Holding. Where the Net Asset Value of the Shares held by a Shareholder is less than the Minimum Holding and the Company decides to exercise its right to compulsorily redeem, the Company will notify the Shareholder in writing and allow such Shareholder 30 calendar days to purchase additional Shares to meet the minimum holding requirement.

Notwithstanding the above, the Directors also have the right to compulsorily redeem all or part of the Shares held by or for the benefit of a Shareholder at any time for any or no reason by giving notice in writing to the Shareholders.

### Deferred Redemptions

Subject to any statement to the contrary in respect of a particular Fund in the relevant Supplement, the Directors may defer redemptions at a particular Redemption Day to the next Redemption Day where the requested redemptions exceed 10% of a Fund's Net Asset Value. The Directors will ensure the consistent treatment of all Shareholders who have sought to redeem Shares at any Redemption Day at which redemptions are deferred. The Directors will pro-rate all such redemption requests to the stated level (i.e. 10% of the Fund's Net Asset Value) and will defer the remainder until the next Redemption Day subject to the repeated application of the 10% deferral on the next and following Redemption Days. The Directors will also ensure that all deals relating to an earlier Redemption Day are completed before those relating to a later Redemption Day are considered.

The Directors currently expect not to exercise such power to defer redemptions except to the extent that they consider that (1) existing Shareholders would otherwise be materially prejudiced or (2) that such exercise is necessary to comply with applicable law or regulation or (3) where the disposal of assets of a Fund to match the level of redemptions is not practical or would prejudice the remaining Shareholders.

### In-Specie Redemptions

The Directors may, at their discretion and with the consent of the individual Shareholder concerned, satisfy any request for redemption of Shares by the transfer in specie to the Shareholder concerned of assets of the relevant Fund having a value equal to the Redemption Price for the Shares redeemed as if the redemption proceeds were paid in cash less any redemption charge and other expenses of the transfer. The Directors shall determine the nature and type of assets to be transferred to the Shareholder (subject to the approval of the Depositary as to the asset allocation) on such basis as they, in their absolute discretion shall deem equitable and not prejudicial to the interests of the remaining Shareholders in the relevant Fund or Class.

### Anti-Money Laundering

Investors should note that the Directors may refuse to settle a redemption request if it is not accompanied by such additional information as they, or the Administrator on their behalf, may reasonably require. This power may, without limitation to the generality of the foregoing, be exercised where proper information has not been provided for anti-money laundering verification purposes as described under "Subscriptions".

## EXCHANGING BETWEEN FUNDS OR CLASSES

Except when issues and redemptions of Shares have been suspended in the circumstances described under "Suspension of Valuation of Assets" in the section "General Information" and subject to the discretion of the Directors, holders of Shares may request an exchange of some or all of their Shares in one Class or Fund ("the Original Class") to Shares in another Class or Fund (the "New Class"). Such exchanges can only take place, if following the exchange, the Shareholder's holding in the New Class will satisfy the Minimum Initial Subscription and Minimum Holding requirements and other criteria of that Class or Fund.

A Share exchange will be effected by way of a redemption of Shares of one Class or Fund (and thus will result in the payment of Performance Fee accrued in respect of such Shares, if any) and a simultaneous subscription (at the most recent Subscription Price) for Shares of the other Class or Fund and, accordingly, the general provisions and procedures relating to redemptions and subscriptions of Shares will apply. Redemption proceeds will be converted into the other currency at the rate of exchange available to the Administrator and the cost of conversion will be deducted from the amount applied in subscribing for Shares of the other Class. Notwithstanding any of the above, Shareholders who exchange Institutional Shares of one Class in a Fund for Institutional Shares in another Class in the same Fund will, by way of the issuance of an equalisation adjustment (as further described under "Adjustment for Institutional Shares" in the Supplement for the relevant Fund) be able to retain any performance or loss previously achieved in respect of their holding and payment of the Performance Fee (including in respect of any Performance Fee Redemption or Equalisation Credits) will not crystallise solely because of the exchange.

The Articles authorise the Directors to charge a fee on the exchange of Shares in any Fund for Shares in another Fund up to a maximum of 5% of Net Asset Value of Shares in the original Fund. With respect to exchanges between Classes of Shares within a Fund, an exchange fee of up to a maximum of 3% of the redemption proceeds of the Class of Shares which is being exchanged for another Class of Shares in that Fund may be payable on each exchange. The redemption proceeds of the Class of Shares which is being exchanged will be reduced by the amount of the exchange fee and the net amount applied in subscribing for Shares of the other Class or Fund. The Directors may waive the payment of the exchange fee at their discretion. The exchange fee will be retained by the Company.

Shareholders should send a completed exchange request in the form available from the Administrator to be received by the Administrator prior to the earlier of the Redemption Request Deadline for redemptions in the Original Class and the Subscription Request Deadline for subscriptions in the New Class. Any applications received after such time will be dealt with on the next Redemption Day, unless the Directors in their absolute discretion otherwise determine. Investors should note that the Directors will only exercise their discretion to accept applications for exchanges of shares received after the Redemption Request Deadline on an exceptional basis and provided also that such applications have been received prior to the relevant Valuation Point. Exchange requests will only be accepted where cleared funds and completed documents are in place from original subscriptions.

Fractions of Shares to four decimal places may be issued by the Company on exchange where the value of Shares exchanged from the Original Class is not sufficient to purchase an integral number of Shares in the New Class and any balances representing entitlements of less than a fraction of a Share to four decimal places will be retained by the Company in order to discharge administration costs.

An exchange request, once given, is irrevocable save with the consent of the Directors (which may be withheld in their discretion) or in the event of a suspension of calculation of the Net Asset Value of the Company in respect of which the exchange requests are made.

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

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

Where:

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

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

NAV is the Net Asset Value per Share of the Original Class as at the relevant Valuation Point for the relevant Redemption Day.

ER is the currency exchange factor (if any) as determined by the Administrator as representing the effective rate of exchange of settlement on the relevant Redemption Day applicable to the transfer of assets between the relevant Funds or Classes where the base currencies are different or, where the base currencies are the same, ER = 1.

SP is the Net Asset Value per Share of the New Class as at the relevant Valuation Point for the relevant Subscription Day.



## VALUATION

### Net Asset Value and Valuation of Assets

The Net Asset Value of each Fund will be calculated by the Administrator as at the Valuation Point for each Redemption Day and Subscription Day in accordance with the Articles. The Net Asset Value of a Fund shall be determined as at the Valuation Point for the relevant Redemption Day and Subscription Day by valuing the assets of the relevant Fund (including income accrued but not collected) and deducting the liabilities of the relevant Fund. The Net Asset Value attributable to a Class shall be determined as at the Valuation Point for the relevant Redemption Day and Subscription Day by calculating that portion of the Net Asset Value of the relevant Fund attributable to the relevant Class as at the Valuation Point by reference to the last finalised Net Asset Value of the relevant Class.

The Net Asset Value of a Fund will be expressed in the base currency of the Fund, or in such other currency as the Directors may determine either generally or in relation to a particular Class or in a specific case, as may be set out in the relevant Supplement for each Fund or Class.

The Net Asset Value per Share shall be calculated as at the Valuation Point for each Redemption Day and Subscription Day by dividing the Net Asset Value of the relevant Fund or attributable to a Class by the total number of Shares in issue or deemed to be in issue in the Fund or Class at the relevant Valuation Point and rounding the resulting total to four decimal places or such number of decimal places as the Directors may determine.

In determining the value of the assets of the Company:

- (A) Securities which are quoted, listed or traded on a Recognised Exchange save as hereinafter provided at (D), (E), (F), (G) and (H) will be valued at last traded market prices. Where a security is listed or dealt in on more than one Recognised Exchange the relevant exchange or market shall be the exchange or market which constitutes the main market for such security or the one which the Directors in their sole discretion determine provides the fairest criteria in ascribing a value to such security. Investments listed or traded on a Recognised Exchange, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount on the Valuation Point provided that the Depositary shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.
- (B) The value of any security which is not quoted, listed or dealt in on a Recognised Exchange or which is so quoted, listed or dealt in but for which no such quotation or value is available or the available quotation or value is not representative will be valued at its probable realisation value as determined by the Directors, or by a competent person appointed by the Directors and approved for such purpose by the Depositary, with care and in good faith having regard to its cost price, the price at which any recent transaction in the security may have been effected, the size of the holding having regard to the total amount of such security in issue, and such other factors as the Directors in their sole discretion deem relevant in considering a positive or negative adjustment to the valuation.
- (C) Cash on hand or on deposit will be valued at its nominal / face value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.
- (D) Derivative contracts traded on a Recognised Exchange or regulated market shall be valued at the settlement price on the relevant market where the instruments are traded. If such settlement price is not available, such value shall be calculated in accordance with the value of any investment which is not normally quoted, listed or traded on or under the rules of a Recognised Exchange above, i.e. being the probable realisation value estimated with care and in good faith by a competent person appointed by the Directors (and approved for such

purpose by the Depositary). Over-the-counter derivative instruments will be valued at the latest valuation for such instruments as at the Valuation Point for the relevant Dealing Day as provided by the counterparty on a daily basis and verified on a weekly basis by a competent person (being independent from the counterparty), approved for such purpose by the Depositary. Alternatively, the value of any over-the-counter derivative contract may be the quotation from an independent pricing vendor or that calculated by the Company itself and shall also be valued daily. Where this alternative valuation is used the Company must follow international best practice and adhere to specific principles on such valuations established by bodies such as IOSCO and AIMA as specified by the Central Bank Rules. Any such alternative valuation must be provided by a competent person appointed by the Company or the Investment Manager and approved for the purpose by the Depositary, or a valuation by any other means provided that the method is approved by the Depositary. Any such alternative valuation must be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these must be promptly investigated and explained.

- (E) Derivative contracts which are traded OTC will be valued daily either (i) on the basis of a quotation provided by the relevant counterparty and such valuation shall be approved or verified at least weekly by a party who is approved for the purpose by the Depositary and who is independent of the counterparty; or (ii) using an alternative valuation provided by a competent person appointed by the Directors and approved for the purpose by the Depositary or a valuation by any other means provided that the value is approved by the Depositary (the "Alternative Valuation"). Where such Alternative Valuation method is used the Company will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as the International Organisation of Securities Commissions or the Alternative Investment Management Association and will be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained.
- (F) Forward foreign exchange contracts shall be valued in the same manner as derivatives contracts which are traded OTC as set out in paragraph (E) above or by reference to freely available market quotations.
- (G) Notwithstanding paragraph (A) above units in collective investment schemes shall be valued at the latest available net asset value per unit or bid price as published by the relevant collective investment scheme or, if listed and traded on a Recognised Exchange, in accordance with (A) above.
- (H) The Directors may value Money Market Instruments having a residual maturity of less than three months and having no specific sensitivity to market parameters including credit risk, using the amortised cost method of valuation.
- (I) The Directors may 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.
- (J) Any value (whether of an investment or cash) expressed otherwise than in the base currency of the relevant Fund shall be converted into the base currency of the relevant Fund at the rate (whether official or a market rate) which the Directors in their absolute discretion deem applicable on the relevant Valuation Point, having regard, among other things, to any premium or discount which they consider may be relevant and to costs of exchange.
- (K) Where the value of any investment is not ascertainable as described above, the value shall be the probable realisation value estimated by the Directors, or by a competent person appointed by the Directors and approved for the purpose by the Depositary, with care and in good faith.

- (L) If the Directors deem it necessary, a specific investment may be valued under an alternative method of valuation chosen by the Directors and approved by the Depositary.

In calculating the Net Asset Value of each Fund the following principles will apply:

- (A) In determining the value of investments of each Fund the Directors may at their discretion instead value the investments of each Fund (i) at lowest market dealing bid prices where on any Redemption Day or Subscription Day the value of all redemption requests received exceeds the value of all applications for Shares received for that Redemption Day or Subscription Day or (ii) at highest market dealing offer prices where on any Redemption Day or Subscription Day the value of all applications for Shares received for that Redemption Day or Subscription Day exceeds the value of all redemption requests received for that Redemption Day or Subscription Day, in each case in order to preserve the value of the Shares held by existing Shareholders. The Directors will ensure that this policy will be applied on a consistent basis throughout the life to the Company and will apply this policy consistently throughout the various categories of assets held by the Funds.
- (B) Where investments have been agreed to be purchased or sold but such purchase or sale has not been completed, such investments shall be included or excluded and the gross purchase or net sale consideration excluded or included as the case may require as if such purchase or sale had been duly completed unless the Directors have reason to believe such purchase or sale will not be completed.
- (C) There shall be added to the assets of the relevant Fund any actual or estimated amount of any taxation of a capital nature which may be recoverable by the Company which is attributable to that Fund.
- (D) There shall be added to the assets of the relevant Fund a sum representing any interest, dividends or other income accrued but not received and a sum representing unamortised expenses.
- (E) There shall be added to the assets of the relevant Fund the total amount (whether actual or estimated by the Directors or their delegate) of any claims for repayment of any taxation levied on income or capital gains including claims in respect of double taxation relief;
- (F) There shall be deducted from the assets of the Fund:
  - (1) the total amount of any actual or estimated liabilities properly payable out of the assets of the Fund including any and all outstanding borrowings of the Fund, interest, fees and expenses payable on such borrowings and any estimated liability for tax and such amount in respect of contingent or projected expenses as the Directors consider fair and reasonable as of the relevant Valuation Point;
  - (2) such sum in respect of tax (if any) on income or capital gains realised on the investments of the Company or Fund as in the estimate of the Directors will become payable;
  - (3) the amount (if any) of any distribution declared by the Fund as of the relevant Valuation Point but not distributed in respect thereof;
  - (4) the remuneration of the Administrator, the Depositary, the Investment Manager, the Principal Distributor and any other providers of services to the Fund accrued as of the relevant Valuation Point but remaining unpaid together with a sum equal to the value added tax chargeable thereon (if any);
  - (5) the total amount (whether actual or estimated by the Directors) of any other liabilities properly payable out of the assets of the Fund (including all establishment, operational and ongoing administrative fees, costs and expenses) as of the relevant Valuation Point;

- (6) an amount as of the relevant Valuation Point representing the projected liability of the Fund in respect of costs and expenses to be incurred by the Fund in the event of the Fund's subsequent liquidation;
- (7) an amount as of the relevant Valuation Point representing the projected liability of the relevant calls on Shares in respect of any warrants issued and/or options written by the Fund or Class of Shares; and
- (8) any other liability which may properly be deducted as of the relevant Valuation Point.

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

## **FEES AND EXPENSES**

Any fees or expenses payable by a Shareholder or out of the assets of the Company (in addition to those liabilities which are deductible from the Fund as set out under "Valuation") are set out in this section.

### Initial Charge

The Directors are permitted to make an Initial Charge on the sale of Shares to an investor. The current percentage rates of charge are shown in the relevant Supplement for each Fund. The maximum amount for such Initial Charge will be 5% of the value of the relevant subscription. Any Initial Charge with respect to Shares purchased by non-US Persons will be payable to the Investment Manager, while any Initial Charge with respect to Shares purchased by US Persons will be paid to the relevant distributor unless otherwise disclosed in the relevant Supplement.

### Redemption Charge

The Directors are permitted to make a redemption charge on the redemption of Shares by an investor. The current percentage rates of charge are shown in the relevant Supplement for each Fund. The charge is calculated prior to the addition of any dilution levy, as set out in the relevant Supplement. The maximum amount for such redemption charge will be 3% of the aggregate Net Asset Value of the Shares being redeemed. Redemption charges with respect to Shares redeemed by non-US Persons will be payable to the Investment Manager, while any redemption charges with respect to Shares redeemed by US Persons will be paid to the relevant distributor unless otherwise disclosed in the relevant Supplement.

### Investment Management Fee and Performance Fee

The Investment Manager will receive from the Company an Investment Management Fee the details of which are set out in the relevant Supplement for each Fund.

The Investment Manager shall also be entitled to be repaid all of its disbursements out of the assets of the Company, including legal fees including (tax, regulatory, compliance, fiduciary and other advisory services provided by the Fund's lawyers and their affiliated entities), couriers' fees and telecommunication costs and expenses which shall be at normal commercial rates together with VAT, if any, thereon.

The Investment Manager may also be entitled to receive a Performance Fee from the Company, the details of which are set out in the relevant Supplement for each Fund.

The Investment Manager may from time to time, and at its sole discretion, and out of its own resources decide to pay to intermediaries, distributors, Shareholders, the Fund and/or other persons part or all of the Investment Management Fee and/or Performance Fee. Any such payments may be applied in paying up additional Shares to be issued to the Shareholder, or may be paid in cash.

For the purposes of the Performance Fee, unless the Directors determine otherwise, a transfer of Shares will be treated as if there were a redemption of such Shares by the transferor and a subscription (at the most recent Subscription Price) for such Shares by the transferee on the date of the transfer. In the event that the beneficial ownership of such Shares does not alter on transfer, payment of the Performance Fee will not crystallise solely because of the transfer.

### Representation and Paying Agents' Fees

Fees and expenses of any representative or paying agent(s) appointed by the Company, which will be at normal commercial rates, will be borne by the Company.

### Administrator's Fees

The Company shall pay to the Administrator out of the assets of the Company an annual fee, accrued at each Valuation Point and payable in arrears the details of which are set out in the relevant Supplement for each Fund.

### Depository's Fees

The Company shall pay to the Depository out of the assets of the Company an annual fee, accrued at each Valuation Point and payable in arrears the details of which are set out in the relevant Supplement for each Fund.

### Directors' Fees

The Articles of the Company provide that the remuneration of the Directors shall be determined by a resolution of the Directors. Currently, the Directors and their affiliated or employer companies are entitled to an annual fee of EUR 20,000 per Director. Jonathan Greenwold is not receiving a fee from the Company in connection with his directorship. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.

### Operating Expenses and Fees

The Company bears its own operating and other expenses, including expenses which are initially invoiced to the Investment Manager and subsequently recharged by the Investment Manager to Company and other accounts managed by the Investment Manager. Where applicable, these expenses include (but are not limited to) (a) all investment expenses, (b) all fees and expenses of transactional and execution-related services such as dealing commissions, post-trade transaction processing fees and the costs of market data (including costs relating to the investment process which includes research and development, fees for software and other technology facilities used to develop investment strategies, data advisory fees, market and other investment and counterparty related data used by Aspect in its investment process, licences for the delivery of such data, data terminals, third party fees for sourcing data, the cost of risk monitoring and trade surveillance and compliance solutions (including regulatory monitoring and reporting) used by the Investment Manager in executing trades on behalf of the Company with respect to a Fund or Funds, (c) post-trade transaction processing (including trade matching, reconciliation, confirmation, reporting and collateral management), (d) all administrative expenses, (e) all of the charges and expenses of legal advisers, accountants and auditors, (f) all brokers' commissions, all charges on short positions taken through Financial Derivative Instruments and any issue or transfer taxes or stamp duties chargeable in connection with securities transactions, (g) all taxes and corporate fees payable to governments or agencies, (h) all interest on borrowings (i) all communication expenses with respect to investor services (including risk aggregation reporting and investor reporting software), and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents, (j) all of the costs of insurance for the benefit of the Company and the Directors (including a proportion of a combined D&O and PI insurance policy benefitting both the Company with respect to a Fund or Funds and the Investment Manager) and costs of Director meetings, (k) all litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, (l) the fees of the Central Bank, (m) the cost of termination of the Company or any Fund, (n) the fees and expenses of any regulator, paying agent, representative, distributor or correspondent bank appointed in connection with the registration of the Company (or any Fund) or the marketing of Shares in any jurisdiction, including without limitation the costs and expenses associated with any platform used to clear and settle subscriptions and redemptions in Shares and the appointment of a third party broker-dealer for US marketing purposes, (o) legal fees (including legal fee tracking software), the costs of tax, regulatory, compliance, fiduciary

and other advisory services provided by the Company's lawyers and their affiliated entities and translation costs, and the fees of the Swiss Representative and the Swiss Paying Agent), and (r) all other organisational and operating expenses. Certain of the Company's (on behalf of a Fund or Funds) orders are executed using algorithms provided by third party brokers and, as such, the algorithms will either be made available without any additional charge in excess of the standard commissions charged by the relevant third party broker in question as applied to all execution (whether carried out using third party broker algorithms or otherwise) or the cost of such algorithmic execution will be added to the execution commissions by way of an additional charge. In certain circumstances, the Investment Manager may be treated, as a contractual matter, as receiving the brokerage services from the broker and as passing on the costs of those services to the Company. Further information on such arrangements shall be disclosed to investors on request.

Any such expenses may be deferred and amortised by the Company, in accordance with standard accounting practice, at the discretion of the Directors. An estimated accrual for operating expenses of the Company will be provided for in the calculation of the Net Asset Value of the Company. Operating expenses and the fees and expenses of service providers which are payable by the Company shall be borne by all Shares in proportion to the Net Asset Value of the Company or attributable to the relevant Class provided that fees and expenses directly or indirectly attributable to a particular Class shall be borne solely by the relevant Class.

#### Allocation of Assets, Charges and Expenses

All fees, duties, charges and expenses are charged to the relevant Fund in which they were incurred.

#### Charges to Capital

Where the Investment Manager determines that the generation of income in a Fund has equal or higher priority to capital growth, all or part of the fees and expenses of that Fund may be charged against capital instead of against income. This will constrain and may forego the potential for future capital growth.

#### Dilution Levy

A Fund may suffer dilution (reduction) in the value of its property as a result of the costs incurred in dealing in its underlying investments and of any spread between the buying and selling prices of these investments. As dilution is directly related to the inflows and outflows in respect of the relevant Fund, it is not possible to predict accurately whether dilution will occur at any point in time and consequently it is also not possible to predict accurately how frequently the Company will need to make a dilution levy to mitigate the effects of dilution.

In calculating the subscription or redemption price for a Fund the Directors may on any Redemption Day or Subscription Day when there are net subscriptions or redemptions, charge a dilution levy to cover dealing costs and to preserve the value of the underlying assets of the Fund and any such dilution levy will be shown in addition to the subscription or redemption price.

In cases where a dilution levy is made the value of the capital of the property of a Fund will not be adversely affected by dilution. If charged, the dilution levy will be shown in addition to (but not part of) the price of Shares on their issue by the Company and as a deduction to (but not part of) the price of their Shares on their cancellation or redemption by the Company. The dilution levy will either be paid into the relevant Fund in the case of an issue of shares by the Company or retained in the Fund in the case of a cancellation or redemption of Shares by the Company.

The need to charge a dilution levy will depend on the volume of net purchases or redemptions, as described below. The Company may charge a discretionary dilution levy on any purchase or redemption of Shares if, in its opinion, the existing Shareholders (for purchases) or continuing

Shareholders (for redemptions) might otherwise materially be adversely affected. A dilution levy must be imposed only in a manner that, so far as practicable, is fair to all Shareholders or potential Shareholders.

In particular, the dilution levy may be charged in the following circumstances:

- (a) on a Fund experiencing large levels of net purchases (i.e. purchases less redemptions) relative to its size; or
- (b) on a Fund experiencing large levels of net redemptions (i.e. redemptions less purchases) relative to its size.

In order to reduce inconsistency in the application of any dilution levy, the Company may take account of the trend of the Fund in question to expand or to contract and the transactions in Shares at a particular Valuation Point.

The Company's intention to impose a dilution levy in respect of any particular Fund is set out in the relevant Supplement.



## **CONFLICTS OF INTEREST**

The following inherent or potential conflicts of interest should be considered by potential investors before investing in a Fund. Where any potential conflict of interest arises, the Directors will endeavour to ensure that any such conflict is resolved in a fair and equitable manner and without prejudice to the Shareholders of each Fund.

### **Shares and Directors' Discretion**

The Directors may, under the Articles, issue one or more different Class(es) of Shares to Shareholders. Each Class of Shares may have different fees payable (for example, the Investment Management Fee and the Performance Fee) and may have varying levels of volatility. The Shares of each Class may be denominated in different currencies and it may be the case that one Class of Shares is only available to a restricted category of investors in the absolute discretion of the Directors, acting in good faith. Such arrangements will be entered into by the Company on the basis that all Shareholders will benefit from the economies of scale which a Fund will experience by increasing its Net Asset Value through subscriptions for Shares.

The Directors may agree in their absolute discretion acting in good faith to waive or reduce the Initial Charge for subscriptions received from potential Shareholders over a period of time. The Directors may in their absolute discretion acting in good faith also agree to waive or reduce the redemption charge in relation to a particular Shareholder or group of Shareholders. Such waivers or reductions would be agreed by the Directors on the basis that subscriptions received during the relevant period, or from one or more potential Shareholder(s) would be in the overall interests of the Shareholders of a Fund.

The Directors may in their absolute discretion acting in good faith reduce the Minimum Initial Subscription or Minimum Holding for one or more Shareholders.

Each potential Shareholder and each Shareholder in subscribing for and in holding Shares agrees that such arrangements will not be treated as affecting their rights as Shareholders.

### **Payments out of Fees**

The Investment Manager (unless otherwise agreed with the Company) receives an Investment Management Fee and may receive a Performance Fee from the Company. The Principal Distributor (unless otherwise agreed with the Company) receives from the Company the Initial Charge (if any) paid by the relevant Shareholder. The Investment Manager may agree, in its discretion, to reimburse the Fund, any Shareholder, intermediary, distributor or other person or otherwise provide any of them with a rebate or commission out of all or part of any fees paid by the Company in respect of a Class of Shares. Unless otherwise required in accordance with the applicable laws and regulations of any jurisdiction, the selection of one or more persons with whom such private agreement may be made and the terms of such agreement is a matter solely between the Investment Manager and such other person, provided always that a condition of any such agreement is that a Fund shall not incur any additional obligation or liability whatsoever. Where the selection of such person(s) is required under applicable law to be based on objective criteria, such criteria may include (without limitation) the expected amount of investment to be made or fees to be generated by such person(s), the expected investment period of such person(s) and the willingness of such person(s) to provide services or benefits to the Investment Manager. Each potential Shareholder and each Shareholder in subscribing for and in holding Shares agrees that such agreements will not be treated as affecting their rights as Shareholders. The Administrator may assist the Investment Manager in relation to certain of these arrangements, for which assistance it will not receive any remuneration in addition to the administration fees set out under "Administrator's Fees" under "Fees and Expenses".

## **Other Clients**

The Investment Manager may act as investment manager or advisor to other clients (including other funds with the same, or a different investment objective and approach) now or in the future. It may additionally serve as consultant to, partner or shareholder in other funds, companies and investment firms. Certain investments may be appropriate for the Company and also for other clients advised or managed by the Investment Manager or for the Investment Manager's own proprietary account or accounts in which the Investment Manager, its directors or employees are the principal investor(s) or beneficiaries (the "Proprietary Accounts"). Investment decisions for the Company and for such other clients and the Proprietary Account are made with a view to achieving their respective investment objectives and after consideration of such factors as their current holdings, their respective investment policies, availability of cash for investment, and the size of their positions generally. For their Proprietary Accounts, the Investment Manager and its principals may use investment approaches that are the same as or different from the program currently or in the future used for the Company or Fund. It is possible that the Investment Manager, its principals and/or their Proprietary Accounts may, from time to time, be competing with a Fund for similar positions in one or several markets or may take positions in their Proprietary Accounts which are opposite or different from those taken for a Fund. Investors in such a Fund will not be advised of such investment, and the records of such investment will not be made available to investors in the Fund. The investment strategy for certain clients may also vary from that of a Fund. Frequently, a particular investment may be bought or sold only for a Fund, as relevant, or only one client or only the Proprietary Accounts or in different amounts and at different times for more than one but fewer than all clients, including a Fund and the Proprietary Accounts. Likewise, a particular investment may be bought for a Fund or one or more clients or the Proprietary Accounts when one or more other clients are selling the same security. In addition, purchases or sales of the same investment may be made for two or more clients, including, a Fund and the Proprietary Accounts, on the same date. In such event, such transactions will be allocated among each Fund, as the case may be, the Proprietary Accounts and clients in a manner believed by the Investment Manager to be equitable to each. Purchase and sale orders for a Fund may be combined with those of other clients of the Investment Manager or the Proprietary Accounts. In effecting transactions, it may not always be possible, or consistent with the possibly differing investment objectives of the various clients, the Proprietary Accounts and each Fund, to take or liquidate the same investment positions at the same time or at the same prices. Such funds or accounts may be charged fee at lower rates or on a less frequent basis than the Company or Fund.

The Directors, the Investment Manager, the Administrator and the Depositary and any of their directors, officers, employees, agents, and affiliates and any person or company with whom they are affiliated or by whom they are employed may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company and Funds. In particular, they may provide services similar to those provided to the Company and the Funds to other entities, and shall not be liable to account for any profit earned from such services.

From time to time, an entity that is a related party to the Depositary or another service provider to the Company or which is within the same corporate group of a client of the Investment Manager (usually a managed account) may also provide brokerage or securities lending services to the Investment Manager and/or the Company (acting on behalf of a Fund or Funds). In these circumstances, the Investment Manager ensures that those brokers providing execution services have no role in decisions taken by the Investment Manager in relation to its investment management activities. The Investment Manager also seeks to ensure that appropriate information barriers have been implemented where necessary, to prevent inappropriate information sharing by the broker within its corporate group. In addition, the Investment Manager (in accordance with its policies and procedures) takes all reasonable steps to obtain the best possible result for its clients in the execution of trades.

## **Other Activities**

The Investment Manager will engage in other business activities in addition to managing the accounts of the Funds and other clients. The Investment Manager is not required to refrain from any other

activity, to account for any profits from any such activity, whether as partner of additional investment companies or otherwise or to devote all or any particular part of the time and effort of any of its partners, officers, directors or employees to the Funds and their affairs. To the extent that there are other conflicts of interest on the part of the Investment Manager between the Funds and any other account, company, partnership or venture with which it is now or later may become affiliated, the Investment Manager will endeavour to treat all of such persons equitably.

In addition, the Investment Manager may act as investment manager in respect of other funds (each such fund an **Underlying Investment Company**) in which a Fund may gain indirect exposure through investing in SFIs.

One or more of the Directors may also engage in other business activities in addition to acting as a director of the Company. The Directors are not required to refrain from any other activity, to account for any profits from any such activity, whether as partner or director of additional investment companies or otherwise. To the extent that there are other conflicts of interest on the part of such Director between the Company and any other account, company, partnership or venture in respect of which such Director may now or later be so engaged, such Director will endeavour to treat all of such persons equitably.

Additionally, an Investment Manager director, officer or employee may from time to time serve on various committees or boards of futures exchanges or other self-regulatory organisations and assist in making rules and policies of those exchanges and organisations. In such capacity, such person has a fiduciary duty to the exchanges and organisations in relation to which such person serves and is required to act in the best interests of such exchanges and organisations, even if such action may be adverse to the interests of the Company or any Fund.

### **Research**

It is not part of the Investment Manager's investment policy to use research provided by any third party to form part of the investment decision process. At present, to the extent that the Investment Manager does receive any investment research from a third party, the Investment Manager will pay for it out of its own resources. In the future the Investment Manager may consider alternative approaches to research, such as a research payment account, to the extent permitted under applicable law and regulation.

### **Material Interests**

The Investment Manager may, without reference to the Funds, advise on or effect any transaction in which it has (a) sold to, or bought from a Fund any of the assets of that Fund, as the case may be; (b) acted in the same transaction as an agent for both a Fund and the counterparty; or (c) directly or indirectly a material interest of any description, or has a relationship with another person such as to place the Investment Manager in a position where its duty to or interest in relation to that other person conflicts or may conflict with its duty to a Fund. Without prejudice to the generality of the foregoing, it is understood that (i) the Directors, officers, agents and Shareholders of the Funds are or may be interested in the Investment Manager as directors, officers, shareholders or otherwise; (ii) the directors, officers, shareholders and agents of the Investment Manager are or may be interested in the Company as Directors, officers, Shareholders or otherwise; and (iii) the directors, officers, shareholders and agents of the Investment Manager are or may be interested in any service provider to the Company or the Fund, including entities which provide information to the Investment Manager.

The Directors, the Investment Manager, the Depositary and the Administrator, or any of their affiliates or any employee, officer, director or consultant to any of them or any other fund or client which appoints the Directors, the Investment Manager, the Depositary or the Administrator as its director, investment manager, adviser, depositary or administrator (hereinafter called an **"Interested Party"**) may become the owner of Shares and may hold, dispose of or otherwise deal with the same and with the same rights which it would have had if the Investment Manager were not a party to the Investment Management Agreement. An Interested Party may buy, hold and deal in any investments upon its own account notwithstanding that the same or similar investments may be held by or for the account of

or otherwise connected with the Company and no Interested Party shall be liable to account for any benefit to any other party solely by reason of such interest.

Any Interested Party may also deal as agent or principal in the sale or purchase of securities and other investments (including foreign exchange and stocklending transactions) to or from the relevant Fund. There will be no obligation on the part of any Interested Party to account to the relevant Fund or to Shareholders of that Fund 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, are consistent with the best interests of the Shareholders of that Fund and:

- (a) a certified valuation by a person approved by the Depositary as independent and competent (or in the case of a transaction involving the Depositary, the Directors) has been obtained; or
- (b) the relevant transaction is executed on best terms on an organised investment exchange in accordance with its rules; or
- (c) where the conditions set out in (a) and (b) above are not practical, the relevant transaction is executed on terms which the Depositary is (or in the case of a transaction involving the Depositary, the Directors are) satisfied conform with the principle that such transactions be carried out as if negotiated at arm's length and in the best interests of Shareholders.

The Depositary (or in the case of a transaction involving the Depositary, the Directors) shall document how it complied with paragraphs (i), (ii) and (iii) above and where transactions are conducted in accordance with paragraph (iii), 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.

Each Interested Party will provide the Company with relevant details of each transaction (including the name of the 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 statement within the relevant Fund's annual and semi-annual reports in respect of all connected party transactions.

The preceding list of potential conflicts of interest does not purport to be a complete enumeration or explanation of all of the conflicts of interest that may be involved in an investment in the Company.

An Interested Party may receive or share any commissions which it may negotiate in relation to any sale or purchase of investments or other assets effected by it for the account of the Funds. However, the amount of such commission may not be in excess of rates commonly receivable by securities dealers in transactions of the kind contemplated and in effecting any such sales or purchases the Interested Party shall do so on the best terms reasonably obtainable having regard to the interests of the Fund. Additionally, such commission may not arise in circumstances in which the Funds could have acquired such investments without payment of commission. Specific details relating to the amounts of remuneration received by the Investment Manager pursuant to the foregoing will be available to the Funds on request.

An Interested Party may complete a transaction which is made pursuant to a contract effected in the normal manner on an exchange or other market where the purchaser or the vendor is undisclosed at the time.

An Interested Party may acquire, hold or dispose of investments or other assets notwithstanding that the same have been acquired at prices lower than those paid by or on behalf of the Funds in respect of the acquisition of investments of the same Class in any fund or disposed of at prices higher than those received by or on behalf of the Funds in a transaction effected by the Funds at or about the same time as the Interested Party was concerned provided that the acquisition by an Interested Party of such investments is on an arm's length basis and that investments of the same Class held by the Funds were acquired on the best terms reasonably obtainable having regard to the interests of the Funds.

**Disclosure of Information**

In connection with the marketing or promotion of the Funds and/or to facilitate the analysis of the risks across the investment portfolio of the Fund, the Investment Manager or the Company may from time to time disclose or authorise the disclosure of certain information relating to a Fund or the Company, including (by way of illustration) of the performance of a Fund or the Company to third parties or to potential Shareholders and to the holders and potential holders of managed accounts managed by the Investment Manager and to investment advisers, managers and/or risk analysts engaged by or acting on behalf of Shareholders or potential Shareholders. Potential investors are referred to the paragraph headed "Disclosure of Information" in the section headed "Risk Factors".

## **USE OF DEALING COMMISSIONS**

The Investment Manager does not enter into arrangements with brokers or other third parties for the receipt of goods or services that relate to the execution of trades or the provision of research, under which an investment manager executes customer orders with a specific broker save that certain brokers may from time to time introduce Shareholders to a Fund without being separately remunerated for that introduction service to the extent permitted under applicable law and regulation.

## **RISK FACTORS**

The risks described herein should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Different risks may apply to different Funds. Details of Fund specific risks which are additional to those described in this section will be disclosed in the relevant Fund Supplement. Prospective investors should review this Prospectus and the relevant Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares.

Prospective investors should consider, among others, the following factors before subscribing for Shares:

### **General Risks**

Investors should be aware that there are risks inherent in the holding of securities:-

- (A) There is no assurance that any appreciation in the value of investments will occur, or that the investment objectives of any Fund will be achieved. Past performance is no guide to the future. The value of Shares, and any income from them, can go down as well as up, particularly in the short term, meaning that an investment may not be returned in full.
- (B) The tax treatment of the Funds may change and such changes cannot be foreseen.
- (C) Where regular investments are made with the intention of achieving a specific capital sum in the future, this will normally be subject to maintaining a specified level of investment.
- (D) The difference at any one time between the subscription price paid for Shares by an investor and the redemption price received by a Shareholder for Shares means that any investment should be viewed as medium to long term. An investment should only be made by those persons who are able to sustain a loss on their investment

### **Business Risk**

There can be no assurance that the Funds will achieve their investment objective. There is little operating history by which to evaluate their likely future performance. The investment results of the Funds will be reliant upon the success of the Investment Manager.

### **Past Performance**

Each Fund is recently formed and therefore has limited operating history.

Past performance is not necessarily indicative of future results. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

Since investors in the Shares both acquire and may potentially redeem Shares at different times, certain investors may experience a loss on their Shares in circumstances in which it is possible that other investors, and that Fund as a whole, are profitable. Consequently, even the past performance of a Fund itself is not representative of each investor's investment experience in it.

### **Market Risk**

The investment of a Fund's assets is subject to normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation will occur. Financial markets can be volatile; and investment prices can change substantially. Debt

securities (and derivatives thereon) are interest rate sensitive and may be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. The magnitude of these price fluctuations will be greater when the maturity of the outstanding securities is longer. Since investment in securities may involve currencies other than the base currency of a Fund, the value of a Fund's assets may also be affected by changes in currency rates and exchange control regulations, including currency blockage. The performance of a Fund may therefore depend in part on the ability of the Investment Manager to anticipate and respond to such fluctuations in prices, market interest rates and currency rates and to utilise appropriate strategies to maximise returns, while attempting to reduce the associated risks to investment capital.

#### Changes in the UK Political Environment

As a result of the UK referendum in June 2016 to leave the EU, the regulatory and political landscape for the UK is uncertain. This may have a detrimental impact on the Investment Manager's ability to implement its investment strategies as intended (due to, among other things, potential greater difficulty in accessing markets and making investments) as well as the Investment Manager's ability to attract and retain employees or enter into agreements or continue to work with non-UK counterparties and service providers. This in turn could have an adverse effect on the Company or any Fund, with such adverse effects including increased costs, fewer regulatory protections and lesser returns for Shareholders. The UK's exit from the EU could also result in restrictions in Aspect's ability to act as investment manager or principal distributor to the Company or any Fund which could hamper the success of the Company or the relevant Fund(s).

#### Eurozone Crisis

As a result of the crisis of confidence in the markets which has caused bond yield spreads (the cost of borrowing in the debt capital markets) and credit default spreads (the cost of purchasing credit protection) to increase, most notably in relation to certain Eurozone countries, certain countries in the EU have had to accept "bailouts" from banks and lines of credit from supra-governmental agencies such as the International Monetary Fund (the "IMF") and the recently created European Financial Service Facility (the "EFSF"). The European Central Bank (the "ECB") has also been intervening to purchase Eurozone debt in an attempt to stabilise markets and reduce borrowing costs. In December 2011, leaders of the countries in the Eurozone, as well as the leaders of certain other countries in the EU, met in Brussels and agreed a "fiscal compact" which includes a commitment to a new fiscal rule, to be introduced into the legal systems of the relevant countries, as well as acceleration of the entry into force of the European Stability Mechanism treaty.

Notwithstanding the measures described above, and future measures which may be introduced, it is possible that a country may leave the Eurozone and return to a national currency, and as a result may leave the EU and/or that the Euro, the European single currency, will cease to exist in its current form and/or lose its legal status in one or more countries in which it currently has such status. The Funds may issue shares which are denominated in Euro or invest in instruments predominantly tied to the Eurozone. Accordingly, the effect of such potential events on the Company, the Funds and/or on one or more Classes of Shares is impossible to predict.

#### "Brexit" - The UK's Withdrawal from the EU

The UK held a referendum on 23 June 2016 at which the electorate voted to leave the EU. On 29 March 2017, the UK provided formal notification to the European Council under Article 50 of the Treaty on European Union, which triggers a two year period during which the terms of an exit can be negotiated. The two year negotiation period may be shortened or extended by agreement of the parties. During, and possibly after, this period there is likely to be considerable uncertainty as to the position of the UK and the arrangements which will apply to its relationships with the EU and other countries following its withdrawal. This uncertainty may affect other countries in the EU, or elsewhere, if they are considered to be impacted by these events.



As the Investment Manager is based in the UK and a Fund's investments may be located in the UK or the EU, a Fund may as a result be affected by the events described above. The impact of such events on a Fund is difficult to predict but there may be detrimental implications for the value of certain of the Fund's investments, or its ability to enter into transactions or to value or realise such investments. This may be due to, among other things: (i) increased uncertainty and volatility in the UK and EU financial markets; (ii) fluctuations in the market value of sterling and of the UK and EU assets; (iii) fluctuations in exchange rates between sterling, the euro and other currencies; (iv) increased illiquidity of investments located or listed within the UK or the EU; and/or (v) the willingness of financial counterparties to enter into transactions, or the price at which they are prepared to transact in relation to the management of a Fund's investment, currency and other risks. Leaving the European Union may also result in significant changes to law and regulation in the United Kingdom.

Once the position of the UK and the arrangements which will apply to its relationships with the EU and other countries have been established, or if the UK ceases to be a member of the EU without having agreed on such arrangements or before such arrangements become effective, the Company or Fund may need to be restructured. This may increase costs or make it more difficult for the Company to pursue its objectives.

### Equity Securities

Equity securities represent ownership interests in a company or corporation, and include common stock, preferred stock and warrants and other rights to acquire such instruments. Investments in equity securities (and derivatives thereon) in general are subject to market risks that may cause their prices to fluctuate over time. The value of convertible equity securities (and derivatives thereon) is also affected by prevailing interest rates, the credit quality of the issuer and any call provisions. Fluctuations in the value of equity securities (and derivatives thereon) in which a Fund invests would cause the Net Asset Value of the Fund to fluctuate.

### Debt Securities

A Fund may have exposure to debt securities that are unrated, and whether or not rated, the debt investments may have speculative characteristics. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such investments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, an economic recession could severely disrupt the market for most of these securities and may have an adverse impact on the value of such investments. It is also likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

### Charges to Capital

Where all or part of fees and/or charges in respect of any Class or Fund may be charged against capital rather than income, this will enhance income returns but may constrain future capital growth.

### Effect of Initial Charge and Dilution Levy

Where an Initial Charge and/or a dilution levy is imposed, an investor who realises his Shares after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

The Shares therefore should be viewed as medium to long-term investments.

### Suspension of Dealings in Shares

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of exchanging) may be suspended (see "Suspension of Valuation of Assets" in the section "General Information").

### Segregation of Liabilities between Funds

As a matter of Irish law, the assets of one Fund will not be available to meet the liabilities of another. However, these provisions remain untested in foreign courts in particular for satisfying local credit claims. Therefore, other jurisdictions (such as the United Kingdom) may not necessarily recognise such segregation and, in such circumstances, the assets of one Fund may be exposed to the liabilities of another.

### Paying Agent

Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to or from the Administrator (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Administrator for the account of the Company and (b) redemption monies payable by such intermediate entity to the relevant Shareholder.

### Depositary 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.

### Depository Insolvency

The Fund is at risk of the Depository entering into an insolvency procedure. During such a procedure (which may last many years) the use by the Company of assets held by or on behalf of the Depository may be restricted and accordingly (a) the ability of the Investment Manager to fulfil the investment objective of the Funds may be severely constrained, (b) the Funds may be required to suspend the calculation of the Net Asset Value and as a result subscriptions for and redemptions of Shares, and/or (c) the Net Asset Value may be otherwise affected. During such a procedure, the Company is likely to be an unsecured creditor in relation to certain assets and accordingly the Company may be unable to recover such assets from the insolvent estate of the Depository in full, or at all.

### Depository Liability

In the event of loss suffered by the Company as a result of the Depository's actions or omissions, the Company would generally, in order to bring a successful claim against the Depository, have to demonstrate that it has suffered a loss as a result of Depository's unjustifiable failure to perform its obligations or its improper performance of them.

### Sub-depositaries and other depositaries

Pursuant to the terms of the Depository Agreement the liability of the Depository will not be affected by the fact that it has entrusted to a sub-depositary some or all of the assets in its safekeeping. Where securities are held with a sub-depositary of the Depository or by a securities depository or clearing system, such securities may be held by such entities in client omnibus accounts and in the event of a default by any such entity, where there is an irreconcilable shortfall of such securities, the Company may have to share that shortfall on a pro-rata basis. Securities may be deposited with clearing brokers which the Depository is not obliged to appoint as its sub-depositaries and in respect of the acts or defaults of which the Depository shall have no liability. In the context of investment made by a Fund in emerging markets, there may be circumstances where the Depository is relieved from liability for the acts or defaults of its appointed sub-depositaries provided that the Depository has complied with its duties.

### Market Crisis and Governmental Intervention

The global financial markets have undergone and, to some extent are currently undergoing pervasive and fundamental disruptions which have led to extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on an "emergency" basis without much or any notice with the consequence that some market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions has been suddenly and/or substantially eliminated. Given the complexities of the global financial markets and the limited time frame within which governments have been able to take action, these interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies.

It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Investment Manager's ability to fulfil the Funds' investment objectives. However, the Company believes that there is a high likelihood of significantly increased regulation of the global financial markets, and that such increased regulation could be materially detrimental to the performance of the Funds' portfolios.

### US Tax-Exempt Investors

Certain prospective investors may be subject to US federal and state laws, rules and regulations which may regulate their participation in the Company, or their engaging directly or indirectly through an

investment in a Fund, in investment strategies of the types which the Funds may utilise from time to time. While the Company believes that the Funds' investment programs are otherwise generally appropriate from a tax perspective for the US tax-exempt investors for which an investment in the Funds would be suitable, each type of such investor may be subject to different laws, rules and regulations and should consult with their own advisers as to the advisability and tax consequences of an investment in a Fund. Investment in a Fund by tax-exempt entities subject to ERISA and other tax-exempt investors requires special consideration. Trustees or administrators of such investors are urged carefully to review the matters discussed in this Prospectus and the relevant application form.

### ERISA Considerations

The Company intends to restrict the ownership and holding of each Class of Shares so that none of a Fund's assets will constitute "plan assets" of any employee benefit plan subject to the fiduciary responsibility and prohibited transaction rules in Title I of ERISA or subject to section 4975 of the Code (together a "Plan"). The Company intends to impose such restrictions based on representations made by each purchaser and subsequent transferee of Shares. The Company will also have the right to require benefit plan investors (as defined in ERISA) to redeem Shares so that the 25% test is satisfied. If the Company's assets were deemed to be "plan assets" of any Plan subject to plan assets regulation, certain transactions that the Investment Manager or the Company may enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under ERISA or certain rules of the Code. Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA) and certain church plans (as defined in Section 3(33) of ERISA) are not subject to the fiduciary responsibility or the prohibited transaction provisions of ERISA or the Code, but may be subject to restrictions under US state or local law. The information contained herein and in the other documentation provided to investors in connection with an investment in the Company is intended to satisfy the alternative reporting option for "eligible indirect compensation" on Schedule C of the Form 5500, in addition to the other purposes for which such documents were created.

### CRS

Ireland has provided for the implementation of CRS through section 891F of the TCA and the enactment of the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the "CRS Regulations").

The CRS, which applies in Ireland from 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.

The Company is a Reporting Financial Institution for CRS purposes and will be required to comply with the Irish CRS obligations. In order to satisfy its CRS obligations, the Company will require its investors to provide certain information in respect of their tax residence and may, in some cases, require information in relation to the tax residence of the beneficial owners of the investor. The Company, or a person appointed by the Company, 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.

### Compliance with U.S. Reporting and Withholding Requirements

As discussed under "Taxation" below, the United States and Ireland have entered into an intergovernmental agreement to implement FATCA (the "IGA"). Under the IGA, 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). The IGA further provides for the automatic reporting and exchange of information between the Irish tax authorities and the IRS in relation to accounts held in Irish FFIs by U.S. persons, and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. The Company (and each Fund) expects to be treated as an FFI and provided it complies with the requirements of the IGA and the Irish legislation, it should not be subject to FATCA withholding on any payments it receives and may not be required to withhold on payments which it makes.

Although the Company (and each Fund) will generally attempt to comply with FATCA, no assurance can be given that the Company (or any Fund) will be successful in this regard. To the extent withholding applies under FATCA, the value of the Shares held by all Shareholders may be materially affected, and under circumstances the Company (on behalf of the relevant Fund) may take any action in relation to an investor's investment in the Company (or in a Fund) to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or otherwise to comply with FATCA gave rise to such withholding. The Company and any Fund may mandatorily redeem the Shares of any investor that fails to cooperate with the Company's (or a Fund's) efforts to comply with FATCA.

All prospective investors and Shareholders should consult with their own tax advisors regarding the possible FATCA implications of an investment in the Company. For further discussion, see "Taxation" below.

#### Liability of Aspect Capital Limited and other Service Providers

While the Investment Manager is responsible for monitoring the investment activities of the Funds, neither the Investment Manager nor any of its agents, officers or employees nor their respective successors or assigns ("affiliates") will be liable to the Company or the Funds (to the extent permitted by applicable law) in connection with any act or omission of any Broker or counterparty (or, indeed, in other circumstances), except in the circumstances set out in the Investment Management Agreement and the Distribution Agreement. The Investment Management Agreement and the Distribution Agreement provides that the Investment Manager and its affiliates shall not be liable for any loss to the Company save in circumstances in which they have acted fraudulently, with negligence or with wilful default. The agreements between the Company and its other service providers are likely to contain similar limitations on liability. Consequently, the rights of the Fund to recover as a result of Aspect Capital Limited's default (or the default of any other service provider) may be limited by such contractual limitations on liability, and that limitation may result in the Company's recovery from them being significantly lower than the loss that the Fund in question suffered.

In addition to limitations on liability, the Company has agreed, and in the future is highly likely to agree, to indemnify from the assets of the Funds the Investment Manager and certain of its affiliates, employees, directors, officers, agents, delegates or other persons and their respective successors or assigns for any losses, claims or liabilities they suffer in acting on behalf of the Funds other than in relation to circumstances where the recipient of such indemnification has undertaken a culpable act. Such culpable acts (i.e. where such right to be indemnified from the assets of the Funds is lost) may include acts of bad faith, wilful default, wilful misconduct, negligence or fraud. The Investment Manager and its related parties benefit from an indemnity from the Company in the Investment Management Agreement and the Distribution Agreement. Accordingly, where there is any threatened or actual litigation against an indemnified person, there is a serious risk that the Company will need to pay from the assets of a Fund monies to that indemnified person to allow it to pay legal expenses and other expenses in relation to defending such claim until such point as it is determined by a court of competent jurisdiction (from which no further appeal may be taken) that it has committed a culpable act (and thereby should not be indemnified). Circumstances could arise whereby the claim against an indemnified person allows monies to be taken from the Funds' assets and the claim ultimately fails because the exclusion of liability clause protects the relevant service provider and the indemnification

arrangements can be relied upon, such that no culpable act is shown to have occurred. It should be noted that the indemnification arrangements could mean that any litigation by one or more Shareholders against a Fund, the Investment Manager or another indemnified person is likely to be defended by the relevant service provider at the cost of the Funds (i.e. at the costs of its Shareholders).

### The Company's categorisation as a Professional Client

The Investment Manager is treating the Company as a professional client (as defined by the FCA in its conduct of business sourcebook) on the basis that it is an institutional investor. As such the protections offered to the Company will be less than those that are afforded to retail clients (as defined by the FCA in its conduct of business sourcebook).

### MiFID 2

MiFID 2 imposes new regulatory obligations on the Investment Manager. These regulatory obligations may affect and constrain the implementation of the Investment Manager's investment strategies and lead to increased compliance obligations upon and accrued expenses for the Investment Manager and/or the Company.

#### *Extension of pre- and post-trade transparency*

MiFID 2 introduces wider transparency regimes in respect of trading on EU trading venues and with EU counterparties. MiFID 2 extends the pre- and post-trade transparency regimes from equities traded on a regulated market to cover equity-like instruments, such as depositary receipts, exchange traded funds and certificates that are traded on regulated trading venues, as well as to cover non-equities, such as bonds, structured finance products, emission allowances and derivatives.

The increased transparency regime under MiFID 2, together with the restrictions on the use of "dark pools" and other non-regulated trading venues, may lead to enhanced price discovery across a wider range of asset classes and instruments which could disadvantage the Company, particularly in the fixed income markets. Such increased transparency and price discovery may have macro effects on trading globally, which may have an adverse effect on the Net Asset Value.

#### *Equities – mandatory on-exchange trading*

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

#### *OTC derivatives*

MiFID 2 requires certain standardised OTC derivatives that are subject to a mandatory clearing obligation under EMIR to be executed on regulated trading venues. In addition, MiFID 2 introduces a new trading venue, the "Organised Trading Facility", which is intended to provide greater price transparency and competition for bilateral trades. The overall impact of such changes on the Company is highly uncertain and it is unclear how the OTC derivatives markets will adapt to this new regulatory regime.

#### *Changes to use of direct market access*

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

#### *Changes to conduct rules for EU brokers*

Historically, certain EU sell-side firms have used initial public offerings and secondary allocations as a way of rewarding their most valued buy-side clients (in terms of trading volumes or commissions) for the business that they have given to the firm previously or to incentivise future business. New MiFID 2 requirements effectively prohibit such behaviour, as MiFID 2 precludes a sell-side firm from allocating issuances to clients either (a) to incentivise the payment of a large amount of fees for unrelated services provided by the EU firm or (b) which is conditional on the receipt of future orders or the purchase of any other service from the EU firm by a client. As a result, the manner in which the Investment Manager is allocated initial public offerings and secondary issuances by its sell-side service providers is likely to change significantly, which may have an adverse effect on the Investment Manager’s ability to implement its investment strategies.

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

MiFID 2 requires significant changes to a number of the Investment Manager’s policies and procedures, including with respect to best execution, algorithmic trading and conflicts of interest. There is no guarantee that these changes will not adversely impact Aspect’s investment strategies. Compliance with these requirements is likely to have a significant cost implication and it is possible that the Company may bear, directly or indirectly, a certain proportion of the Investment Manager’s costs of compliance with MiFID 2.

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

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

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

### **Specific Risks**

#### **Deferred Redemptions**

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10% of the total number of Shares of a single Fund then in issue, redemption requests may be reduced rateably and pro rata and the redemption of Shares may be carried forward to the next following Redemption Day, unless expressly prohibited in the Supplement of a Fund, in which case, redemption requests may not be deferred. In the event of a large number of redemptions, this power to defer redemptions could be exercised on a number of successive Redemption Days and materially restrict a Shareholder's ability to redeem his Shares.

#### Redemption Risks

Payment of redemption proceeds may be delayed if the Directors declare a temporary suspension of the determination of the Net Asset Value of the Company or a Fund in any of the exceptional circumstances as described under "Suspension of Valuation of Assets" in the section "General Information".

#### Subscription Default Risk

To the extent that any Fund allows settlement of subscription monies on a contractual basis (as opposed to receiving cleared funds prior to or on the relevant Subscription Day) the Fund is open to the credit risk of an applicant failing to deliver such subscription monies to the Fund. To the extent that such Fund suffers any negative performance between the Subscription Day and the day on which the relevant Shares were cancelled due to lack of receipt of subscription monies and where the Fund does not succeed in recovering such loss from the relevant applicant, this may have a negative impact on the Net Asset Value of the relevant Fund.

#### Subscriptions/Redemptions Account Risk

The Company operates a Subscriptions/Redemptions Account for all of the Funds. Monies in the Subscriptions/Redemptions Account are deemed assets of the respective Funds and shall not have the protection of the Investor Money Regulations. There is a risk for investors to the extent that monies are held by the Company in the Subscriptions/Redemptions 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 an investor in relation to monies held in the Subscriptions/Redemptions Account, the investor will rank as an unsecured creditor of the Company. 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 or cases where payment in respect of subscription is not received in cleared funds into the Subscriptions/Redemptions Account on or before the relevant Subscription Day as outlined in the Supplement for the relevant Fund – enhancing the need to address these issues promptly so that the proceeds may be released.

#### Currency Exposure

Shares may be denominated in various currencies and will be issued and redeemed in those currencies.

Certain of the assets held by the Depositary on behalf of the Funds may be invested in securities and other investments which are denominated in currencies other than the base currency of the relevant Fund. The assets and investments of the Funds will be valued in its base currency. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Investment Manager may (but is not obliged to) seek to hedge the currency exposure of a Fund to currencies other than its base currency but will necessarily be subject to foreign exchange risks. To the extent unhedged, the value of a Fund's net assets will fluctuate with the base currency exchange rate, as well as with price changes of the Fund's investments in the various local markets and currencies.



The Investment Manager may (but is not obliged to) seek to hedge the foreign exchange exposure of a Fund attributable to Shares which are not denominated in the base currency with the aim of minimising the impact of fluctuations in that currency against the base currency on the Net Asset Value per Share of such Shares.

Prospective investors whose assets and liabilities are predominately in currencies other than the denominated currency of the Class in which it is invested or proposes to invest should take into account the potential risk of loss arising from fluctuations in value between the denominated currency of such Class, as the case may be, and such other currencies. 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.

### Derivatives

The Funds may utilise both exchange-traded and OTC derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of their investment policies. These instruments can be highly volatile and expose investors to a high risk of loss.

Derivatives, in particular derivatives which are negotiated OTC are subject to legal risks including the uncertainty in the applicability of laws, or the interpretation or enforceability of contracts or an action by a court or regulatory body that could invalidate a derivative contract entered into by the Company.

The prices of Financial Derivative Instruments may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements. The prices of exchange traded Financial Derivative Instruments may also be subject to changes in price due to supply and demand factors.

The risks applying to the underlyings of the derivatives as described elsewhere in this section apply equally to derivatives.

### Options

The seller (writer) of an option has the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. The buyer of an option has the right (but not the obligation) to exercise the option, thereby making or taking delivery of the underlying asset of the contract at a future date, or in some cases settling the position with cash. Options carry a high degree of risk.

### Particular Risks of OTC Derivatives

The terms of OTC derivatives are generally established through negotiation with the other party to the instrument. While this type of arrangement allows a Fund greater flexibility to tailor the instrument to its needs, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if OTC derivatives are deemed not to be legally enforceable or are not documented correctly.

Transactions in OTC contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in Net Asset Value, incorrect collateral calls or delays in collateral recovery.

There also may be a legal or documentation risk that the parties to the OTC derivatives may disagree as to the proper interpretation of its terms. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for the Company to enforce its contractual rights may lead the Company to

decide not to pursue its claims under the OTC derivatives. The Company thus assumes the risk that it may be unable to obtain payments owed to it under OTC arrangements, that those payments may be delayed or made only after the Company has incurred the costs of litigation.

Risks of Investing in Non-Deliverable Forwards:

A Non-Deliverable Forward (“NDF”) is a forward transaction in a non-convertible or restricted currency, which is cash settled without exchange of principal. The economic exposure of NDFs may be offset prior to settlement through offsetting transactions (although note the risks in this regard referred to under “Regulation of OTC Transactions” below). Nevertheless, as well as being subject to the same risks as other forward contracts, NDFs are subject to additional risks concerning settlement. NDFs generally have a fixing date, whereby the transaction is fixed at a settlement price one or two days prior to the value date of the settlement transaction. NDFs may be subject to a “Disruption Event” at settlement. This could include general or specific default, inconvertibility, non-transferability and nationalisation. If on any date upon which an NDF transaction is to be valued there has been or is continuing a Disruption Event, the settlement amount to be delivered may be adjusted by the counterparty, acting in good faith and in a reasonable manner. Such adjustments will result in changes to the prices at which such transactions were effected and such changes could be material. The fixing of an investment at a settlement price, the determination of whether a Disruption Event has occurred and the settlement amount associated therewith are beyond the control of Aspect or the Fund. Furthermore, in view of the specific characteristics of investing in NDFs, higher margin may be required than for other forwards.

### Absence of Regulation; Counterparty Risk

In general, there is less government regulation and supervision of transactions in the OTC markets (in which currencies, spot and option contracts, certain options on currencies and swaps are generally traded) than of transactions entered into on recognised exchanges. OTC derivatives lack transparency as they are privately negotiated contracts and any information concerning them is usually only available to the contracting parties. While measures are being introduced under Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories ("**EMIR**") that aim to mitigate risks involved in investing in OTC derivatives and improve transparency, these types of investments continue to present challenges in clearly understanding the nature and level of risks involved. In addition, many of the protections afforded to participants on some recognised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions.

The counterparty for an OTC derivative will be the specific firm involved in the transaction rather than a recognised exchange and accordingly the bankruptcy or default of a counterparty with which the Fund trades OTC derivatives could result in substantial losses to the 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 the Fund to suffer a loss. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result. Counterparty exposure will be in accordance with the Fund's investment restrictions.

### Counterparty Risk

The Funds will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to its own insolvency or that of others, bankruptcy, market illiquidity or disruption or other causes and whether resulting from systemic or other reasons.

The participants in OTC derivative markets are typically not subject to the same credit evaluation and regulatory oversight as are members of "exchange-based" markets. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with such OTC transactions. This exposes the relevant Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions 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 the relevant Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the relevant Fund has concentrated its transactions with a small group of counterparties. Moreover, although the Funds shall only transact with eligible counterparties and although any counterparty with whom a Fund enters into an OTC derivative transaction will be either a credit institution or rated at or in excess of the requirements of the Central Bank by a Recognised Rating Agency and a Fund may further reduce its exposure to the counterparty through the use of collateral, a Fund will be subject to the risk that the counterparty will not perform its obligations under the transactions. In the event that the counterparty is unable or unwilling to meet its contractual liabilities, there may be a detrimental impact on the Fund. Neither the Investment Manager nor the Company has any formal credit function which evaluates the creditworthiness of the relevant Fund's counterparties. The ability of a Fund to transact business with any one or number of counterparties, the lack of any separate evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Funds.

## Valuation Risk

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

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

## Short Selling

A Fund may, by employing certain derivative techniques (such as contracts for difference) establish both "long" and "short" positions in individual investments and markets. As a result, as well as holding assets that may rise or fall with markets (i.e. a "long" position); a Fund may also hold positions that will rise as the market value falls, and fall as the market value rises (i.e. a "short" position). Using such derivative techniques involves trading on margin and accordingly can involve greater risk than investments based on a long position. Investors should also consider the risk factors under "Derivatives" and "Particular Risks of OTC Derivatives" above.

Due to regulatory or legislative action taken by regulators around the world as a result of recent volatility in the global financial markets, taking short positions on certain investments has been restricted. The levels of restriction vary across different jurisdictions and are subject to change in the short to medium term. These restrictions have made it difficult and in some cases impossible for numerous market participants either to continue to implement their investment strategies or to control the risk of their open positions. Accordingly, the Investment Manager may not be in a position fully to express its negative views in relation to certain investments, companies, currencies, assets or sectors and the ability of the Investment Manager to fulfil the investment objective of a Fund may be constrained.

## Market Disruptions

The Company may incur major losses in the event of disrupted markets and other extraordinary events which may affect markets in a way that is not consistent with historical pricing relationships. The risk of loss from a disconnect with historical prices is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available in the market from its banks, dealers and other counterparties will typically be reduced in disrupted markets. In 1994, in 1998 and again in the so-called "credit crunch" of 2007-2009 a sudden restriction of credit by the dealer community resulted in forced liquidations and major losses for a number of investment vehicles. The "credit crunch" of 2007-2009 has particularly affected investment vehicles focused on credit-related investments. However, because market disruptions and losses in one sector can cause ripple effects in other sectors, during the "credit crunch" of 2007-2009 many investment vehicles suffered heavy losses even though they were not necessarily heavily invested in credit-related investments. In addition, market disruptions caused by unexpected political, military and terrorist events may from time to time cause dramatic losses for the Company and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk. A financial exchange may from time to time suspend or limit trading. Such a suspension could render it difficult or impossible for the Company to liquidate affected positions and thereby expose it to losses. There is also no assurance that OTC markets will remain liquid enough for the Company to close out positions.

## Emerging Markets

Political and economic structures in countries with emerging economies or securities markets, including certain countries in Asia and the Pacific region, Eastern Europe, Africa and Latin America, may be undergoing significant evolution and rapid development, and such countries may lack the social, political and economic stability of more developed countries including a significant risk of currency value fluctuation. Certain of such countries may have in the past failed to recognise private property rights and have at times nationalised or expropriated the assets of private companies. As a result, the risks from having investments in those countries (including by having investments the price of which is referenced to investments of issuers located in such countries), including the risks of nationalisation or expropriation of assets, may be heightened. In addition, unanticipated political or social developments may affect the values of investments in those countries (including derivatives on such investments). In addition, the small size and undeveloped nature of the securities markets in certain countries and the more limited volume of investment in securities may make investments less liquid and more volatile than investments in more established markets, and may require special custodial or other arrangements before making certain investments. There may be little financial or accounting information available with respect to local issuers, and it may be difficult as a result to assess the value or prospects of an investment. In addition, the settlement systems may be less developed than in more established markets, which could impede the ability to effect transactions and may result in investments being settled through a more limited range of counterparties with an accompanying enhanced credit risk. These risks may affect the value of a Fund.

#### Effect of Substantial Redemptions

Substantial redemptions by Shareholders within a short period of time could require a Fund to liquidate securities positions more rapidly than would otherwise be desirable, possibly reducing the value of the assets of the Fund and/or disrupting the Investment Manager's investment strategy. Reduction in the size of a Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in a Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

#### Forward Foreign Exchange Contracts

The Company may enter into forward foreign exchange contracts for investment and hedging purposes. A forward contract locks in the price at which an index or asset may be purchased or sold on a future date. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another a specified amount of one currency at a specified price (exchange rate) with another currency on a specified future date. Forward contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract. Forward foreign exchange contracts are not uniform as to the quantity or time at which a currency is to be delivered and are not traded on exchanges. Rather, they are individually negotiated transactions. Forward foreign exchange contracts are generally effected through a trading system known as the interbank market. It is not a market with a specific location but rather a network of participants electronically linked. Documentation of transactions generally consists of an exchange of electronic or facsimile messages. There is no limitation as to daily price movements on this market and in exceptional circumstances there have been periods during which certain banks have refused to quote prices for forward foreign exchange contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Transactions in forward foreign exchange contracts are not regulated by any regulatory authority nor are they guaranteed by an exchange or clearing house. The Funds are subject to the risk of the inability or refusal of its counterparties to perform with respect to such contracts. Any such default would eliminate any profit potential and compel the Funds to cover their commitments for resale or repurchase, if any, at the then current market price. These events could result in significant losses.

#### Commodities

A Fund may be exposed through financial indices or structured financial instruments to commodities as the components of such indices or structured financial instruments may include (either directly or indirectly) commodities. Prices of commodities are influenced by, among other things, various macro-

economic factors such as changing supply and demand relationships, weather conditions and other natural phenomena, agricultural, trade, fiscal, monetary, and exchange control programmes and policies of governments (including government intervention in certain markets) and other unforeseeable events.

### Information Rights

The Company may provide a Shareholder with historic information about a Fund. This information will be available to all Shareholders upon request but if not requested it may not be systematically obtained by all Shareholders in a Fund. As a result, a Shareholder that has received this information may be able to act on such additional information requested (e.g., redeem their Shares) that other Shareholders may not systematically receive.

### Net Asset Value Considerations

The Net Asset Value per Share is expected to fluctuate over time with the performance of the Fund's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption, if the Net Asset Value per Share at the time of such redemption is less than the Subscription Price paid by such Shareholder. In addition, where there is any conflict between IFRS and the valuation principles set out in the Articles and this document in relation to the calculation of Net Asset Value, the latter principles shall take precedence.

In calculating a Fund's Net Asset Value, the Administrator may consult the Investment Manager with respect to the valuation of certain investments. Whilst there is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of each Fund's investments and the Investment Manager's other duties and responsibilities in relation to the Funds, the Investment Manager will endeavour to resolve any such conflict of interest fairly and in the interest of Shareholders.

### Price Fluctuations

It should be remembered that the value of Shares and the income (if any) derived from them can go down as well as up.

### Illiquidity

It is not anticipated that there will be an active secondary market for the Shares and it is not expected that such a market will develop.

### Investment Management Risk

The investment performance of the Funds is dependent on the services of certain individuals employed by the Investment Manager who are responsible for managing the assets of the Funds. In the event of the death, incapacity, departure, insolvency or withdrawal of these individuals, the performance of the Funds may be adversely affected.

### Market Liquidity and Leverage

A Fund may be adversely affected by a decrease in market liquidity for the instruments in which it invests which may impair its ability to adjust its positions. The size of a Fund's positions may magnify the effect of a decrease in market liquidity for such instruments. Changes in overall market leverage, deleveraging as a consequence of a decision by counterparties with which the Fund enters into repurchase/reverse repurchase agreements or derivative transactions, to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may also adversely affect a Fund's portfolio.

## Strategy Risk

Strategy risk is associated with the failure or deterioration of an entire strategy such that most or all investment managers employing that strategy suffer losses. Strategy specific losses may result from excessive concentration by multiple investment managers in the same investment or general economic or other events that adversely affect particular strategies (for example, the disruption of historical pricing relationships). The strategies employed by the Funds may be speculative and involve substantial risk of loss in the event of such failure or deterioration, in which event the performance of the Funds may be adversely affected.

## Certain Tax Considerations

A Fund may be subject to withholding, capital gains or other taxes on income and/or gains arising from its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by that Fund is incorporated, established or resident for tax purposes. Where Fund investments are not subject to withholding or other taxes at the time of acquisition, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The relevant Fund may not be able to recover such tax and so any change would have an adverse effect on the Net Asset Value of the Shares in that Fund. Where a Fund sells investments short that are subject to withholding tax at the time of sale, the price obtained will reflect the withholding tax liability of the purchaser. In the event that in the future such securities cease to be subject to withholding tax, the benefit thereof will accrue to the purchaser and not to the relevant Fund.

Where a Fund chooses or is required to pay taxation liabilities and/or account for reserves in respect of taxes that are or may be payable in respect of current or prior periods by the relevant Fund (whether in accordance with current or future accounting standards), this would have an adverse effect on the Net Asset Value of the Shares in that Fund. This could cause benefits or detriments to certain Shareholders, depending on the timing of their entry to and exit from the relevant Fund.

## US Taxable Investors

The Code contains special rules for the taxation of US Investors (as defined below) who hold stock in a "passive foreign investment company" ("PFIC"). As currently structured, the Company is expected to be a PFIC. The PFIC rules are complex. Potential investors are strongly urged to review the discussion under the heading "Taxation" below and to consult their own tax advisor.

The attention of potential investors is drawn to the taxation risks associated with investing in any Fund. Please see the heading "Taxation" below.

## Profit Sharing

In addition to receiving an Investment Management Fee, the Investment Manager may also receive a Performance Fee based on the appreciation in the Net Asset Value per Share and accordingly the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. Accordingly, a Performance Fee may be paid on unrealised gains, which may subsequently never be realised. Equally, a Performance Fee may be paid on market movements rather than due to the performance of the Investment Manager. The Performance Fee may create an incentive for the Investment Manager to make investments for a Fund, which are riskier than would be the case in the absence of a fee based on the performance of a Fund.

### Transaction Costs

The investment approach of the Funds may involve a high level of trading and turnover of the investments of the Funds which may generate substantial transaction costs which will be borne by each Fund separately.

### Clearing Systems

Certain Share Classes are made available for subscription via Clearing Systems. Clearing Systems are used by third party investment advisers and other financial institutions (acting as authorised agents or members of such Clearing Systems) to provide individual investors with investment access to the relevant Fund. Such Clearing Systems are not usually available for investment directly by individuals. Where an individual chooses to invest via Clearing Systems, that individual's investment may be subject to certain fees and charges that are applied by such third party to the individual's investment before any remaining cash is received by the relevant Fund to subscribe for Shares. The Company, each Fund, the Investment Manager and the Principal Distributor have no control over, and shall not have any responsibility or liability for, the level or calculation of any such fees and charges.

### Clearing House Protections

On many exchanges, the performance of a transaction by a broker (or a third party with whom it is dealing on the Company's behalf) is "guaranteed" by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover the Company and may not protect the Company if a broker or another party defaults on its obligations to the Company.

### Availability of Investment Strategies

The success of the investment activities of a Fund may depend on the Investment Manager's ability to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the financial markets, as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by a Fund involves a high degree of uncertainty. No assurance can be given that the Investment Manager will be able to locate suitable investment opportunities in which to deploy all of a Fund's assets or to exploit discrepancies in the securities and derivatives markets. A reduction in money market liquidity or the pricing inefficiency of the markets in which a Fund seeks to invest, as well as other market factors, may reduce the scope for the implementation of a Fund's investment strategies.

The Funds may be adversely affected by unforeseen events involving such matters as changes in interest rates, exchange rates or the credit status of an issuer, forced redemptions of securities or acquisition proposals, break-up of planned mergers, unexpected changes in relative value, short squeezes, inability to implement short positions through Financial Derivative Instruments or changes in tax or regulatory treatment.

### Fund Specific Risks

Please review the particular Fund Supplement for specific risks associated with each particular Fund.



## TAXATION

### General

***The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax. Investors are also advised to inform themselves as to any exchange control regulations applicable in their country of residence.***

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

Generally the tax consequences of acquiring, holding, exchanging, redeeming or disposing of Shares in the Company will depend on the relevant laws of the jurisdiction to which the Shareholder is subject. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and/or gains of the Company. These consequences will vary with the law and practice of the Shareholder's country of residence, domicile or incorporation and with his personal circumstances. The Directors, the Company and each of the Company's agents shall have no liability in respect of the individual tax affairs of Shareholders.

Dividends, interest and capital gains (if any) which the Company or any Fund receives with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the Company the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of the repayment.

### Ireland

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

### **Definitions**

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

#### "Exempt Irish Shareholder"

means:

- a qualifying management company within the meaning of Section 739B(1) of the TCA;
- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the TCA applies;
- a specified company within the meaning of Section 734(1) of the TCA;
- a company carrying on life business within the meaning of Section 706 of the TCA;
- an investment undertaking within the meaning of Section 739B(1) of the TCA;

- an investment limited partnership within the meaning of section 739J of the TCA;
- a special investment scheme within the meaning of Section 737 of the TCA;
- a qualifying management company within the meaning of Section 739B of the TCA (see heading “Finance Bill 2010” below);
- a charity being a person referred to in Section 739D(6)(f)(i) of the TCA;
- a unit trust to which Section 731(5)(a) of the TCA applies;
- a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 784A(2) of the TCA where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a qualifying fund manager within the meaning of Section 784A of the TCA or a qualifying savings manager within the meaning of Section 848B of the TCA, in respect of Shares which are assets of a special savings incentive account within the meaning of Section 848C of the TCA;
- a personal retirement savings account (“PRSA”) administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Pensions Reserve Fund Commission;
- the National Asset Management Agency;
- a company which is within the charge to corporation tax in accordance with Section 110(2) of the TCA in respect of payments made to it by the Company;
- an Irish resident company, within the charge to corporation tax under Section 739G(2) of the TCA, but only where the investment undertaking is a money market fund; or
- any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Irish Revenue Commissioners (the “Revenue Commissioners”) without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company giving rise to a charge to tax in the Company;

provided that, where necessary, the Company is in possession of a Relevant Declaration in respect of that shareholder.

#### “Intermediary”

means a person who:

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

#### “Irish Resident”

means:

- in the case of an individual, an individual who is resident in Ireland for tax purposes; and
- in the case of a company, a company that is resident in Ireland for tax purposes.

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 Ireland by an individual of not more than 30 days in a tax year 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.

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.

The Irish tax year operates on a calendar year basis.

#### "Ordinarily Resident in Ireland"

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.

#### "Recognised Clearing System"

means Bank One NA, Depository and Clearing Centre, Clearstream Banking AG, Clearstream Banking SA, CREST, Depository Trust Company of New York, Euroclear, National Securities Clearing System, Sicovam SA, SIS Sega Inter-settle AG or any other system for clearing units which is designated for the purposes of Chapter 1A in Part 27 of the TCA, by the Revenue Commissioners as a recognised clearing system.

#### "Relevant Declaration"

means the declaration relevant to the Shareholder as set out in Schedule 2B of the TCA.

#### "TCA"

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

## 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 an exchange in relation to a scheme of amalgamation (as defined in section 739HA TCA).

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.

## **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 at 25%.

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.

## **FATCA Implementation in Ireland**

On 21 December 2012, the governments of Ireland and the U.S. signed the IGA.

The IGA will significantly increase the amount of tax information automatically exchanged between Ireland and the US. It provides for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by US Persons and the reciprocal exchange of information regarding US 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 and documentation indicating direct or indirect ownership by US 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 US withholding tax of 30% on withholdable payments and/or other monetary penalties.

The IGA provides that Irish financial institutions will report to the Revenue Commissioners in respect of US account-holders and, in exchange, US financial institutions will be required to report to the IRS 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 the Administrator or the Investment Manager) 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 the Company may have as a result of the IGA or any legislation promulgated in connection with the IGA 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 also reserves the right to seek and obtain any information necessary to comply with its tax obligations generally and, in particular, to comply with any tax obligations introduced by any other jurisdiction.

For more information, please see the discussion below under "Taxation – United States – Potential Reporting and Withholding under FATCA."

All prospective investors and Shareholders should consult with their own tax advisors regarding the possible FATCA implications of an investment in the Company.

## **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.

The CRS, applicable in Ireland from 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. Since 1 January 2016, the Company will be required to provide certain information to the Irish Revenue Commissioners about Investors resident or established in jurisdictions which are party to CRS arrangements.

The Company, or a person appointed by the Company, 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 Company, or a person appointed by the Company, will report the information required to Irish Revenue by 30 June in the year following the year of assessment for which a return is due. Irish Revenue will share the appropriate information with the relevant tax authorities in participating jurisdictions. Ireland introduced CRS Regulations in December 2015 and implementation of CRS among early adopting countries (44 countries including Ireland) occurred with effect from 1 January 2016.

## **United Kingdom**

### **The Company**

The Directors intend that the affairs of the Company should be managed and conducted so that it does not become resident in the United Kingdom for United Kingdom taxation purposes. Accordingly, and provided that the Company is not trading in the United Kingdom through a fixed place of business or agent situated therein that constitutes a "permanent establishment" for United Kingdom taxation purposes and that all its trading transactions in the United Kingdom are carried out through a broker or investment manager acting as an agent of independent status in the ordinary course of its business, the Company will not be subject to United Kingdom corporation tax or income tax on its profits. The Directors and the Investment Manager each intend that the respective affairs of the Company and the Investment Manager are conducted so that these requirements are met insofar as this is within their respective control. However, it cannot be guaranteed that the necessary conditions will at all times be satisfied.

Certain interest and other amounts received by the Company which have a United Kingdom source may be subject to withholding or other taxes in the United Kingdom.

### **UK Investors**

Subject to their personal circumstances, Shareholders resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax or corporation tax in respect of dividends or other distributions of an income nature made by the Company, whether or not such dividends or distributions are reinvested together with their share of income retained by a reporting fund (as to which see below). The nature of the charge to tax and any entitlement to a tax credit in respect of such dividends or distributions will depend on a number of factors which may include the composition of the relevant assets of the relevant Fund and the extent of a Shareholder's interest in the Fund.

The Offshore Funds (Tax) Regulations 2009 (the "Offshore Funds Regulations") set out the regime for the taxation of investments in offshore funds (as defined in the United Kingdom Taxation (International and Other Provisions) Act 2010 ("TIOPA 2010") which operates by reference to whether a fund opts into a reporting regime ("reporting funds") or not ("non-reporting funds"). If an investor who is resident in the United Kingdom for taxation purposes holds an interest in an offshore fund that does not have reporting fund status throughout the period during which the investor holds that interest, any gain accruing to the investor upon the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income ("offshore income gains") and not as a capital gain. Investors in reporting funds are subject to tax on the share of the reporting fund's income attributable to their holding in the fund, whether or not distributed, and any gains on disposal of their holding would be taxed as capital gains. Investors in non-reporting funds would not be subject to tax on income retained by the non-reporting fund.



The Shares will constitute interests in an offshore fund. The Directors have (as applicable) successfully applied, or intend in future to apply as they consider appropriate, to the United Kingdom HM Revenue & Customs in respect of those Class(es) of Shares specified in the relevant Supplement for recognition as a reporting fund. Certain Classes of Shares have also obtained certification as a distributing fund for certain prior periods. It cannot be guaranteed that such reporting fund status will be obtained or maintained (as applicable). Any gains arising to Shareholders resident in the United Kingdom on a sale, redemption or other disposal (including a deemed disposal on death) of those Shares in respect of which certification as a distributing fund and/or recognition as a reporting fund has been obtained and maintained throughout the period they have been held will be taxed as capital gains rather than offshore income gains.

The Company may operate equalisation arrangements in relation to any Fund or Class in accordance with the relevant Supplement. Consequently, where such an arrangement applies, a part of the first dividend paid following the subscription for Shares will be treated as a partial repayment of the purchase price (i.e. capital), and not as taxable income. The amount of such repayment must be deducted from the acquisition cost of the Shares in calculating the capital gain arising on the disposal of Shares.

The exchange of Shares in one Fund for Shares in another Fund (see under the heading "Exchanging Between Funds or Classes") will amount to a disposal of the original Shares for tax purposes and accordingly an offshore income gain (or a capital gain where recognition of the original Shares as a reporting fund has been obtained) or an allowable capital loss may be realised. The exchange of Shares of one Class for Shares of another Class in the same Fund may also be treated as a disposal and will be treated as such if the original Shares are not of a Class which is a reporting fund and the new Shares are of a Class so recognised.

Persons within the charge to United Kingdom corporation tax should note that the regime for the taxation of most corporate debt contained in the United Kingdom Corporation Tax Act 2009 (the "loan relationships regime") provides that, if at any time in an accounting period of such a person, that person holds an interest in an offshore fund within the meaning of the relevant provisions of the Offshore Funds Regulations and TIOPA 2010, and there is a time in that period when that fund fails to satisfy the "qualifying investments" test, the interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime. An offshore fund fails to satisfy the qualifying investments test at any time when more than 60% of its assets by market value (excluding cash awaiting investment) comprise "qualifying investments". Qualifying investments include government and corporate debt securities, cash on deposit, certain derivative contracts and holdings in other collective investment schemes which at any time in the accounting period of the person holding the interest in the offshore fund do not themselves satisfy the qualifying investments test. The Shares will constitute such interests in an offshore fund and on the basis of the investment policies of certain Funds, such a Fund could fail to satisfy the qualifying investments test. In that eventuality, the Shares in that Fund will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on the Shares in that Fund in respect of such a person's accounting period (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a "fair value accounting" basis. Accordingly, such a person who acquires Shares in the Company may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares). The United Kingdom Government on 6 June 2013 announced a consultation on the future of the loan relationships regime, which includes proposals potentially to reform this aspect of the regime.

#### *Anti-avoidance*

Individuals ordinarily resident in the United Kingdom for taxation purposes should note that Chapter 2 of Part 13 of the United Kingdom Income Tax Act 2007 contains anti-avoidance provisions dealing

with the transfer of assets to overseas persons that may in certain circumstances render such individuals liable to taxation in respect of undistributed income profits of the Company.

Persons resident in the United Kingdom for taxation purposes should note the provisions of section 13 of the United Kingdom Taxation of Chargeable Gains Act 1992 ("section 13"). Section 13 could be material to any such person who has an interest in the Company as a "participator" for United Kingdom taxation purposes (which term includes a shareholder) at a time when any gain accrues to the Company (such as on a disposal of any of its investments) which constitutes a chargeable gain or an offshore income gain if, at the same time, the Company is itself controlled in such a manner and by a sufficiently small number of persons as to render the Company a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a "close" company for those purposes. The provisions of section 13 would result in any such person who is a Shareholder being treated for the purposes of United Kingdom taxation as if a part of any chargeable gain or offshore income gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person's proportionate interest in the Company. No liability under section 13 could be incurred by such a person, however, in respect of a chargeable gain or an offshore income gain accruing to the Company if the aggregate proportion of that gain that could be attributed under section 13 both to that person and to any persons connected with him for United Kingdom taxation purposes does not exceed one-quarter of the gain. In addition, section 13 does not apply where the asset giving rise to the gain was neither disposed of nor acquired or held as part of a scheme or arrangements having a tax avoidance main purpose. In the case of Shareholders who are individuals domiciled outside the United Kingdom, section 13 applies subject to the remittance basis in particular circumstances.

Companies resident in the United Kingdom for taxation purposes should note the "controlled foreign companies" legislation contained in Part 9A of TIOPA 2010 (the "CFC rules"). The CFC rules could in particular be material to any company that has (either alone or together with persons connected or associated with it for United Kingdom taxation purposes) an interest in 25% or more of the "chargeable profits" of the Company if the Company is controlled (as "control" is defined in section 371RA of TIOPA 2010) by persons (whether companies, individuals or others) who are resident in the United Kingdom for taxation purposes or is controlled by two persons taken together, one of whom is resident in the United Kingdom for tax purposes and has at least 40% of the interests, rights and powers by which those persons control the Company, and the other of whom has at least 40% and not more than 55% of such interests, rights and powers. The effect of the CFC rules could be to render such companies liable to United Kingdom corporation tax by reference to their proportionate interest in the chargeable profits of the Company. The chargeable profits of the Company do not include any capital gains.

#### *Transfer taxes*

Transfers of Shares will not be liable to United Kingdom stamp duty unless the instrument of transfer is executed within the United Kingdom when the transfer will be liable to United Kingdom *ad valorem* stamp duty at the rate of 0.5% of the consideration paid rounded up to the nearest £5. No United Kingdom stamp duty reserve tax is payable on transfers of Shares, or agreements to transfer Shares.

The preceding paragraphs, which are intended as a general guide only and do not constitute tax advice, are based on current United Kingdom tax legislation and what is understood to be the current practice of the United Kingdom HM Revenue & Customs as at the date of this prospectus. If a Shareholder is in any doubt as to their taxation position or if a Shareholder is subject to tax in any jurisdiction in addition to or other than the United Kingdom, they should consult an appropriate professional advisor immediately. It should be noted that the levels and basis of, and relief from taxation can change.

## United States

*The following is a general discussion of certain of the anticipated US federal income tax considerations relevant to prospective investors arising from the purchase, ownership and disposition of Shares. This discussion is based on laws and regulations currently in effect, which may change and may be subject to differing interpretations (possibly on a retroactive basis).*

For purposes of this discussion, the term “US Investor” means an owner of Shares that is a “United States person.” For these purposes, the term “United States person” means a citizen or resident of the US, a partnership or corporation created or organized in the US or under the laws of the US or any state (other than a partnership that is not treated as a United States person under any applicable Treasury Regulations), an estate whose income is includible in gross income for federal income tax purposes regardless of its source or a trust if a US court is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust. In addition, to the extent provided in Treasury Regulations, certain trusts in existence on August 20, 1996, and treated as United States persons prior to such date, which elect to continue to be treated as United States persons will also be United States persons for these purposes. Prospective Investors that are US tax-exempt entities should see the special rules below under “Taxation of US Tax-exempt Entities.”

This discussion does not address all tax consequences that may be applicable to a beneficial owner of Shares, nor does it address, unless specifically indicated, the tax consequences to, among others (i) persons that may be subject to special treatment under U.S. federal income tax law, including, but not limited to, banks, insurance companies, thrift institutions, regulated investment companies, real estate investment trusts and dealers in securities or currencies, (ii) persons that will hold Shares as part of a position in a “straddle” or as part of a “hedging,” “conversion” or other integrated investment transaction for U.S. federal income tax purposes, (iii) persons whose functional currency is not the U.S. dollar or (iv) persons that do not hold Shares as capital assets within the meaning of Code Section 1221.

If a partnership holds Shares of the Company, the tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the partnership. Prospective investors who are partners of a partnership should consult their own tax advisors.

## Taxation of the Company

The Company will be treated as a corporation for US federal income tax purposes. It is intended that the Company’s affairs will be conducted such that no income realized by the Company will be effectively connected with the conduct of a US trade or business or otherwise subject to regular US federal income taxation on a net basis. As a result, it is anticipated that no gains realized by the Company (other than gains, if any, realized on the disposition of US real property interests) will be subject to US federal income taxation, but generally US-source dividend (including certain dividend equivalent amounts pursuant to Section 871(m) of the Code) and interest income will be subject to US federal withholding tax as discussed further below. If, contrary to the intended method of operation, the Company is considered to be engaged in a US trade or business, the Company’s share of any income that is effectively connected with such US trade or business will be subject to regular US federal income taxation (currently imposed at a maximum rate of 35%) on a net basis and an additional 30% US “branch profits” tax. In addition, it is possible that the Company could be subject to taxation on a net basis by state or local jurisdictions within the United States. Any such taxation could adversely affect the Company’s ability to make payments in respect of the Shares.

Because the Company is organized under the laws of Ireland, the Company will be considered a “non-US person” for purposes of the US tax laws. As a result, dividends received by the Company from US sources will be subjected to US withholding tax at a 30 percent rate. US source interest income received by the Company generally will be exempt from US federal income and withholding tax under

the exemption for “portfolio interest” or under another statutory exemption. Interest on corporate obligations will not qualify as “portfolio interest” to a non-US person that owns (directly and under certain constructive ownership rules) 10 percent or more of the total combined voting power of the corporation paying the interest, or, with respect to certain obligations issued after April 7, 1993, if and to the extent the interest is determined by reference to certain economic attributes of the debtor (or a person related thereto). In addition, interest on US bank deposits, certificates of deposit and certain obligations with maturities of 183 days or less (from original issuance) will not be subject to withholding tax. Interest (including original issue discount) derived by the Company from US sources not qualifying as “portfolio interest” or not otherwise exempt under US law will be subject to US withholding tax at a rate of 30 percent.

## Taxation of US Investors

### *Distributions on Shares*

Except as discussed below with respect to treatment of the Company as a PFIC or controlled foreign corporation, distributions declared by the Company with respect to a Share, whether paid in cash or reinvested, will be taxable to a US Investor as dividends to the extent of the Company’s current and accumulated earnings and profits as computed under United States federal income tax law. Such distributions are not eligible for the corporate dividends received deduction. To the extent distributions exceed current and accumulated earnings and profits, the distributions reduce the holder’s tax basis in its Shares. Distributions that would reduce the basis of Shares below zero are taxed as a capital gain from the sale or exchange of Shares, if such Shares are held as a capital asset by the US Investor.

### *Sale or Redemption of Shares*

Except as discussed below with respect to treatment of the Company as a PFIC or controlled foreign corporation, gain or loss recognized upon the sale or redemption of Shares held by a US Investor will be treated as a capital gain or loss if the Shares are capital asset in the hands of the US Investor. The capital gain or loss will be long-term capital gain or loss if the US Investor has held the Shares for more than one year on the date of disposition. In the case of an individual US investor, any such long-term capital gain generally will be subject to United States federal income tax at a maximum rate of 20%.

### *Medicare Tax*

Individuals with “modified adjusted gross income” that exceeds certain thresholds (e.g. \$250,000 for married individuals filing jointly, and \$200,000 for single individuals) will be subject to a Medicare tax of 3.8% on the lesser of: (i) their investment income, net of deductions properly allocable to such income, and (ii) the excess of their “modified adjusted gross income” above the applicable threshold. Income derived from an investment in the Company likely would be treated as investment income for this purpose, and as a result US Investors in the Company may be subject to this tax on such income. This tax will be in addition to any U.S. federal income tax imposed on US Investors with respect to their income derived from their investment in the Company. Trusts and estates also may be subject to this additional tax. Prospective investors should consult their tax advisors regarding the possible application of this tax in their particular circumstances.

### *Passive Foreign Investment Company Taxation*

As noted above, the Company will constitute a PFIC for US federal income tax purposes. As a result of the Company being classified as a PFIC, US Investors may be subject to certain adverse US federal income tax consequences with respect to their share of income attributable to the Company. The PFIC rules provide for the imposition of a special tax and an interest charge, referred to as the “deferred tax amount,” on certain distributions and gain recognized on disposition of the stock of a PFIC unless an election is made to treat the PFIC as a “qualified electing fund” (“QEF”). In addition, a

US Investor that directly or indirectly owns stock of a PFIC is treated as owning a proportionate amount by value of any stock owned by that PFIC. If the PFIC owns shares in another PFIC, the PFIC rules generally apply separately to the US Investor with respect to its interest in such lower-tier PFIC on an indirect basis. If a QEF election is made with respect to the Company and each lower-tier PFIC owned by the Company, the deferred tax amount rules described below do not apply but the electing US Investor is taxed each year on its pro rata share of ordinary earnings and net capital gain of each PFIC, whether or not the earnings or the capital gains are distributed. The QEF election must be made individually by each US Investor seeking such treatment. The election applies only to the US Investor who makes it. The election will not be given effect, however, unless the PFIC complies with requirements prescribed by the IRS for determining its ordinary earnings and net capital gain and concerning the furnishing of certain other information. The Company intends to comply with such requirements and, upon request by a US Investor, may provide such information as will enable the US Investor to make an effective QEF election with respect to the Company, if necessary, although there can be no assurance that the Company will be able to so comply.

A US Investor making an effective QEF election will be required under Section 1293(a) of the Code to include in gross income such US Investor's pro rata share of ordinary earnings and net capital gain of the PFIC for the year, regardless of the amount actually distributed to the US Investors by the Company. Net capital gain included by an electing US Investor is taxed as long-term capital gain. Amounts distributed from earnings by a PFIC that are taxed under Section 1293(a) are not again taxed to an electing US Investor when distributed. The tax basis of an electing US Investor's Shares will be increased by any amount includable in income under Section 1293(a) and decreased by any distributions excluded from income as described in the preceding sentence. At the time a US Investor acquires Shares, securities owned by the Company may have unrealized gain. A US Investor who makes a QEF election may be taxed on all or part of his share of such gain when the Company disposes of such securities.

If the QEF election is not made in respect of the first year the US Investor holds Shares, the deferred tax amount described above is based on the portion of "excess distributions" of the Company received by a US Investor during a taxable year and attributable to the period the US Investor held the Shares before the current taxable year. The amount of an "excess distribution" is determined in the following manner. First, the total amount of distributions in respect of the Shares during the taxable year is determined and from this amount is subtracted 125% of the average amount received by the US Investor in respect of such stock during the three preceding years (or if shorter, the portion of the US Investor's holding period before the taxable year). The remainder is then allocated rateably to the actual distributions made during the taxable year. The amount so allocated to an actual distribution is referred to as an "excess distribution." All of the gain from a disposition of Shares or a deemed disposition is treated as an excess distribution.

The excess distribution is then allocated rateably to each day of the period the US Investor held the Share ending with the day the excess distribution is received. The portion attributable to the taxable year in which the distribution is made is taxed as ordinary income. The portion of the excess distribution allocated to the period before the current taxable year is not included in gross income but instead is used to compute the deferred tax amount.

The deferred tax amount of a US Investor is equal to the sum of (1) the amounts determined by adding together the portions of the excess distribution allocated to each of the prior taxable years multiplied by the highest rate of corporate or individual tax, depending on the US Investor's status, in effect for each such prior year, plus (2) an interest charge determined by applying the federal interest rate applicable to underpayments of tax in the prior taxable years beginning with the due date for tax returns for each prior taxable year and ending with the due date for tax returns for the current taxable year. Under Section 6621(a)(2) of the Code, the rate of interest is the short-term federal rate determined on a quarterly basis plus three percentage points, compounded daily.

Any portion of a distribution paid to a US Investor that does not constitute an excess distribution will be treated as ordinary dividend income to the extent of the Company's current and accumulated earnings and profits (as computed for United States federal income tax purposes). Such dividends generally will not qualify for the dividends received deduction otherwise available to United States corporations. Any amounts treated as dividends paid by a PFIC do not constitute "qualified dividend income" within the meaning of Section 1(h)(11) of the Code, and will therefore be ineligible for taxation at the maximum rate of 20% currently applicable to individuals who receive such income. Any such amounts in excess of the Company's current and accumulated earnings and profits will be applied against the US Investor's tax basis in its Shares and, to the extent in excess of such tax basis, will be treated as gain from a sale or exchange of such Shares. It is possible that any such gain might be treated as an excess distribution.

In addition, the PFIC rules also provide for a "mark-to-market" regime pursuant to which a holder of PFIC shares can elect to mark its PFIC shares to market at the end of every year; provided that the PFIC shares are "marketable." Based on applicable Treasury Regulations, it is unlikely that any Shares of the Company would be considered "marketable" for purposes of the mark-to-market regime, although certain special rules may allow a US Investor that is a "regulated investment company" within the meaning of the Code to mark its Shares to market, regardless of whether the Shares are considered "marketable" for purposes of the mark-to-market regime.

Under Section 1298(b)(6) of the Code, if a taxpayer uses any stock in a PFIC as security for a loan, the taxpayer is treated as having disposed of such stock in a sale for its fair market value. Consequently, US Investors are cautioned against using any Shares as security for a loan. In addition, Section 1291(f) of the Code provides that, to the extent provided in Treasury Regulations, gain shall be recognized on any transfer of stock of a PFIC for which a QEF election is not made. Accordingly, a transfer that might otherwise not result in current recognition of income under the Code may result in a deemed sale of the PFIC stock upon which gain and deferred tax amounts must be recognized. Proposed Treasury Regulations define a taxable disposition to include a change of residence or citizenship status and several types of transfers that qualify for non-recognition treatment under other provisions of the Code. In addition, losses recognized on the disposition of a Share do not offset a gain recognized on another Share. If gain is not recognized on a transfer of PFIC stock, a transferee shareholder generally will be treated as holding the stock from the period the stock was held by the transferor. Thus, a successor holder of PFIC stock generally is liable for any untriggered gain and deferred tax amount of his predecessor.

Section 1298(b)(5) of the Code authorizes the Treasury Department to issue regulations under which a US Investor who is treated as holding PFIC stock under Section 1298(a) (which provides rules for attributing stock held by a corporation, partnership, estate or trust to the shareholder, partners or beneficiaries) ("indirect shareholder") will be treated as having sold such PFIC stock at the time the indirect shareholder disposes of its interest in such intervening entity, or at the time such entity disposes of its interest in the PFIC ("indirect dispositions"). Proposed Treasury Regulations provide that in the event of an indirect disposition, an indirect shareholder will recognize gain in the amount of the shareholder's proportionate share of the actual owner's gain with respect to the stock of the PFIC or the gain the actual owner would have realized on an actual disposition of such stock. Thus, the amount taxable to the indirect shareholder is determined without regard to the amount the shareholder would recognize on a disposition of the interest through which the shareholder is considered to own the PFIC stock. Section 1298(b)(5) of the Code also authorizes the Treasury Department to issue Treasury Regulations that may treat an indirect shareholder as having received a distribution with respect to PFIC stock in the event of a distribution to the actual owner. Proposed Treasury Regulations provide that a distribution to the actual owner of stock will be taxable to an indirect shareholder with respect to the stock attributed to the indirect shareholder as if that shareholder had actually received that amount.

Assuming that Shares are treated as voting stock of the Company for United States federal income tax purposes, a US corporation which owns at least 10% of the Shares of the Company normally is

entitled, subject to generally applicable limitations, to claim a foreign tax credit for a portion of any foreign taxes paid or accrued by the Company at the time the US corporation receives a dividend from the Company. A US Investor will be required to file IRS Form 8621 for any taxable year in which such US Investor holds Shares.

#### *Taxation as a Controlled Foreign Corporation*

If more than 50% (by voting power or value) of the Shares are owned by US Investors who each own (directly or through application of certain rules of attribution) 10% or more of the voting power of the Shares ("10% US Investors"), the Company will be a controlled foreign corporation ("CFC"). In such event, among other consequences, 10% US Investors will be required to include in ordinary income their pro rata shares of distributed and undistributed dividend, interest and net capital gain income of the Company, limited to the Company's earnings, for each year the Company is a CFC. Amounts taxed currently to such 10% US Investors under the CFC rules will not be subject to the deferred tax amount rules discussed above. If an election is made to treat the Company as a QEF, amounts generally would be included in income under the rules applicable to CFCs (Sections 951 through 964 of the Code) rather than under Section 1293 of the Code as discussed above. For taxable years of a 10% US Investor in which the Company is a CFC, and taxable years of the Company that end with or within such taxable years of such 10% US Investors, the Company generally will not be treated as a PFIC with respect to such 10% US Investor (but will be treated as a PFIC with respect to other US Investors). Additionally, if the Company is treated as a CFC, gain realized by a 10% US Investor on the sale or other disposition of Shares may be treated as dividend income to the extent of certain accumulated earnings and profits of the Company under Section 1248 of the Code.

The PFIC and CFC rules are complex, and each US taxable investor should consult its own tax advisor regarding the PFIC and CFC rules and how the PFIC and CFC rules may affect the US federal income tax consequences of the acquisition, ownership and disposition of Shares.

#### *Taxation of US Tax-exempt Entities.*

"Unrelated business taxable income" ("UBTI") is generally the excess of gross income from any unrelated trade or business conducted by a US tax exempt entity over the deductions attributable to such trade or business, with certain modifications. These modifications provide that UBTI generally does not include interest, dividends, or gains from the sale of securities not held as either inventory or primarily for sale to customers in the ordinary course of business, except to the extent that any such item of income is deemed to constitute "unrelated debt financed income" within the meaning of Section 514 of the Code and the Treasury Regulations promulgated thereunder. Income that a US tax-exempt entity derives from an investment in Shares generally should not give rise to UBTI under Section 511 of the Code, except to the extent that such entity's acquisition of Shares is financed with acquisition indebtedness within the meaning of Section 514 of the Code.

As discussed above, the Company will constitute a PFIC for US federal income tax purposes. Under Treasury Regulations, a US tax-exempt entity is not considered to be a shareholder in a PFIC, and thus is not subject to the PFIC tax rules, except to the extent that a "dividend" from such PFIC would be taxable under subchapter F of the Code, for example, as unrelated debt financed income. Hence, a US tax-exempt entity would be subject to tax under the PFIC regime in respect of an excess distribution from, or any gain realized on the sale of the shares of, a PFIC only under limited circumstances. In addition, Treasury Regulations provide that a US tax-exempt entity that is not taxable under the PFIC regime may not make the QEF election discussed above. Moreover, different rules may apply to certain types of US tax-exempt entities, such as charitable remainder trusts.

In light of the aforementioned Treasury Regulations, US tax-exempt investors acquiring Shares should consult their own tax advisors as to the tax consequences of the ownership and disposition of the Shares.

### *Transfer Reporting Requirements.*

Any United States Person within the meaning of the Code owning 10% or more (taking certain attribution rules into account) of either the total combined voting power or total value of all classes of the shares of a non-US corporation such as the Company, or whose ownership interest changes by a statutorily specified amount, will likely be required to file an information return with the IRS containing certain disclosure concerning the filing shareholder, other US Investors and the corporation. The Company has not committed to provide all of the information about the Company or its Shareholders needed to complete the return.

In addition, a United States Person within the meaning of the Code that transfers property (including cash) to a non-US corporation will likely be required to report the transfer to the IRS if (a) immediately after the transfer, such person holds (directly, indirectly or by attribution) at least 10% of the total voting power or total value of such corporation or (b) the amount of cash transferred by such person (or any related person) to such corporation during the twelve-month period ending on the date of the transfer exceeds \$100,000. In the event a US Shareholder fails to file any required form, such holder could be subject to a penalty of up to ten percent (10%) of the value of the property transferred, subject to a \$100,000 limit so long as the failure was not due to intentional disregard.

Certain US persons are required to file FinCEN Form 114 with the IRS by 15 April (if an extension is not relied upon) with respect to financial interests in foreign financial accounts held by such US persons during the previous calendar year if the aggregate value of such accounts exceeds \$10,000 at any time during the calendar year. Significant penalties may apply in respect of the failure to file FinCEN Form 114 in respect of foreign financial accounts. US Investors should consult their tax advisors as to whether to file FinCEN Form 114 in respect of ownership of Shares of the Company.

### Investor Tax Filings and Record Retention

The US Department of the Treasury has adopted Treasury Regulations designed to assist the IRS in identifying abusive tax shelter transactions. In general, the Treasury Regulations require investors in specified transactions (including certain investors in non-US corporations and partners in partnerships that engage in such transactions) to satisfy certain special tax filing and record retention requirements. Significant monetary penalties may be incurred as a result of a failure to comply with these tax filing and record retention rules.

These Treasury Regulations are broad in scope, and it is conceivable that the Company may enter into transactions that will subject the Company and certain investors in the Company to the special tax filing and record retention rules. The Company intends to provide information to investors necessary to enable investors to satisfy any tax filing and record retention requirements that may arise as a result of any transactions entered into by the Company.

### Potential Withholding and Reporting under FATCA

FATCA imposes a withholding tax of 30% on (i) certain US source interest, dividends and other types of income, and (ii) the gross proceeds from the sale or disposition of certain assets of a type that can produce US source interest and dividends, which are received by a foreign financial institution ("FFI"), unless such FFI enters into an agreement with the IRS, and/or complies with an applicable intergovernmental agreement ("IGA"), to obtain certain information as to the identity of the direct and indirect owners of accounts in such institution. In addition, a withholding tax may be imposed on payments to certain non-financial foreign entities which do not obtain and provide information as to their direct and indirect owners. These rules generally apply to payments of US source interest, dividends and certain other types of income from US sources and, after December 31, 2018, are expected to apply to payments of gross proceeds from the sale or disposition of assets of a type that can produce US source interest or dividends.



The IRS has released temporary and final Treasury Regulations and other guidance that will be used in implementing FATCA, which contain a number of phase-in dates for FATCA compliance. In addition, Ireland has entered into a Model 1 IGA with the United States (the "Irish IGA"), and has issued the Financial Accounts Reporting (United States of America) Regulations 2014, as updated from time to time, and guidance notes thereunder.

Each of the Company and the Funds are likely to be considered FFIs for FATCA purposes. In order to avoid US withholding tax under FATCA on amounts paid to the Company or a Fund, as applicable, the Company or such Fund each are generally required to register with the IRS and to comply with the Irish IGA and any guidance thereunder. If the Company or a Fund determines that it will register with the IRS and otherwise comply with FATCA, it expects that it will be required to identify and report on certain direct and indirect US owners in order to comply with the Irish IGA. In such case, the Company and the relevant Fund generally would not expect to become subject to US withholding under FATCA. An investor may be required to provide to the Company and the Funds information which identifies its direct and indirect ownership. Any such information provided to the Company and the Funds may ultimately be shared with the Revenue Commissioners and transmitted to the IRS and, potentially, certain other authorities and withholding agents, as applicable. Further, it is possible that a lower-tier non-US entity in which the Company or a Fund invests, if any, also may be considered an FFI. The Company and the Funds generally may assist lower-tier non-US entities in which the Company or a Fund invests in complying with FATCA, but can give no assurance that they will provide, or will be able to provide, such assistance or that such an entity will be able to avoid the incurrence of FATCA withholding.

By investing (or continuing to invest) in the Company or a Fund, investors will be deemed to have acknowledged, and to have given their consent to, the following:

- (i) the Company or a Fund (or their agents) may be required to disclose to the Revenue Commissioners and withholding agents certain information (which could otherwise be deemed to be confidential) in relation to the investor or its direct or indirect owners, including the investor's name, address, date of birth, tax identification number (if any), social security or national insurance number (if any) and certain additional information or documentation relating to the investor's investment or identity, and the investor may be required to provide any such information or documentation;
- (ii) the Revenue Commissioners may be required to automatically exchange information with, among other authorities, the IRS, and to provide additional information to such authorities should they have further inquiries, and the Company or the Fund (or their agents) may be required to disclose certain information (including information that could otherwise be deemed to be confidential) when registering with such authorities and in response to a request by any such authority for further information;
- (iii) in the event an investor's failure to comply with any FATCA related reporting requirements gives rise to any withholding tax, the Company and the Fund reserve the right to ensure that any such withholding tax and any related cost, interest, penalties and other losses or liabilities suffered by the Company, the Funds, the Administrator or any other investor, or any agent, delegate, employee, director, officer or affiliate of any of the foregoing persons, arising from such investor's failure to provide information to the Company or the Funds, is economically borne by such investor;
- (iv) in the event an investor does not provide the information and/or documentation necessary for the Company's or the Funds' satisfaction of their FATCA related reporting requirements, whether or not that actually leads to compliance failures by the Company or any Fund, or a risk of the Company or a Fund or their investors being subject to withholding tax under FATCA, the Company and the Funds reserve the right to take any action and/or pursue all remedies at its disposal to mitigate the

consequences of the investor's failure to comply with the requirements described above, including compulsory redemption of such investor; and

- (v) no investor affected by any such action or remedy shall have any claim against the Company, the Funds or the Administrator (or their agents, delegates, employees, directors, officers or affiliates) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Company or the Funds in order to comply with FATCA.

Investors should consult their tax advisors as to the withholding, filing and information reporting requirements that may be imposed on them in respect of their ownership of Shares of the Company or the Funds.

#### State and Local Taxes

In addition to the US federal income tax consequences described above, prospective investors should consider potential state and local tax consequences of an investment in the Company. State and local laws often differ from federal income tax laws with respect to the treatment of specific items of income, gain, and credit. A US Shareholder's income from the Company may be required to be included in determining its reportable income for state and local tax purposes in the jurisdiction in which it is a resident.

#### Other Taxes

The Company and its shareholders may be subject to other taxes, such as the alternative minimum tax, and estate, inheritance or intangible property taxes that may be imposed by various jurisdictions. Each prospective Shareholder should consider the potential consequences of such taxes on an investment in the Company. It is the responsibility of each prospective Shareholder to satisfy itself as to, among other things, the legal and tax consequences of an investment in the Company, under the laws of the state(s) of its domicile and its residence, by obtaining advice from its own tax counsel or other advisor, and to file all appropriate tax returns that may be required.

**The foregoing is a summary of some of the important tax rules and considerations affecting the Shareholders, the Company, and the Company's proposed operations and does not purport to be a complete analysis of all relevant tax rules and considerations, nor does it purport to be a complete listing of all potential tax risks inherent in purchasing or holding shares. Each prospective investor in the Company is urged to consult its own tax advisor in order to understand fully the US federal, state, local and any foreign tax consequences of such an investment in its particular situation.**

## GENERAL INFORMATION

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

- (A) The Company was incorporated in Ireland on 22 October 2010 as an investment company with variable capital with limited liability and segregated liability between its Funds under registration number 490560.
- (B) The registered office of the Company is as stated in the Directory at the front of the Prospectus.
- (C) Clause 3.00 of the Memorandum of the Company provides that the Company's sole object is the collective investment in either or both transferable securities and other liquid financial assets referred to in Regulation 45 of the UCITS Regulations of capital raised from the public. Clause 3.00 further provides that the Company operates on the principle of risk spreading.
- (D) The authorised share capital of the Company is 500,000,000,000 Shares of no par value and 300,002 Shares redeemable non-participating shares of no par value issued at €1.00 each. Non-participating Shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the consideration paid up thereon but do not otherwise entitle them to participate in the assets of the Company. The Directors have the power to allot Shares in the capital of the Company on such terms and in such manner as they may think fit.

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

- (A) The rights attaching to the Shares issued in any Class may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the Shareholders of three-quarters of the issued Shares of that Class, or with the sanction of an ordinary resolution passed at a general meeting of the Shareholders of that Class.
- (B) A resolution in writing signed by all the Shareholders and holders of non-participating shares for the time being entitled to attend and vote on such resolution at a general meeting of the Company shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the Company duly convened and held and if described as a special resolution shall be deemed to be a special resolution.
- (C) The rights attaching to the Shares shall not be deemed to be varied by the creation, allotment or issue of any further Shares ranking pari passu with Shares already in issue.
- (D) There are no rights of pre-emption upon the issue of Shares in the Company.

### 3. Voting Rights

The following rules relating to voting rights apply:

- (A) Fractions of Shares do not carry voting rights.

- (B) Every Shareholder or holder of non-participating Shares present in person or by proxy who votes on a show of hands shall be entitled to one vote in respect of all Shares or non-participating Shares held by him.
- (C) The chairman of a general meeting of a Class or any Shareholder of a Class present in person or by proxy at a meeting of a Class may demand a poll. The chairman of a general meeting of the Company or at least two Shareholders of the Company present in person or by proxy or any Shareholder or Shareholders of the Company present in person or by proxy representing at least one tenth of the Shares of the Company in issue having the right to vote at such meeting may demand a poll.
- (D) On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him and every holder of non-participating shares shall be entitled to one vote in respect of all non-participating Shares held by him. A Shareholder entitled to more than one vote need not cast all his votes or cast all the votes he uses in the same way.
- (E) In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
- (F) Any person (whether a Shareholder or not) may be appointed to act as a proxy; a Shareholder may appoint more than one proxy to attend on the same occasion.
- (G) Any instrument appointing a proxy must be deposited at the registered office, not less than 48 hours before the meeting or at such other place and by such time as is specified in the notice convening the meeting. The Directors may at the expense of the Company send by post or otherwise to the Shareholders instruments of proxy (with or without prepaid postage for their return) and may either leave blank the appointment of the proxy or nominate one or more of the Directors or any other person to act as proxy.
- (H) To be passed, ordinary resolutions of the Company or of the Shareholders of a particular Class will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed. Special resolutions of the Company or of the Shareholders of a particular Class will require a majority of not less than 75% of the Shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Articles.

#### 4. **Meetings**

The Directors may convene extraordinary general meetings of the Company at any time.

Not less than 21 calendar days' notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to Shareholders and 14 calendar days' notice must be given in the case of any other general meeting.

Two Shareholders present either in person or by proxy shall be a quorum for a general meeting provided that the quorum for a general meeting convened to consider any alteration to the Class rights of Shares shall be two Shareholders holding or representing by proxy at least one third of the issued Shares of the relevant Class. If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of or by Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same time, day and place in the next week or to such other day and at such other time and place as the Directors may determine and if at the adjourned

meeting a quorum is not present within half an hour from the time appointed for the meeting, the Shareholders present shall be a quorum and in the case of a meeting of a Class convened to consider the variation of rights of Shareholders in such Class the quorum shall be one Shareholder holding Shares of the Class in question or his proxy. All general meetings will be held in Ireland.

The foregoing provisions with respect to the convening and conduct of meetings shall save as otherwise specified with respect to meetings of Classes and, subject to the Companies Acts, have effect with respect to separate meetings of each Class at which a resolution varying the rights of Shareholders in such Class is tabled.

#### **5. Reports, Accounts and documents available for inspection**

The financial year of each of the Company will end on 31 December in each year.

An annual report and audited financial statements for the Fund in respect of each financial year prepared in accordance with IFRS will be sent to Shareholders as soon as practicable and in any event within four months of the end of the Fund's financial year.

Half-yearly unaudited reports of the Company, incorporating unaudited accounts, will also be sent to Shareholders within two months of the period to which they relate. Half-yearly unaudited reports will be prepared as of 30 June each year.

The annual report and audited annual financial statements of the Company and half-yearly reports incorporating unaudited accounts will be sent to each Shareholder at his registered address or email address free of charge and may also be obtained, together with the Articles, at the registered office of the Administrator and the Company.

Shareholders will also receive monthly newsletters including unaudited reports of the Net Asset Value of the relevant Fund(s). The latest newsletters and other above-mentioned Fund-related data will also be available to Shareholders at the offices of the Investment Manager.

#### **6. Suspension of Valuation of Assets and Subscriptions or Redemptions of Shares**

The Directors may at any time and from time to time temporarily suspend the determination of the Net Asset Value of the Company, a Fund or a Class and the issue, exchange and redemption of Shares in any Class:

- (A) during the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the Recognised Exchanges on which the Company's investments are quoted, listed, traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted; or
- (B) during the whole or part of any period when circumstances outside the control of the Directors exist as a result of which any disposal or valuation by the Company of investments of the Fund or Class is not reasonably practicable or would be detrimental to the interests of Shareholders or it is not possible to transfer monies involved in the acquisition or disposition of investments to or from the relevant account of the Company; or
- (C) during the whole or part of any period when any breakdown occurs in the means of communication normally employed in determining the value of any of the Company's investments of the relevant Fund or Class;
- (D) any period when due to conditions of market turmoil or market illiquidity it is not possible, in the opinion of the Directors, to determine the fair value of the assets of the Company or Fund;

- (E) during the whole or any part of any period when for any reason the value of any of the Company's investments cannot be reasonably, promptly or accurately ascertained;
- (F) during the whole or any part of any period when subscription proceeds cannot be transmitted to or from the account of the Company or the Fund being unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- (G) for the purpose of winding up the Company or terminating any Fund;
- (H) if any other reason makes it impossible or impracticable to determine the value of a portion of the investments of the Company or any Fund; or
- (I) if, in the absolute discretion of the Directors, suspension of the determination of Net Asset Value is in the interest of Shareholders (or Shareholders in that Fund or Class as appropriate).

Any suspension of valuation of the Net Asset Value of the Company, a Fund or a Class and the issue, exchange and redemption of Shares in any Class shall be notified immediately to the Central Bank and the Depositary without delay and, in any event, within the same Business Day. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

#### **7. Compulsory Redemption**

The Directors have the right to require the compulsory redemption of all or part of the Shares held by or for the benefit of a Shareholder if the Directors determine that the Shares are held by or for the benefit of any Shareholder who is not or is no longer an Eligible Applicant as described under "Subscriptions" above. The Company may also require compulsory redemption of all Shares held by a Shareholder if the Net Asset Value of the Shares held by the Shareholder is less than the Minimum Holding. Where the Net Asset Value of the Shares held by a Shareholder is less than the Minimum Holding and the Company decides to exercise its right to compulsorily redeem, the Company will notify the Shareholder in writing and allow such Shareholder 30 calendar days to purchase additional Shares to meet the minimum holding requirement.

Notwithstanding the above, the Directors also have the right to compulsorily redeem all or part of the Shares held by or for the benefit of a Shareholder at any time for any or no reason by giving notice in writing to the Shareholders.

#### **8. Directors**

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

- (A) Unless otherwise determined by an ordinary resolution of the Company in a general meeting, the number of Directors shall not be less than two nor more than nine.
- (B) A Director need not be a Shareholder.
- (C) The Articles contain no provisions requiring Directors to retire on attaining a particular age or to retire on rotation.
- (D) A Director may vote and be counted in the quorum at a meeting to consider the appointment or the fixing or variation of the terms of appointment of any Director to any office or employment with the Company or any company in which the Company is interested, but a Director may not vote or be counted in the quorum on a resolution concerning his own appointment.

- (E) The Directors of the Company for the time being are entitled to such remuneration as may be determined by the Directors and disclosed in the Prospectus under "Directors' Fees" under "Fees and Expenses" and may be reimbursed all reasonable travel, hotel and other expenses incurred in connection with the business of the Company or the discharge of their duties and may be entitled to additional remuneration if called upon to perform any special or extra services to or at the request of the Company.
- (F) A Director may hold any other office or place of profit under the Company, other than the office of Auditor, in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine.
- (G) No Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise, nor shall any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director who is so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, but the nature of his interest must be declared by him at the meeting of the Directors at which the proposal to enter into the contract or agreement is first considered or, if the Director in question was not at the date of that meeting interested in the proposed contract or arrangement, at the next Directors' meeting held after he becomes so interested. A general notice in writing given to the Directors by any Director to the effect that he is a shareholder of any specified company or firm and is to be regarded as interested in any contract or arrangement which may thereafter be made with that company or firm is deemed to be a sufficient declaration of interest in relation to any contract or arrangement so made.
- (H) A Director may not vote in respect of any contract or arrangement or any proposal whatsoever in which he has any material interest or a duty which conflicts with the interests of the Company and shall not be counted in the quorum at a meeting in relation to any resolution upon which he is debarred from voting unless the Directors resolve otherwise. However, a Director may vote and be counted in quorum in respect of any proposal concerning any other company in which he is interested directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of 5% or more of the issued shares of any class of such company or of the voting rights available to shareholders of such company. A Director may also vote and be counted in the quorum in respect of any proposal concerning an offer of Shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Company or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the Company for which the Director has assumed responsibility in whole or in respect of the purchase of directors' and officers' liability insurance.
- (I) The office of a Director shall be vacated in any of the following events namely:-
- (1) if he resigns his office by notice in writing signed by him and left at the registered office of the Company;
  - (2) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (3) if he becomes of unsound mind;

- (4) if he is absent from meetings of the Directors for six successive months without leave expressed by a resolution of the Directors and the Directors resolve that his office be vacated;
- (5) if he ceases to be a Director by virtue of, or becomes prohibited or restricted from being a Director by reason of, an order made under the provisions of any law or enactment;
- (6) if he is requested by a majority of the other Directors (not being less than two in number) to vacate office; or
- (7) if he is removed from office by ordinary resolution of the Company.

9. **Directors' Interests**

The interests of the Directors and their interests in companies associated with the management, administration, promotion and marketing of the Company and the Shares are set out below:

- (A) Jonathan Greenwold is a director of the Investment Manager which receives an Investment Management Fee and may receive a Performance Fee in respect of its services to the Company. Jonathan Greenwold is also a director of the Principal Distributor which may receive an Initial Charge.
- (B) There are no existing or proposed service agreements between the Fund and any of the Directors.
- (C) The Directors or companies of which they are officers or employees, including the Investment Manager, may subscribe for Shares in the Fund. Their applications for Shares will rank pari passu with all other applications. As at the date of this Prospectus, save as described herein, none of the Directors, nor any connected person, has or intends to have an interest (direct or indirect) in the Shares of the Fund.
- (D) Teddy Otto and John Skelly are principals of Carne Global Financial Services Limited, a company which provides services, including company secretarial services, to the Company.

10. **Termination of Funds**

- (A) Any Fund may be terminated by the Directors, in their sole and absolute discretion, by notice in writing to the Depositary in any of the following events:-
  - (1) if at any time the Net Asset Value of the relevant Fund shall be less than such amount as may be determined by the Directors in respect of that Fund;
  - (2) if any Fund shall cease to be authorised or otherwise officially approved;
  - (3) if any law shall be passed which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the relevant Fund;
  - (4) if there is a change in material aspects of the business, in the economic or political situation relating to a Fund which the Directors consider would have material adverse consequences on the investments of the Fund; or



- (5) if the Directors shall have resolved that it is impracticable or inadvisable for a Fund to continue to operate having regard to prevailing market conditions and the best interests of the Shareholders.

The decision of the Directors in any of the events specified herein shall be final and binding on all the parties concerned but the Directors shall be under no liability on account of any failure to terminate the relevant Fund pursuant to this section 10 or otherwise.

The liquidator shall apply the assets of each Fund in satisfaction of liabilities incurred on behalf of or attributable to such Fund and shall not apply the assets of any Fund in satisfaction of any liabilities incurred on behalf of or attributable to any other Fund.

## 11. **Winding Up**

The Articles contain provisions to the following effect:

- (A) If the Company shall be wound up the liquidator shall, subject to the provisions of the Companies Acts and section 12 below, apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund;
- (B) A Fund may be wound up pursuant to section 256E of the Companies Act, 1990 and in such event the provisions reflected in this paragraph 11 shall apply mutatis mutandis in respect of that Fund;
- (C) The assets available for distribution among the Shareholders shall be applied in the following priority:
  - (1) first, in the payment to the Shareholders of each Class or Fund of a sum in the base currency (or in any other currency selected and at such rate of exchange as determined by the liquidator) as nearly as possible equal to the Net Asset Value of the Shares of the relevant Class or Fund held by such Shareholders respectively as at the date of commencement of winding up;
  - (2) secondly, in the case of the winding up of the Company or Fund, in the payment to the holders of non-participating shares of sums up to the consideration paid in respect thereof provided that if there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds or Classes;
  - (3) thirdly, in the payment to the Shareholders of each Class of any balance then remaining in the Company or relevant Fund, in proportion to the number of Shares held in the relevant Fund or Class; and
  - (4) fourthly, any balance then remaining and not attributable to any Fund or Class shall be apportioned among the Classes pro-rata to the Net Asset Value of the Company or attributable to each Class immediately prior to any distribution to Shareholders and the amounts so apportioned shall be paid to Shareholders pro-rata to the number of Shares in the Fund or Class held by them.
- (D) The liquidator may, with the authority of an ordinary resolution of the Company, divide among the Shareholders (pro rata to the value of their respective shareholdings in the Company) in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind provided that any Shareholder shall be entitled to request the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such

sale. The costs of any such sale shall be borne by the relevant Shareholder. The liquidator may, with like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator shall think fit and the liquidation of the Company may be closed and the Company dissolved, provided that no Shareholder shall be compelled to accept any asset in respect of which there is any liability. Further the liquidator may with like authority transfer the whole or part of the assets of the Company to a company or collective investment scheme (the "Transferee Company") on terms that Shareholders in the Company shall receive from the Transferee Company shares or units in the Transferee Company of equivalent value to their shareholdings in the Company.

- (E) Notwithstanding any other provision contained in the Memorandum and Articles, should the Directors at any time and in their absolute discretion resolve that it would be in the best interests of the Shareholders to wind up the Company, the Secretary shall forthwith at the Directors' request convene an extraordinary general meeting of the Company at which there shall be presented a proposal to appoint a liquidator to wind up the Company and if so appointed, the liquidator shall distribute the assets of the Company in accordance with the Memorandum and Articles.

## 12. **Indemnities and Insurance**

The Directors (including alternates), secretary and other officers of the Company and its former directors and officers shall be indemnified by the Company against losses and expenses to which any such person may become liable by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (other than in the case of fraud, negligence or wilful default). The Company acting through the Directors is empowered under the Articles to purchase and maintain for the benefit of persons who are or were at any time Directors or officers of the Company insurance against any liability incurred by such persons in respect of any act or omission in the execution of their duties or exercise of their powers.

## 13. **Material Contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

- (A) An Investment Management Agreement dated 21 December 2010 between (1) the Company and (2) the Investment Manager whereby the Investment Manager has been appointed the responsibility for managing the investments of the Company. The Investment Management Agreement will continue in force until terminated by either party on 30 calendar days' notice in writing to the other party. It may be terminated forthwith by either party on immediate written notice if the other party commits any material breach of its obligations and fails to remedy the breach within 30 calendar days of receipt of written notice requiring the same, or if the other party is dissolved or otherwise enters into insolvency proceedings. The Investment Manager will not be liable for any loss suffered by the Company in connection with the performance or non-performance of its obligations and duties under the Investment Management Agreement in the absence of negligence, wilful default or fraud on the part of the Investment Manager. The Company has agreed to indemnify the Investment Manager and the directors, officers and employees of the Investment Manager against any and all liability, penalty, fine, loss, damage, suit, cost or expense which may be incurred by or asserted against the Investment Manager in its capacity as Investment Manager other than those resulting from the negligence, wilful default or fraud on its part and other than expenses incurred by the Investment Manager for which the Investment Manager is responsible.
- (B) A Distribution Agreement dated 21 December 2010 between (1) the Company and (2) the Investment Manager whereby the Investment Manager has been appointed the responsibility for distributing the shares of the Company. The Distribution Agreement will continue in force until terminated by either party on 30 calendar days' notice in writing to the other party. It may be terminated forthwith by either party on immediate written notice if the other party commits any material breach of its obligations and fails to remedy the breach within 7 calendar days of receipt of written notice requiring the same, or if the other party is dissolved or otherwise enters into insolvency proceedings. The Investment Manager will not be liable for any loss suffered by the Company in connection with the performance or non-performance of its obligations and duties under the Distribution Agreement in the absence of negligence, bad faith, wilful default or fraud on the part of the Investment Manager. The Company has agreed to indemnify the Investment Manager and the directors, officers and employees of the Investment Manager against any and all liabilities, obligations, losses, damages, suits and expenses which may be incurred by or asserted against the Investment Manager in its capacity as distributor other than those resulting from the negligence, wilful default or fraud on its part and other than expenses incurred by the Investment Manager for which the Investment Manager is responsible.
- (C) An amended and restated Administration Agreement dated 7 June 2012 between (1) the Company and (2) the Administrator whereby the Administrator was appointed to provide registrar and transfer agency, accounting and other administrative services to the Company. The Administration Agreement may be terminated by any party forthwith in the event, inter alia, of a material breach of the Administration Agreement by any other party which is incapable of remedy or the failure of such other party to remedy such breach within 15 days of having been requested to do so. In addition, from 1 January 2018, the Administration Agreement may be terminated by either the Fund or the Administrator upon not less than 90 days' prior written notice. The Administration Agreement provides that in the absence of fraud, wilful default, bad faith or negligence, the Administrator will not be liable for any loss incurred by the Fund arising out of or in connection with the performance by the Administrator of its services and duties under the Administration Agreement and the Fund agrees to indemnify the Administrator against any loss suffered by the Administrator arising out of or in connection with the performance of its duties under the Administration Agreement, save where such loss

arises as a result of negligence, bad faith, wilful default or fraud on the part of the Administrator.

- (D) A Depositary Agreement dated 6 April 2016 between (1) the Company and (2) the Depositary whereby the Company appointed the Depositary to provide depositary and trustee services to the Company. The Depositary Agreement shall continue in force until terminated by either party on ninety (90) days' notice in writing to the other party or as otherwise provided by the Depositary Agreement, provided that such termination shall only take effect upon the appointment of a successor depositary with the prior approval of the Central Bank.

14. **Complaints**

Shareholders should address any complaints in relation to the Company to the Compliance Officer of the Investment Manager. The Investment Manager has in place a written complaints policy, which details the Investment Manager's procedures for the handling of complaints, which is available to Shareholders upon request to the Investment Manager and free of charge. Shareholders who are not satisfied with the outcome of the investigation to their complaint have the right to refer the matter to the Central Bank.

15. **Proxy Voting**

The Investment Manager has in place a written proxy voting policy which details the Investment Manager's procedures to be followed in the event that it is asked to vote for or against a proposed resolution relating to a company whose shares have been purchased by the Investment Manager on behalf of the Company. A copy of the Investment Manager's proxy voting policy is available to Shareholders upon request to the Investment Manager and free of charge, together with details of the actions taken pursuant to such policy.

16. **General**

- (A) The rights conferred on Shareholders by virtue of their shareholdings are governed by the Articles, the general law of Ireland, the UCITS Regulations and the Companies Acts.
- (B) The material contracts referred to in paragraph 13 above will be available for inspection along with the Prospectus, Supplements, Memorandum and Articles and latest audited annual and semi-annual reports during normal business hours at the offices of the Company (for the avoidance of doubt, the annual and semi-annual reports will also be sent to each Shareholder at his registered address or email address free of charge).
- (C) Telephone communications with the Investment Manager and/or its associated persons may be recorded and retained.

17. **Remuneration Policy**

The Company has a remuneration policy in place which is intended to achieve compliance with UCITS V. This remuneration policy imposes remuneration rules on staff and senior management within the Company whose activities have a material impact on the risk profile of the Funds. The Directors will endeavour to ensure that the Company's 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 Articles, and will be consistent with UCITS V. The Directors will endeavour to 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 on the website <https://www.aspectcapital.com/dashboard/aspect-diversified-programme/aspect-diversified-trends-fund/>. The remuneration policy may be obtained free of charge on request from the Company.

## APPENDIX 1

### INVESTMENT AND BORROWING POWERS

#### Investment Restrictions

The investment restrictions applying to each Fund of the Company under the UCITS Regulations are set out below. These are, however, subject to the qualifications and exemptions contained in the UCITS Regulations and in the Central Bank Rules. Any additional investment restrictions for other Funds will be formulated by the Directors at the time of the creation of such Fund and set out in the Supplement.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interest of the Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are placed.

<b>1</b>	<b>Permitted Investments</b>
<b>1.1</b>	Investments of a UCITS are confined to: Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	<b><u>Units of AIFs</u></b>
<b>1.6</b>	Deposits with credit institutions
<b>1.7</b>	Financial derivative instruments
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
<b>2.2</b>	<p><b>Recently Issued Transferable Securities</b> Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply. Paragraph (1) does not apply to an investment by a responsible person in US Securities known as “ Rule 144 A securities” provided that;</p> <p>(a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and</p> <p>(b) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the UCITS.</p>
<b>2.3</b>	A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.

- 2.4** 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 UCITS 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 UCITS. **This restriction need not be included unless it is intended to avail of this provision and reference must be made to the fact that this requires the prior approval of the Central Bank.**
- 2.5** The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 2.6** The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
- 2.7** Deposits with any single credit institution other than a credit institution specified in Regulation 7 of the Central Bank Regulations held as ancillary liquidity shall not exceed:  
(a) 10% of the NAV of the UCITS; or  
(b) where the deposit is made with the Depositary 20% of the net assets of the UCITS.
- 2.8** The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.
- This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand
- 2.9** Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
- investments in transferable securities or money market instruments;
  - deposits, and/or
  - counterparty risk exposures arising from OTC derivatives transactions.
- 2.10** The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
- 2.11** Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
- 2.12** A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.

The individual issuers must be listed in the prospectus and may be drawn from the following list:

OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and

	<p>Development (The World Bank), The Inter-American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC, Export-Import Bank.</p> <p>The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
<b>3</b>	<b>Investment in Collective Investment Schemes (“CIS”)</b>
<b>3.1</b>	A UCITS may not invest more than 20% of net assets in any one CIS.
<b>3.2</b>	Investment in AIFs may not, in aggregate, exceed 30% of net assets.
<b>3.3</b>	The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
<b>3.4</b>	When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.
<b>3.5</b>	Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.
<b>4</b>	<b>Index Tracking UCITS</b>
<b>4.1</b>	A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank Regulations and is recognised by the Central Bank.
<b>4.2</b>	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
<b>5</b>	<b>General Provisions</b>
<b>5.1</b>	An investment company, ICAV or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
<b>5.2</b>	<p>A UCITS may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
<b>5.3</b>	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> </ul>



	<p>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</p> <p>(iv) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.</p> <p>(v) Shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</p>
<b>5.4</b>	UCITS 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.
<b>5.5</b>	The Central Bank may allow recently authorised UCITS 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.
<b>5.6</b>	If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
<b>5.7</b>	Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of: <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- money market instruments<sup>1</sup>;</li> <li>- units of investment funds; or</li> <li>- financial derivative instruments.</li> </ul>
<b>5.8</b>	A UCITS may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments ('FDIs')</b>
<b>6.1</b>	The UCITS global exposure relating to FDI must not exceed its total net asset value.
<b>6.2</b>	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank Regulations/Guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Central Bank Regulations.)
<b>6.4</b>	UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that <ul style="list-style-type: none"> <li>- The counterparties to over-the-counter transactions (OTCs) are institutions subject</li> </ul>

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

	to prudential supervision and belonging to categories approved by the Central Bank.
<b>6.5</b>	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank

### **Restrictions on Borrowing and Lending**

The Company may borrow in respect of any Fund up to 10% of its Net Asset Value provided such borrowing is on a temporary basis. The Company may charge its assets as security for such borrowings.

A Fund 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 UCITS Regulation 70(1) and the borrowing restrictions set out at 7.1 above provided that the offsetting deposit:

- (A) is denominated in the base currency of the relevant Fund; and
- (B) equals or exceeds the value of the foreign currency loan outstanding.

The Company will adhere to any investment or borrowing restrictions and any criteria necessary to obtain and/or maintain any credit rating in respect of any Shares or Class in the Company, subject to the UCITS Regulations.

It is intended that a Fund shall have the power (subject to the prior approval of the Central Bank) and as disclosed in an updated Prospectus to avail itself of any change in the investment and borrowing restrictions laid down in the UCITS Regulations which would permit investment by the Fund in securities, derivative instruments or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited under the UCITS Regulations. The Company will update the Prospectus and relevant Supplement(s) as necessary prior to availing itself of any such change.

## APPENDIX 2

### Stock Exchanges and Regulated Markets

With the exception of permitted investments in unlisted securities and derivative instruments, investments will be restricted to the following stock exchanges and markets listed below in accordance with the regulatory criteria as defined in the Central Bank's Regulations. For the purposes of this Appendix II, reference to "unlisted securities" may include securities that are listed on a market or exchange where such exchange is not set out in the below list in accordance with Regulation 68(1)(c) and 68(2)(a) of the UCITS Regulations. The Central Bank does not issue a list of approved stock exchanges or markets.

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

Argentina	Bolsa de Comercio de Buenos Aires, Cordoba, Mendoza, Rosario and La Plata Stock Exchange;
Bahrain	Bahrain Stock Exchange;
Bangladesh	Chittagong Stock Exchange and Dhaka Stock Exchange;
Botswana	Botswana Stock Exchange;
Brazil	Bolsa de Valores de Sao Paulo, Bolsa de Valores de Brasilia, Bolsa de Valores de Bahia-Sergipe - Alagoas, Bolsa de Valores de Extremo Sul, Bolsa de Valores de Parana, Bolsa de Valores de Regional, Bolsa de Valores de Santos, Bolsa de Valores de Pernambuco e Paraiba and Bolsa de Valores de Rio de Janeiro;
Channel Islands (Guernsey, Jersey & Isle of Man)	Channel Islands Stock Exchange;
Chile	Santiago Stock Exchange and Valparaiso Stock Exchange;
China	Shanghai Stock Exchange, Fujian Stock Exchange, Hainan Stock Exchange and Shenzhen Stock Exchange;
Colombia	Bolsa de Bogota and Bolsa de Medellin;
Egypt	Cairo Stock Exchange and Alexandria Stock Exchange;
Ghana	Ghana Stock Exchange;
India	Mumbai Stock Exchange, Madras Stock Exchange, Delhi Stock Exchange, Ahmedabad Stock Exchange, Bangalore Stock Exchange, Cochin Stock Exchange, Guwahati Stock Exchange, Magadh Stock Exchange, Pune Stock Exchange, Hyderabad Stock Exchange, Ludhiana Stock Exchange, Uttar Pradesh Stock Exchange, Calcutta Stock Exchange and the National Stock Exchange of India;
Indonesia	Jakarta Stock Exchange and Surabaya Stock Exchange;
Jordan	Amman Stock Exchange;
Kazakhstan	Kazakhstan Stock Exchange;
Kenya	Nairobi Stock Exchange;
Kuwait	Kuwait Stock Exchange;
Lebanon	Beirut Stock Exchange;

Malaysia	Kuala Lumpur Stock Exchange;
Mauritius	Stock Exchange of Mauritius;
Mexico	Bolsa Mexicana de Valores;
Morocco	Casablanca Stock Exchange;
Namibia	Namibian Stock Exchange;
Oman	Muscat Securities Market;
Pakistan	Lahore Stock Exchange and Karachi Stock Exchange;
Peru	Bolsa de Valores de Lima;
Philippines	Philippines Stock Exchange;
Qatar	Doha Stock Exchange;
Russia	RTS Stock Exchange, MICEX (solely in relation to equity securities that are traded on level 1 or level 2 of the relevant exchange);
Saudi Arabia	Riyadh Stock Exchange;
Singapore	The Stock Exchange of Singapore;
South Africa	Johannesburg Stock Exchange;
Sri Lanka	Colombo Stock Exchange;
Taiwan	Taipei Stock Exchange Corporation
Thailand	The Stock Exchange of Thailand
Turkey	Istanbul Stock Exchange
Ukraine	Ukrainian Stock Exchange
Uruguay	Montevideo Stock Exchange
Venezuela	Caracas Stock Exchange and Maracaibo Stock Exchange;
Zambia	Lusaka Stock Exchange.

(c) any of the following:

The market organised by the International Capital Market Association;

The (i) market conducted by banks and other institutions regulated by the FCA and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook and (ii) 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 U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the U.S. 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 National Association of Securities Dealers (and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

KOSDAQ;

NASDAQ;

SESDAQ;

TAISDAQ/Gretai Market;

The Chicago Board of Trade;

The Chicago Mercantile Exchange;

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

The Over-the-Counter market in Canadian Government Bonds as regulated by the Investment Dealers Association of Canada;

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

2

In relation to any exchange traded financial derivative contract, any exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is (i) located in an EEA Member State, (ii) located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland or the United States, (iii) the Channel Islands Stock Exchange, (iv) listed at (c) above (v) any of the following:

in Asia:

- Bursa Malaysia Derivatives Berhad
- Jakarta Futures Exchange;
- Korea Exchange
- Kuala Lumpur Options and Financial Futures Exchange;
- Shanghai Futures Exchange (SHFE);
- Singapore Commodity Exchange;
- Singapore Exchange;
- Thailand Futures Exchange;
- Taiwan Futures Exchange;
- Taiwan Stock Exchange;

in Brazil, Bolsa de Mercadorias & Futuros (BM&F);

in Israel, Tel-Aviv Stock Exchange;

in Mexico, Mexican Derivatives Exchange (MEXDER);

in South Africa, South African Futures Exchange (Safex); and

in Turkey, Borsa Istanbul.

The stock exchanges and regulated markets described above are set out herein in accordance with the requirements of the Central Bank which does not issue a list of approved markets.

## APPENDIX 3

### Financial Derivative Instruments, Structured Financial Instruments and Efficient Portfolio Management

#### Financial Derivative Instruments

The Financial Derivative Instruments which the Investment Manager may use on behalf of the Company and the expected effect of investment in such Financial Derivative Instruments on the risk profile of the Company are set out below. In addition, the attention of investors is drawn to the risks described under the headings “Derivatives”, “Options”, “Particular Risks of OTC Derivatives”, “Counterparty Risk”, “Valuation Risk”, “Short Selling” and “Forward Foreign Exchanges Contracts” in the “Risk Factors” section of the Prospectus.

Where considered appropriate, the Company may invest in Financial Derivatives Instruments and/or utilise other techniques and instruments, for investment purposes, for efficient portfolio management (for example to reduce risk, to reduce costs or to generate additional capital or income with a level of risk consistent for each Fund), to gain currency exposure and/or to protect against foreign exchange risks, subject to the conditions and within the limits laid down by the Central Bank.

In general, these Financial Derivative Instruments and other techniques and instruments include, but are not limited to: futures, forward foreign exchange contracts, options, contracts for difference (“CFD”), equity index forwards, swaps.

The Company will typically use these instruments and/or techniques as described below and under the “Investment Policy” section in the relevant Supplement for hedging as well as investment purposes, provided that in each case the use of such instruments:

- is in accordance with the limits and guidelines issued by the Central Bank from time to time;
- does not contravene pertinent EU and Irish legislations and law;
- will not result in an exposure to underlyings other than transferable securities, financial indices, interest rates, foreign exchange rates or currencies;
- will not cause the Fund to diverge from its investment objective.

Financial Derivative Instruments can be used in the Funds as follows:

#### **Futures**

A Fund may, subject to the above conditions, buy or sell exchange-traded futures (contracts) whose underlyings are relevant currencies, interest rates, equities or equity indices and which are compliant with the investment objective and policies of a Fund.

Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange.

The commercial purpose of futures contracts can be to allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract’s delivery date. Using futures to achieve a particular strategy instead of using the underlying or related security or index may result in lower transaction costs being incurred.

## **Forward Contracts**

A Fund may use forward contracts (including forward foreign exchange contracts) for investment and hedging purposes. A forward contract locks in the price at which an index or asset may be purchased or sold on a future date. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another a specified amount of one currency at a specified price (exchange rate) with another currency on a specified future date. Forward contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract. Forward foreign exchange contracts are OTC derivatives.

## **Options**

Subject to certain conditions, each Fund may buy or sell (write) exchange-traded or OTC put and call options whose underlyings are relevant assets, instruments (such as equity securities or futures) or indices in respect of the investment policies of that Fund.

An option is a contract which gives the contract buyer the right, but not the obligation, to exercise a feature of the option, such as buying a specified quantity of a particular product, asset or financial instrument, on, or up to and including, a future date (the exercise date). The 'writer' (seller) has the obligation to honour the specified feature of the contract. Since the option gives the buyer a right and the seller an obligation, the buyer pays the seller a premium. Put options are contracts that give the option buyer the right to sell to the seller of the option the underlying product or financial instrument at a specified price on, or before, the exercise date. Call options are contracts that give the option buyer the right to buy from the seller of the option the underlying product or financial instrument at a specified price on, or before, the exercise date. Options may also be cash settled.

The commercial purpose of options can be to hedge against the movements of a particular market or financial instrument or to gain exposure (either long or short) to a particular market or financial instrument instead of using a physical security.

## **Contracts for Differences (“CFDs”)**

A Fund may enter into contracts for differences (CFDs) mainly for investment purposes, subject to the above conditions, as a replacement for direct investment in transferable securities in order to avail of cost or liquidity advantages of Financial Derivative Instruments over transferable securities. CFD are also utilised to obtain synthetic short exposures to particular issuers. CFDs allow a direct exposure to the market, a sector or an individual security. CFDs are used to gain exposure to share price movements without buying the shares themselves. A CFD on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement to pay out cash on the difference between the starting share price and the price when the contract is closed.

Where a Fund takes a long position in a CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have increased in value had it been invested in the underlying security or securities, plus any dividends that would have been received on those stocks. Conversely, the Fund agrees to pay the counterparty the amount, if any, by which the notional amount of the CFD contract would have decreased in value had it been invested in the underlying security or securities (less any dividends that would have been received on those stocks). The Fund and the counterparty's positions are reversed where a Fund takes a short position in a CFD contract. CFDs are OTC Financial Derivative Instruments and the counterparty will usually be an investment bank or broker.

## **Equity index forwards**

A Fund may use equity index forwards for hedging purposes. The Fund may, subject to certain conditions, enter into a forward to gain long or short exposure to a market without purchasing the relevant stock. An equity index forward will generally perform in a similar manner to the relevant index.

## **Swaps**

A Fund may use swap agreements (swaps), including such swaps where the swap counterparties agree to exchange the proceeds (including or excluding capital gains/losses) of a reference asset such as a deposit, financial security, money market instrument, units/shares of collective investment schemes, FDI, financial index or security or index basket against the proceeds of any other such reference asset.

Generally, a swap is a contractual agreement between two counterparties in which the cash flows from two reference assets are exchanged as they are received for a predetermined time period, with the terms initially set so that the present value of the swap is zero. Swaps may extend over substantial periods of time, and typically call for the making of payments on a periodic basis. In most swap contracts, the notional principal of the swap is not exchanged but is used to calculate the periodic payments. Swaps are usually traded OTC. Where a Fund intends to utilise swaps, the specific type of swap will be disclosed, as appropriate, in the Supplement for the relevant Fund and the Risk Management Process of the Company updated accordingly.

## **Structured Financial Instruments**

A Fund may, subject to certain conditions and the investment restrictions set out in Appendix 1, invest in transferable securities in the form of structured financial instruments (“**SFIs**”). SFIs are a type of structured debt instrument which falls within the categorisation of ‘transferable securities’ as contemplated by the Central Bank Rules and Regulations. SFIs are issued by special purpose vehicles whose share capital is held by a charitable trust. SFIs would be independently valued by a third party administrator and shall be listed on one or more of the Regulated Markets set out in Appendix 2 of the Prospectus. The SFIs may provide exposure to interests in an underlying trading company or fund. The SFIs shall not embed leverage or derivatives.

## **Efficient Portfolio Management**

The Funds may employ techniques (such as currency hedging and utilising Securities Financing Transactions) detailed in the Investment Policy for each Fund for efficient portfolio management services. 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 relevant 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 relevant Fund or add supplementary risks not covered in the Prospectus or Supplement. Please refer to the section of the Supplement entitled "Risk Factors; EPM Risk" for more details. The risks arising from the use of such techniques and instruments shall be adequately captured in the Investment Manager’s risk management process.



All the revenues arising from efficient portfolio management techniques (including Securities Financing Transactions) 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) shall include fees and expenses payable to counterparties, who are not related to the Investment Manager or the Depositary, engaged by the Company from time to time and shall not include hidden revenue. Such fees and expenses of any counterparties engaged by the Company, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by 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 counterparties engaged by the Company from time to time shall be included in the Company's semi-annual and annual reports.

### **Securities Financing Transactions**

A Fund may use Securities Financing Transactions in accordance with normal market practice and subject to the requirements of the SFTR and the Central Bank Rules. Any type of assets that may be held by a Fund in accordance with its investment objective and policies may be subject to such Securities Financing Transactions.

Securities lending means 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. Repurchase agreements are a type of securities lending transaction in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby a Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price.

Any Fund that seeks to engage in securities lending will 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. Any Fund that enters into a reverse repurchase agreement 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 callable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement will be used for the calculation of the Net Asset Value of a Fund.

A Fund that enters into a repurchase agreement will 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 shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

While the Company will conduct appropriate due diligence in the selection of counterparties, including consideration of the legal status, country of origin, credit rating and minimum credit rating (where relevant), it is noted that the Central Bank Rules do not prescribe any pre trade eligibility criteria for counterparties to a Fund's Securities Financing Transactions.

From time to time, 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 Conflict of Interest Section 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.

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

Where relevant, the maximum and expected proportion of a Fund's assets that can be subject to Securities Financing Transactions will be set out in the relevant Fund supplement and the most recent semi-annual and annual accounts of the Company.

### **Collateral Policy**

In the context of efficient portfolio management techniques 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 requirements of the Central Bank and the terms of the Company's collateral policy outlined below.

#### **Collateral – Received by a Fund**

Collateral posted by the counterparty for the benefit of a Fund may be taken into account as reducing the exposure to such counterparty. The relevant 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 Investment Manager will liaise with the Depositary in order to manage all aspects of the counterparty collateral process.

Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the Investment Manager's risk management process. If a Fund receives collateral for at least 30% of its assets it will put in place an appropriate stress testing policy to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable such Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy will at least prescribe the components set out in Regulation 24 paragraph (8) of the Central Bank Regulations.

For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, a Fund may transfer, mortgage, pledge, charge or encumber any assets or cash forming part of a Fund in accordance with normal market practice (including the transfer of daily variation margins) and the requirements outlined in the Central Bank Rules.

#### **Non-Cash Collateral**

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

- (a) 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 UCITS Regulations (i.e. where collateral is taken in the form of a share or a share equivalent such shares may not carry voting rights which would enable the Company to exercise significant influence over the management of the issuing body).
- (b) 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.
- (c) Issuer credit quality: Collateral received should be of high quality.

- (d) 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.
- (e) 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 relevant Fund's Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

Notwithstanding the above paragraph, a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. In such circumstances, the relevant Fund must receive securities from at least six different issues, but securities from any single issue shall not account for more than 30% of that Fund's Net Asset Value. Where a Fund intends to be fully collateralised in securities issued or guaranteed by a Member State, it will be disclosed, as appropriate, in the Supplement for the relevant Fund.

- (f) Immediately available: Collateral received should be capable of being fully enforced by the relevant Fund at any time without reference to or approval from the counterparty.
- (g) Safe-keeping: Collateral received on a title transfer basis should be held by the Depositary or its agent. 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.
- (h) Haircuts: The Investment Manager, on behalf of the relevant 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 Investment Manager 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 Investment Manager on an ongoing 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 Investment Manager, 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.
- (i) Non-cash collateral cannot be sold, pledged or re-invested.

There are no restrictions on maturity provided the collateral is sufficiently liquid.

Where appropriate, non-cash collateral held for the benefit of a Fund shall be valued in accordance with the valuation policies and principles applicable to the Company. Subject to any agreement on valuation made with the counterparty, collateral posted to a recipient counterparty will be valued daily at mark-to-market value.

The rationale for the valuation methodology as described above is to ensure compliance with the requirements in the Central Bank Regulations.

## **Cash Collateral**

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

- (a) deposits with relevant institutions;
- (b) high-quality government bonds; and
- (c) 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 in (e) above under the heading "Non-Cash Collateral". 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 a Fund. Please refer to the section of the Supplement "Risk Factors; Reinvestment of Cash Collateral Risk" for more details.

## **Collateral – Posted by a Fund**

Collateral posted to a counterparty by or on behalf of a 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 such Fund is able to legally enforce netting arrangements with the counterparty.

## **Use of a Subscriptions/Redemptions Account**

The Company operates a single, omnibus Subscriptions/Redemptions Account for all of the Funds, in accordance with the Central Bank's requirements and the Articles. Accordingly, monies in the Subscriptions/Redemptions Account are deemed assets of the respective Funds and shall not have the protection of the Investor Money Regulations. It should be noted however that the Depositary will monitor the Subscriptions/Redemptions Account in performing its cash monitoring obligations and ensuring effective and proper monitoring of the Company's cash flows in accordance with its obligations as prescribed under UCITS V. There nonetheless remains a risk for investors to the extent that monies are held by the Company in the Subscriptions/Redemptions 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 an investor in relation to monies held in the Subscriptions/Redemptions Account, the investor shall rank as an unsecured creditor of the Company. Furthermore, where monies are held by the Company in the Subscriptions/Redemptions Account for the account of a Fund at a point where such Fund (or another Fund of the Company) becomes insolvent, the investor shall not be a shareholder of the Company.

The Company in conjunction with Depositary shall establish a policy to govern the operation of the Subscriptions/Redemptions, in accordance with the Central Bank's guidance in this area. This policy shall be reviewed by the Company and the Depositary at least annually.

## APPENDIX 4

### List of Sub-Delegates

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

<b>Brazil</b>	Citibank N.A., Brazil	Citibank N.A. Avenida Paulista, 1111 – 12th floor Cerqueira Cesar – Sao Paulo, Brazil CEP: 01311-920
<b>Brazil</b>	Itau Unibanco S.A.	Praça Alfredo Egydio de Souza Aranha, 100, São Paulo, S.P. - Brazil 04344-902
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	48 Sitnyakovo Blvd Serdika Offices, 10th floor Sofia 1505, Bulgaria
<b>Canada</b>	CIBC Mellon Trust Company (CIBC Mellon)	320 Bay Street Toronto, Ontario, M5H 4A6 Canada
<b>Cayman Islands</b>	The Bank of New York Mellon	1 Wall Street New York, NY 10286 United States
<b>Chile</b>	Banco de Chile	Estado 260 2nd Floor Santiago, Chile Postal code 8320204
<b>Chile</b>	Itaú Corpbanca S.A.	Presidente Riesco Street 5537 18th Floor Las Condes Santiago, Chile
<b>China</b>	HSBC Bank (China) Company Limited	33 Floor, HSBC Building, Shanghai ifc 8 Century Avenue, Pudong Shanghai, China (200120)
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria	Carrera 9A No 99-02 Piso 3 Bogota D.C., Colombia
<b>Costa Rica</b>	Banco Nacional de Costa Rica	1st and 3rd Avenue, 4th Street San José, Costa Rica
<b>Croatia</b>	Privredna banka Zagreb d.d.	Radnicka cesta 50 10 000 Zagreb Croatia
<b>Cyprus</b>	BNP Paribas Securities Services S.C.A., Athens	94 V. Sofias Avenue & 1 Kerasountos 115 28 Athens Greece
<b>Czech Republic</b>	Citibank Europe plc, organizacni slozka	Bucharova 2641/14 158 02 Prague 5, Czech Republic
<b>Denmark</b>	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden
<b>Egypt</b>	HSBC Bank Egypt S.A.E.	306 Corniche El Nil, Maadi, Cairo, Egypt
<b>Estonia</b>	SEB Pank AS	Tornimäe Str. 2 15010 Tallinn Estonia
<b>Finland</b>	Finland Skandinaviska Enskilda Banken AB	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden

	(Publ)	
<b>France</b>	BNP Paribas Securities Services S.C.A.	Office Address: Les Grands Moulins de Pantin – 9 rue du Débarcadère 93500 Pantin, France  Legal address: 3 rue d'Antin, 75002 Paris, France
<b>France</b>	Citibank International Limited (cash deposited with Citibank NA)	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB United Kingdom
<b>Germany</b>	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Friedrich-Ebert-Anlage, 49 60327 Frankfurt am Main Germany
<b>Ghana</b>	Stanbic Bank Ghana Limited	Stanbic Heights, Plot No. 215 South Liberation RD, Airport City, Cantonments, Accra, Ghana
<b>Greece</b>	BNP Paribas Securities Services S.C.A., Athens	94 V. Sofias Avenue & 1 Kerasountos 115 28 Athens Greece
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	1, Queen's Road, Central Hong Kong
<b>Hong Kong</b>	Deutsche Bank AG	52/F International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong
<b>Hungary</b>	Citibank Europe plc. Hungarian Branch Office	Szabadság tér 7 1051 Budapest Hungary
<b>Iceland</b>	Landsbankinn hf.	Austurstraeti 11 155 Reykjavik Iceland
<b>India</b>	Deutsche Bank AG	4th Floor, Block I, Nirlon Knowledge Park, W.E. Highway Mumbai - 400 063, India
<b>India</b>	HSBC Ltd	11F, Building 3, NESCO - IT Park, NESCO Complex, Western Express Highway, Goregaon (East), Mumbai 400063, India
<b>Indonesia</b>	Deutsche Bank AG	7th Floor, Deutsche Bank Building Jl. Imam Bonjol No.80, Jakarta – 10310, Indonesia
<b>Ireland</b>	The Bank of New York Mellon	225 Liberty Street, New York, NY 10286, United States
<b>Israel</b>	Bank Hapoalim B.M.	50 Rothschild Blvd Tel Aviv 66883 Israel
<b>Italy</b>	Citibank N.A. Milan	Via Mercanti 12 20121 Milan Italy
<b>Italy</b>	Intesa Sanpaolo S.p.A.	Piazza San Carlo, 156, 10121 Torino, Italy.

<b>Japan</b>	Mizuho Bank, Ltd.	Shinagawa Intercity Tower A, 2-15-1, Konan, Minato-ku, Tokyo, 108-6009, Japan
<b>Japan</b>	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1-3-2, Nihombashi Hongoku-cho, Chuo-ku, Tokyo 103-0021, Japan
<b>Jordan</b>	Standard Chartered Bank	1 Basinghall Avenue London, EC2V5DD, England
<b>Kazakhstan</b>	Joint-Stock Company Citibank Kazakhstan	Park Palace Building A, 41 Kazybek Bi Street, Almaty, Kazakhstan
<b>Kenya</b>	Stanbic Bank Kenya Limited	First Floor, CfC Stanbic Centre P.O. Box 72833 00200 Chiromo Road, Westlands, Nairobi, Kenya
<b>Kuwait</b>	HSBC Bank Middle East Limited, Kuwait	Sharq Area, Abdulaziz Al Sager Street, Al Hamra Tower, 37F, P.O. Box 1683, Safat 13017, Kuwait
<b>Latvia</b>	AS SEB banka	Meistaru iela 1 Valdlauci Kekavas pagasts, Kekavas novads LV-1076 Latvia
<b>Lebanon</b>	HSBC Bank Middle East Limited – Beirut Branch	Lebanon Head Office Minet EL-Hosn, P.O. Box: 11-1380 Beirut, Lebanon
<b>Lithuania</b>	AB SEB bankas	12 Gedimino Av. LT-01103 Vilnius Lithuania
<b>Luxembourg</b>	Euroclear Bank	1 Boulevard du Roi Albert II B-1210 Brussels - Belgium
<b>Malaysia</b>	Deutsche Bank (Malaysia) Berhad	Level 20, Menara IMC No 8 Jalan Sultan Ismail 50250 Kuala Lumpur, Malaysia
<b>Malaysia</b>	HSBC Bank Malaysia Berhad	HSBC Bank Malaysia Berhad, 12th Floor, South Tower, 2 Leboh Ampang, 50100 Kuala Lumpur, Malaysia
<b>Malta</b>	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Friedrich-Ebert-Anlage, 49 60327 Frankfurt am Main Germany
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	5th Floor, HSBC Centre, 18 Cybercity, Ebene, Mauritius



<b>Mexico</b>	Citibanamex	Isabel la Catolica No. 44 Colonia Centro Mexico, D.F. C.P. 06000
<b>Morocco</b>	Citibank Maghreb	Zenith Millenium, Immeuble 1 Sidi Maarouf, B.P. 40 20190 Casablanca Morocco
<b>Namibia</b>	Standard Bank Namibia Limited	N2nd Floor, Standard Bank Centre, Town Square Corner of Post Street Mall and Werner List Street Windhoek, Namibia
<b>Netherlands</b>	The Bank of New York Mellon SA/NV	Rue Montoyer, 46 1000 Brussels Belgium
<b>New Zealand</b>	National Australia Bank Limited	12th Floor, 500 Bourke Street, Melbourne Victoria 3000, Australia
<b>Nigeria</b>	Stanbic IBTC Bank Plc	Walter Carrington Crescent, Victoria Island, Lagos, Nigeria
<b>Norway</b>	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden
<b>Oman</b>	HSBC Bank Oman S.A.O.G.	2nd Floor, Head Office Building, P.O. Box 1727, Al Khuwair, Postal Code 111, Sultanate of Oman
<b>Pakistan</b>	Deutsche Bank AG	242-243, Avari Plaza, Fatima Jinnah Road Karachi – 75330, Pakistan
<b>Peru</b>	Citibank del Peru S.A.	Avenida Canaval y Moreyra, 480, 3rd floor Lima 27, Peru
<b>Philippines</b>	Deutsche Bank AG	23rd Floor, Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, 1226 Makati City Philippines
<b>Poland</b>	Bank Polska Kasa Opieki S.A.	53/57 Grzybowska Street 00-950 Warszawa
<b>Portugal</b>	Citibank International Limited, Sucursal em Portugal	Rua Barata Salgueiro, 30 1269-056 Lisbon Portugal
<b>Qatar</b>	HSBC Bank Middle East Limited, Doha	2nd Floor, Ali Bin Ali Tower, Building no: 150, Al Matar Street (Airport Road) P.O. Box 57, Street no. 950, Umm Ghuwalina Area, Doha, Qatar
<b>Romania</b>	Citibank Europe plc, Romania Branch	145, Calea Victoriei 010072 Bucharest Romania
<b>Russia</b>	Deutsche Bank Ltd	82 Sadovnicheskaya Street, Building 2 115035 Moscow, Russia
<b>Russia</b>	AO Citibank	8-10, building 1 Gasheka Street, Moscow 125047,

		Russia
<b>Saudi Arabia</b>	HSBC Saudi Arabia Limited	HSBC Building, 7267 Olaya Road, Al-Murooj Riyadh 12283-22555, Kingdom of Saudi Arabia
<b>Serbia</b>	UniCredit Bank Serbia JSC	Rajiceva Street 27-29, 11000 Belgrade, Serbia
<b>Singapore</b>	DBS Bank Ltd	12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982
<b>Singapore</b>	United Overseas Bank Ltd	80 Raffles Place, UOB Plaza, Singapore 048624
<b>Slovak Republic</b>	Citibank Europe plc, pobočka zahraničnej banky	Dvorakovo nabrežie 8, 811 02 Bratislava, Slovak Republic
<b>Slovenia</b>	UniCredit Banka Slovenia d.d.	Smartinska 140, 1000 - Ljubljana, Slovenia
<b>South Africa</b>	The Standard Bank of South Africa Limited	9th Floor 5 Simmonds Street Johannesburg 2001, South Africa
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	5th Floor, HSBC Building, 37, Chilpae-ro, Jung-Gu, Seoul, Korea, 04511
<b>South Korea</b>	Deutsche Bank AG	18th Floor, Young-Poong Building 41 Cheonggyecheon-ro, Jongro-ku, Seoul 03188, South Korea
<b>Spain</b>	Banco Bilbao Vizcaya Argentaria, S.A.	Plaza San Nicolás, 4 48005 Bilbao Spain
<b>Spain</b>	Santander Securities Services S.A.U.	Ciudad Grupo Santander. Avenida de Cantabria s/n, Boadilla del Monte 28660 – Madrid, Spain
<b>Sri Lanka</b>	The Hongkong and Shanghai Banking Corporation Limited	24 Sir Baron Jayathilake Mawatha Colombo 01, Sri Lanka
<b>Swaziland</b>	Standard Bank Swaziland Limited	Standard House, Swazi Plaza Mbabane, Swaziland
<b>Sweden</b>	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden
<b>Switzerland</b>	Credit Suisse AG	Paradeplatz 8 8070 Zurich Switzerland
<b>Switzerland</b>	UBS Switzerland AG	Max-Högger-Strasse 80 8048 Zürich, Switzerland
<b>Taiwan</b>	HSBC Bank (Taiwan) Limited	16th floor, Building G, No. 3-1 Park Street Taipei 115, Taiwan
<b>Taiwan</b>	Standard Chartered Bank (Taiwan) Ltd.	No 168, Tun Hwa North Road, Taipei 105, Taiwan
<b>Thailand</b>	The Hongkong and Shanghai Banking Corporation Limited	Level 5, HSBC Building, 968 Rama IV Road, Bangrak Bangkok 10500, Thailand

<b>Tunisia</b>	Banque Internationale Arabe de Tunisie	70-72, Avenue Habib Bourguiba 1080 Tunis Tunisia
<b>Turkey</b>	Deutsche Bank A.S.	Esentepe Mahallesi Büyükdere Caddesi Tekfen Tower No:209 K:17 Sisli TR-34394-Istanbul, Turkey
<b>Uganda</b>	Stanbic Bank Uganda Limited	Plot 17 Hannington Road Short Tower- Crested Towers P.O. Box 7131, Kampala, Uganda
<b>Ukraine</b>	Public Joint Stock Company "Citibank"	16G Dilova Street 03150 Kiev Ukraine
<b>U.A.E.</b>	HSBC Bank Middle East Limited, Dubai	Emaar Square, Building 5, Level 4 PO Box 502601 Dubai, United Arab Emirates
<b>U.K.</b>	Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch	Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom
<b>U.K.</b>	The Bank of New York Mellon	225 Liberty Street, New York, NY 10286, United States
<b>U.S.A.</b>	The Bank of New York Mellon	225 Liberty Street, New York, NY 10286, United States
<b>Uruguay</b>	Banco Itaú Uruguay S.A.	Dr. Luis Bonavita 1266 Toree IV, Piso 10 CP 11300 Montevideo, Uruguay
<b>Venezuela</b>	Citibank N.A., Sucursal Venezuela	Av. Casanova, Centro Comercial El Recreo Torre Norte, Piso 19 Sabana Grande, Caracas 1050 D.C. Venezuela
<b>Vietnam</b>	HSBC Bank (Vietnam) Ltd	The Metropolitan, 235 Dong Khoi Street District 1, Ho Chi Minh City, Vietnam
<b>Zambia</b>	Stanbic Bank Zambia Limited	Stanbic House, Plot 2375, Addis Ababa Drive P.O Box 31955 Lusaka, Zambia
<b>Zimbabwe</b>	Stanbic Bank Zimbabwe Limited	59 Samora Machel Avenue, Harare, Zimbabwe

## SUPPLEMENT 1: ASPECT DIVERSIFIED TRENDS FUND

This Supplement contains information relating specifically to **Aspect Diversified Trends Fund**, a sub-fund of Aspect UCITS Funds plc (the “**Company**”), an open-ended umbrella fund with segregated liability between sub-funds authorised by the Central Bank on 21 December 2010 as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011. **This Supplement forms part of and should be read in conjunction with the Prospectus of the Company dated 20 March 2019.**

The Fund may engage in transactions in Structured Financial Instruments for investment purposes and in Financial Derivative Instruments for the purposes of currency hedging, investment and efficient portfolio management. Investors should read the section entitled “Risk Factors” before investing in the Fund. **The Directors of the Company expect that the Net Asset Value of the Fund will have medium to high volatility through investments in SFIs and FDI.** It is not expected that the Fund will employ leverage in the form of borrowing, however, the Fund may invest in FDI on margin. As the notional values of the instruments underlying the FDIs may substantially exceed the margin paid, the Fund will utilise leverage.

The typical investor in the Fund will be an investor who understands and appreciates the risks associated with investing in Shares of the Fund. A decision to invest in the Fund should be determined by the attitude to risk, wish for income or growth, intended investment time horizon and in the context of the investor’s overall portfolio. Investors should seek professional advice before making investment decisions.

An investment in the Fund is only suitable for investors who can hold their investment for the medium to long term and who are prepared to have a medium to high risk investment in their portfolio.

**Name of Fund:** Aspect Diversified Trends Fund

**Investment Objective:** The investment objective of the Fund is to aim to achieve capital appreciation while closely controlling risk.

There can be no assurance that the Fund will achieve its investment objective.

**Investment Policy:** In order to achieve its investment objective, the Fund provides investors with exposure to the performance of the Aspect Diversified Programme (“**Programme**”) through investment in FDI and in transferable securities in the form of SFIs. The Fund will not invest more than 30% of its Net Asset Value in SFIs. Any assets not required to obtain exposure to the Programme, shall be invested in cash and cash equivalents.

**The SFIs:** The SFIs are a type of debt instrument which falls within the categorisation of ‘transferable securities’ as contemplated by the Central Bank Rules and Regulations. The SFIs shall, together with the Fund’s investment in FDI, provide the Fund with exposure to the Programme (see description of the Aspect Diversified Programme below).

The SFIs shall be issued by special purpose vehicles (the “**SFI Issuers**”) whose share capital will be held by a charitable trust. The SFIs shall be independently valued on a daily basis by a third party administrator, currently Crestbridge Corporate Services Limited (the “**SFI Administrator**”), and shall be listed on one or more of the Regulated Markets set out in Appendix 2 of the Prospectus. The SFIs shall provide exposure on a 1:1 basis to interests in an open ended investment company established in the Cayman Islands (the “**Underlying Investment Company**”). The Underlying Investment Company shall invest in a subset of the assets classes traded by the Programme. The

SFIs shall not embed leverage or derivatives. However, the SFIs will provide exposure to the Underlying Investment Company which, through margin trading in FDI, will employ leverage. The investment by the Fund in the SFIs shall not exceed 30% of the Net Asset Value of the Fund. Morgan Stanley & Co. International plc acting in its capacity as dealer for the SFIs (the “**Dealer**”), shall commit to purchase the SFIs from the Fund at their most recent net asset value as calculated by the third-party administrator in the absence of Market Disruption Events which give rise to the temporary suspension or termination of the Fund (further details of which are set out under the heading Market Disruption Events below), subject to receiving one Business Day’s prior notice from the Fund.

**The Aspect  
Diversified  
Programme:**

As set out above, the Fund shall invest in FDI and SFIs which together are intended to provide exposure to the Programme. The Programme has been developed and is maintained and implemented by the Investment Manager. The Programme applies a systematic and broadly diversified global investment system, which deploys multiple investment strategies that seek to identify and exploit directional moves in market behaviour of a broad range of financial instruments and other assets including (but not limited to) equities, equity indices, debt securities (including bonds), currencies, interest rates, credit and commodities (including energy, metal and agricultural commodities). By maintaining comparatively small exposure to any individual market and maintaining positions in a variety of contracts, the aim is to achieve long-term diversification.

The core objectives of the Programme are to:

- produce strong medium-term capital growth;
- seek and exploit profit opportunities in both rising and falling markets using a disciplined quantitative and systematic investment process;
- seek long-term diversification away from overall movements in traditional bond and stock markets and thereby play a valuable role in enhancing the risk/return profile of traditional investment portfolios; and
- minimise risk by operating in a diverse range of markets and sectors using a consistent investment process that adheres to pre-defined and monitored risk limits and determines market exposure in accordance with factors including (but not limited to) market correlation, volatility, liquidity and the cost of market access.

The investment approach that underpins the Programme is proprietary. Aspect Capital Limited’s investment philosophy has remained consistent since its inception and involves a scientific approach to investment driven by Aspect Capital Limited’s belief that market prices are not random but rather they display persistent, statistically measurable and predictable behaviour and idiosyncrasies which, through sophisticated quantitative research and a disciplined approach, can be successfully identified and exploited for profit.

The Programme employs an automated system to collect, process and analyse market data (including current and historical price data) and identify and exploit directional moves in market behaviour. The Programme seeks to identify trends over a range of timescales and positions are taken according to the aggregate signal and are adjusted to control risk.

Generally, the Programme maintains positions in the majority of markets in

which it invests. Market concentration varies according to the strength of signals, volatility and liquidity, amongst other factors. The emphasis is upon structuring a genuinely diversified set of market risk allocations that is designed to maximise the probability of returns wherever profit opportunities appear. Market exposures are monitored daily and the level of exposure in each market is quantifiable at all times and changes in accordance with market volatility and liquidity.

**Market Disruption Events:** A Market Disruption Event is the occurrence or existence of one or more of the following events, in relation to the SFIs:

(i) it is not possible to obtain a price or value (or an element of such price or value) of the SFIs according to the rules or normal accepted procedures for the determination of such price or value (whether due to the non-publication of such price or value or otherwise);

(ii) the calculation of the price or value of the SFIs is, at the relevant time, impractical or impossible to make;

(iii) any suspension of or limitation is imposed on trading on any exchanges or quotation systems where the SFIs is traded; and/or there exists an event or circumstance that prevents or materially limits transactions in the SFIs. For the purpose of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, provided however that where a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Dealer constitute a Market Disruption Event;

(iv) the occurrence of any event that generally makes it impossible or impractical to convert any currency which was, immediately prior to the occurrence of such event, a foreign exchange currency, as determined by the Dealer in respect of SFIs;

(v) the occurrence of any event that generally makes it impossible or impractical to convert the currency of the country of issue and/or country of payment of the SFIs into the Base Currency through customary legal channels, as determined by the Dealer in respect of SFIs;

(vi) the occurrence of any event that generally makes it impossible or impractical to deliver or transfer (a) the currency from accounts inside the country of issue and/or country of payment of the SFIs to accounts outside such country of issue and/or country of payment or (b) the currency of the country of issue and/or country of payment of the SFIs between accounts inside such country of issue and/or country of payment, or to a party that is a non-resident of the country of issue and/or country of payment, as determined by the Dealer in respect of SFIs;

(vii) a general moratorium is declared in respect of banking activities in London or Dublin or New York;

(viii) the occurrence of any early termination event or event of default or illegality affecting the SFIs or other breach of obligations by the issuer of the SFIs; and/or

(ix) a change in law or regulations (including, without any limitation, any tax law), or the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), which affect the holding, acquisition, trading, transfer or hedging of the SFIs.

**Investment of cash:** It is anticipated that the Fund is likely, from time to time, hold a large proportion of its assets in cash. In the interests of efficient cash management, the Fund may invest such cash on an ancillary basis in deposits, treasury bills, short-term Money Market Instruments (including commercial paper) and in money market funds which in turn provide exposure to Money Market Instruments (subject to the aggregate limit of 10% of the Net Asset Value of the Fund on investments in collective investment schemes). Where the Fund invests on an ancillary basis in fixed and/or floating rate debt securities, these will primarily be, but shall not be limited to, government and government guaranteed securities and all such instruments will be considered investment grade by Standard & Poor's or an equivalent rating by any of the other principal rating agencies. Any such cash or cash equivalents will not be held for speculative purposes, but will be ancillary to the primary investment strategy of the Fund. The treasury bills, short-term Money Market Instruments and debt securities listed above will be listed or traded on a Recognised Exchange as set out in Appendix 2 of the Prospectus. The Fund may also invest in treasury bills and other short-term Money Market Instruments and debt securities which are not dealt in on a regulated market to the extent permitted by the UCITS Regulations.

All investments are made in accordance with the UCITS Regulations as summarised in Appendix 1 of the Prospectus.

**Currency Hedging:** The Investment Manager may seek to hedge against any currency fluctuations which may arise between the base currency of the Fund (being US dollars) and either (i) the currency of each non-US Dollar Share Class ("**Class Hedging**") or (ii) any non-US Dollar assets held by the Fund in each case by using Financial Derivative Instruments, including forward foreign exchange contracts. A more detailed description of Class Hedging is set out on pages 9-10 of the main body of the Prospectus in the section headed "The Company and the Funds").

**Risk Management:** The Fund will comply with the investment restrictions and limits set out in the UCITS Regulations.

#### ***Value at Risk***

Any market risk will be managed in accordance with the UCITS Regulations. Such market risk is monitored using absolute VaR. The VaR of the Fund is expected to range between 0.3% and 3.16%, and may not exceed 3.16%, of the Net Asset Value of the Fund, based on a one day holding period and a one-tailed 95% confidence interval, using 1 year observation period (unless a shorter observation period is justified). Investors should be aware that VaR is a way of measuring the maximum potential loss due to market risk with a given degree of confidence (i.e. probability) under normal market conditions. Accordingly, under abnormal market conditions, the Fund could be exposed to losses which are much greater than envisaged using VaR. As a result, investors in the Fund may suffer serious financial consequences in abnormal market conditions.

It should be noted that VaR does not explicitly measure leverage. VaR is a statistical risk measure and the actual maximum loss of a particular investment strategy or the Fund overall may exceed the loss indicated by the use of VaR.

As well as a range of systematic risk controls that are built-in to the investment process, the Fund is also subject to comprehensive back-testing, stress-testing and scenario analysis. These daily automated risk reports help identify and quantify the risks that the Fund might be exposed to under abnormal market conditions.

### **Leverage**

- The Fund may invest up to 100% (or up to 110% on a temporary basis due to the Fund's ability to borrow up to 10% of its net assets as further set out below) of the Net Asset Value of the Fund in investments as set out in this Prospectus Supplement. The Fund shall not have any short positions in assets in which it is invested except through the use of FDIs for the purposes of investment, efficient portfolio management and currency hedging.
- The Company may borrow in respect of any Fund up to 10% of its Net Asset Value provided such borrowing is on a temporary basis. The Company may charge its assets as security for such borrowings.
- The Fund may invest in FDI on margin. As the notional values of the instruments underlying the FDIs may substantially exceed the margin paid, the Fund will utilise leverage. The Investment Manager will monitor the level of leverage (calculated as the sum of the notional exposure of FDI being utilised by the Fund), which is expected to be up to 5000% of the Net Asset Value of the Fund under normal market conditions. It is possible that leverage may exceed this range and the Fund may be subject to higher leverage levels from time to time.

**Investment in collective investment schemes:**

The Fund will not invest more than 10% of its Net Asset Value in aggregate in the units of other UCITS or other collective investment schemes as permitted by the UCITS Regulations.

**Valuation Point:**

The close of business in the relevant market that closes last on the Business Day immediately preceding the relevant Redemption Day and Subscription Day, unless otherwise specified by the Directors. For the avoidance of doubt, the Valuation Point will always be after the relevant Subscription Request Deadline or Redemption Request Deadline.

**Redemption Day:**

Every Business Day, commencing on the first Business Day following the close of the Initial Offer Period.

**Subscription Day:**

Every Business Day, commencing on the first Business Day following the close of the Initial Offer Period.

**Business Day:**

Every day, other than a Saturday and Sunday, on which banks are open in New York, London and Dublin, and/or such other day or days as the Directors may determine and which shall be notified in advance to all Shareholders.



**Subscription  
Request Deadline:**

2.00 p.m. (Dublin time) on the Business Day immediately preceding the relevant Subscription Day, or such other date and time as the Directors may determine in exceptional circumstances only and notify to Shareholders in advance, provided always that the Subscription Request Deadline is no later than the Valuation Point. Cleared funds in the relevant currency in respect of the subscription monies must be received by the Administrator no later than the Subscription Request Deadline or such other date and time (being no later than 6.00 p.m. (Dublin time) on the third Business Day after the relevant Subscription Day) as may be specified in the application form. If timely settlement is not made, the relevant issue of Shares may be cancelled and an applicant may be required to compensate the Fund for any loss, costs or expenses incurred directly or indirectly in relation to such cancellation. To the extent that the Fund suffers any negative performance between the Subscription Day and the day on which the relevant Shares were cancelled and where the Fund does not succeed in recovering such loss from the relevant applicant this may have a negative impact on the Net Asset Value of the Fund.

Where an investor is applying to subscribe for Shares via a Clearing System, such investor will be required to subscribe for Shares pursuant to the terms of that Clearing System.

Platform Shares, Class Q USD Retail Shares and Class R USD Retail Shares will only be available for subscription via Clearing Systems which are unable to process performance fee adjustments based on equalisation (as described below on page 10 under "Adjustments for Institutional Shares"), unless otherwise agreed by the Directors in their absolute discretion.

Authorised agents of Clearing Systems which apply to subscribe for additional Shares will not be required to complete an additional application form, unless otherwise required by the Directors in their absolute discretion.

**Redemption  
Request Deadline:**

2.00 p.m. (Dublin time) on the Business Day immediately preceding the relevant Redemption Day or such other date and time as the Directors may determine in exceptional circumstances only and notify to Shareholders in advance provided always that the Redemption Request Deadline is no later than the Valuation Point.

Shares held through a Clearing System will be redeemed pursuant to the terms of that Clearing System. Authorised agents of Clearing Systems which are Shareholders will not be required to complete a hard copy redemption request form, unless otherwise required by the Directors in their absolute discretion.

**Deferred  
Redemptions:**

Redemption requests submitted on a particular Redemption Day may be deferred in accordance with the terms of the Prospectus to the next Redemption Day where the requested redemptions exceed 10% of a Fund's Net Asset Value.

**Price Publication:**

The Net Asset Value per Share will be published daily on [www.aspectcapital.com](http://www.aspectcapital.com) or such other public information source(s) that the Company may notify to investors from time to time and will be updated following each calculation of Net Asset Value. Such prices will be up to date as of the time of publication.

**Share Classes and types of Shares:** Shares

**Institutional Shares:** Class A USD Institutional Shares  
Class C EURO Institutional Shares  
Class E GBP Institutional Shares  
Class G CHF Institutional Shares  
Class I SEK Institutional Shares  
Class P GBP Institutional Shares  
Class S USD Institutional Shares  
Class T EURO Institutional Shares  
(together the “**Institutional Shares**”)

**Retail Shares:** Class B USD Retail Shares  
Class F GBP Retail Shares  
Class Q USD Retail Shares  
Class R USD Retail Shares  
(together the “**Retail Shares**”)

**Platform Shares:** Class K USD Platform Shares  
Class L EURO Platform Shares  
Class M GBP Platform Shares  
Class N CHF Platform Shares  
Class O SEK Platform Shares  
(together the “**Platform Shares**”)

All Shares are Accumulation Shares and no dividend will be declared in respect thereto.

**Shares with UK Reporting Fund Status:** The Directors have received from the United Kingdom HM Revenue & Customs recognition as reporting funds of: the Class A USD Institutional Shares, Class B USD Retail Shares, Class C EURO Institutional Shares, Class K USD Platform Shares, Class L EURO Platform Shares and Class M GBP Platform Shares (all with effect from 1 January 2012), Class E GBP Institutional Shares (with effect from 1 January 2011), Class F GBP Retail Shares (with effect from 21 March 2011), and Class P GBP Institutional Shares (with effect from 1 January 2013). There can be no guarantee that reporting fund status will be maintained for such Classes of Shares. See page 69 of the main body of the Prospectus in the section entitled “Taxation” for further details.

**Base currency:** US\$

	<b>Initial Offer Price</b>	<b>Minimum Initial Subscription*</b>	<b>Minimum Holding**</b>
<b>Class A USD Institutional Shares</b>	-	\$100,000	\$100,000
<b>Class B USD Retail Shares</b>	-	\$10,000	\$10,000
<b>Class C EURO Institutional Shares</b>	-	Euro equivalent of \$100,000	Euro equivalent of \$100,000
<b>Class E GBP Institutional Shares</b>	-	GBP equivalent of \$100,000	GBP equivalent of \$100,000
<b>Class F GBP Retail Shares</b>	-	GBP equivalent of \$10,000	GBP equivalent of \$10,000

<b>Class G CHF Institutional Shares</b>	-	CHF equivalent of \$100,000	CHF equivalent of \$100,000
<b>Class I SEK Institutional Shares</b>	-	SEK equivalent of \$100,000	SEK equivalent of \$100,000
<b>Class K USD Platform Shares</b>	-	US Dollar equivalent of €100,000	US Dollar equivalent of €100,000
<b>Class L EURO Platform Shares</b>	-	€100,000	€100,000
<b>Class M GBP Platform Shares</b>	-	GBP equivalent of €100,000	GBP equivalent of \$100,000
<b>Class N CHF Platform Shares</b>	CHF100	CHF equivalent of €100,000	CHF equivalent of \$100,000
<b>Class O SEK Platform Shares</b>	SEK100	SEK equivalent of €100,000	SEK equivalent of \$100,000
<b>Class P GBP Institutional Shares</b>	-	GBP 25,000,000	GBP 20,000,000
<b>Class Q USD Retail Shares</b>	USD100	\$10,000	\$10,000
<b>Class R USD Retail Shares</b>	USD100	\$100	\$100
<b>Class S USD Institutional Shares</b>	USD100	\$25,000,000	\$20,000,000
<b>Class T EURO Institutional Shares</b>	EUR100	€25,000,000	€20,000,000

**Minimum Additional Subscription** For every share class, there is no Minimum Additional Subscription.

\*(Investors should refer to the section of the Prospectus headed “Important Information”, which may refer to an alternative minimum initial subscription requirement for investors from a particular country.)

\*\*The Directors may reduce or waive the Minimum Holding at their sole discretion.

### **Initial Offer Period**

The Initial Offer Period for the unlaunched share classes is from 9.00 a.m. (Dublin time) on the Business Day after the date of this Supplement until 5.00 p.m. (Dublin time) 22 September 2019 unless otherwise determined by the Directors in their absolute discretion. The Central Bank will be notified if the Initial Offer Period is extended by the Directors.

### **Fees and Expenses**

#### **Initial Charge**

The Company, the Investment Manager and/or the Principal Distributor may be permitted to impose an Initial Charge on the sale of Retail Shares or Platform Shares (but not Institutional Shares) to an investor of up to 5% of the amount subscribed and has discretion to waive this charge in whole or in part.

#### **Redemption Charge**

Unless written notice of a redemption charge is given to a potential investor in the Fund prior to such investor's subscription for Shares in the Fund, the Directors intend to apply a 0% redemption charge to the redemption of Shares by an investor in the Fund.

#### **Dilution Levy**

The Directors, having consulted with the Investment Manager, may, in their absolute discretion, apply to the Net Asset Value per Share a dilution levy to cover dealing charges, costs, commission and taxes incurred by the Fund when dealing in its underlying investments. A dilution levy may be charged

in the circumstances described in more detail under the “Dilution Levy” paragraph in the “Fees and Expenses” section in the main body of the Prospectus.

### **Investment Management Fee**

The Investment Manager receives from the Company a monthly Investment Management Fee equal to the following:

- 1.5% per annum of the Net Asset Value of the Institutional Shares, except the Class P GBP Institutional Shares, the Class S USD Institutional Shares and the Class T EURO Institutional Shares;
- 1.2% of the Net Asset Value of the Class P GBP Institutional Shares, the Class S USD Institutional Shares and the Class T EURO Institutional Shares;
- 1.5% per annum of the Net Asset Value of the Platform Shares;
- 2.5% per annum of the Net Asset Value of the Retail Shares, except the Class Q USD Retail Shares and the Class R USD Retail Shares;
- 2.0% of the Net Asset Value of the Class Q USD Retail Shares; and
- 1.25% of the Net Asset Value of the Class R USD Retail Shares.

Such fee is payable monthly and is accrued and calculated on each Subscription Day and Redemption Day by reference to the Net Asset Value of the Class of Shares in question as at the prior Valuation Point as adjusted for subscriptions and redemptions on the Subscription Day and Redemption Day in question, and before deduction for any accrued Performance Fees.

The Directors may, with the consent of the Investment Manager, reduce the Investment Management Fee payable by any Class of Shares.

### **Performance Fee**

The Investment Manager may be entitled to receive a Performance Fee payable out of the Fund's assets.

For each Calculation Period, the Performance Fee payable by the Shares will be equal to 20% of the appreciation in the Net Asset Value per Share of the relevant Class during that Calculation Period above the Base Net Asset Value per Share. The Initial Offer Price will be taken as the starting price of the first Calculation Period.

The Base Net Asset Value per Share for each Share is the greater of the Initial Offer Price of such Share and the highest Net Asset Value on which a Performance Fee (other than a Performance Fee Redemption, as defined below) was paid per Share of that Class achieved as at the end of any previous Calculation Period (if any) during which Shares of such Class were in issue (“**Base Net Asset Value per Share**”).

Unless determined otherwise by the Directors, the “**Calculation Period**” for the purposes of the Performance Fee of any Class of Shares shall mean: (a) up to 31 December 2017, each period of one calendar month ending on the last Business Day of each month; and (b) from 1 January 2018 and thereafter, each quarterly period ending on the last Business Day on or prior to each of 31 March, 30 June, 31 September and 31 December in each year.

However, the first Calculation Period in respect of any Class of Shares that has not yet been issued will be the period commencing on the Business Day immediately following the close of the Initial Offer Period for that Class and ending at the end of the nearest quarterly period ending on the last Business Day on or prior to 31 March, 30 June, 31 September and 31 December, as applicable.

The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value before deduction for any accrued Performance Fee.

### General

The Performance Fee will be calculated and accrued as at each Valuation Point.

The Performance Fee will normally be payable to the Investment Manager in arrears within 20 Business Days of the end of each Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will be payable within 20 Business Days after the date of redemption. Crystallised Performance Fees shall remain in the relevant Class (but shall not participate in subsequent gains and losses of the relevant Class) until paid to the Investment Manager, and shall not be used or made available to satisfy redemptions or pay any fees and expenses of the relevant Class. In the event of a partial redemption of Institutional Shares, such Institutional Shares will be treated as redeemed on a first in, first out ("**fifo**") basis.

If the Investment Management Agreement is terminated before the end of a Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

No Performance Fee will be paid until the Net Asset Value per Share exceeds the previous highest Net Asset Value per Share on which a Performance Fee was paid (the "**High Watermark**"). The Performance Fee will only be paid on the increase over the High Watermark.

The Depositary shall verify the calculation of the Performance Fee.

The Directors may, with the consent of the Investment Manager, reduce the Performance Fee payable by any Class of Shares.

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to pay to Shareholders, the Fund or any other third party part or all of the Investment Management Fee and/or Performance Fee. Any such payments may be applied in paying up additional Shares to be issued to the Shareholder, or may be paid in cash.

Where a Performance Fee is paid, these will be based on net realised and net unrealised gains and losses as at each payment date. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

### Adjustments for Institutional Shares

If an investor subscribes for Institutional Shares, with the exception of the Class P GBP Institutional Shares, Class S USD Institutional Shares and the Class T EURO Institutional Shares, at a time when the Net Asset Value per Institutional Share of the relevant Class is other than the Base Net Asset Value per Share of that Class ("Base Net Asset Value per Institutional Share"), certain adjustments will be made to reduce inequities that could otherwise result to the subscriber or to the Investment Manager.

If Institutional Shares (other than Class P GBP Institutional Shares, Class S USD Institutional Shares and the Class T EURO Institutional Shares) are subscribed for at a time when the Net Asset Value per Institutional Share is less than the Base Net Asset Value per Institutional Share of the relevant Class, the investor will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Institutional Shares. With respect to any appreciation in the value of those

Institutional Shares from the Net Asset Value per Institutional Share at the date of subscription up to the Base Net Asset Value per Institutional Share, the Performance Fee will be charged at the end of each Calculation Period by redeeming at par value (which will be retained by the Fund) such number of the investor's Institutional Shares of the relevant Class as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to 20% of any such appreciation (a "Performance Fee Redemption"). An amount equal to the aggregate Net Asset Value of the Institutional Shares so redeemed will be paid to the Investment Manager as a Performance Fee. The Fund will not be required to pay to the investor the redemption proceeds of the relevant Institutional Shares, having the aggregate par value thereof. Performance Fee Redemptions are employed to ensure that the Fund maintains a uniform Net Asset Value per Institutional Share of each Class. As regards the investor's remaining Institutional Shares of the relevant Class, any appreciation in the Net Asset Value per Institutional Share of those Institutional Shares above the Base Net Asset Value per Institutional Share of that Class will be charged a Performance Fee in the normal manner described above.

If Institutional Shares (other than Class P GBP Institutional Shares, Class S USD Institutional Shares and the Class T EURO Institutional Shares) are subscribed for at a time when the Net Asset Value per Institutional Share is greater than the Base Net Asset Value per Institutional Share of the relevant Class, the investor will be required to pay an amount in excess of the then current Net Asset Value per Institutional Share of that Class equal to 20% of the difference between the then current Net Asset Value per Institutional Share of that Class (before accrual for the Performance Fee) and the Base Net Asset Value per Institutional Share of that Class (an "Equalisation Credit"). At the date of subscription the Equalisation Credit will equal the Performance Fee per Institutional Share accrued with respect to the other Institutional Shares of the same Class in the Fund (the "Maximum Equalisation Credit"). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Institutional Share of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders of the same Class and serves as a credit against Performance Fees that might otherwise be payable by the Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Institutional Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Institutional Shares of the same Class have the same amount of capital at risk per Institutional Share.

The additional amount invested as the Equalisation Credit will be at risk in the Fund and will therefore appreciate or depreciate based on the performance of the relevant Class subsequent to the issue of the relevant Institutional Shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Valuation Day in the Net Asset Value per Institutional Share of that Class, the Equalisation Credit will also be reduced by an amount equal to 20% of the difference between the Net Asset Value per Institutional Share of the relevant Class (before accrual for the Performance Fee) at the date of issue and as at that Valuation Day. Any subsequent appreciation in the Net Asset Value per Institutional Share of the relevant Class will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each Calculation Period, if the Net Asset Value per Institutional Share of the relevant Class (before accrual for the Performance Fee) exceeds the prior Base Net Asset Value per Institutional Share of that Class, that portion of the Equalisation Credit equal to the 20% of the excess, multiplied by the number of Institutional Shares of that Class subscribed for by the Shareholder, will be applied to subscribe for additional Institutional Shares of that Class for the Shareholder. Additional Institutional Shares of the relevant Class will continue to be so subscribed for at the end of each Calculation Period until the Equalisation Credit, as it may have appreciated or depreciated in the Fund after the original subscription for that Class of Institutional Shares was made, has been fully applied.

If the Shareholder redeems its Institutional Shares of the relevant Class before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Institutional Shares of that Class being redeemed and the denominator of which is the number of Institutional Shares of that Class held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

## **Administration Fee**

The Company shall pay the Administrator out of the assets of the Fund an annual fee, accrued at each Valuation Point and payable monthly in arrears at a rate which shall not exceed 0.10% of the first US\$1 billion of the Net Asset Value of the Fund and 0.06% of the Net Asset Value of the Fund thereafter.

The Administrator shall also be entitled to be repaid out of the assets of the Company all of its reasonable out-of-pocket expenses incurred on behalf of the Company which shall include legal fees, couriers' fees and telecommunication costs and expenses together with VAT, if any, thereon.

## **Depositary Fee**

The Depositary shall be entitled to receive out of the assets of the Fund an annual trustee fee, accrued at each Valuation Point and payable monthly in arrears at a rate which shall not exceed 0.023% of the Net Asset Value of the Fund (subject to an annual minimum of \$34,500). The Depositary shall also be entitled to receive out of the assets of the Fund an ad valorem custody fee (payable monthly in arrears) based on the fees charged in each country where assets of the Fund are held in custody subject to a minimum of US\$6,250 per month. The monthly minimum custody fee will (i) apply in aggregate to all funds managed or sponsored by the Investment Manager which enter into a custody agreement with the Depositary (or any of its subsidiaries) and (ii) be apportioned to the Fund and each other sub-fund of the Company on a pro-rata basis by reference to their respective assets.

The Depositary shall also be entitled to be repaid all of its out-of-pocket expenses out of the assets of the Company, including legal fees, couriers' fees and telecommunication costs and expenses, transaction charges and the fees, transaction charges and expenses of any sub-depositary appointed by it which shall be at normal commercial rates together with VAT, if any, thereon.

## **Indirect Charges**

The Fund will incur additional charges associated with obtaining exposure to the Programme. Such indirect charges include, for example and without limitation, fees and expenses of the Underlying Investment Company and of the issuers of the SFIs. Aspect Capital Limited will act as the investment manager to the Underlying Investment Company and will only charge a nominal management fee of \$1.00 per annum the provision of those services. However, both the Underlying Investment Company and the SFI Issuers will incur certain other fees and expenses, including for example, fees paid to the directors, auditor and administrator of the Underlying Investment Company and the SFI Issuers. These indirect charges are not deducted from the Fund's assets; rather they will reduce the returns the Fund receives from its investment in the SFIs.

Details on other fees and expenses to be incurred by the Company are detailed in the main body Prospectus under the heading entitled "Fees and Expenses".

## **Risk Factors**

**Shareholders are advised to review the risk factors set out in the main body of the Prospectus. In addition, the SFI provide exposure to a Managed Futures strategy and is exposed to and will reflect many of the same risks that are experienced by a Managed Futures strategy.**

**These risks include, but are not limited to, the following:**

## **Value of the SFI and the Fund**

The value of the Fund will be determined by reference to the cumulative net gains or losses (if any) of its investments in FDI and the SFI. The value of the SFI will be determined by reference to the

cumulative net gains or losses (if any) of the investment positions comprised in the Underlying Investment Company. Therefore the value of the Fund may vary significantly over time and may go down as well as up.

### **Past Performance**

The past investment performance of the Investment Manager, the Underlying Investment Company, the SFI, the Programme 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 the SFI or the Programme. Each of the SFI and the Programme 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 Aspect Capital Limited and the Programme**

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

No assurance can be given as to any return that a Shareholder will receive, nor can there be any assurance that information on Aspect Capital Limited or the Programme set out in this Prospectus will be, in any respect, indicative of how they will perform in the future. Indeed, trend-following systems are frequently unprofitable for extended periods of time in particular markets or market sectors, even in large portfolios. Similarly, as the Programme is developed and modified over time by Aspect Capital Limited, there can be no assurance as to the effects (positive or negative) of any such developments and modifications; nor is there any guarantee that the assumptions underlying the Programme will remain realistic or relevant in the future in light of changes in the underlying market environment.

The Programme depends upon the reliability and accuracy of sophisticated quantitative models developed by Aspect Capital Limited and on data generated, supplied, gathered, cleaned, culled and/or analysed by Aspect Capital Limited or third parties, including through the investment decision process, and in valuing investments or potential investments, managing risk, hedging investments held by the Programme and (to the extent that transactions are executed electronically) in executing transactions. Models and data of this kind may have errors, omissions, imperfections and malfunctions which may not be detected despite the testing and monitoring that Aspect Capital Limited implements. Equally, due to the automated nature of data gathering, the volume and depth of available data, the complexity and often manual nature of data cleaning, and the fact that the substantial majority of data comes from third-party sources, it is possible that not all desired and/or relevant data will be available to, or processed by, Aspect Capital Limited at all times. The limitations referred to in the preceding two sentences (collectively "System Limitations") could lead to substantial or even total losses as a result of, for example, the inadequate gathering or organisation of data, investment decisions being made on the basis of incomplete or inaccurate data, the execution of unintended orders, the failed or delayed execution of intended orders, the improper allocation of orders between the Fund, the Underlying Investment Company and other clients of Aspect Capital Limited, the failure to take certain hedging or risk reducing actions and/or the taking of actions which unintentionally increase certain risks.

Shareholders should assume that the foregoing System Limitations and their effect constitute an inherent risk of investing in a process-driven, systematic investment management programme such as the Programme. Accordingly, Aspect does not expect to disclose specific instances of such matters which may arise in relation to the SFI Issuers; and Shareholders will receive the benefit and bear the loss arising from the reliance on the models and data referred to above including all losses related to System Limitations, unless otherwise determined by Aspect Capital Limited in accordance with its internal policies or as may be required by applicable law.

To the extent that the term "systematic" is used in this document to describe the Programme or Aspect Capital Limited's investment strategy and/or a number of related processes, it should be noted that human discretion is necessarily involved in the development of Aspect Capital Limited's operations



including in relation to the Programme and in certain circumstances Aspect Capital Limited may deviate from its automatic systems, for example as a result of external, unforeseen or dramatic events.

### **Leverage**

The Programme will reflect the significantly higher levels of leverage typical to a medium-term Managed Futures strategy because the contracts comprising the strategy are traded on margin (such as liquid forward and futures contracts in government bonds, exchange rates, interest rates, stock indices, and agricultural, energy and metals commodities). In this context, the leverage of the Programme is calculated by adding the sum of the notional values of such underlying instruments. Investing on margin can be said to generate leverage because these notional values will substantially exceed the margin paid. The level of leverage utilised by the Programme will vary depending upon the market conditions and the trends that the Programme is seeking to reflect. Higher leverage will be utilised generally where the Managed Futures strategy is reflecting strong trends in lower volatility markets such as bonds and interest rates. 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 performance of the Programme.

### **Currency Exposure**

The performance of the Programme may be affected favourably or unfavourably by fluctuations in currency exchange rates. Currency exchange rates can vary greatly and are generally determined by macroeconomic conditions as well as political developments. The SFIs are to be denominated in US Dollars and where investments held in the Programme are denominated in currencies other than the US Dollar currency exchange rate fluctuations could cause the SFIs' value to diminish significantly.

### **Currency Transactions**

The Fund will hold a variety of OTC currency transactions. In this regard, spot and forward contracts are subject to the risk that counterparties (including not only the currency brokers but also the third party brokers with whom they transact) will default on their obligations as these contracts are not guaranteed by an exchange or clearing house. Therefore a default on the contract would deprive the Programme of unrealised profits or require that the relevant purchase or sale commitments, if any, be covered at the current market price. This risk is a component in a typical Managed Futures strategy. The insolvency of a counterparty involved in Financial Derivative Instruments that are held in the Programme may affect the performance of the Programme.

### **EPM and Securities Financing Transactions Risk**

The Company on behalf of the Fund may employ techniques (such as currency hedging) relating to global equities and equity related securities for efficient portfolio management purposes and Securities Financing Transactions purposes. Many of the risks in utilising derivatives, as disclosed in the section entitled "Risk Factors" section in the Prospectus, will be equally relevant when employing such efficient portfolio management techniques and Securities Financing Transactions. Investors should also be aware that from time to time, a Fund may engage in derivative contracts with parties 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 providers in respect of the Company. Please refer to section entitled "Conflicts of Interest" in the Prospectus 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. Investors should also note "Credit Risk and Counterparty Risk" as set out below.

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, custody risk as described

under the heading "Depository Risk" and liquidity risk if the Fund is unable to liquidate collateral provided to it to cover a counterparty default.

### **Credit Risk and Counterparty Risk**

The Fund will purchase or enter into fund assets, including FDI and SFIs, with or from several counterparties, which will expose the Fund to the issuer or credit risk of such counterparties and their ability to satisfy the terms of such contracts. To the extent that a counterparty defaults on its obligations and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result.

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

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

### **Government Intervention and Issuer Risk**

Currency exchange rates, interest rates and investing in Financial Derivative Instruments on currencies or interest rates are subject to certain risks arising from government regulation of or intervention in the currency and interest rate markets, through regulation of the local exchange market, restrictions on foreign investments by residents, limits on inflows of investment funds or changes in the general level of interest rates. Such regulation or intervention could adversely affect the performance of the Programme. Investment in securities or other financial instruments issued or guaranteed by sovereign governments, governmental entities, banks or other entities also presents risk of loss in the event of a default by the issuers of such instruments.

### **Concentration Risks**

Concentration in investments held in the Programme in particular countries will mean that the Programme be more greatly impacted by adverse social, political or economic events which may occur in such countries.

## **Investments in Emerging Markets**

Political and economic structures in countries with emerging economies or securities markets, including certain countries in Asia and the Pacific region, Eastern Europe, Africa and Latin America, may be undergoing significant evolution and rapid development, and such countries may lack the social, political and economic stability of more developed countries including a significant risk of currency value fluctuation. Certain of such countries may have in the past failed to recognise private property rights and have at times nationalised or expropriated the assets of private companies. As a result, the risks from having exposure to those countries (including by having exposure to Financial Derivative Instruments and Structured Financial Instruments the price of which is referenced to investments of issuers located in such countries), including the risks of nationalisation or expropriation of assets, may be heightened. In addition, unanticipated political or social developments may affect the values of investments in those countries. In addition, the small size and undeveloped nature of the securities markets in certain countries and the more limited volume of investment in securities may make investments less liquid and more volatile than investments in more established markets, and may require special custodial or other arrangements before making certain investments. There may be little financial or accounting information available with respect to local issuers, and it may be difficult as a result to assess the value or prospects of an investment. In addition, the settlement systems may be less developed than in more established markets, which could impede the ability to effect transactions and may result in investments being settled through a more limited range of counterparties with an accompanying enhanced credit risk. These risks may affect the performance of the Programme.

## **Changes in the UK Political Environment**

As a result of the UK referendum in June 2016 to leave the EU, the regulatory and political landscape for the UK is uncertain. This may have a detrimental impact on the Investment Manager's ability to implement its investment strategies as intended (due to, among other things, potential greater difficulty in accessing markets and making investments) as well as the Investment Manager's ability to attract and retain employees or enter into agreements or continue to work with non-UK counterparties and service providers. This in turn could have an adverse effect on the Fund, with such adverse effects including increased costs, fewer regulatory protections and lesser returns for Shareholders. The UK's exit from the EU could also result in restrictions in Aspect's ability to act as investment manager or principal distributor to the Company which could hamper the success of the Company.

## **Diversification Risk and Currency Risk**

Exposure to securities of issuers from different countries (or in Financial Derivative Instruments and/or Structured Financial Instruments the price of which is referenced to such securities) offer potential benefits not available from exposure solely in securities issued by issuers from a single country (or in Financial Derivative Instruments and/or Structured Financial Instruments the price of which is referenced to such securities), but also involve certain significant risks that are not typically associated with exposure to the securities of issuers located in a single country (or in Financial Derivative Instruments the price of which is referenced to such securities). Such risks include fluctuations in currency exchange rates and the possible imposition of exchange control regulations or other laws or restrictions applicable to such investments.

## **Risks of Clearing Houses, Principal Counterparties or Exchange Insolvency**

The liquidity of a market in Financial Derivative Instruments (including both the exchange-traded derivatives market and the OTC foreign exchange market) is subject to the risk of trading halts, suspensions, exchange or clearing house equipment failures, government intervention, insolvency of a brokerage firm, clearing house or exchange or other disruptions of normal trading activity, including the Brokers refusing to clear or settle any trade or a force majeure event. This may affect the performance of the Programme.

## **Liquidity Risk**

Liquidity risk exists when a particular instrument is difficult to purchase or sell. This risk is a component in a typical Managed Futures strategy, and the Programme may reflect leveraged investments in

markets that are volatile and which may become illiquid. Accordingly, in the event of trading halts or daily price fluctuation limits on Financial Derivative Instruments reflected in the Programme, the performance of the Programme may be affected.

### **Risk Management**

Financial Derivative Instruments are highly specialised financial instruments that require investment techniques and risk analyses different from those associated with equities and debt securities. The use of Financial Derivative Instruments requires an understanding not only of the underlying instrument but also of the Financial Derivative Instrument itself, without the benefit of observing the performance of the Financial Derivative Instrument under all possible market conditions. In particular, the use and complexity of Financial Derivative Instruments requires the maintenance of adequate controls to monitor the transactions entered into and the ability to assess the risk that a Financial Derivative Instruments transaction represents. There can be no assurance that the strategies and techniques employed by Aspect Capital Limited to monitor and assess risks associated with the Financial Derivative Instruments held in the Programme will be adequate to prevent significant reductions in the performance of the Programme.

### **Mis-pricing Financial Derivative Instruments**

Using Financial Derivative Instruments involves the risk of mis-pricing or improper valuation and the inability of Financial Derivative Instruments to correlate perfectly with underlying financial instruments or physical commodities. Certain Financial Derivative Instruments, in particular OTC derivatives, are complex and may be valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or losses which may be reflected in the performance of the Programme.

### **Futures**

Transactions in futures contracts carry a high degree of risk. Since a futures contract usually only requires a much smaller amount of margin to be provided relative to the economic exposure which the futures contract provides to the relevant investment, it creates a 'gearing' or 'leverage' effect. This means that a small margin payment can lead to enhanced losses as well as enhanced gains. It also means that a relatively small movement in the underlying instrument can lead to a relatively large loss. These factors will be reflected in the value of the Programme.

### **Effect of Speculative Position Limits**

Certain exchanges in a number of jurisdictions on which the Fund or Underlying Investment Company transact have established limits, referred to as speculative position limits, on the maximum net long or net short positions which any person or group of persons acting in concert may hold or control in particular futures or options contracts.

MiFID 2 introduces position limit and position reporting requirements within the EU for the first time in relation to certain commodity derivatives. The precise implication and scope of these requirements is not yet known as the implementing measures are not yet finalised. However, it is likely that these measures will impose restrictions on the positions that the Investment Manager may hold on behalf of all accounts owned or managed by it in certain commodity derivatives. If the Investment Manager's and/or the Company's positions reach the position limit thresholds, such positions will be required to be reduced in order to comply with such limits.

In addition, in the US the CFTC has adopted a rule generally requiring each domestic US exchange to set speculative position limits, subject to CFTC approval, for certain futures and options contracts traded on that exchange. The CFTC has jurisdiction to establish speculative position limits with respect to all futures contracts and options traded on exchanges located in the United States, and any such exchange may impose additional limits on positions on that exchange. The Dodd-Frank Wall Street Reform and Consumer Protection Act) (the "US Reform Act") has significantly expanded the CFTC's authority to impose position limits with respect to futures contracts, options on futures contracts, swaps that are economically equivalent to futures or options on futures, swaps that are

traded on a regulated exchange and certain swaps that perform a significant price discovery function. Consequently, the CFTC is seeking to implement regulations for federal speculative position limits for futures contracts based upon the same underlying commodity for each month across contracts listed by designated contract markets, agreements which settle against any price of contracts listed for trading on a registered entity, contracts listed for trading on a foreign board of trade allowing U.S. persons to have direct access and swap contracts with a significant price discovery function. In December 2016, the speculative position limit aggregation rules and exemptions were adopted by the CFTC. The aggregation rules and the proposed speculative position limit rules, if adopted, could adversely affect the Investment Manager's and/or the Fund's ability to maintain positions in certain futures contracts, related options and swaps. In addition, the US Reform Act requires the SEC to set position limits on security-based swaps. Generally, no speculative position limits are in effect with respect to the trading of spot currency and forward contracts.

The Investment Manager may be required to combine all investment accounts owned or managed by the Investment Manager, its principals and affiliates for speculative position limit purposes. Because futures position limits allow a commodity trading advisor and its principals to control only a limited number of contracts in any one commodity, the Investment Manager and its principals are potentially subject to a conflict among the interests of all accounts that the Investment Manager and its principals control, which are competing for shares of that limited number of contracts. Although the Investment Manager may be able to achieve the same performance results with OTC substitutes for futures contracts, the OTC market may be subject to differing prices, lesser liquidity and greater counterparty credit risks than the regulated commodities exchanges. The Investment Manager may in the future reduce the size of the positions which would otherwise be taken or not invest in certain markets on behalf of the Underlying Investment Company in order to avoid exceeding such limits. Modification of such investments that would otherwise be made by the Investment Manager, if required, could adversely affect the Underlying Investment Company's operations and profitability. Such modification, if necessary, could require the Underlying Investment Company to liquidate certain positions more rapidly than might otherwise be desirable, and could adversely affect the performance of such Underlying Investment Company. A violation of speculative position limits by the Investment Manager or the Underlying Investment Company could lead to regulatory action materially adverse to the Underlying Investment Company's (and therefore also the Fund's) prospects for profitability. Additionally, the relevant exchange or regulatory body could reduce any applicable position limits, apply such position limits to additional futures or commodity index contracts, or restrict potentially relevant position limits exemptions.

It is possible that in the future the rules concerning speculative position limits may be amended and/or supplemented in a manner that may be detrimental to the Underlying Investment Company (and therefore also to the Fund). Any such change may alter to a material extent the nature of an investment in the Company or the ability of the Company to implement the investment approach of any Fund.

### **Highly Volatile Markets**

The prices of securities in which the Programme invests can be highly volatile. Price movements of forwards, futures and other Financial Derivative Instruments are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

### **Contingent Liability Transactions**

Managed Futures investment managers typically use contingent liability transactions which are margined (such as futures) and require a series of payments against the purchase price, instead of paying the whole of the purchase price of the Financial Derivative Instrument immediately. The Programme reflects this. Where any Managed Futures manager invests in futures it may sustain a total loss of the margin it deposits with a counterparty to establish and maintain a position using a Financial Derivative Instrument. If the market moves adversely it may be called upon to pay substantial additional margin at short notice to maintain the position. Where a manager is unable to do

so within the time required, its position may be liquidated at a loss and the manager will be responsible for the resulting deficit. Even if a Financial Derivative Instruments transaction is not margined, it may still carry an obligation on a manager to make further payments in certain circumstances over and above any amount paid when a manager entered into the transaction. All these risks may be reflected in the value of the Programme.

### **Valuation**

Owing to the overall size and concentrations in particular markets and maturities of investments held in the Programme, the liquidation values of the investments held in the Programme may differ significantly from the interim valuations derived from the valuation methods described herein. Such differences may be further affected by the time frame within which such liquidation occurs. Third party pricing information regarding certain investments may at times be unavailable. Valuations of certain investments may involve uncertainties and subjective judgmental determinations and if such valuations should prove to be incorrect the value of the investments held in the Programme could be adversely affected.

None of Aspect Capital Limited or U.S. Bank Global Fund Services (Ireland) Limited (as investment manager and administrator, respectively, to the Fund and the Underlying Investment Company) will be under any liability if a price reasonably believed by Aspect Capital Limited or U.S. Bank Global Fund Services (Ireland) Limited to be the fair market value of a position is found not to be such.

### **Transaction Volume**

The Programme may reflect a high volume of investment activity, resulting in high transaction costs.

### **Exposure to Commodities Involves Certain Risks**

Indirect exposure to the commodities markets via investment in the Programme may subject the Fund to greater volatility than investments in traditional securities. The performance of the Programme may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or sectors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs and international economic, political and regulatory developments.

### **The Fund and Underlying Investment Company Place Significant Reliance on the Relationships of the Fund and the Underlying Investment Company with Third Parties**

The Fund and the Underlying Investment Company are dependent on the services of independent third parties to obtain exposure to the Programme. The loss of the services of any such third parties may have an adverse effect on the Investment Manager's ability to implement the Investment Policy of the Fund and achieve the Investment Objective of the Fund.

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

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

The Investment Manager, Administrator and Depositary (and their respective groups) each maintain appropriate information technology systems. However, like any other system, these systems could be subject to cyber security attacks or similar threats resulting in data security breaches, theft, a disruption in the Investment Manager's, Administrator's and/or Depositary's service or ability to close out positions and the disclosure or corruption of sensitive and confidential information. Notwithstanding the existence of policies and procedures designed to detect and prevent such breaches and ensure the security, integrity and confidentiality of such information as well as the

existence of business continuity and disaster recovery measures designed to mitigate any such breach or disruption at the level of the Company and its delegates, such security breaches may potentially also result in loss of assets and could create significant financial and or legal exposure for the Company.

## SUPPLEMENT 2: ASPECT SYSTEMATIC GLOBAL MACRO FUND

This Supplement contains information relating specifically to, a sub-fund of Aspect UCITS Funds plc (the “**Company**”), an open-ended umbrella fund with segregated liability between sub-funds authorised by the Central Bank on 21 December 2010 as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011. The Company has one other sub-fund, namely: Aspect Diversified Trends Fund. **This Supplement forms part of and should be read in conjunction with the Prospectus of the Company dated 20 March 2019.**

The Fund may engage principally in Financial Derivative Instruments (“**FDI**”) for investment and hedging purposes and investment in transactions in Structured Financial Instruments (“**SFIs**”) for investment purposes. This may expose the Fund to particular risks involving FDI. Investors should read the section entitled “**Risk Factors**” before investing in the Fund. As the notional values of the instruments underlying the FDIs may substantially exceed the margin paid, the Fund will utilise leverage.

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The Directors of the Company expect that the Net Asset Value of the Fund will have medium to high volatility through investments in SFIs and FDI. The typical investor in the Fund will be an investor who understands and appreciates the risks associated with investing in Shares of the Fund. A decision to invest in the Fund should be determined by the attitude to risk, wish for income or growth, intended investment time horizon and in the context of the investor’s overall portfolio. Investors should seek professional advice before making investment decisions.

An investment in the Fund is only suitable for investors who can hold their investment for the medium to long term and who are prepared to have a medium to high risk investment in their portfolio.

**Name of Fund:** Aspect Systematic Global Macro Fund

**Investment Objective:** The investment objective of the Fund is to aim to generate returns while maintaining low correlation to the asset classes in which it invests.

**There can be no assurance that the Fund will achieve its investment objective.**

**Investment Policy:** In order to achieve its investment objective, the Fund provides investors with exposure to the performance of the Aspect Systematic Global Macro Programme (“**Programme**”) through both investments in FDIs and in transferable securities in the form of SFIs, which provide exposure to the Underlying Investment Fund (as defined below). The Programme provides exposure to government bonds, currencies, global equity indices and volatility indices through FDI (as further described below). The Fund will not invest more than 20% of its Net Asset Value in SFIs.

The Fund will use futures to gain long or short exposure to government bonds (fixed or floating, rated investment grade), such as the US 2 Year T-Notes, US 10 Year T-Notes, Australian 10 Year Bonds and German Bunds. The government bond futures to which the Fund will gain exposure will be listed or traded on a Recognised Exchange.

The Fund will gain long or short exposure to global currencies, including but not limited to, the Australian Dollar, Pound Sterling, Euro, Swiss Franc, Canadian Dollar and Japanese Yen. To gain exposure to currencies the Fund



will trade over the counter foreign exchange forward contracts or currency futures which will be listed or traded on a Recognised Exchange.

The indices to which the Fund may gain long or short exposure will be the major indices in world equity markets, such as the S&P 500, Nikkei 225, Hang Seng Index as well as equity volatility indices such as the CBOE Volatility Index as further described under the heading "**Description of the Indices**" below. To gain exposure to indices the Fund will trade futures, which will be listed or traded on a Recognised Exchange.

The Fund may use futures, and forward foreign exchange contracts, as further described in the Appendix 3 of the Prospectus, to obtain both long and short exposure to the securities outlined above where the Investment Manager determines that the use of FDI is more efficient or cost effective than direct investment. The Fund may only obtain short exposure through the use of FDI.

As a result of using FDI, it is expected that at any given time, on a gross basis, the maximum long or short position exposure of the Fund will typically represent between 100% and 4,000% of the Net Asset Value of the Fund at any one time.

Any assets not required to obtain exposure to the Programme, shall be invested in cash and cash equivalents (as described under the heading "**Investment of Cash**" below).

**Aspect Systematic  
Global Macro  
Programme**

The Programme is a proprietary system which has been developed and is maintained and implemented by the Investment Manager. The Programme applies a fully systematic process to identify and exploit opportunities across four major asset classes: fixed income, currencies, equity indices and volatility indices through FDI. The Programme takes long and short exposure to markets within these asset classes by trading highly liquid global futures and forwards.

The Programme forecasts the returns of the relevant markets within each asset class by utilising a mix of fundamental data (such as forward-looking measures of a country's economic activity e.g. GDP, unemployment, inflation, interest rates) and price data. Position sizes in markets within each asset class are determined by the model forecasts for all the markets in the asset class, as well as the volatility of each market and the correlation (expected relationship) of all the markets in the asset class.

In every asset class, the Programme will contain both long and short positions in markets so that the Programme performance is largely independent of the general rise or fall in the price of the asset class. For example, the Programme may be long German and US bonds and at the same time short Italian bonds because the model forecasts German and US bonds to outperform Italian bonds regardless of whether bond prices are generally rising or falling. This framework of selecting both longs and shorts is applied across all asset classes traded and in this way the Programme seeks to profit primarily from the relative return differential between markets.

Generally, the Programme maintains positions in the majority of markets in which it invests. Exposure to the asset classes will vary, reflecting the Investment Manager's desired long-term asset allocation (which may vary from time to time) and current market volatility estimates.

**The SFIs:**

The SFIs are a type of debt instrument which falls within the categorisation of 'transferable securities' as contemplated by the UCITS Regulations. The SFIs

shall, together with the Fund's investment in FDI, provide the Fund with exposure to the Programme (see description of the Aspect Systematic Global Macro Programme above).

The SFIs shall be issued by special purpose vehicles (the "**SFI Issuers**") whose share capital will be held by a charitable trust. The SFIs shall be independently valued on a daily basis by a third party administrator, currently Crestbridge Corporate Services Limited (the "**SFI Administrator**"), and shall be listed on one or more of the Regulated Markets set out in Appendix 2 of the Prospectus.

The SFIs are delta one certificates which shall provide exposure on a 1:1 basis to interests in an open ended Irish collective asset-management vehicle authorised as a Qualifying Investor Alternative Investment Fund by the Central Bank (the "**Underlying Investment Fund**"). The Underlying Investment Fund shall invest in a subset of the assets classes identified by the Programme. The SFIs shall not embed leverage or derivatives. However, the SFIs will provide exposure to the Underlying Investment Fund which, through margin trading in FDI, will employ leverage. The investment by the Fund in the SFIs shall not exceed 20% of the Net Asset Value of the Fund. Morgan Stanley & Co. International plc acting in its capacity as dealer for the SFIs (the "**Dealer**"), shall commit to purchase the SFIs from the Fund pursuant to a legally enforceable guarantee at their most recent net asset value as calculated by the third-party administrator in the absence of Market Disruption Events which give rise to the temporary suspension or termination of the Fund (further details of which are set out under the heading Market Disruption Events below), subject to receiving one Business Day's prior notice from the Fund.

**Market Disruption Events:** A Market Disruption Event is the occurrence or existence of one or more of the following events, in relation to the SFIs:

(i) it is not possible to obtain a price or value (or an element of such price or value) of the SFIs according to the rules or normal accepted procedures for the determination of such price or value (whether due to the non-publication of such price or value or otherwise);

(ii) the calculation of the price or value of the SFIs is, at the relevant time, impractical or impossible to make;

(iii) any suspension of or limitation is imposed on trading on any exchanges or quotation systems where the SFIs is traded; and/or there exists an event or circumstance that prevents or materially limits transactions in the SFIs. For the purpose of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, provided however that where a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Dealer constitute a Market Disruption Event;

(iv) the occurrence of any event that generally makes it impossible or impractical to convert any currency which was, immediately prior to the occurrence of such event, a foreign exchange currency, as determined by the Dealer in respect of SFIs;

(v) the occurrence of any event that generally makes it impossible or impractical to convert the currency of the country of issue and/or country of payment of the SFIs into the Base Currency through customary legal channels, as determined by the Dealer in respect of SFIs;

(vi) the occurrence of any event that generally makes it impossible or impractical to deliver or transfer (a) the currency from accounts inside the country of issue and/or country of payment of the SFIs to accounts outside such country of issue and/or country of payment or (b) the currency of the country of issue and/or country of payment of the SFIs between accounts inside such country of issue and/or country of payment, or to a party that is a non-resident of the country of issue and/or country of payment, as determined by the Dealer in respect of SFIs;

(vii) a general moratorium is declared in respect of banking activities in London or Dublin or New York;

(viii) the occurrence of any early termination event or event of default or illegality affecting the SFIs or other breach of obligations by the issuer of the SFIs; and/or

(ix) a change in law or regulations (including, without any limitation, any tax law), or the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), which affect the holding, acquisition, trading, transfer or hedging of the SFIs.

**Investment Cash:** of The Fund may, pending re-investment or to support its FDI positions, hold up to 100% of its Net Asset Value in cash. In the interests of efficient cash management, the Fund may invest such cash on an ancillary basis in deposits, treasury bills, short-term Money Market Instruments (including commercial paper) and in money market funds which in turn provide exposure to Money Market Instruments (subject to the aggregate limit of 10% of the Net Asset Value of the Fund on investments in collective investment schemes). Where the Fund invests on an ancillary basis in fixed and/or floating rate debt securities, these will primarily be, but shall not be limited to, government and government issued or guaranteed by any OECD government, its agencies or instrumentalities or by any supra-national entity and all such instruments will be considered investment grade by Standard & Poor's or an equivalent rating by any of the other principal rating agencies. Any such cash or cash equivalents will not be held for speculative purposes, but will be ancillary to the primary investment strategy of the Fund. The treasury bills, short-term Money Market Instruments and debt securities listed above will be listed or traded on a Recognised Exchange as set out in Appendix 2 of the Prospectus. The Fund may also invest in treasury bills and other short-term Money Market Instruments and debt securities which are not dealt in on a regulated market to the extent permitted by the UCITS Regulations.

All investments are made in accordance with the UCITS Regulations as summarised in Appendix 1 of the Prospectus.

**Currency Hedging:** The Investment Manager will seek to hedge against any currency fluctuations which may arise between the base currency of the Fund (being US dollars) and either (i) the currency of each non-US Dollar Share Class ("**Class**

**Hedging**") or (ii) any non-US Dollar assets held by the Fund in each case by using Financial Derivative Instruments, namely forward foreign exchange contracts. A more detailed description of Class Hedging is set out on pages 9-10 of the main body of the Prospectus in the section headed "**The Company and the Funds**").

## **Description of the Indices**

The Fund may use major indices in world equity markets (such as the S&P 500, Nikkei 225, Hang Seng Index and CBOE Volatility Index) to gain indirect exposure to equities and any such investment in stock indices will be made indirectly through equity index futures. The rebalancing frequency of the indices in which the Fund will invest shall comply with the requirements of the Central Bank and will not materially impact on the strategy of the Fund or on transaction costs associated with the Fund. Where the weighting of any particular component in a financial index exceeds the permitted UCITS investment restrictions after rebalancing, any indirect exposure to such financial index will be disposed of by the Fund within a reasonable timeframe taking into account the interests of Shareholders to ensure that all regulatory requirements continue to be satisfied. The types of equity indices to which the Fund will gain exposure include:

### ***S&P 500 Index***

The S&P 500 Index is a stock market index based on the market capitalisations of 500 large companies having common stock listed on the New York Stock Exchange or NASDAQ. The rebalancing frequency of the S&P 500 Index is quarterly. For further details, please see the link below:

<http://us.spindices.com/indices/equity/sp-500>

### ***Nikkei 225 Index***

The Nikkei 225 Index is a price-weighted index comprised of 225 highly liquid stocks selected from Japanese domestic securities which are traded on the Tokyo Stock Exchange First Section. The Tokyo Exchange First Section is for the largest companies. The rebalancing frequency of the Nikkei 225 Index is annually. For further details, please see the link below:

<http://indexes.nikkei.co.jp/en/nkave/index/profile>

### ***Hang Seng Index***

The Hang Seng Index, the most widely quoted gauge of the Hong Kong stock market. The Hang Seng Index includes the largest and most liquid stocks listed in Hong Kong listed on the Main Board of the Stock Exchange of Hong Kong. The rebalancing frequency of Hang Seng Index is quarterly. For further details, please see the link below:

[https://www.hsi.com.hk/HSI-Net/static/revamp/contents/en/dl\\_centre/factsheets/FS\\_HSIe.pdf](https://www.hsi.com.hk/HSI-Net/static/revamp/contents/en/dl_centre/factsheets/FS_HSIe.pdf)

### ***CBOE Volatility Index***

The CBOE Volatility Index (known as "VIX") is a measure of the expected volatility implied by S&P 500 index options over the next 30 day period which is calculated and published by the Chicago Board Options Exchange (CBOE). The CBOE Volatility Index is not rebalanced. The selection of components used in the CBOE Volatility Index is determined by the methodology described in the CBOE Volatility Index White Paper. For further details, please see the link below:

<http://www.cboe.com/vix>

**Risk Management:** The Fund will comply with the investment restrictions and limits set out in the UCITS Regulations.

### ***Value at Risk***

Any market risk will be managed in accordance with the UCITS Regulations. Such market risk is monitored using absolute VaR. The VaR of the Fund is expected to range between 0.5% and 3.16%, and may not exceed 3.16%, of the Net Asset Value of the Fund, based on a one day holding period and a one-tailed 95% confidence interval, using 1 year observation period (unless a shorter observation period is justified). Investors should be aware that VaR is a way of measuring the maximum potential loss due to market risk with a given degree of confidence (i.e. probability) under normal market conditions. Accordingly, under abnormal market conditions, the Fund could be exposed to losses which are much greater than envisaged using VaR. As a result, investors in the Fund may suffer serious financial consequences in abnormal market conditions.

It should be noted that VaR does not explicitly measure leverage. VaR is a statistical risk measure and the actual maximum loss of a particular investment strategy or the Fund overall may exceed the loss indicated by the use of VaR.

As well as a range of systematic risk controls that are built-in to the investment process, the Fund is also subject to comprehensive back-testing, stress-testing and scenario analysis. These daily automated risk reports help identify and quantify the risks that the Fund might be exposed to under abnormal market conditions.

### **Borrowing and Leverage**

- The Fund may invest up to 100% (or up to 110% on a temporary basis due to the Fund's ability to borrow up to 10% of its net assets as further set out below) of the Net Asset Value of the Fund in investments as set out in this Supplement. The Fund shall not have any short positions in assets in which it is invested except through the use of FDIs for the purposes of investment and currency hedging.
- The Company may borrow in respect of any Fund up to 10% of its Net Asset Value provided such borrowing is on a temporary basis. The Company may charge its assets as security for such borrowings.
- The Fund may invest in FDI on margin. As the notional values of the instruments underlying the FDIs may substantially exceed the margin paid, the Fund will utilise leverage. The Investment Manager will monitor the level of leverage (calculated as the sum of the notional exposure of FDI being utilised by the Fund), which is typically expected to be between 500% and 2,500% and up to 4,000% of the Net Asset Value of the Fund under normal market conditions. It is possible that leverage may exceed this range and the Fund may be subject to higher leverage levels from time to time.

**Investment in** The Fund will not invest more than 10% of its Net Asset Value in aggregate in

**collective investment schemes:** the units of other UCITS or other collective investment schemes as permitted by the UCITS Regulations.

**Valuation Point:** The close of business in the relevant market that closes last on the Business Day immediately preceding the relevant Redemption Day and Subscription Day, unless otherwise specified by the Directors. For the avoidance of doubt, the Valuation Point will always be after the relevant Subscription Request Deadline or Redemption Request Deadline.

**Redemption Day:** Every Business Day, commencing on the first Business Day following the close of the Initial Offer Period.

**Subscription Day:** Every Business Day, commencing on the first Business Day following the close of the Initial Offer Period.

**Business Day:** Every day, other than a Saturday and Sunday, on which banks are open in New York, London and Dublin, and/or such other day or days as the Directors may determine and which shall be notified in advance to all Shareholders.

**Subscription Request Deadline:** 2.00 p.m. (Dublin time) on the Business Day immediately preceding the relevant Subscription Day, or such other date and time as the Directors may determine in exceptional circumstances only and notify to Shareholders in advance, provided always that the Subscription Request Deadline is no later than the Valuation Point. Cleared funds in the relevant currency in respect of the subscription monies must be received by the Administrator no later than the Subscription Request Deadline or such other date and time (being no later than 6.00 p.m. (Dublin time) on the third Business Day after the relevant Subscription Day) as may be specified in the application form. If timely settlement is not made, the relevant issue of Shares may be cancelled and an applicant may be required to compensate the Fund for any loss, costs or expenses incurred directly or indirectly in relation to such cancellation. To the extent that the Fund suffers any negative performance between the Subscription Day and the day on which the relevant Shares were cancelled and where the Fund does not succeed in recovering such loss from the relevant applicant this may have a negative impact on the Net Asset Value of the Fund.

Where an investor is applying to subscribe for Shares via a Clearing System, such investor will be required to subscribe for Shares pursuant to the terms of that Clearing System.

Platform Shares will only be available for subscription via Clearing Systems which are unable to process performance fee adjustments based on equalisation (as described below under the heading “**Adjustments for Institutional Shares**”), unless otherwise agreed by the Directors in their absolute discretion.

Authorised agents of Clearing Systems which apply to subscribe for additional Shares will not be required to complete an additional application form, unless otherwise required by the Directors in their absolute discretion.

**Redemption Request Deadline:** 2.00 p.m. (Dublin time) on the Business Day immediately preceding the relevant Redemption Day or such other date and time as the Directors may determine in exceptional circumstances only and notify to Shareholders in

advance provided always that the Redemption Request Deadline is no later than the Valuation Point.

Shares held through a Clearing System will be redeemed pursuant to the terms of that Clearing System. Authorised agents of Clearing Systems which are Shareholders will not be required to complete a hard copy redemption request form, unless otherwise required by the Directors in their absolute discretion.

**Deferred Redemptions:** Redemption requests submitted on a particular Redemption Day may be deferred in accordance with the terms of the Prospectus to the next Redemption Day where the requested redemptions exceed 10% of a Fund's Net Asset Value.

**Price Publication:** The Net Asset Value per Share will be published daily on [www.aspectcapital.com](http://www.aspectcapital.com) or such other public information source(s) that the Company may notify to investors from time to time and will be updated following each calculation of Net Asset Value. Such prices will be up to date as of the time of publication.

**Share Classes and types of Shares:**

**Institutional Shares:** Class A USD Institutional Shares  
Class B EUR Institutional Shares  
Class C GBP Institutional Shares  
Class D CHF Institutional Shares  
Class E SEK Institutional Shares  
Class K USD Institutional Shares

(together the "**Institutional Shares**")

**Platform Shares** Class F USD Platform Shares  
Class G EUR Platform Shares  
Class H GBP Platform Shares  
Class I CHF Platform Shares  
Class J SEK Platform Shares

(together the "**Platform Shares**")

**Shares with UK Reporting Fund Status:** The Directors intend to apply for recognition as reporting funds from the United Kingdom HM Revenue & Customs for Class C GBP Institutional Shares and Class H GBP Platform Shares. There can be no guarantee that reporting fund status will be maintained for such Classes of Shares. See page 69 of the main body of the Prospectus in the section entitled "**Taxation**" for further details.

**Base currency:** US\$

	<b>Initial Offer Price</b>	<b>Minimum Initial Subscription*</b>	<b>Minimum Holding**</b>
<b>Class A USD Institutional Shares</b>	USD 100	USD 100,000	USD 100,000

<b>Class B EUR Institutional Shares</b>	EUR 100	EUR equivalent of USD 100,000	EUR equivalent of USD 100,000
<b>Class C GBP Institutional Shares</b>	GBP 100	GBP equivalent of USD 100,000	GBP equivalent of USD 100,000
<b>Class D CHF Institutional Shares</b>	CHF 100	CHF equivalent of USD 100,000	CHF equivalent of USD 100,000
<b>Class E SEK Institutional Shares</b>	SEK 100	SEK equivalent of USD 100,000	SEK equivalent of USD 100,000
<b>Class K USD Institutional Shares</b>	USD 100	USD 100,000	USD 100,000
<b>Class F USD Class Platform Shares</b>	USD 100	USD 100,000	USD 100,000
<b>Class G EUR Platform Shares</b>	EUR 100	EUR equivalent of USD 100,000	EUR equivalent of USD 100,000
<b>Class H GBP Platform Shares</b>	GBP 100	GBP equivalent of USD 100,000	GBP equivalent of USD 100,000
<b>Class I CHF Platform Shares</b>	CHF 100	CHF equivalent of USD 100,000	CHF equivalent of USD 100,000
<b>Class J SEK Platform Shares</b>	SEK 100	SEK equivalent of USD 100,000	SEK equivalent of USD 100,000

**Minimum Additional Subscription**

There is no Minimum Additional Subscription.

\*(Investors should refer to the section of the Prospectus headed “**Important Information**”, which may refer to an alternative minimum initial subscription requirement for investors from a particular country.)

\*\*The Directors may reduce or waive the Minimum Holding at their sole discretion.

**Initial Offer Period for the Institutional Shares and Platform Shares**

The Initial Offer Period for the Institutional Shares and Platform Shares is from 9.00 a.m. (Dublin time) on 29 June 2018 until 5.00 p.m. (Dublin time) 29 June 2018 unless otherwise determined by the Directors in their absolute discretion. The Central Bank will be notified if the Initial Offer Period is extended by the Directors.

**Initial Offer Period for the Class K Institutional Shares**

The Initial Offer Period for the Class K Institutional Shares is from 9.00 a.m. (Dublin time) on 28 February 2019 until 5.00 p.m. (Dublin time) 30 August 2019 unless otherwise determined by the Directors in their absolute discretion. The Central Bank will be notified if the Initial Offer Period is extended by the Directors.

**Fees and Expenses**

**Initial Charge**

The Company, the Investment Manager and/or the Distributor may be permitted to impose an Initial Charge on the sale of Platform Shares to an investor of up to 5% of the amount subscribed and has discretion to waive this charge in whole or in part.



## **Redemption Charge**

Unless written notice of a redemption charge is given to a potential investor in the Fund prior to such investor's subscription for Shares in the Fund, the Directors intend to apply a 0% redemption charge to the redemption of Shares by an investor in the Fund.

## **Dilution Levy**

The Directors, having consulted with the Investment Manager, may, in their absolute discretion, apply to the Net Asset Value per Share a dilution levy to cover dealing charges, costs, commission and taxes incurred by the Fund when dealing in its underlying investments. A dilution levy may be charged in the circumstances described in more detail under the "**Dilution Levy**" paragraph in the "**Fees and Expenses**" section in the main body of the Prospectus.

## **Total Expense Ratio Cap ("TER Cap")**

A TER Cap will be applied in respect of the Institutional Shares and Platform Shares to ensure that the Fund's total annual operating expenses, excluding (i) the investment management and performance fees (as described below) (ii) taxes, (iii) interest, (iv) extraordinary items and (v) trading and brokerage expenses or commissions, do not exceed, on an annual basis 0.30% of each such Class of Share's average annual Net Asset Value. Where the TER Cap is exceeded, the Investment Manager will be responsible for making up the shortfall of such fees and expenses and it will not be the responsibility of the Fund to discharge same. The TER Cap ensures the Fund's expenses will not have a material impact on an individual Shareholder's return where an individual Shareholder has invested on or around the Fund's approval date.

The TER Cap will expire upon the earlier of (i) the Fund having a Net Asset Value of not less than \$100m; or (ii) 1 June 2019. This agreement cannot be terminated by the Investment Manager or the Fund without 60 days' written notice to the other, which notice shall be provided to Shareholders in advance of the expiration of the TER Cap.

Following the expiration of the TER Cap, the Fund will be subject to the ongoing fees and expenses outlined below.

## **Investment Management Fee**

The Investment Manager receives from the Company a monthly Investment Management Fee of up to 1% per annum of the Net Asset Value of the Institutional Shares and Platform Shares. Such fee is payable monthly and is accrued and calculated on each Subscription Day and Redemption Day by reference to the Net Asset Value of the Class of Shares in question as at the prior Valuation Point as adjusted for subscriptions and redemptions on the Subscription Day and Redemption Day in question, and before deduction for any accrued Performance Fees. The Investment Manager is not entitled to receive any Investment Management Fee in respect of the Class K Institutional Shares. Class K Institutional Shares will only be made available for subscription to certain feeder funds and investors who have agreed alternative fee arrangements with the Investment Manager.

The Directors may, with the consent of the Investment Manager, reduce the Investment Management Fee payable by any Class of Shares.

## **Performance Fee**

The Investment Manager may be entitled to receive a Performance Fee payable out of the Fund's assets. The Investment Manager is not entitled to receive any Performance Fee in respect of the Class K Institutional Shares. Class K Institutional Shares will only be made available for subscription to

certain feeder funds and investors who have agreed alternative fee arrangements with the Investment Manager.

For each Calculation Period, the Performance Fee payable by the Shares will be equal to 18% of the appreciation in the Net Asset Value per Share of the relevant Class during that Calculation Period above the Base Net Asset Value per Share. The Initial Offer Price will be taken as the starting price of the first Calculation Period.

The Base Net Asset Value per Share for each Share is the greater of the Initial Offer Price of such Share and the highest Net Asset Value on which a Performance Fee (other than a Performance Fee Redemption, as defined below) was paid per Share of that Class achieved as at the end of any previous Calculation Period (if any) during which Shares of such Class were in issue ("**Base Net Asset Value per Share**").

Unless determined otherwise by the Directors, the "**Calculation Period**" for the purposes of the Performance Fee of any Class of Shares shall mean: (a) up to 31 December 2018, and (b) from 1 January 2019 and thereafter, each annual period ending on the last Business Day prior to each of 31 December in each year.

However, the first Calculation Period in respect of any Class of Shares that has not yet been issued will be the period commencing on the Business Day immediately following the close of the Initial Offer Period for that Class and ending at the end of the nearest annual period ending on the last Business Day prior to 31 December.

The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value before deduction for any accrued Performance Fee.

#### *General*

The Performance Fee will be calculated and accrued as at each Valuation Point.

The Performance Fee will normally be payable to the Investment Manager in arrears within 20 Business Days of the end of each Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will be payable within 20 Business Days after the date of redemption. Crystallised Performance Fees shall remain in the relevant Class (but shall not participate in subsequent gains and losses of the relevant Class) until paid to the Investment Manager, and shall not be used or made available to satisfy redemptions or pay any fees and expenses of the relevant Class. In the event of a partial redemption of Institutional Shares, such Institutional Shares will be treated as redeemed on a first in, first out ("**fifo**") basis.

If the Investment Management Agreement is terminated before the end of a Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

No Performance Fee will be paid until the Net Asset Value per Share exceeds the previous highest Net Asset Value per Share on which a Performance Fee was paid (the "**High Watermark**"). The Performance Fee will only be paid on the increase over the High Watermark.

The Depositary shall verify the calculation of the Performance Fee.

The Directors may, with the consent of the Investment Manager, reduce the Performance Fee payable by any Class of Shares.

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to pay to Shareholders, the Fund or any other third party part or all of the Investment

Management Fee and/or Performance Fee. Any such payments may be applied in paying up additional Shares to be issued to the Shareholder, or may be paid in cash.

Where a Performance Fee is paid, these will be based on net realised and net unrealised gains and losses as at each payment date. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

#### *Adjustments for Institutional Shares*

If an investor subscribes for Institutional Shares at a time when the Net Asset Value per Institutional Share of the relevant Class is other than the Base Net Asset Value per Share of that Class ("**Base Net Asset Value per Institutional Share**"), certain adjustments will be made to reduce inequities that could otherwise result to the subscriber or to the Investment Manager.

If Institutional Shares are subscribed for at a time when the Net Asset Value per Institutional Share is less than the Base Net Asset Value per Institutional Share of the relevant Class, the investor will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Institutional Shares. With respect to any appreciation in the value of those Institutional Shares from the Net Asset Value per Institutional Share at the date of subscription up to the Base Net Asset Value per Institutional Share, the Performance Fee will be charged at the end of each Calculation Period by redeeming at par value (which will be retained by the Fund) such number of the investor's Institutional Shares of the relevant Class as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to 18% of any such appreciation (a "**Performance Fee Redemption**"). An amount equal to the aggregate Net Asset Value of the Institutional Shares so redeemed will be paid to the Investment Manager as a Performance Fee. The Fund will not be required to pay to the investor the redemption proceeds of the relevant Institutional Shares, having the aggregate par value thereof. Performance Fee Redemptions are employed to ensure that the Fund maintains a uniform Net Asset Value per Institutional Share of each Class. As regards the investor's remaining Institutional Shares of the relevant Class, any appreciation in the Net Asset Value per Institutional Share of those Institutional Shares above the Base Net Asset Value per Institutional Share of that Class will be charged a Performance Fee in the normal manner described above.

If Institutional Shares are subscribed for at a time when the Net Asset Value per Institutional Share is greater than the Base Net Asset Value per Institutional Share of the relevant Class, the investor will be required to pay an amount in excess of the then current Net Asset Value per Institutional Share of that Class equal to 18% of the difference between the then current Net Asset Value per Institutional Share of that Class (before accrual for the Performance Fee) and the Base Net Asset Value per Institutional Share of that Class (an "**Equalisation Credit**"). At the date of subscription the Equalisation Credit will equal the Performance Fee per Institutional Share accrued with respect to the other Institutional Shares of the same Class in the Fund (the "**Maximum Equalisation Credit**"). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Institutional Share of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders of the same Class and serves as a credit against Performance Fees that might otherwise be payable by the Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Institutional Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Institutional Shares of the same Class have the same amount of capital at risk per Institutional Share.

The additional amount invested as the Equalisation Credit will be at risk in the Fund and will therefore appreciate or depreciate based on the performance of the relevant Class subsequent to the issue of the relevant Institutional Shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Valuation Day in the Net Asset Value per Institutional Share of that Class, the Equalisation Credit will also be reduced by an amount equal to 18% of the difference between the Net Asset Value per Institutional Share of the relevant Class (before accrual for the Performance Fee) at the date of issue and as at that Valuation Day. Any subsequent appreciation in the Net Asset Value per Institutional Share of the relevant Class will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each Calculation Period, if the Net Asset Value per Institutional Share of the relevant Class (before accrual for the Performance Fee) exceeds the prior Base Net Asset Value per Institutional Share of that Class, that portion of the Equalisation Credit equal to the 18% of the excess, multiplied by the number of Institutional Shares of that Class subscribed for by the Shareholder, will be applied to subscribe for additional Institutional Shares of that Class for the Shareholder. Additional Institutional Shares of the relevant Class will continue to be so subscribed for at the end of each Calculation Period until the Equalisation Credit, as it may have appreciated or depreciated in the Fund after the original subscription for that Class of Institutional Shares was made, has been fully applied.

If the Shareholder redeems its Institutional Shares of the relevant Class before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Institutional Shares of that Class being redeemed and the denominator of which is the number of Institutional Shares of that Class held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

#### *Adjustments for Platform Shares*

Since Performance Fees are aggregated and applied to the relevant Class of Platform Shares as a whole, the actual Performance Fee incurred for each separate subscription is determined by the change in Net Asset Value of the relevant Class in excess of the High Watermark of such Class, and no Shareholder level equalisation is undertaken.

This may result in inequalities as between Shareholders in a Class of Platform Shares in relation to the payment of Performance Fees (with some Shareholders paying disproportionately higher performance fees in certain circumstances) as a result of capital flows into or out of the Share Class altering the Net Asset Value of the Share Class. In order to limit such inequalities, the High Watermark of the relevant Class is adjusted in order to reflect the effect of subscriptions or redemptions on the Net Asset Value of the relevant Class of Platform Shares. Notwithstanding this, the methodology may in certain circumstances, result in certain Shareholders being charged a Performance Fee in circumstances where the Net Asset Value per Share of their Shares has not increased over the relevant Performance Period as a whole.

#### **Administration Fee**

The Company shall pay the Administrator out of the assets of the Fund an annual fee, accrued at each Valuation Point and payable monthly in arrears at a rate which shall not exceed 0.10% of the first US\$1 billion of the Net Asset Value of the Fund and 0.06% of the Net Asset Value of the Fund thereafter.

The Administrator shall also be entitled to be repaid out of the assets of the Company all of its reasonable out-of-pocket expenses incurred on behalf of the Company which shall include legal fees, couriers' fees and telecommunication costs and expenses together with VAT, if any, thereon.

#### **Depositary Fee**

The Depositary shall be entitled to receive out of the assets of the Fund an annual trustee fee, accrued at each Valuation Point and payable monthly in arrears at a rate which shall not exceed 0.023% of the Net Asset Value of the Fund (subject to an annual minimum of \$34,500). The Depositary shall also be entitled to receive out of the assets of the Fund an ad valorem custody fee (payable monthly in arrears) based on the fees charged in each country where assets of the Fund are held in custody subject to a minimum of US\$6,250 per month. The monthly minimum custody fee will (i) apply in aggregate to all funds managed or sponsored by the Investment Manager which enter into a custody agreement with the Depositary (or any of its subsidiaries) and (ii) be apportioned to the Fund and each other sub-fund of the Company on a pro-rata basis by reference to their respective assets.

The Depositary shall also be entitled to be repaid all of its out-of-pocket expenses out of the assets of the Company, including legal fees, couriers' fees and telecommunication costs and expenses, transaction charges and the fees, transaction charges and expenses of any sub-depositary appointed by it which shall be at normal commercial rates together with VAT, if any, thereon.

### **Indirect Charges**

The Fund will incur additional charges associated with obtaining exposure to the Programme. Such indirect charges include, for example and without limitation, fees and expenses of the Underlying Investment Fund and of the issuers of the SFIs. The Investment Manager will act as the investment manager to the Underlying Investment Fund. However, both the Underlying Investment Fund and the SFI Issuers will incur certain other fees and expenses, including for example, fees paid to the directors, auditor and administrator of the Underlying Investment Fund and the SFI Issuers. These indirect charges are not deducted from the Fund's assets; rather they will reduce the returns the Fund receives from its investment in the SFIs.

### **Establishment Costs**

The Fund's formation expenses, which amounted to approximately €84,000 are being borne out of the assets of the Fund and are being amortised over the first five (5) accounting periods of the Fund.

Details on other fees and expenses to be incurred by the Company are detailed in the main body Prospectus under the heading entitled "Fees and Expenses".

### **Risk Factors**

**Shareholders are advised to review the risk factors set out in the main body of the Prospectus.**

**These risks include, but are not limited to, the following:**

#### **Value of the SFI and the Fund**

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

#### **Past Performance**

The past investment performance of the Investment Manager, the Underlying Investment Fund, the SFI, the Programme 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 the SFI or the Programme. Each of the SFI and the Programme 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 Investment Manager and the Programme**

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

No assurance can be given as to any return that a Shareholder will receive, nor can there be any assurance that information on the Investment Manager or the Programme set out in this Prospectus

will be, in any respect, indicative of how they will perform in the future. As the Programme is developed and modified over time by the Investment Manager, there can be no assurance as to the effects (positive or negative) of any such developments and modifications; nor is there any guarantee that the assumptions underlying the Programme will remain realistic or relevant in the future in light of changes in the underlying market environment.

The Programme depends upon the reliability and accuracy of sophisticated quantitative models developed by the Investment Manager and on data generated, supplied, gathered, cleaned, culled and/or analysed by the Investment Manager or third parties, including through the investment decision process, and in valuing investments or potential investments, managing risk, hedging investments held by the Programme and (to the extent that transactions are executed electronically) in executing transactions. Models and data of this kind may have errors, omissions, imperfections and malfunctions which may not be detected despite the testing and monitoring that the Investment Manager implements. Equally, due to the automated nature of data gathering, the volume and depth of available data, the complexity and often manual nature of data cleaning, and the fact that the substantial majority of data comes from third-party sources, it is possible that not all desired and/or relevant data will be available to, or processed by, the Investment Manager at all times. The limitations referred to in the preceding two sentences (collectively "System Limitations") could lead to substantial or even total losses as a result of, for example, the inadequate gathering or organisation of data, investment decisions being made on the basis of incomplete or inaccurate data, the execution of unintended orders, the failed or delayed execution of intended orders, the improper allocation of orders between the Fund, the Underlying Investment Fund and other clients of the Investment Manager, the failure to take certain hedging or risk reducing actions and/or the taking of actions which unintentionally increase certain risks.

Shareholders should assume that the foregoing System Limitations and their effect constitute an inherent risk of investing in a process-driven, systematic investment management programme such as the Programme. Accordingly, the Investment Manager does not expect to disclose specific instances of such matters which may arise in relation to the SFI Issuers; and Shareholders will receive the benefit and bear the loss arising from the reliance on the models and data referred to above including all losses related to System Limitations, unless otherwise determined by the Investment Manager in accordance with its internal policies or as may be required by applicable law.

To the extent that the term "systematic" is used in this document to describe the Programme or the Investment Manager's investment strategy and/or a number of related processes, it should be noted that human discretion is necessarily involved in the development of the Investment Manager's operations including in relation to the Programme and in certain circumstances the Investment Manager may deviate from its automatic systems, for example as a result of external, unforeseen or dramatic events.

## **Leverage**

The Programme will reflect the significantly higher levels of leverage typical to a systematic global macro strategy because the contracts comprising the strategy are traded on margin (such as liquid forward and futures contracts in government bonds, currencies and equity indices). In this context, the leverage of the Programme is calculated by adding the sum of the notional values of such underlying instruments. Investing on margin can be said to generate leverage because these notional values will substantially exceed the margin paid. The level of leverage utilised by the Programme will vary depending upon the market conditions and the trends that the Programme is seeking to reflect. Higher leverage will be utilised generally where the systematic global macro strategy is reflecting strong signals in lower volatility markets such as bonds and interest rates. 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 performance of the Programme.

## **Currency Exposure**

The performance of the Programme may be affected favourably or unfavourably by fluctuations in currency exchange rates. Currency exchange rates can vary greatly and are generally determined by macroeconomic conditions as well as political developments. The SFIs are to be denominated in US Dollars and where investments held in the Programme are denominated in currencies other than the US Dollar currency exchange rate fluctuations could cause the SFIs' value to diminish significantly.

### **Currency Transactions**

The Fund will hold a variety of OTC currency transactions. In this regard, spot and forward contracts are subject to the risk that counterparties (including not only the currency brokers but also the third party brokers with whom they transact) will default on their obligations as these contracts are not guaranteed by an exchange or clearing house. Therefore a default on the contract would deprive the Programme of unrealised profits or require that the relevant purchase or sale commitments, if any, be covered at the current market price. This risk is a component in a typical systematic global macro strategy. The insolvency of a counterparty involved in Financial Derivative Instruments that are held in the Programme may affect the performance of the Programme.

### **Credit Risk and Counterparty Risk**

The Fund will purchase or enter into fund assets, including FDI and SFIs, with or from several counterparties, which will expose the Fund to the issuer or credit risk of such counterparties and their ability to satisfy the terms of such contracts. To the extent that a counterparty defaults on its obligations and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result.

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

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

### **Investment in Cash**

**Investors should note that there is a difference between the nature of a deposit and the nature of an investment in the Fund. The return on the Shares may be less than that of other securities of comparable maturity or less than interest rates available in the market and the principal invested in the Fund is capable of fluctuation.**

### **Government Intervention and Issuer Risk**

Currency exchange rates, interest rates and investing in Financial Derivative Instruments on currencies or interest rates are subject to certain risks arising from government regulation of or intervention in the currency and interest rate markets, through regulation of the local exchange market, restrictions on foreign investments by residents, limits on inflows of investment funds or changes in the general level of interest rates. Such regulation or intervention could adversely affect the performance of the Programme. Investment in securities or other financial instruments issued or guaranteed by sovereign governments, governmental entities, banks or other entities also presents risk of loss in the event of a default by the issuers of such instruments.

### **Concentration Risks**

Concentration in investments held in the Programme in particular countries will mean that the Programme be more greatly impacted by adverse social, political or economic events which may occur in such countries.

## **Investments in Emerging Markets**

Political and economic structures in countries with emerging economies or securities markets, including certain countries in Asia and the Pacific region, Eastern Europe, Africa and Latin America, may be undergoing significant evolution and rapid development, and such countries may lack the social, political and economic stability of more developed countries including a significant risk of currency value fluctuation. Certain of such countries may have in the past failed to recognise private property rights and have at times nationalised or expropriated the assets of private companies. As a result, the risks from having exposure to those countries (including by having exposure to Financial Derivative Instruments and Structured Financial Instruments the price of which is referenced to investments of issuers located in such countries), including the risks of nationalisation or expropriation of assets, may be heightened. In addition, unanticipated political or social developments may affect the values of investments in those countries. In addition, the small size and undeveloped nature of the securities markets in certain countries and the more limited volume of investment in securities may make investments less liquid and more volatile than investments in more established markets, and may require special custodial or other arrangements before making certain investments. There may be little financial or accounting information available with respect to local issuers, and it may be difficult as a result to assess the value or prospects of an investment. In addition, the settlement systems may be less developed than in more established markets, which could impede the ability to effect transactions and may result in investments being settled through a more limited range of counterparties with an accompanying enhanced credit risk. These risks may affect the performance of the Programme.

## **Changes in the UK Political Environment**

As a result of the UK referendum in June 2016 to leave the EU, the regulatory and political landscape for the UK is uncertain. This may have a detrimental impact on the Investment Manager's ability to implement its investment strategies as intended (due to, among other things, potential greater difficulty in accessing markets and making investments) as well as the Investment Manager's ability to attract and retain employees or enter into agreements or continue to work with non-UK counterparties and service providers. This in turn could have an adverse effect on the Fund, with such adverse effects including increased costs, fewer regulatory protections and lesser returns for Shareholders. The UK's exit from the EU could also result in restrictions in the Investment Manager's ability to act as investment manager or principal distributor to the Company which could hamper the success of the Company.

## **Diversification Risk and Currency Risk**

Exposure to securities of issuers from different countries (or in Financial Derivative Instruments and/or Structured Financial Instruments the price of which is referenced to such securities) offer potential benefits not available from exposure solely in securities issued by issuers from a single country (or in Financial Derivative Instruments and/or Structured Financial Instruments the price of which is referenced to such securities), but also involve certain significant risks that are not typically associated with exposure to the securities of issuers located in a single country (or in Financial Derivative Instruments the price of which is referenced to such securities). Such risks include fluctuations in currency exchange rates and the possible imposition of exchange control regulations or other laws or restrictions applicable to such investments.

## **Risks of Clearing Houses, Principal Counterparties or Exchange Insolvency**

The liquidity of a market in Financial Derivative Instruments (including both the exchange-traded derivatives market and the OTC foreign exchange market) is subject to the risk of trading halts, suspensions, exchange or clearing house equipment failures, government intervention, insolvency of a brokerage firm, clearing house or exchange or other disruptions of normal trading activity, including the Brokers refusing to clear or settle any trade or a force majeure event. This may affect the performance of the Programme.

## **Liquidity Risk**



Liquidity risk exists when a particular instrument is difficult to purchase or sell. This risk is a component in a typical systematic global macro strategy, and the Programme may reflect leveraged investments in markets that are volatile and which may become illiquid. Accordingly, in the event of trading halts or daily price fluctuation limits on Financial Derivative Instruments reflected in the Programme, the performance of the Programme may be affected.

## **Risk Management**

Financial Derivative Instruments are highly specialised financial instruments that require investment techniques and risk analyses different from those associated with equities and debt securities. The use of Financial Derivative Instruments requires an understanding not only of the underlying instrument but also of the Financial Derivative Instrument itself, without the benefit of observing the performance of the Financial Derivative Instrument under all possible market conditions. In particular, the use and complexity of Financial Derivative Instruments requires the maintenance of adequate controls to monitor the transactions entered into and the ability to assess the risk that a Financial Derivative Instruments transaction represents. There can be no assurance that the strategies and techniques employed by the Investment Manager to monitor and assess risks associated with the Financial Derivative Instruments held in the Programme will be adequate to prevent significant reductions in the performance of the Programme.

## **Mis-pricing Financial Derivative Instruments**

Using Financial Derivative Instruments involves the risk of mis-pricing or improper valuation and the inability of Financial Derivative Instruments to correlate perfectly with underlying financial instruments. Certain Financial Derivative Instruments, in particular OTC derivatives, are complex and may be valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or losses which may be reflected in the performance of the Programme.

## **Futures**

Transactions in futures contracts carry a high degree of risk. Since a futures contract usually only requires a much smaller amount of margin to be provided relative to the economic exposure which the futures contract provides to the relevant investment, it creates a 'gearing' or 'leverage' effect. This means that a small margin payment can lead to enhanced losses as well as enhanced gains. It also means that a relatively small movement in the underlying instrument can lead to a relatively large loss. These factors will be reflected in the value of the Programme.

## **Highly Volatile Markets**

The prices of securities in which the Programme invests can be highly volatile. Price movements of forwards, futures and other Financial Derivative Instruments are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

## **Contingent Liability Transactions**

Systematic global macro investment managers typically use contingent liability transactions which are margined (such as futures) and require a series of payments against the purchase price, instead of paying the whole of the purchase price of the Financial Derivative Instrument immediately. The Programme reflects this. Where any systematic global macro manager invests in futures it may sustain a total loss of the margin it deposits with a counterparty to establish and maintain a position using a Financial Derivative Instrument. If the market moves adversely it may be called upon to pay substantial additional margin at short notice to maintain the position. Where a manager is unable to do so within the time required, its position may be liquidated at a loss and the manager will be responsible for the resulting deficit. Even if a Financial Derivative Instruments transaction is not margined, it may still carry an obligation on a manager to make further payments in certain circumstances over and above any amount paid when a manager entered into the transaction. All these risks may be reflected in the value of the Programme.

## **Valuation**

Owing to the overall size and concentrations in particular markets and maturities of investments held in the Programme, the liquidation values of the investments held in the Programme may differ significantly from the interim valuations derived from the valuation methods described herein. Such differences may be further affected by the time frame within which such liquidation occurs. Third party pricing information regarding certain investments may at times be unavailable. Valuations of certain investments may involve uncertainties and subjective judgmental determinations and if such valuations should prove to be incorrect the value of the investments held in the Programme could be adversely affected.

None of the Investment Manager or the Administrator (as investment manager and administrator, respectively, to the Fund and the Underlying Investment Fund) will be under any liability if a price reasonably believed by the Investment Manager or the Administrator Limited to be the fair market value of a position is found not to be such.

## **Transaction Volume**

The Programme may reflect a high volume of investment activity, resulting in high transaction costs.

## **The Fund and Underlying Investment Fund Place Significant Reliance on the Relationships of the Fund and the Underlying Investment Fund with Third Parties**

The Fund and the Underlying Investment Fund are dependent on the services of independent third parties to obtain exposure to the Programme. The loss of the services of any such third parties may have an adverse effect on the Investment Manager's ability to implement the Investment Policy of the Fund and achieve the Investment Objective of the Fund.

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

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

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

# Additional Information

May 2019

Private and Confidential

## Directors of the Fund

On 12 April 2019, Jonathan Greenwold resigned as a director of the Fund. The Fund appointed James Gilbert as a replacement director and he was approved by the Central Bank of Ireland on 13 May 2019.

This page does not form part of the Prospectus of the Fund and nor should it be considered an addendum to the Prospectus.