

**Harding Loevner Funds plc**  
An umbrella fund with segregated liability between sub-funds

A company incorporated with limited liability as an investment company with variable capital under the laws of Ireland with registered number 437095

**PROSPECTUS**

This Prospectus is dated 9 March, 2021

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

The Directors of Harding Loevner Funds plc whose names appear in the **Directors of the Company** section of the Prospectus accept responsibility for the information contained in this Prospectus and each relevant Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case), the information contained in this Prospectus (as complemented, modified or supplemented by the relevant Supplement), when read together with the relevant Supplement, is in accordance with the facts as at the date of the relevant Supplement and does not omit anything likely to affect the import of such information.

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## INTRODUCTION

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**IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS AND THE RELEVANT SUPPLEMENT YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER.**

**Harding Loevner Funds plc**

**(the Company)**

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### **Reliance on this Prospectus and KIID Access**

In deciding whether to invest in the Company, investors should rely on information in this Prospectus, the relevant Supplement, the relevant KIID and the relevant Fund's most recent annual and/or semi-annual reports.

Each Class that is available for subscription will have a KIID issued in accordance with the Central Bank Rules. Prospective investors should consider the KIID for the relevant Class prior to subscribing for Shares in that Class in order to assist them in making an informed investment decision. While some Classes are described in the Supplement for the relevant Fund as available, these Classes may not currently be offered for subscription and in the event that a KIID may not be available. Prospective investors should contact the Distributor directly to determine whether the relevant Class is available for subscription.

Each Fund must calculate and disclose in the relevant KIID a Synthetic Risk and Reward Indicator ("SRRI") in accordance with the methodology prescribed in the European Securities and Markets Authority's ("ESMA") Guidelines on the Methodology for the Calculation of the SRRI. The SRRI will correspond to a number designed to rank the relevant Fund over a scale from 1 to 7, according to its increasing level of volatility/risk-reward profile.

Because the Prospectus, Supplements and KIID may be updated from time to time, investors should make sure they have the most recent versions.

Statements made in this Prospectus are based on the law and practice in force in the Republic of Ireland at the date of this Prospectus, which may be subject to change. This Prospectus will be updated to take into account material changes from time to time and any such amendments will be notified in advance to and cleared by the Central Bank.

**The Company is an investment company with variable capital incorporated 29 March 2007 and authorised in Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended, supplemented or consolidated from time to time. This authorisation however, does not constitute a warranty by the Central Bank as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company. Authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of the Prospectus.**

The Company is structured as an open-ended umbrella fund with segregated liability between sub-funds. Shares representing interests in different Funds may be issued from time to time by the Directors. Shares of more than one class may be issued in relation to a Fund. All Shares of each class will rank *pari passu* save as provided for in the relevant Supplement. On the introduction of any new Fund (for which prior Central Bank approval is required) or any new class of Shares (which must be issued in accordance with the Central Bank

Rules), the Company will prepare and the Directors will issue a Supplement setting out the relevant details of each such Fund or new class of Shares. A separate portfolio of assets will be maintained for each Fund (and accordingly not for each class of Shares) and will be invested in accordance with the investment objective and policies applicable to such Fund. Particulars relating to individual Funds and the classes of Shares available therein are set out in the relevant Supplement.

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

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

The Directors do not anticipate that an active secondary market will develop in any of the Shares of the Company.

This Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised. In particular the Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) or the securities laws of any state or political subdivision of the United States and may not, except in a transaction which does not violate U.S. securities laws, be directly or indirectly offered or sold in the United States or to any U.S. Person (unless permitted under certain exceptions under the laws of the United States and then only with the consent of the Directors). The Company will not be registered under the United States Investment Company Act of 1940 as amended.

The Articles of Association of the Company give powers to the Directors to impose restrictions on the holding of Shares by (and consequently to repurchase Shares held by), or the transfer of Shares to, any U.S. Persons (unless permitted under certain exceptions under the laws of the United States) or by any person who does not clear such money laundering checks as the Directors may determine or by any person who appears to be in breach of any law or requirement of any country or government authority or by virtue of which such person is not qualified to hold such Shares or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other person or persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary legal or material administrative disadvantages or being in breach of any law or regulation which the Company might not otherwise have incurred, suffered or breached or any individual under the age of 18 (or such other age as the Directors may think fit). Where Irish Residents or persons Ordinarily Resident in Ireland acquire and hold Shares, the Company shall, where necessary for the collection of Irish tax, repurchase and cancel Shares held by a person who is or is deemed to be or is acting on behalf of an Irish Resident or person Ordinarily Resident in Ireland on the occurrence of a chargeable event for Irish taxation purposes and pay the proceeds thereof to the Irish Revenue Commissioners.

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

Shareholders in the United Kingdom shall not have the right to cancel the investment agreement constituted by the acceptance by or on behalf of the Company of an application for Shares. The Company does not have a place of business in the United Kingdom and is not authorised under the FSMA. As against the Company, and any overseas agents thereof who is not authorised to carry on regulated activities in the United Kingdom, a United Kingdom investor will not benefit from the rules and regulations made under the FSMA for the protection of private investors, including the Financial Services Compensation Scheme and the Financial Ombudsman Service.

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

**The value of and income from Shares in the Company may go up or down and you may not get back the amount you have invested in the Company. Shares constituting each Fund are described in a Supplement to this Prospectus for each such Fund, each of which is an integral part of this Prospectus and is incorporated herein by reference with respect to the relevant Fund. Please see the risk factors described under the heading "Risk Factors" below.**

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

As at the date of this Prospectus, the Company has no outstanding mortgages, charges, debentures, or other borrowings, including bank overdrafts and liabilities made under acceptance credits, obligations made under finance leases, hire purchase commitments, guarantees or other contingent liabilities.

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

This Prospectus and the relevant Supplements shall be governed by and construed in accordance with Irish Law.

Defined terms used in this Prospectus shall have the meanings attributed to them in the Definitions section below.

#### **MiFID II Product Governance Rules – UCITS as non-complex financial instruments**

Article 25 of MiFID II sets out requirements in relation to the assessment of suitability and appropriateness of financial instruments for clients. Article 25(4) contains rules relating to the selling of financial instruments by a MiFID-authorised firm to clients in an execution only manner. Provided the financial instruments are comprised from the list contained in Article 25(4)(a) (referred to broadly as non-complex financial instruments for these purposes), a MiFID-authorised firm selling the instruments will not be required to also conduct what is referred to as an "appropriateness test" on its clients. An appropriateness test would involve requesting information on the client's knowledge and experience on the type of investment offered and, on this basis, assessing whether the investment is appropriate for the client. If the financial instruments fall outside the list contained in Article 25(4)(a) (i.e. are categorised as complex financial instruments), the MiFID-authorised firm selling the instruments will be required to also conduct an appropriateness test on its clients.

UCITS (other than structured UCITS) are specifically referenced in the list in Article 25(4)(a). Accordingly, each Fund is deemed to be a non-complex financial instrument for these purposes.

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1      **DEFINITIONS**

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<b>"Accounting Period"</b>	means a period ending on 30 June of each year;
<b>"Administration Agreement"</b>	means the Agreement dated 30 June 2010 between the Company and the Administrator as amended, supplemented or otherwise modified from time to time in accordance with the Central Bank;
<b>"Administrator"</b>	means Northern Trust International Fund Administration Services (Ireland) Limited or any successor thereto duly appointed in accordance with the Central Bank;
<b>"ADR"</b>	means American Depositary Receipt, a negotiable certificate issued by a U.S. bank representing a specified number of shares (or one share) in a non-U.S. stock that is traded on a U.S. exchange;
<b>"Application Form"</b>	means the application form for Shares;
<b>"Articles"</b>	means the Articles of Association of the Company as amended from time to time in accordance with the Central Bank;
<b>"Associated Person"</b>	<p>means a person who is connected with a Director if, and only if, he or she is;</p> <ul style="list-style-type: none"><li>(a) that Director's spouse, parent, brother, sister or child;</li><li>(b) a person acting in his capacity as the trustee of any trust, the principal beneficiaries of which are the Director, his spouse or any of his children or any body corporate which he controls;</li><li>(c) a partner of that Director.</li></ul> <p>A company will be deemed to be connected with a Director if it is controlled by that Director;</p>
<b>"Base Currency"</b>	means in relation to any Fund such currency as is specified in the Supplement for the relevant Fund;
<b>"Benchmarks Regulation"</b>	means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014;
<b>"Business Day"</b>	means in relation to any Fund such day or days as is or are specified in the Supplement for the relevant Fund;
<b>"Central Bank"</b>	means the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the Company;
<b>"Central Bank Regulations"</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings For Collective Investment in Transferable Securities) Regulations 2019 as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time;
<b>"Central Bank Rules"</b>	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;

"CIS"	means a UCITS or other alternative investment fund within the meaning of Regulation 68(1)(e) of the Regulations and which is prohibited from investing more than 10% of its assets in another such collective investment scheme;
"Company"	means Harding Loevner Funds plc;
"Connected Person"	means the persons defined as such in the section headed "Portfolio Transactions and Conflicts of Interest";
"CRS"	means the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development, also known as the Common Reporting Standard, and any bilateral or multilateral competent authority agreements, intergovernmental agreements and treaties, laws, regulations, official guidance or other instrument facilitating the implementation thereof and any law implementing the Common Reporting Standard;
"Data Protection Legislation"	means the Data Protection Acts 1988 to 2018, the EU data protection regime introduced by the General Data Protection Regulation (Regulation 2016/679) and any other laws that apply to the Company in relation to the processing of personal data;
"Dealing Day"	means in respect of each Fund such Business Day or Business Days as is or are specified in the Supplement for the relevant Fund provided that there shall be at least two Dealing Days for each Fund in each month (with at least one Dealing Day per fortnight of the relevant month);
"Dealing Deadline"	means in relation to applications for subscription, repurchase or exchange of Shares in a Fund, the day and time specified in the Supplement for the relevant Fund;
"Depositary"	means Northern Trust Fiduciary Services (Ireland) Limited or any successor thereto duly appointed with the prior approval of the Central Bank as the depositary of the Company in accordance with UCITS V;
"Depositary Agreement"	means the agreement made between the Company and the Depositary dated 31 May 2016 as may be amended or supplemented from time to time in accordance with the Central Bank Rules, pursuant to which the latter was appointed depositary of the Company;
"Depositary Receipt"	means negotiable financial instruments issued by a bank including ADR, EDR and GDR;
"Directors"	means the directors of the Company, each a "Director";
"Distributor"	means Harding Loevner LP or any successor thereto duly appointed in accordance with the Central Bank;
"EDR"	means European Depositary Receipt, a negotiable certificate issued by a bank of an EEA Member State representing a specific number of shares of a stock traded on an exchange of another EEA Member State;
"EEA"	means European Economic Area (the current members being: the EU, Iceland, Liechtenstein and Norway);
"EEA Member State"	means a member state of the EEA;
"Efficient Portfolio Management"	means investment decisions involving transactions that are entered into for one or more of the following specific aims: the reduction of risk; the reduction of

cost; or 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 as described in the Prospectus and Supplement for the relevant Fund and the general provisions of the UCITS Directive.

"EU"	means the European Union;
"EU Member State"	means a member state of the EU;
"Euro" or "€"	means the lawful currency of the participating EU Member States which have adopted the single currency in accordance with the EC Treaty of Rome dated 25th March 1957 as amended;
"Exchange Charge"	means the charge, if any, payable on the exchange of Shares as is specified herein;
"FATCA"	means: <ul style="list-style-type: none"><li>(a) sections 1471 to 1474 of the US Internal Revenue Code of 1986 or any associated regulations or other official guidance;</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 paragraphs;</li></ul>
"FDI"	means a financial derivative instrument including an OTC derivative;
"Fund"	means a portfolio of assets which is invested in accordance with the investment objective and policies set out in the relevant Supplement and to which all liabilities, income and expenditure attributable or allocated to such fund shall be applied and charged and " <b>Funds</b> " means all or some of the Funds as the context requires or any other funds as may be established by the Company from time to time with the prior approval of the Central Bank;
"GDR"	means Global Depositary receipts, a bank certificate issued in more than one country for shares in a non-U.S. company;
"Initial Issue Price"	means the price per Share at which Shares are initially offered in a Fund during the Initial Offer Period as specified in the Supplement for the relevant Fund;
"Initial Offer Period"	means the period during which Shares in a Fund are initially offered at the Initial Issue Price as specified in the Supplement for the relevant Fund;
"Investment Manager"	means Harding Loevner LP or any successor thereto duly appointed in accordance with the Central Bank;
"Investment Management Agreement"	means the agreement dated 8 May 2007 between the Company and the Investment Manager as amended, supplemented or otherwise modified from time to time in accordance with the Central Bank Rules;
"Investors 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.
"Markets"	means the stock exchanges and regulated markets set out in Appendix I;



<b>"Member State"</b>	means a member state of the EU;
<b>"MiFID II"</b>	means Commission Delegated Directive (EU) of 7 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits;
<b>"Minimum Additional Investment Amount"</b>	means such amount (if any) as the Directors may from time to time prescribe as the minimum additional investment amount required by each Shareholder for Shares of each class in a Fund as is specified in the Supplement for the relevant Fund;
<b>"Minimum Fund Size"</b>	means US\$1,000,000 or such other amount (if any) as the Directors may consider for each Fund and as set out in the Supplement for the relevant Fund;
<b>"Minimum Initial Investment Amount"</b>	means such amount or number of Shares (if any) as the Directors may from time to time prescribe as the minimum initial subscription required by each Shareholder for Shares of each class in a Fund as is specified in the Supplement for the relevant Fund;
<b>"Minimum Shareholding"</b>	means such number or value of Shares of any class (if any) as specified in the Supplement for the relevant class of Shares within a Fund;
<b>"money market instruments"</b>	means instruments normally dealt in on the money markets which are liquid, and have a value which can be accurately determined at any time (for example certificates of deposit, floating rate notes and fixed rate commercial paper listed on permitted markets);
<b>"month"</b>	means calendar month;
<b>"Net Asset Value" or "Net Asset Value per Share"</b>	means in respect of the assets of a Fund or the Shares in a Fund, the amount determined in accordance with the principles set out in the Calculation of Net Asset Value/Valuation of Assets section below as the Net Asset Value of a Fund or the Net Asset Value per Share;
<b>"OECD"</b>	means the Organisation for Economic Co-operation and Development;
<b>"OECD Member State"</b>	means a member state of the OECD;
<b>"OTC derivative"</b>	means over-the-counter and refers to derivatives negotiated between two counterparties;
<b>"Paying Agent"</b>	means one or more paying agents including but not limited to representatives, distributors, correspondent banks, or centralising agents appointed by the Company in certain jurisdictions;
<b>"Promoter"</b>	means Harding Loevner LP;
<b>"Regulation 3(2)"</b>	means clause 3(2) of the Regulations;
<b>"Regulations"</b>	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended, supplemented, consolidated or otherwise modified from time to time including any condition that may from time to time be imposed thereunder by the Central Bank;
<b>"Settlement"</b>	

<b>"Date"</b>	means in respect of receipt of monies for subscription for Shares or dispatch of monies for the repurchase of Shares, the date specified in the Supplement for the relevant Fund. In the case of repurchases this date will be no more than ten Business Days after the relevant Dealing Deadline, or if later, the receipt of completed repurchase documentation;
<b>"SFDR"</b>	means Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector as may be amended, supplemented or substituted from time to time;
<b>"Shares"</b>	means participating shares in the Company representing interests in a Fund and where the context so permits or requires any class of participating shares representing interests in a Fund;
<b>"Shareholders"</b>	means holders of Shares, and each a <b>"Shareholder"</b> ;
<b>"£", "Sterling" and "Pound"</b>	means the lawful currency of the United Kingdom;
<b>"The State"</b>	means the Republic of Ireland;
<b>"Sub-Distributor"</b>	means any sub-distributor appointed by the Distributor in accordance with the Central Bank Rules as a sub-distributor to the Company;
<b>"Subscriptions/Redemptions Account"</b>	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;
<b>"Supplement"</b>	means any supplement to the Prospectus issued on behalf of the Company from time to time;
<b>"transferable securities"</b>	shall have the meaning described to that term in the Regulations, which at the date hereof means <ul style="list-style-type: none"> <li>(i) shares in companies and other securities equivalent to shares in companies which fulfil the applicable criteria specified in Part 1 of Schedule 2 of the Regulations;</li> <li>(ii) bonds and other forms of securitised debt which fulfil the applicable criteria specified in Part 1 of Schedule 2 of the Regulations;</li> <li>(iii) other negotiable securities which carry the right to acquire any securities within (i) or (ii) above by subscription or exchange which fulfil the criteria specified in Part 1 of Schedule 2 of the Regulations; and</li> <li>(iv) securities specified for this purpose in Part 2 of Schedule 2 of the Regulations.</li> </ul>
<b>"UCITS"</b>	means an undertaking for collective investment in transferable securities which is authorised under the Regulations or authorised by a competent authority in another member state of the European Union in accordance with Directive 2009/65/EC of the European Parliament and of the Council, as amended, supplemented, consolidated or otherwise modified from time to time;
<b>"UCITS V"</b>	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;

<b>"United Kingdom" and "UK"</b>	means the United Kingdom of Great Britain and Northern Ireland;
<b>"United States" and "U.S."</b>	means the United States of America, (including each of the states, the District of Columbia and the Commonwealth of Puerto Rico) its territories, possessions and all other areas subject to its jurisdiction;
<b>"US Dollars", "Dollars" and "\$"</b>	means the lawful currency of the United States or any successor currency;
<b>"U.S. Person"</b>	means any person falling within the definition of the term "US Person" under Regulation S promulgated under the US Securities Act 1933 and US Commodity Futures Trading Commission Rule 4.7, as amended from time to time;
<b>"Valuation Point"</b>	the point in time by reference to which the Net Asset Value of a Fund and the Net Asset Value per Share are calculated as is specified in the Supplement for the relevant Fund provided that there shall be at least two Valuation Points in every month.

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

### **Investment Objective and Policies**

The Articles provide that the investment objective and policies for each Fund will be formulated by the Directors at the time of the creation of that Fund. Details of the investment objective and policies for each Fund of the Company appear in the Supplement for the relevant Fund. Where reference to a specific index or indices is made in the investment policy of a Fund, the Directors may only change the index with the prior approval of the Shareholders.

Any change in the investment objective or any material change to the investment policies of a Fund may only be made with the approval of the majority of votes cast at general meeting of the Shareholders of the Fund. Subject and without prejudice to the preceding sentence of this paragraph, in the event of a change of investment objective and/or policies of a Fund, a reasonable notification period must be given to each Shareholder of the Fund to enable a Shareholder to have its Shares repurchased prior to the implementation of such change.

### **Investment Restrictions**

The investment restrictions applying to each Fund of the Company under the Regulations are set out below. These are, however, subject to the qualifications and exemptions contained in the 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.

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.

### **Permitted Investments**

1. Investments of a Fund are confined to:
  - 1.1. transferable securities and money market instruments which are either admitted to official listing on a stock exchange in an EU Member State or non-EU Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in an EU Member State or non-EU Member State.
  - 1.2. recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
  - 1.3. money market instruments other than those dealt on a regulated market.
  - 1.4. units of UCITS.
  - 1.5. units of alternative investment funds.
  - 1.6. deposits with credit institutions.
  - 1.7. FDI.
2. Investment Limits
  - 2.1. A Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1.
  - 2.2. A Fund may invest no more than 10% of its Net Asset Value in recently issued transferable securities

which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by the Fund in certain U.S. securities known as Rule 144A securities provided that:

- (a) the securities are issued with an undertaking to register with the U.S. Securities and Exchanges Commission within one year of issue; and
- (b) the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.

- 2.3. A Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4. Subject to the prior approval of the Central Bank, the limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in an EU Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund.
- 2.5. The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU Member State or its local authorities or by a non-EU Member State or public international body of which one or more EU Member States are members.
- 2.6. The transferable securities or 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. A Fund may not invest more than 20% of its Net Asset Value in deposits made with the same credit institution. Deposits with any one credit institution, other than with Relevant Institutions, held as ancillary liquidity, must not exceed 10% of the Net Asset Value of a Fund. This limit may be raised to 20% in the case of deposits made with the Depository.
- 2.8. The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of its Net Asset Value. This limit is raised to 10% in the case of Relevant Institutions.
- 2.9. Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of the Net Asset Value of a Fund:
- (c) investments in transferable securities or money market instruments;
  - (d) deposits, and/or
  - (e) counterparty risk exposures arising from OTC derivative transactions.
- 2.10. The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of the Net Asset Value of a Fund.
- 2.11. Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of the Net Asset Value of a Fund may be applied to investment in transferable securities and money market instruments within the same group.
- 2.12. A Fund may invest up to 100% of its Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, Non-Member States or public international bodies of which one or more EU Member States are members or by Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States or any of the following:  
European Investment Bank  
European Bank for Reconstruction and Development

International Finance Corporation  
 International Monetary Fund  
 Euratom  
 The Asian Development Bank  
 European Central Bank  
 Council of Europe  
 Eurofima  
 African Development Bank  
 International Bank for Reconstruction and Development (The World Bank)  
 The Inter American Development Bank  
 European Union  
 Federal National Mortgage Association (Fannie Mae)  
 Federal Home Loan Mortgage Corporation (Freddie Mac)  
 Government National Mortgage Association (Ginnie Mae)  
 Student Loan Marketing Association (Sallie Mae)  
 Federal Home Loan Bank  
 Federal Farm Credit Bank  
 Tennessee Valley Authority  
 Straight-A Funding LLC  
 OECD Governments (provided the relevant issues are investment grade)  
 Government of Brazil (provided the issues are of investment grade)  
 Government of the People's Republic of China  
 Government of India (provided the issues are of investment grade)  
 Government of Singapore  
 Export-Import Bank

Where a Fund invests in accordance with this provision, the Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of its Net Asset Value.

- 3. Investment in Collective Investment Schemes (CIS)**
  - 3.1. A Fund may not invest more than 20% of its Net Asset Value in any one CIS.
  - 3.2. Investment in alternative investment funds may not, in aggregate, exceed 30% of the Net Asset Value of a Fund.
  - 3.3. The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
  - 3.4. When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the management company of the Company or by any other company with which the management company of the Company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS.
  - 3.5. Where a commission (including a rebated commission) is received by the Fund manager/investment manager by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.
- 4. Index Tracking UCITS**
  - 4.1. A Fund may invest up to 20% of its Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the Central Bank Rules.
  - 4.2. The limit in 4.1 may be raised to 35% of the Net Asset Value of the Fund, and applied to a single issuer, where this is justified by exceptional market conditions.
- 5. General Provisions**
  - 5.1. An investment company, 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.
  - 5.2. A Fund may acquire no more than:

- (a) 10% of the non-voting shares of any single issuing body;
- (b) 10% of the debt securities of any single issuing body;
- (c) 25% of the units of any single CIS;
- (d) 10% of the money market instruments of any single issuing body.

The limits laid down in 5.2(a), 5.2(b) and 5.2(c) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

5.3. 5.1 and 5.2 shall not be applicable to:

- (a) transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;
- (b) transferable securities and money market instruments issued or guaranteed by a non-EU Member State;
- (c) transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;
- (d) shares held by a Fund in the capital of a company incorporated in a non-EU 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 Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-EU 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;
- (e) Shares held by an investment company in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares at Shareholders' request exclusively on their behalf.

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

5.5. The Central Bank may allow a recently authorised Fund to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six Months following the date of its authorisation, provided it observes the principle of risk spreading.

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

5.7. A Fund may not carry out uncovered sales of: transferable securities; money market instruments; units of CIS; or FDI. A Fund may hold ancillary liquid assets.

## 6. FDI

6.1. A Fund's global exposure relating to FDI must not exceed its total Net Asset Value (this provision may not be applied to Funds that calculate their global exposure using the VaR methodology as disclosed in the relevant Supplement).

6.2. Position exposure to the underlyings 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 Rules. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with

the criteria set out in the Central Bank Rules.)

- 6.3. A Fund may invest in OTC derivatives provided that the counterparties to the OTC derivatives are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- 6.4. Investment in FDI is subject to the conditions and limits laid down by the Central Bank.

### **Efficient Portfolio Management**

The Company on behalf of a Fund may employ techniques and instruments relating to Transferable Securities, Money Market Instruments and/or other financial instruments (including FDI) in which it invests for efficient portfolio management purposes. Such techniques and instruments include futures, options, swaps, forwards and repurchase and reverse repurchase agreements (details of which are outlined below). Details of any additional techniques and instruments used for a Fund may be set out in the relevant Supplement.

Use of such techniques and instruments should be in line with the best interests of Shareholders and will generally be made for one or more of the following reasons:

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

In addition, the use of such techniques and instruments must be realised in a cost-effective way and must not result in a change to the investment objective of the Fund or add substantial supplementary risks not covered in this Prospectus. It is therefore the intention of the Company, in employing such EPM techniques and instruments for these reasons, that their impact on the performance of the relevant Fund will be positive.

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

Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the Base Currency. The Company may (but is not obliged) to seek to mitigate this exchange rate risk by using FDI.

Please refer to the "Efficient Portfolio Management Risk" section for more details. The risks arising from the use of such techniques and instruments shall be adequately captured in the Company's risk management process.

### **Use of FDI**

#### **Details of FDI used with a Summary of their Commercial Purpose**

Each Fund may use any of the following FDI once provided for in the relevant Supplement. This list may be supplemented by additional FDI for a specific Fund as may be provided for in the relevant Supplement.

**Futures:** Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. Futures contracts allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. Futures may also be used to equitise cash balances, both pending investment of a cash flow and with respect to fixed cash targets. Frequently, using futures to achieve a particular strategy instead of using the underlying or related security or index results in lower transaction costs being incurred.

**Forwards:** A forward contract locks-in the price at which an index or asset may be purchased or sold on a future date. In currency forward contracts, the contract holders are obligated to buy or sell the currency at a



specified price, at a specified quantity and on a specified future date, whereas an interest rate forward determines an interest rate to be paid or received on an obligation beginning at a start date sometime in the future. Forward contracts may be cash settled between the parties. These contracts cannot be transferred. The Funds' use of forward foreign exchange contracts may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency, shifting exposure to currency fluctuations from one currency to another and hedging classes denominated in a currency (other than the Base Currency) to the Base Currency.

**Options:** There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option. Options may also be cash settled. A Fund may be a seller or buyer of put and call options.

**Swaps:** A standard swap is an agreement between two counterparties in which the cash flows from two assets are exchanged as they are received for a fixed time period, with the terms initially set so that the present value of the swap is zero. The Funds may enter into swaps, including, but not limited to, equity swaps, swaptions, interest rate swaps or currency swaps and other derivative instruments both as independent profit opportunities and to hedge existing long positions. Swaps may extend over substantial periods of time, and typically call for the making of payments on a periodic basis. Swaptions are contracts whereby one party receives a fee in return for agreeing to enter into a forward swap at a predetermined fixed rate if some contingency event occurs (normally where future rates are set in relation to a fixed benchmark). Interest rate swaps involve the exchange by a Fund with another party of their respective commitments to make or receive interest payments (e.g. an exchange of fixed rate payments for floating rate payments). On each payment date under an interest rate swap, the net payments owed by each party, and only the net amount, is paid by one party to the other. Currency swaps are agreements between two parties to exchange future payments in one currency for payments in another currency. These agreements are used to transform the currency denomination of assets and liabilities. Unlike interest rate swaps, currency swaps must include an exchange of principal at maturity.

**Warrants:** The Funds may invest in warrants which entitle the holder to buy stock of the issuing company at a specified price. When exercised, the company is obliged to issue new shares of its stock and deliver these to the holder of the warrant in exchange for the strike price. The primary conceptual difference between a standard exchange traded option is that the exercise of a warrant results in the issuance of new stock whereas the writer of an exchange traded option delivers previously issued stock upon exercise, which can result in a drop in the price of the underlying stock when the warrant is exercised.

**Contracts for differences:** The Funds may enter into contracts for differences which allow a direct exposure to the market, a sector or an individual security. Unlike a forward contract, there is no final maturity, the position being closed out at the discretion of the position taker. Contracts for differences ("CFD") 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 when the contract is closed.

**Credit derivatives:** The Funds may enter into credit derivatives to isolate and transfer the credit risk associated with a particular reference asset. Credit default swaps provide a measure of protection against defaults of debt issuers. The Funds' use of credit default swaps does not assure their use will be effective or will have the desired result. A Fund may either be the buyer or seller in a credit default swap transaction. Credit default swaps are transactions under which the parties' obligations depend on whether a credit event has occurred in relation to the reference asset. The credit events are specified in the contract and are intended to identify the occurrence of a significant deterioration in the creditworthiness of the reference asset. On settlement, credit default products may be cash settled or involve the physical delivery of an obligation of the reference entity following a default. The buyer in a credit default swap contract is obligated to pay the seller a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference asset has occurred. If a credit event occurs, the seller must pay the buyer the full notional value of the reference asset that may have little or no value. If the Fund is a buyer and no credit event occurs the Fund's losses will be limited to the periodic stream of payments over the term of the contract. As a seller, the Funds will receive a fixed rate of income throughout the term of the contract, provided that there is no credit event. If a credit event occurs, the seller must pay the buyer the full notional value of the reference obligation.

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

A Fund may use repurchase agreements, reverse repurchase agreements and/or securities lending agreements in accordance with normal market practice and the Central Bank Rules. Repurchase agreements

are transactions 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 should ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

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

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

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

From time to time, a Fund may engage repurchase/reverse repurchase agreements counterparties and/or securities lending agents that are related parties to the Depository or other service providers of the Company. Such engagement may on occasion cause a conflict of interest with the role of the Depository or other service provider in respect of the Company. Please refer to section 5.1 "Conflicts of Interest" for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the relevant Fund's semi-annual and annual reports.

Entry into securities lending and repurchase/reverse repurchase agreements shall be subject to the conditions and limits set out in the Central Bank Rules.

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.

### **Participatory Notes (P-Notes)**

P-Notes are financial instruments which may be used by a Fund to gain indirect exposure to various equity markets in countries where direct investment is either impossible or difficult due to local investment restrictions. Such P-Notes will not embed leverage unless otherwise disclosed in the relevant Supplement. Purchasing P-Notes from brokerage firms or banks will give a Fund indirect access to equity securities. This allows a Fund to gain exposure to equities in markets which may not be accessed directly without potentially triggering registration requirements. While P-Notes are often listed on an exchange, they are also frequently traded on an OTC basis with the issuing broker or bank. P-Notes relating to equities usually provide exposure to the underlying equity on a 1:1 basis (i.e., delta 1), they are not bought on margin and they do not embed any leverage. Such participatory notes may meet the criteria for transferable securities under the Regulations and will then be treated as such and will not be subject to the rules for FDI.

### **Convertible Securities**

Convertible bonds are bonds that provide the holder of the bond with the option to exchange the bond for a specific number of shares of the company's stock. This embedded option affects the risk of the bond and it exhibits characteristics similar to both regular fixed income securities and equity as a result. When the

underlying stock is performing poorly the convertible continues to earn interest and so tends to behave like a bond when the option is out of the money, when the underlying stock starts to perform well the value of the embedded option increases and as a result the convertible will start to behave like the underlying stock as the option goes into the money. A Fund may invest in convertible bonds for the purpose of taking exposure to companies and issuers that are consistent with the investment policy of the Fund.

Convertible preferred securities are securities that provide the holder of preference shares with the option to exchange the preference shares for a specific number of shares of the company's ordinary shares. This embedded option allows the Fund to maintain its equity investment strategy whilst providing certain elements of fixed income instruments as preference shares often have fixed dividends which are required to be paid before any dividends are paid to the holders of ordinary shares. As such, the Fund can utilise the preferred element of the security where an underlying company's performance is poorer and convert into the Company's ordinary shares when the value of same increases appropriately. In addition, the preferred element of the security assists in providing income to the Fund and the pricing structure might also provide value for the portfolio.

A "synthetic" convertible instrument combines separate securities that possess the economic characteristics similar to a convertible security, i.e., fixed-income securities ("fixed-income component," which may be a convertible or non-convertible security) and the right to acquire equity securities ("convertible component"). The fixed-income component is achieved by investing in fixed-income securities, including bonds, preferred stocks and Money Market Instruments. The convertible component is achieved by investing in warrants or options to buy common stock at a certain price, or options on a stock index. In establishing a synthetic convertible instrument, a Fund may also pool a basket of fixed-income securities and a basket of warrants or options that produce the economic characteristics similar to a convertible security. Within each basket of a fixed-income securities and warrants or options, different companies may issue the fixed-income and convertible components, which may be purchased separately and at different times.

A Fund may also purchase synthetic convertible instruments created by other parties, typically investment banks, including convertible structured notes. Convertible structured notes are fixed-income debentures linked to equity. Convertible structured notes have the attributes of a convertible security, however, the investment bank that issued the convertible note assumes the credit risk associated with the investment, rather than the issuer of the underlying common stock into which the note is convertible. Purchasing synthetic convertible instruments may offer more flexibility than purchasing a convertible security. Different companies may issue the fixed-income and convertible components, which may be purchased separately and at different times.

The convertible securities in which the Funds may invest may embed an option.

### **Risk Management Process**

The Company on behalf of each Fund has filed with the Central Bank its risk management process which enables it to accurately measure, monitor and manage the various risks associated with the use of FDI. Any FDI not included in the risk management process will not be utilised until such time as a revised risk management process has been provided to and cleared by the Central Bank. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

### **Eligible Counterparties**

A Fund may invest in OTC derivatives in accordance with the Central Bank Rules and provided that the counterparties to the OTC derivatives are Eligible Counterparties.

### **Collateral Policy**

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

#### **Collateral – received by the Fund**

Collateral posted by a counterparty for the benefit of a Fund may be taken into account as reducing the exposure to such counterparty. Each Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits are not breached. Counterparty risk may be reduced to the extent that the

value of the collateral received corresponds with the value of the amount exposed to counterparty risk at any given time.

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

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

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

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

### **Collateral**

Collateral received must, at all times, meet with the specific criteria outlined in the Central Bank Regulations, in particular, the Investment Manager, on behalf of each Fund, shall apply suitably conservative haircuts to assets being received as collateral where appropriate on the basis of an assessment of the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of any stress tests performed as referred to above. The 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. To the extent that a Fund avails of the increased issuer exposure facility in section 5(ii) of Schedule 3 of the Central Bank Regulations, such increased issuer exposure may be to any of the issuers listed in section 2.12 of the "Permitted Investments" section of the Prospectus.

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

### **Cash collateral**

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

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

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

### **Collateral – posted by the Fund**

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

### **Reference to Ratings**

The European Union (Alternative Investment Fund Managers) (Amendment) Regulations 2014 (S.I. No. 379 of 2014) (the "**Amending Regulations**") transpose the requirements of the Credit Ratings Agencies Directive (2013/14/EU) ("**CRAD**") into Irish Law. CRAD aims to restrict the reliance on ratings provided by credit rating agencies and to clarify the obligations for risk management. In accordance with the Amending Regulations and the CRAD, notwithstanding anything else in this Prospectus, the Investment Manager shall not solely or mechanistically rely on credit ratings in determining the credit quality of an issuer or counterparty.

### **Hedged Classes**

Classes in a Fund may be denominated in currencies other than the Fund's Base Currency. Such non-Base Currency Classes may be hedged or unhedged. As appropriate, Classes will be identified as currency hedged Classes in the Supplement for the Fund in which such Class is issued. Where such Classes are hedged, the Fund will seek to hedge the relevant currency exposure with the aim of enabling investors in such Classes to participate to the maximum extent possible in the same performance of the common pool of assets of the Fund as other investors, even though their exposure to the Fund is obtained through a different currency from the Base Currency. This may involve a Class designated in a currency other than the Base Currency being hedged against exchange rate fluctuation risks between the designated currency of the Class and the Base Currency or otherwise being hedged so that the return is not materially exposed to fluctuations in the Fund's Base Currency, but rather is materially exposed to the currency to which the Class is hedged.

Any financial instruments used to implement such currency hedging strategies with respect to one or more Classes shall be assets/liabilities of the Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on, and the costs of, the relevant financial instruments will accrue solely to the relevant Class. However, investors should note that there is no segregation of liability between Share Classes. Although the costs, gains and losses of the currency hedging transactions will accrue solely to the relevant Class, Shareholders are nonetheless exposed to the risk that hedging transactions undertaken in one class may impact negatively on the Net Asset Value of another Class.

Where the Company seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However, over-hedged positions will not exceed 105% of the Net Asset Value, under-hedged positions will not exceed 95% of the portion of the Net Asset Value of the Share Class which is to be hedged and hedged positions will be kept under review to ensure that over-hedged positions do not exceed the permitted level which review will also incorporate a procedure to ensure that positions in excess of 100% of Net Asset Value will not be carried forward from month to month. To the extent that hedging is successful for a particular Class, the performance of the Class is likely to move in line with the performance of the underlying assets, with the result that investors in that Class will not gain/lose if, in the case of currency hedging, the Class currency falls / rises against the Base Currency.

### **Borrowing and Lending Powers**

The Company may not borrow money except insofar as is permitted under the Regulations.

The Company may borrow, for the account of a Fund, up to 10% of the net assets of a Fund and the assets of such Fund may be charged as security for any such borrowings provided that such borrowing is only for temporary purposes. The Company may acquire foreign currency by means of a back to back loan agreement(s). Foreign currency obtained in this manner is not classified as borrowing for the above mentioned 10% limit provided that the offsetting deposit (a) is denominated in the Base Currency of the Fund and (b) equals or exceeds the value of the foreign currency loan outstanding.

The Company may not carry out uncovered sales of transferable securities, money market instruments and other financial instruments.

The Company may not borrow for investment purposes.

Without prejudice to the powers of the Company to invest in transferable securities, the Company may not lend, or act as guarantor on behalf of third parties.

Any special borrowing restrictions relating to a Fund will be formulated by the Directors at the time of the creation of a Fund. There are no special borrowing restrictions currently in operation.

### **Charges and Expenses/Cross Investment**

Investors should note that, subject to the requirements of the Central Bank, the Funds (each an "**Investing Fund**") may invest in the other Funds (each and "**Investee Fund**") of the Company where such investment is appropriate to the investment objectives and policies of the Investing Fund. Commission, if any, received by the Investment Manager (as Distributor) in respect of such investment shall be paid into the assets of the Investing Fund. In addition Exchange Charge may be charged on the cross-investing Fund's investment.

Where an Investing Fund invests in the units of an Investee Fund, the Management Fee, Investment Management Fee or performance fee which investors in the Investing Fund are charged in respect of that portion of the Investing Funds assets invested in Investee Fund (whether such fee is paid directly at Investing Fund level, indirectly at the level of the Investee Fund or a combination of both) shall not exceed the maximum Management Fee, Investment Management Fee or performance fee which investors in the Investing Fund may be charged in respect of the balance of the Investing Funds assets, such that there shall be no double charging of the Management Fee, Investment Management Fee or performance fee to the Investing Fund as a result of its investments in the Investee Fund. Investment may not be made by an Investing Fund in an Investee Fund which itself is an Investee Fund within the Company.

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

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

The Company operates a Subscriptions/Redemptions Account in respect of each Fund of the Company. Accordingly, monies in the Subscriptions/Redemptions Account are deemed assets of the relevant Fund 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 relevant Fund'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 for the account of the relevant Fund in the Subscriptions/Redemptions Account at a point where such Fund 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.

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.

### **Dividend Policy**

The Directors decide the dividend policy and arrangements relating to each Fund and details will be set out where applicable in the relevant Supplement. Under the Articles, the Directors are entitled to, at such times as they think fit, declare dividends out of the relevant Fund being: (i) the accumulated revenue (consisting of all revenue accrued including interest and dividends) less expenses and/or (ii) realised and unrealised capital gains on the disposal/ valuation of investments and other funds less realised and unrealised accumulated capital losses of the relevant Fund. The Directors may satisfy any dividend due to Shareholders in whole or in part by distributing to them in specie any of the assets of the relevant Fund, and in particular any investments to which the relevant Fund is entitled. In selecting these investments the Directors will consult with the Depositary to ensure that the remaining Shareholders are not disadvantaged. A Shareholder may require the Company instead of transferring any assets in specie to him, to arrange for a sale of the assets and for payment to the Shareholder of the net proceeds of same. The Company will be obliged and entitled to deduct an amount in respect of Irish taxation from any dividend payable to a Shareholder in any Fund who is or is deemed to be an

Irish Resident or a person Ordinarily Resident in Ireland and pay such sum to the Irish tax authorities.

Dividends not claimed within six years from their due date will lapse and revert to the relevant Fund.

Dividends payable to Shareholders will be paid by electronic transfer to the bank account designated by the Shareholder in which case the dividend will be paid at the expense of the payee and will be paid within four months of the date the Directors declared the dividend.

In the event that a Shareholder has not complied with the requirements of the section entitled "Anti-Money Laundering Provisions" below, any dividends payable to that Shareholder will be automatically reinvested into further Shares of the relevant Class or Fund.

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.

The dividend policy for each Fund is set out in the Supplement for the relevant Fund.

### **Use of Indices / Benchmarks**

Investors should note the Funds are actively managed by the Investment Manager, meaning that the issuers and securities in which a Fund invests will not be selected by reference to an index, rather will be determined using the Investment Manager's investment strategy.

However, certain Funds may use indices as "comparator benchmarks" to compare the performance of the Fund against. Such comparator benchmarks are not used to constrain portfolio composition or as a target for the performance of the relevant Fund. Where a comparator benchmark is used, the relevant comparator benchmark will be identified in the Supplement for that Fund.

The Investment Manager may at any time change such comparator benchmark where, for reasons outside of its control, that comparator benchmark has been replaced, or another comparator benchmark may reasonably be considered by the Investment Manager to have become a more appropriate standard. Details and past performance of any comparator benchmarks which are used for the purposes outlined above will be included in the key investor information documents of the relevant Fund.

Separately, in circumstances where the Funds are using benchmarks in accordance with the Benchmarks Regulation, the Company is required to ensure that the benchmark is either provided by a benchmark administrator included in the register maintained by ESMA or is a benchmark which is included in the register maintained by ESMA. The Benchmarks Regulation contains transitional provisions allowing existing benchmark administrators a period of time to apply for authorisation or registration under the Benchmarks Regulation. During that period of time, the Funds are permitted to use such benchmarks in accordance with the Benchmarks Regulation.

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### 3 RISK FACTORS

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The discussion below is of general nature and is intended to describe various risk factors which may be associated with an investment in the Shares of a Fund. The following are a number of risk factors which may be associated with an investment in the Shares of a Fund to which the attention of investors is drawn. See also the relevant Supplement for a discussion of any additional risks particular to Shares of that Fund. However, these are not intended to be exhaustive and there may be other considerations that should be taken into account in relation to an investment. Investors should consult their own advisors before considering an investment in the Shares of a particular Fund.

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

#### **General**

The investments of the Company in securities are subject to normal market fluctuations and other risks inherent in investing in securities. **The value of investments and the income from them, and therefore the value of and income from Shares relating to each Fund can go down as well as up and an investor may not get back the amount he invests.** Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of the investments to diminish or increase. **An investment in a Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

Due to adverse market movements the Fund may become valueless.

Subject to the investment restrictions applicable to the relevant Fund, the Fund may invest a portion of its assets in unquoted investments. Such investments will be valued at the probable realisation value as determined in accordance with the provisions set out in the Calculation of Net Asset Value/Valuation of Assets section below. Estimates of the probable realisation value of such investments are inherently difficult to establish and are the subject of substantial uncertainty. The Company may consult the Investment Manager with respect to the valuation of unquoted investments. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of a Fund's investments and the Investment Manager's other responsibilities.

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

Where a Fund enters into stocklending arrangements for Efficient Portfolio Management purposes there are risks in the exposure to market movements if recourse has to be had to collateral, or if there is fraud or negligence on the part of the Depositary or lending agent. In addition there is an operational risk associated with marking to market daily valuations and there are the potential stability risks of providers of collateral. The principal risk in such stocklending arrangements is the insolvency of the borrower. In this event the Company could experience delays in recovering its securities and such event could possibly result in capital losses.

While the provisions of the Companies Act 2014 provide for segregated liability between Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditors claims. Accordingly, it is not free from doubt that the assets of any Fund of the Company may not be exposed to the liabilities of other Funds of the Company. As at the date of this Prospectus, the Directors are not aware of any existing or contingent liability of any Fund of the Company.

#### **Equity Risk**

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



## **Currency Risk**

The Net Asset Value per Share will be computed in the Base Currency of the relevant Fund, whereas each Fund's investments may be acquired in a wide range of currencies, some of which may be affected by currency movements of a more volatile nature than those of developed countries and some of which may not be freely convertible. It may not be possible or practical to hedge against the consequent currency risk exposure and in certain instances the Investment Manager may consider it desirable not to hedge against such risk. In certain Funds the Investment Manager may enter into cross currency transactions for the purpose of enhancing the returns from the portfolio. In such cases this will be clearly highlighted in the Supplement to the relevant Fund.

## **Market Risk and Market Capitalisation Risk**

Some of the recognised exchanges on which each Fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which each Fund may liquidate positions to meet repurchase requests or other funding requirements. Potential investors should also note that the securities of small -to-medium-sized (by market capitalisation) companies, or FDI related to such securities may have a more limited market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports. Additional risk factors associated with companies whose market capitalisation is small or mid-cap may include but are not limited to the following: limited or unproven operating history; weak or leveraged balance sheets, limited borrowing capacity; low or negative profit margins; high concentration of sales from limited number of customers; competition from more established companies; and key-man management risk.

## **No Secondary Market**

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. Subject to certain conditions outlined herein, including when repurchases or the registration of transfers of Shares are suspended, Shareholders will, however, be able to realise their investment in a Fund by redeeming their Shares or by a transfer to an investor who is an eligible transferee.

## **Repurchase Risk**

Large repurchases of Shares in a Fund might result in a Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets, which may be materially adverse to the Fund.

## **Launch Phase and Wind Down Phase**

Prospective investors should note that a Fund's investment policies may not be able to be fully implemented or complied with during the launch and wind-down phase of a Fund when initial investment positions are being established or final positions are being liquidated, as appropriate. In addition, in respect of the launch phase of a Fund, the Central Bank permits a Fund to derogate from certain of the Regulations for six (6) months from the date of its authorisation, provided that the Fund still observes the principle of risk spreading. In respect of the wind-down phase and in accordance with the terms of this Prospectus and the Articles of Association, Shareholders will be notified in advance of a Fund being wound-down. As a consequence, Shareholders may be exposed to different types of investment risk and may receive a return that is different to the return that would have been received if full compliance with the relevant investment policies and/or Regulations had been maintained (noting that there can be no assurance that any Fund will achieve its investment objective) during the launch and/or wind-down phase of a Fund.

## **Valuation Risk**

A Fund may invest a limited portion of its assets in unquoted securities. Such investment will be valued at the probable realisation value as determined in accordance with the valuation provisions set out in the Calculation of Net Asset Value/Valuation of Assets section below. Estimates of the fair value of such investments are inherently difficult to establish and are the subject of substantial uncertainty. Each Fund may, for the purpose of Efficient Portfolio Management, engage in derivative instruments in which case there can be no assurance that the valuation as determined in accordance with the valuation provisions set out in the Calculation of Net Asset Value/Valuation of Assets section below reflects the exact amount at which the instrument may be "closed out".

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

### **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.

### **Subscriptions/Redemptions Account and Settlement 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 shall rank as an unsecured creditor of the Company.

In accordance with the terms of the 'Subscription for Shares' section of this Prospectus, an applicant for Shares is obligated to make payment in respect of Shares by the relevant Settlement Date, however notwithstanding this, there remains a risk that an applicant may fail to deliver adequate funds by the Settlement Date. In such circumstances any Shares allotted to such applicant in respect of their subscription may be cancelled and the agreement with the relevant applicant shall require him/her to indemnify the Fund for all costs, losses, charges, interest and fees which the Fund has incurred in unwinding the trades affected in respect of such subscription and cancellation of allotment.

In circumstances where the Fund is unable to or fails to recover such costs, losses, charges, interest and fees (in whole or in part), the Fund (and consequently its Shareholders) will bear such costs, losses, charges, interests and fees (but shall also benefit from any gains made similarly on unwinding such transactions).

### **Investment in Financial Derivative Instruments (FDIs)**

The prices of FDIs, including futures and options, are volatile. In addition, the Company is subject to the risk of the failure of any of the exchanges on which it trades or of their clearing houses and in certain cases the counterparties with whom the trades are carried out.

The Company may purchase and sell (**write**) options on securities and currencies on a variety of securities exchanges and over-the-counter markets. The seller (**writer**) of a put option which is uncovered (i.e., the writer has a short position in the underlying security or currency) assumes the risk of an increase in the market price of the underlying security or currency above the sales price (in establishing the short position) of the underlying security or currency plus the premium received, and gives up the opportunity for gain on the underlying security or currency below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is **fully hedged** if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security or

currency below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option. If the buyer of the put holds the underlying security or currency, the loss on the put will be offset in whole or in part by any gain on the underlying security or currency.

The writer of a call option which is covered (e.g., the writer holds the underlying security or currency) assumes the risk of decline in the market price of the underlying security or currency below the value of the underlying security or currency less the premium received, and gives up the opportunity for gain on the underlying security or currency above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security or currency above the exercise price of the option. The buyer of the call option assumes the risk of losing its entire investment in the call option. If the buyer of the call sells short the underlying security or currency, the loss on the call will be offset, in whole or in part, by any gain on the short sale of the underlying security or currency. In entering into a closing purchase transaction, the company may be subject to the risk of loss to the extent that the premium paid for entering into a closing purchase transaction exceeds the premium received when the option was written.

Due to the nature of futures, cash to meet margin monies will be held by a broker with whom the Fund has an open position. In the event of the insolvency or bankruptcy of the broker, there can be no guarantee that such monies will be returned to the Fund.

Where the Funds enter into swap arrangements and derivative techniques, they will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Funds could experience delays in liquidating the position and may incur significant losses. There is also a possibility that ongoing derivative transactions will be terminated unexpectedly as a result of events outside the control of the Investment Manager, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated. In accordance with standard industry practice, it is the Investment Manager's policy to net exposures of each Fund against its counterparties.

Since many FDIs have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain FDIs have the potential for unlimited loss regardless of the size of the initial investment. If there is a default by the other party to any such transaction, there will be contractual remedies; however, exercising such contractual rights may involve delays or costs which could result in the value of the total assets of the related portfolio being less than if the transaction had not been entered. The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and as agents utilising standardised swap documentation. As a result, the swap market has become liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap. Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the Investment Manager's use of derivative techniques may not always be an effective means of, and sometimes could be counter-productive to achieving the Fund's investment objective. An adverse price movement in a derivative position may require cash payments of variation margin by the Investment Manager that might in turn require, if there is insufficient cash available in the portfolio, the sale of the relevant Fund's investments under disadvantageous conditions.

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

The prices of FDIs may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements.

### **Participatory Notes (P-Notes) Risk**

Investments in P-Notes involve the same risks associated with a direct investment in the underlying security, currency, or market that they seek to replicate, including, as applicable, foreign, emerging, and frontier risks. In addition, P-Notes are generally traded over-the-counter and are subject to counterparty risk. Counterparty risk is the risk that the issuer of the P-Note will not fulfill its contractual obligation to complete the transaction with the Fund. P-Notes constitute general unsecured contractual obligations of the banks or broker-dealers that issue them, and a Fund would be relying on the creditworthiness of such banks or broker-dealers and would have no rights under a P-Note against the issuer of the underlying assets. In addition, P-Notes may trade at a discount to the value of the underlying securities or markets that they seek to replicate. While the holder of a P-Note is entitled to receive from the issuing bank or broker-dealer any dividends or other distributions paid on the underlying securities, the holder is not entitled to the same rights as an owner of the underlying securities, such

as voting rights. P-Notes are also not traded on exchanges but are privately issued, and may be illiquid. To the extent a P-Note is determined to be illiquid, it would be subject to the Fund's limitation on investments in illiquid securities.

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

A Fund will be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in derivative instruments. To the extent that a counterparty defaults on its obligation and a Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures a Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result.

### **Correlation Risk**

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

### **Collateral Risk**

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of OTC FDI transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy. Where collateral is posted to a counterparty or broker by way of title transfer, the collateral may be re-used by such counterparty or broker for their own purpose, thus, exposing the Fund to additional risk.

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

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

### **Over-the-Counter Markets Risk**

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

### **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.

### **Efficient Portfolio Management Risk**

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

### **Taxation**

Potential investors attention is drawn to the taxation risk associated with investing in any Fund of the Company. See section headed "Taxation" below.

### **FATCA**

The United States and Ireland have entered into an intergovernmental agreement (the "IGA") to implement FATCA. 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 is 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 will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. In order to satisfy its FATCA obligations, the Company will require certain information from investors in respect of their FATCA status. If the Company becomes subject to a withholding tax as a result of the FATCA regime, the value of the Shares held by all Shareholders may be materially affected.

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

### **CRS RISK**

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed CRS to address the issue of offshore tax evasion on a global basis. Aimed at maximizing efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with other participating tax authorities in which the investors of the reporting financial institutions are tax resident on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges began in 2017. Ireland has implemented the CRS. As a result, the Company is required to comply with the CRS due diligence and reporting requirements, as adopted by Ireland. Investors may be required to provide additional information to the Company to enable the Company to satisfy its obligations under the CRS. Accordingly, there is a risk that failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or mandatory termination of its interest in the Company.

### **OECD BEPS Risk**

In 2013 the OECD published its report on Addressing Base Erosion and Profit Shifting ("BEPS") and its action plan on BEPS (the "Action Plan"). The aim of the report and Action Plan was to address and reduce aggressive

international tax planning. BEPS remains an ongoing project. On 5 October 2015, the OECD published its final reports, analyses and sets of recommendations (deliverables) with a view to implementing internationally agreed and binding rules which could result in material changes to relevant tax legislation of participating OECD countries. The final package of deliverables was subsequently approved by the G20 finance ministers on 8 October 2015. On 24 November 2016, more than 100 jurisdictions concluded negotiations on a multilateral instrument that will amend their respective tax treaties (more than 2,000 tax treaties worldwide) in order to implement the tax treaty related BEPS recommendations. The multilateral instrument was signed on 7 June 2017 and entered into force on 1 July 2018. The multilateral instrument will then enter into effect for a specific tax treaty at certain times after all parties to that treaty have ratified the multilateral instrument. The final actions to be implemented in the tax legislation of the countries in which the Company will have investments, in the countries where the Company is domiciled or resident, or changes in tax treaties negotiated by these countries, could adversely affect the returns from the Company. The multilateral instrument entered into force for Ireland on 1 May 2019.

### **United Kingdom's Withdrawal from the European Union**

The United Kingdom (the "UK") withdrew from the EU and the EEA on 31 January, 2020.

Following withdrawal from the EU, the UK has entered a transition period, during which EU law will continue to apply in the UK. New EU legislation that takes effect before the end of the transition period will also apply to the UK. The transition period will last until 31 December, 2020 but may be extended. During and following the transition period, there is likely to be considerable uncertainty as to the UK's post-transition framework, and in particular as to the arrangements which will apply to its relationships with the EU and with other countries.

This process and/or the uncertainty associated with it may, at any stage, adversely affect the Company and its investments. There may be detrimental implications for the value of the Company's investments and/or its ability to implement its investment programme. This may be due to, among other things:

- (i) increased uncertainty and volatility in UK, EU and other financial markets;
- (ii) fluctuations in asset values;
- (iii) fluctuations in exchange rates;
- (iv) increased illiquidity of investments located, listed or traded within the U.K., the EU or elsewhere;
- (v) changes in the willingness or ability of financial and other counterparties to enter into transactions, or the price at which and terms on which they are prepared to transact; and/or
- (vi) changes in legal and regulatory regimes to which the Company, certain of its assets and/or service providers are or become subject.

The UK's vote to leave the EU has created a degree of political uncertainty, as well as uncertainty in monetary and fiscal policy, which is expected to continue during the transition period. It may have a destabilising effect on some of the remaining members of the EU, the effects of which may be felt particularly acutely by Member States within the Eurozone.

The withdrawal of the UK from the EU could have a material impact on the UK's economy and its future growth, impacting adversely the Company's investments in the UK. It could also result in prolonged uncertainty regarding aspects of the UK economy and damage customers' and investors' confidence. Any of these events could have a material adverse effect on the Company.

### **Emerging Market Risks**

In the case of certain Funds there may be limited exposure to emerging markets and investors should be aware of risks attached to investing in such markets which could have a limited impact on the performance of such relevant Funds. In particular, the following risks should be noted.

#### **(a) Settlement, Credit and Liquidity Risks**

The trading and settlement practices of some of the stock exchanges or markets on which a relevant Fund may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by a Fund. Those exchanges and

markets may also have substantially less volume and generally be less liquid than those in more developed markets. In addition, a Fund will be exposed to credit risk on parties with whom it trades and will bear the risk of settlement default. The Depositary may be instructed by the Investment Manager to settle transactions on a delivery free of payment basis where the Investment Manager believes and the Depositary agrees that this form of settlement is common market practice. Shareholders should be aware, however, that this may result in a loss to a relevant Fund if a transaction fails to settle and the Depositary will not be liable to the relevant Fund or to the Shareholders for such a loss.

**(b) Regulatory Risks and Accounting Standards**

Disclosure and regulatory standards may be less stringent in certain securities markets than they are in developed countries and there may be less publicly available information on the issuers than is published by or about issuers in such developed countries. Consequently some of the publicly available information may be incomplete and/or inaccurate. In some countries the legal infrastructure and accounting and reporting standards do not provide the same degree of shareholder protection or information to investors as would generally apply in many developed countries. In particular, greater reliance may be placed by the auditors on representations from the management of a company and there may be less independent verification of information than would apply in many developed countries. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently from international accounting standards.

**(c) Political Risks**

The performance of a Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements. A Fund may also be exposed to risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership.

**(d) Custody Risks**

Local custody services remain underdeveloped in many emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances a Fund may not be able to recover or may encounter delays in the recovery of some of its assets. Such circumstances may include uncertainty relating to, or the retroactive application of legislation, the imposition of exchange controls or improper registration of title. In some emerging market countries evidence of title to shares is maintained in "book-entry" form by an independent registrar who may not be subject to effective government supervision, which increases the risk of the registration of a Fund's holdings of shares in such markets being lost through fraud, negligence or mere oversight on the part of such independent registrars. The costs borne by a Fund in investing and holding investments in such markets will generally be higher than in organised securities markets.

**(e) Currency Risks**

The currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.

**Risks associated with investment in other collective investment schemes**

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

**Integration of Sustainability Risks**

The Company is required under Article 6 (1) (a) of SFDR, to include definition in the prospectus to describe the manner in which sustainability risks are integrated into its investment decision-making process. Sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment.

The Company has delegated the day to day investment decision making for each Fund to the Investment

Manager and accordingly relies on the Investment Manager to consider how to integrate sustainability risks as appropriate into the investment process for each Fund.

Consideration of material risks arising from environmental, social, and corporate governance (ESG) factors is intrinsic to the Investment's investment process.

The Investment Manager includes into its equity security evaluation an explicit consideration of ESG risks. Competitive advantage, sustainable growth, financial strength, and quality management are the criteria by which the Investment Manager judges whether a company can sustain high returns on capital. ESG factors among other factors may pose risks to a company's ability to continue to meet one or more of these criteria. Such risks are therefore considered at each stage of the Investment Manager's investment process. For each company under coverage, the responsible analyst within the Investment Manager evaluates 38 distinct ESG risks, assigning a score to each to reflect the analyst's level of concern regarding its potential impact on the company's ability to grow profitably and sustainably. The scorecard provides a consistent framework for comparing companies' potential ESG risks across all industries and geographies.

ESG risks of material concern will affect the Investment Manager's long-term forecasts of a company's growth, margins, capital intensity, and competitive position. In addition, a company's overall ESG score is an input into the Investment Manager's valuation model that influences the projected duration of future cash flow growth.

The Investment Manager believes only companies that can create substantial long-term value are capable of producing meaningful "shared value" for the benefit of larger society as well as for shareholders and other direct stakeholders. Therefore its investment process, by its design, eschews companies pursuing short-term profits at the expense of long-term growth and stability by engaging in unsustainable business practices, including practices with negative externalities with respect to environmental and social factors, which place them at greater risk of adverse public policy or marketplace changes.

As outlined above, the Investment Manager takes account of ESG risks pertaining to an investment and the potential impact of such risks on its return. Such risks are considered at each stage of the Investment Manager's investment process. The Investment Manager believes that consideration of ESG risks as part of the investment process is a necessary aspect of making long-term forecasts of a company's growth, margins, capital intensity and competitive position. By taking ESG risks into consideration in its investment decision making, the intention of the Investment Manager is to manage such risks in a way that their impact on the performance of the Funds over and above the impact of the risks that are highlighted in this Prospectus under "Risk Factors" is not material.

### **Depository Risk**

If a Fund invests in assets that are financial instruments that can be held in custody ("**Custody Assets**"), the Depository 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 Depository 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 Depository is only required to verify the Fund's ownership of such assets and to maintain a record of those assets which the Depository is satisfied that the Fund holds ownership of. In the event of any loss of such assets, the Depository 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 Depository 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 Depository in relation to the respective categories of assets and the corresponding standard of liability of the Depository applicable to such functions differs significantly.

The Funds enjoy a strong level of protection in terms of Depository 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 Depository



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.

### **Legal and Regulatory Risks**

Legal and regulatory (including taxation) changes could adversely affect the Company. Regulation (including taxation) of investment vehicles such as the Company is still evolving and therefore subject to change. In addition, many governmental agencies, self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The effect of any future legal or regulatory (including taxation) change on the Company is impossible to predict, but could be substantial and have adverse consequences on the rights and returns of Shareholders.

### **Incentive Fees**

The Investment Manager may be entitled to an incentive fee as set out in the Supplement for the relevant Fund. Such incentive fees shall be based on the net realised and net unrealised gains and losses at the end of each calculation period and as a result, incentive fees may be paid on unrealised gains which may subsequently never be realised.

### **Hong Kong-Shanghai and Shenzhen Stock Connect Risk Factors**

#### **(a) China Connect Risks**

A Fund may invest in certain eligible securities listed and traded on the Shanghai Stock Exchange (“**China Connect Securities**”) through China Connect. China Connect is a securities trading and clearing programme developed by The Stock Exchange of Hong Kong Limited (“**SEHK**”), the Shanghai Stock Exchange (“**SSE**”), Hong Kong Securities Clearing Company Limited (“**HKSCC**”) Shenzhen Stock Exchange (“**SZSE**”) and China Securities Depository and Clearing Corporation Limited (“**ChinaClear**”) for the establishment of mutual market access between SEHK and SSE. A Fund may trade and settle select securities listed on the SSE through the SEHK, HKSCC and SZSE trading link (such trading can be termed “**Northbound**”).

No individual investment quotas apply to investors in China Connect Securities through China Connect. In addition, there are no lock-up periods or restrictions on the repatriation of principal and profits.

Nonetheless, trading through China Connect is subject to a number of restrictions which may impact a Fund’s investments. In particular, it should be noted that China Connect is in its initial stages. Further developments are likely and there is no assurance as to whether or how such developments may restrict or affect a Fund’s investments.

In addition, the application and interpretation of the laws and regulations of Hong Kong and the People’s Republic of China (“**PRC**”) and the rules, policies or guidelines published or applied by any regulator which regulates China Connect and activities relating to China Connect (including without limitation, the China Securities Regulatory Commission (“**CSRC**”), the People’s Bank of China, the State Administration of Foreign Exchange, the Securities and Futures Commission, the Hong Kong Monetary Authority or any other regulator, agency or authority with jurisdiction, authority or responsibility in respect of China Connect), or any exchange, clearing system or other entity which provides services relating to China Connect (including without limitation, the SEHK and any relevant subsidiary, HKSCC, SZSE, SSE or ChinaClear) (“**China Connect Rules**”) from time to time in respect of China Connect or any activities arising from China Connect is untested and there is uncertainty as to how they will be applied.

#### **(b) Home Market Rules**

A fundamental principle of trading securities through China Connect is that the laws and rules of the home market of the applicable securities shall apply to investors in such securities. In respect of China Connect Securities, Mainland China is the home market and thus investors in China Connect Securities should observe Mainland China securities regulations, SSE listing rules and other rules and regulations. If SSE rules or other PRC law requirements are breached, SSE has the power to carry out an investigation, and may, through SEHK exchange participants, require such exchange participants to provide information about investors, which may include the Funds, and assist in investigations.

Nevertheless, certain Hong Kong legal and regulatory requirements will also continue to apply to the trading of China Connect Securities.

**(c) Pre-trade Checking; No Naked Short Selling**

PRC laws prohibit any naked short selling of A Shares. Therefore the SSE checks that in respect of any sell orders given by an investor, the investor holds sufficient China Connect Securities to be able to fulfil such a sell order. It should be noted that this requirement affects investors who hold China Connect Securities through their account with their brokers in Hong Kong through China Connect. This is because under the China Connect Rules, the SEHK is also required to check that in respect of any Northbound sell orders given by an exchange participant, the relevant exchange participant holds sufficient China Connect Securities to be able to fill such Northbound sell orders.

Pre-trade checking will be carried out at the start of each day on which SEHK is open for Northbound trading (“**Trading Day**”). Accordingly, a broker through whom the relevant Fund places a sell order may reject a sell order if the relevant Fund does not have sufficient China Connect Securities in its account by the applicable cut off time specified by that broker or if there has been a delay or failure in the transfer of the relevant China Connect Securities to any clearing account of the broker.

**(d) Aggregate and Daily Renminbi (“RMB”) Quotas**

Buy orders are subject to aggregate and daily RMB quotas that apply to the market in general. The aggregate quota caps the absolute amount of funds inflow into the PRC under Northbound trading at a specified level (“**Aggregate Quota**”). The daily quota caps the net buy value of cross boundary trades under China Connect on each Trading Day (“**Daily Quota**”). The Aggregate Quota and/or the Daily Quota may change from time to time without prior notice. The SEHK and the SSE may also set pricing and other restrictions on buy orders in order to prevent the artificial use or filling of the Aggregate Quota or Daily Quota.

If Northbound trading is suspended as a result of a breach of the Aggregate or the Daily Quotas, brokers will be unable to carry out any buy orders and any instructions to buy that have been submitted but not yet executed may be rejected. In addition, it is possible for the SEHK to subsequently reject the order even after the broker has accepted it for execution in the event that the Aggregate or Daily Quotas have been exceeded. It is notable that under the SEHK rules, a Fund may sell its China Connect Securities regardless of whether there has been a breach of the Aggregate or Daily Quotas.

**(e) Suspension, Restriction and Cessation of Operation of China Connect**

SEHK (or any relevant subsidiary) may, under certain circumstances as specified in the SEHK rules, temporarily suspend or restrict all or part of the order-routing and related supporting services with regard to all or any Northbound trading of China Connect Securities, and for such duration and frequency as SEHK may consider appropriate. SEHK has absolute discretion to change the operational hours and arrangements of China Connect at any time and without advance notice, whether on a temporary or permanent basis, due to operational needs, inclement weather, under emergency situations or otherwise. Moreover, SEHK (or any relevant subsidiary) may cease the provision of the China Connect Northbound trading service permanently.

**(f) Suspension of Trading on A Shares and H Shares**

The SEHK rules state that where any H Shares with corresponding A Shares accepted as China Connect Securities are suspended from trading on SEHK but the China Connect Securities are not suspended from trading on the SSE, the service for routing the China Connect Securities sell orders and China Connect Securities buy orders for such China Connect Securities to the SSE for execution will normally remain available. However, SEHK may, in its discretion, restrict or suspend such service without prior notice and the relevant Fund’s ability to place sell orders and buy orders may be affected.

**(g) No Off-Exchange Trading and Transfers**

Unless otherwise provided by the CSRC, China Connect Securities may not be sold, purchased or otherwise transferred in any manner otherwise than through China Connect in accordance with the China Connect Rules. Accordingly, there may be a limited market and/or lower liquidity for China Connect Securities purchased through China Connect (as compared to the same shares purchased through other channels). In addition, any scrip entitlements received by a Fund in respect of China Connect Securities are not eligible for trading through China Connect. Accordingly, there is a risk of low or even no liquidity for such shares received by way of scrip entitlement.

**(h) No Day Trading**

Day (turnaround) trading is not permitted on the PRC's A share market. If a Fund buys China Connect Securities on T day, it can only sell the China Connect Securities on or after settlement has been completed (normally on T+1 day).

**(i) Placing Orders**

Only limit orders with a specified price are allowed pursuant to China Connect Rules, where buy orders may be executed at or lower than the specified price and sell orders may be executed at or higher than the specified price. Market orders will not be accepted.

**(j) No Manual Trade or Block Trade**

There will be no manual trade or block trade facility for Northbound trading under China Connect.

**(k) Rejection of orders**

There may be circumstances when SEHK, on SSE's request, may require a SEHK exchange participant to reject orders from the relevant Fund.

**(l) Warning statements**

SSE may ask SEHK to require SEHK exchange participants to issue warning statements (verbally or in writing) to the relevant Fund and may require participants not to extend trading in China Connect Securities to the relevant Fund.

**(m) Ownership**

Hong Kong law recognises the proprietary interest of investors in shares held for them by their broker or custodian in the Central Clearing and Settlement System. Such recognition should apply equally to China Connect Securities held for Hong Kong and overseas investors by the relevant Clearing Participant through HKSCC. In addition, in the PRC (where China Connect Securities are registered in a securities account opened with ChinaClear in the name of HKSCC), it is expressly stipulated in the "Several Provisions on the Pilot Program of Shanghai-Hong Kong Stock Market Connect" (as promulgated by CSRC to prescribe the launch and operation of the China Connect) that HKSCC acts as the nominee holder and the Hong Kong and overseas investors own the rights and interests with respect to the China Connect Securities. Accordingly, the regulatory intention appears to be that Hong Kong and overseas investors (including the relevant Funds) should also have proprietary rights over China Connect Securities under PRC laws, although this cannot be guaranteed.

However, as China Connect is a recent initiative there may be some uncertainty surrounding such arrangements. In addition, while Hong Kong and overseas investors (including the relevant Funds) may have proprietary rights over China Connect Securities, they must act through HKSCC as nominee in order to enforce such rights in accordance with its rules.

In the event HKSCC is insolvent, the China Connect Securities should not form the bankruptcy estate of HKSCC. Insolvency proceedings will be governed by Hong Kong laws, and it is expected (but is not entirely certain) that ChinaClear and PRC courts will recognise the power of the liquidator duly appointed under Hong Kong law in relation to the China Connect Securities.

**(n) Operational Hours and Contingency Events**

SEHK has absolute discretion to determine from time to time the operational hours of China Connect, and will have absolute discretion to change the operational hours and arrangements of China Connect at any time and without advance notice. SEHK exchange participants have the right to cancel China Connect orders in case of contingency events such as a typhoon. In the event of a contingency and if SEHK loses communication lines with China Connect, SEHK exchange participants may not be able to send in client order cancellations for China Connect Securities and the relevant Fund will still bear settlement obligations if the orders are matched and executed.

**(o) Investigations and warnings**

If the SSE rules or any applicable Mainland China securities laws and regulations are breached, SSE has the

power to carry out an investigation and may, through SEHK, require SEHK exchange participants to provide information to SEHK for investigation purposes.

(p) **Liability**

Hong Kong Exchanges and Clearing Limited, SEHK, SSE, their respective subsidiaries, directors, employees and agents shall not bear responsibility for losses or damage resulting directly or indirectly from or in connection with investments in China Connect Securities.

(q) **Foreign Ownership Limits**

Under PRC laws, there is a limit to how many shares a single foreign investor is permitted to hold in a single PRC-listed company, and also a limit to the maximum combined holdings of all foreign investors in a single PRC-listed company. Such foreign ownership limits may be applied on an aggregate basis (i.e. across both domestically and overseas issued shares of the same listed company, whether the relevant holdings are through Northbound trading or other investment channels). The single foreign investor limit is currently set at 10% of the shares of a PRC-listed company and the aggregate foreign investor limit is currently set at 30% of the shares of a PRC-listed company. Such limits are subject to change from time to time.

If the foreign ownership limits are breached, SSE will notify SEHK and, on a last-in-first-out basis, SEHK will identify the relevant trades involved and require the relevant exchange participants to require the investors concerned (which could include a Fund) to sell the shares within the timeframe stipulated by SEHK. If the relevant investors fail to sell their shares, exchange participants are required to force-sell the shares for the relevant investors in accordance with the China Connect Rules.

(r) **PRC Tax Risk**

Under current regulations in the PRC, foreign investors may invest in A-Shares listed on the SSE and SZSE and certain other investment products in the PRC.

Under current PRC Enterprise Income Tax Law (“**PRC EIT law**”) and regulations, any entity considered to be a tax resident of the PRC would be subject to PRC enterprise income tax (“**EIT**”) at the rate of 25% on its worldwide taxable income. If an entity were considered to be a non-resident enterprise with a “permanent establishment” in the PRC, it would be subject to PRC EIT at the rate of 25% on the profits attributable to the permanent establishment. The Company, intends to operate in a manner that will prevent them from being treated as tax residents of the PRC and from having a permanent establishment in the PRC, though this cannot be guaranteed. It is possible, however, that the PRC could disagree with such an assessment or that changes in PRC tax law could affect the PRC EIT status of the Company.

If the entity is a non-PRC tax resident enterprise without permanent establishment in the PRC, the PRC-sourced income (including cash dividends, distributions, interest and capital gains) derived by it from any investment in PRC securities would be subject to PRC withholding income tax (“**WHT**”) at the rate of 10% unless exempt or reduced under the PRC EIT Law or a relevant tax treaty.

The Company may also potentially be subject to PRC value-added tax at the rate of 6% on capital gains derived from trading of A-Shares. In addition, urban maintenance and construction tax (currently at rates ranging from 1% to 7%), educational surcharge (currently at the rate of 3%) and local educational surcharge (currently at the rate of 2%) (collectively the “**Surtaxes**”) are imposed based on value-added tax liabilities.

Pursuant to Caishui [2018] No. 108 (“**Notice 108**”), foreign institutional investors are exempt from EIT on bond interest income derived from November 7, 2018 to November 6, 2021. Such EIT exemption would not be applicable if the bond interest derived is connected with the foreign institutional investors’ establishment or place in the PRC. In respect of bond interest income derived by foreign institutional investors, PRC value-added tax is exempted from November 7, 2018 to November 6, 2021 pursuant to Notice 108.

Pursuant to Caishui [2014] No. 81 (“**Notice 81**”), Notice 36 and Caishui [2016] No. 127 (“**Notice 127**”), foreign investors investing in China A-Shares listed on the SSE through the China Connect and those listed on the SZSE through the China Connect would be temporarily exempt from PRC EIT and value-added tax on the gains on disposal of such A-Shares. Dividends would be subject to PRC EIT on a withholding basis at 10%, unless reduced under a double tax treaty with China upon application to and obtaining approval from the competent tax authority.

Stamp duty under the PRC laws (“**Stamp duty**”) generally applies to the execution and receipt of taxable

documents, which include contracts for the sale of China A-Shares traded on PRC stock exchanges. In the case of such contracts, PRC Stamp Duty is currently imposed on the seller but not on the purchaser, at the rate of 0.1%. The sale or other transfer by the Fund of A-Shares will accordingly be subject to PRC Stamp Duty, but the Fund will not be subject to PRC Stamp Duty when it acquires A-Shares.

Shareholders should note that the above disclosure has been prepared based on an understanding of the laws, regulations and practice in the PRC in-force as of the date of this Prospectus.

Shareholders should seek their own tax advice on their own tax position with regard to their investment in the relevant Funds.

It is possible that the current tax laws, regulations and practice in the PRC will change, including the possibility of taxes being applied retrospectively, and that such changes may result in higher taxation on PRC investments than is currently contemplated.

### **Risk Factors Not Exhaustive**

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

Additional risk factors (if any) in respect of each Fund are set out in the Supplement for the relevant Fund.

### **Harding Loevner Funds plc**

#### **Directors of the Company**

The Directors control the affairs of the Company and are responsible for the formulation of investment objectives and policies of each Fund. The Directors have delegated certain of their duties to the Administrator, the Investment Manager and the Distributor and have appointed the Depositary.

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.

The Directors of the Company are described below:-

#### **David Loevner**

David Loevner, a resident of the United States of America, is Chief Executive Officer of Harding Loevner LP. Initially graduating A.B. summa cum laude from Princeton University in 1976 he further obtained both an M. Sc. Statistics (1977) and a B.Phil. Economics (1978) from the University of Oxford. Prior to jointly founding Harding Loevner in 1989, he was a manager at Rockefeller & Co Inc from 1981 to 1989, of which the last two years were spent as Managing Director of its Hong Kong subsidiary. From 1978 to 1981 Mr. Loevner served as a Country Economist for Brazil with the World Bank. Mr. Loevner holds a Chartered Financial Analyst® designation and is a Chartered Investment Counsellor.

#### **Ryan Bowles**

Ryan Bowles, a resident of the United States of America, is Product Manager of Harding Loevner LP. Mr. Bowles joined Harding Loevner in 2010 and became a product specialist for the firm's UCITS funds beginning in 2012. As part of his responsibilities for the Investment Manager, Mr. Bowles manages the Fund's distribution efforts, oversees its service provider relationships, and governs its risk management framework. Mr. Bowles received his Bachelors of Science in Business Administration from Villanova University (cum laude) in 2009 and earned his Chartered Financial Analyst® designation in 2014.

#### **Mike Kirby**

Mike Kirby, Irish resident, is Managing Principal of KB Associates, a firm which provides a range of advisory and project management services to the promoters of off-shore mutual funds. He has held senior positions at Bank of New York (previously RBS Trust Bank) (1995-2000) where he was responsible for the establishment and management of its investor servicing business in Ireland. Prior to this he was Vice President product management & marketing global securities services with J P Morgan (previously Chase Manhattan Bank) (1993-1995) in London and prior to this he was responsible for the establishment of Daiwa Securities fund administration business in Dublin (1989-1993). From 2000-2002 he was a Senior Vice President of MiFund Inc, a privately owned mutual funds supermarket incorporated in the USA, and Managing Director of MiFund Services Limited its wholly owned Irish subsidiary. Mr. Kirby holds a Bachelor of Commerce (Hons) from University College Dublin and is a Fellow of the Institute of Chartered Accountants in Ireland. He was a founder member of the Irish Funds Industry Association.

#### **Jim Cleary**

Jim Cleary, Irish resident, is an independent non-executive director of a number of mutual fund companies and of a number of companies operating in the Ireland's International Financial Services Centre. He has worked in public practice in London and Luxembourg focusing on the financial services sector from 1986 to 1990. He has focused directly on fund management since 1990 and has established and managed fund management offices as Head of Compliance and Regulatory Reporting in Luxembourg and Toronto for State Street Bank from February 1990 to October 1993, as director of finance of PFPC, Dublin from October 1993 to June 1997, and as Managing Director of SEI Investments, Dublin from June 1997 to June 2002. Mr. Cleary was a committee

member of the Irish Funds Industry Association and a member of the Alternative Investment Management Association. He has written and lectured within the industry. He is a Fellow of the Chartered Association of Certified Accountants and received an MBA (cum laude) from the University of Limerick.

No Director has:

- (i) any unspent convictions in relation to indictable offences; or
- (ii) been bankrupt or the subject of an involuntary arrangement, or has had a receiver appointed to any asset of such Director; or
- (iii) been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangements with its creditors generally or with any class of its creditors; or
- (iv) been a partner of any partnership, which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
- (v) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
- (vi) been disqualified by a court from acting as a director or from acting in the management or conduct of the affairs of any company.

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

The Company has delegated the day to day investment management and administration of the Company to the Investment Manager and the Administrator respectively and the custody of the assets of each Fund to the Depositary. Consequently, all Directors of the Company in relation to the Company are non-executive.

### **Investment Manager**

The Company has appointed Harding Loevner LP to provide certain investment related services to the Company. The Investment Manager was organized in Delaware, United States of America in July 2009. The Investment Manager's most recent predecessor (Harding Loevner LLC) was organised in Delaware, United States of America in June 2008. The Investment Manager's prior predecessor was organized in New Jersey, United States of America in March 1989. The Investment Manager is authorized and regulated by the Securities and Exchange Commission (SEC) and is headquartered in Bridgewater, New Jersey, USA. As of 31 December 2019, the Investment Manager managed approximately \$72.85 billion in assets.

The Investment Manager is authorised by the SEC to provide investment management and advisory services and will provide the Company with investment management and advisory services in relation to the investments of each Fund and will act with day to day authority, power and responsibility for the investments in accordance with the investment objectives and policies set out in the Supplement for the relevant Fund.

### **Promoter**

The Promoter of the Company is Harding Loevner LP. Please see the "Investment Manager" section above for further details on the Promoter.

### **Distributor**

The Distributor of the Company is Harding Loevner LP. Please see the "Investment Manager" section above for further details on the Distributor.

### **Depositary**

The Company has appointed Northern Trust Fiduciary Services (Ireland) Limited to act as the depositary to the Company. The Depositary is a private limited liability company incorporated in Ireland on 5 July 1990. Its main activity is the provision of custodial services to collective investment schemes. The Depositary is an indirect

wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 30 September 2017, the Northern Trust Group's assets under custody totalled in excess of US\$7.8 trillion.

The principal activity of the Depositary is to act as depositary and trustee to collective investment schemes.

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

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

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

Under the terms of the Depositary Agreement, the Depositary may delegate its safekeeping obligations provided that (i) the services are not delegated with the intention of avoiding the requirements of the UCITS Requirements, (ii) the Depositary can demonstrate that there is an objective reason for the delegation and (iii) the Depositary has exercised all due, skill, care and diligence in the selection and appointment of any third party to whom it wants to delegate parts of the Services, and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated parts of its safekeeping services and of the arrangements of the third party in respect of the matters delegated to it. The liability of the Depositary will not be affected by virtue of any such delegation.

The Depositary has delegated to its global sub-custodians, responsibility for the safekeeping of the Company's financial instruments and cash and the global sub-custodians propose to further delegate these responsibilities to sub-delegates.

The Depositary Agreement provides that the Depositary shall be liable, (i) in respect of a loss of a financial instrument held in its custody (or that of its duly appointed delegate) unless it can prove that the loss has arisen as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable measures to the contrary, and (ii) in respect of all other losses as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Regulations.

#### *Summary of Oversight Obligations:*

The Depositary is obliged to ensure, among other things, that:

- the sale, issue, redemption and cancellation of Shares effected on behalf of the Company are carried out in accordance with the Central Bank Rules and the Articles;
- the value of Shares is calculated in accordance with the Central Bank Rules and the Articles;
- in transactions involving the Company's assets, any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction;
- the Company and each Fund's income is applied in accordance with the Central Bank Rules and the Articles;
- the instructions of the Company are carried out unless they conflict with the Central Bank Rules and the Articles; and
- it has enquired into the conduct of the Company in each Accounting Period and reports thereon to the Shareholders. The Depositary's report will be delivered to the Company in good time to enable the Directors to include a copy of the report in the annual report of each Fund. The Depositary's report will state whether in the Depositary's opinion each Fund has been managed in that period:
  - (i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund imposed by the Articles and/or the Central Bank Rules; and



- (ii) otherwise in accordance with the provisions of the Companies Act and the Articles.

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

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

Up-to-date information regarding the Depositary, the Depositary's duties, any conflicts of interest that may arise and any safe-keeping functions delegated by the Depositary (including the delegates, sub-delegates and conflicts of interest arising from such a delegation) will be made available to investors upon request. A list of global sub-custodians and delegates of the global sub-custodians is set out at Appendix II.

### **Administrator**

Northern Trust International Fund Administration Services (Ireland) Limited has been appointed by the Company to act as administrator, registrar and transfer agent under the terms of the Administration Agreement as described in Material Contracts.

The Administrator is a private limited liability company incorporated in Ireland on 15 June 1990 and is an indirect wholly owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 30 September 2017, the Northern Trust Group's assets under custody totalled in excess of US\$7.8 trillion. The principal business activity of the Administrator is the administration of collective investment schemes.

The duties and functions of the Administrator include, inter alia, the calculation of the Net Asset Value and the Net Asset Value per Share, the keeping of all relevant records in relation to the Company as may be required with respect to the obligations assumed by it pursuant to the Administration Agreement, the preparation and maintenance of the Company's books and accounts, liaising with the Auditor in relation to the audit of the financial statements of the Company and the provision of certain Shareholder registration and transfer agency services in respect of shares in the Company.

The Administrator is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Company and is not responsible for the preparation of this document other than the preparation of the above description and accepts no responsibility or liability for any information contained in this document except disclosures relating to it.

As at the date of this Prospectus, the Administrator is not aware of any conflicts of interest in respect of its appointment as administrator to the Company. If a conflict of interest arises, the Administrator will ensure it is addressed in accordance with the Administration Agreement, applicable laws and in the best interests of the Shareholders.

### **Paying Agents/Representatives/Distributors**

Local laws or regulations in certain EEA jurisdictions may require that the Company appoints a local Paying Agent and/or other local representatives. The role of the Paying Agent may entail, for example maintaining accounts through which subscription and redemption proceeds and dividends are paid. Investors who choose or are obliged under local regulations to pay/receive subscription/redemption monies via the intermediary entity rather than directly to the Administrator or the Company bear a credit risk against that entity with respect to a) subscription monies prior to the transmission of such monies to the Depositary for the account of the Company and b) redemption monies payable by such intermediate entity to the relevant investor. The appointment of a Paying Agent (including a summary of the agreement appointing such Paying Agent) may be detailed in a Country Supplement.

Fees and expenses of Paying Agents and/or other local representatives, which will be at normal commercial rates, will be borne by the relevant Fund(s). Fees payable to the Paying Agents and/or other local representatives which are based on Net Asset Value will be payable only from the Net Asset Value of the relevant Fund(s) attributable to the relevant Class(es), all Shareholders of which Class(es) are entitled to avail of the services of the Paying Agents and/or other local representatives.

## **Portfolio Transactions and Conflicts of Interest**

Subject to the provisions of this section the Company, the Directors, the Investment Manager, the Distributor, the Administrator, the Depositary, any Sub-Distributor, any Shareholder and any of their respective subsidiaries, affiliates, associates, agents or delegates (each a **Connected Person**) may contract or enter into any financial, banking or other transaction with one another or with the Company. This includes, without limitation, investment by the Company in securities of any Connected Person or investment by any Connected Persons in any company or bodies any of whose investments form part of the assets comprised in any Fund or be interested in any such contract or transactions. In addition, any Connected Person may invest in and deal in Shares relating to any Fund or any property of the kind included in the property of any Fund for their respective individual accounts or for the account of someone else. The appointment of the Investment Manager, Administrator, Depositary and any Distributor in their primary capacity as service providers to the Company are excluded from the scope these Connected Party requirements.

Any cash of the Company may be deposited, subject to the provisions of the Central Bank Acts, 1942 to 1998, of Ireland as amended by the Central Bank and Financial Services Regulatory Authority of Ireland Acts, 2003 to 2004 with any Connected Person or invested in certificates of deposit or banking instruments issued by any Connected Person. Banking and similar transactions may also be undertaken with or through a Connected Person.

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

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

The Investment Manager may also, in the course of its business, have potential conflicts of interest with the Company in circumstances other than those referred to above. The Investment Manager will, however, have regard in such event to its obligations under the Investment Management Agreement and, in particular, to its obligations to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise and will ensure that such conflicts are resolved fairly as between the Company, the relevant Funds and other clients. The Investment Manager will ensure that investment opportunities are allocated on a fair and equitable basis between the Company and their other clients. In the event that a conflict of interest does arise the directors of the Investment Manager will endeavour to ensure that such conflicts are resolved fairly.

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

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

Potential conflicts of interest may arise from time to time from the provision by the Depositary and/or its affiliates of other services to the Company and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, trustee, custodian and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Company and/or other funds for which the Depositary (or any of its affiliates) act.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the Company and will treat the Company and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the Company than if the conflict or potential conflict had not existed. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of the Depositary's functions from its other potentially conflicting tasks and by the Depositary adhering to its "Conflicts of Interest Policy" (a copy of which can be obtained on request from the head of compliance for the Depositary).

Each Connected 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.

### **Organisational Requirements and Conduct of Business Rules**

As a self-managed UCITS authorised by the Central Bank, the Company is subject to a range of organisational requirements as prescribed in the Regulations and/or imposed by the Central Bank. The Company has put in place a business plan (the "**UCITS Business Plan**") in order to reflect how it meets these organisational requirements and effectively conducts its business within the requirements of the Regulations and the Central Bank Rules. The UCITS Business Plan contains detailed disclosure on how the Company provides for the discharge of the UCITS key management functions.

The Company is also required to put in place a range of measures in relation to conduct of business rules and procedures. Accordingly, the Company has established, implemented and will maintain appropriate policies and procedures in relation to the following aspects of its business, in accordance with the relevant requirements outlined in the Regulations and the Central Bank Rules:

- **Investment due diligence** – outlining the measures taken by the Company with respect to the due diligence carried out in the selection and ongoing monitoring of investments.
- **Handling of subscription and redemption orders** – outlining the reporting obligations of the Company in respect of the execution of subscription and redemption orders.
- **Recording of portfolio transactions and subscription and redemption orders** – outlining the measures applied by the Company to record information sufficient to reconstruct portfolio transactions and to record specific details in relation to each subscription and redemption order.
- **Best execution** – outlining measures taken by the Company when executing trades/placing dealing orders, in the best interests of the relevant Fund and its shareholders and demonstrating the taking of all reasonable steps to obtain the best possible result for the relevant Fund, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, or any other consideration relevant to the trade/order.
- **Order handling and order aggregation** – outlining measures taken by the Company to provide for the prompt, fair and expeditious execution of portfolio transactions on behalf of the relevant Fund and conditions applicable when aggregating a Fund's orders with others.
- **Complaints handling** – outlining the Company's effective and transparent procedures for the reasonable and prompt handling of complaints received from investors, noting that information regarding such procedures shall be made available to investors on request, free of charge.
- **Inducements** – outlining conditions applicable to the payment or receipt by the Company of any fee, commission or non-monetary benefit.

- **Personal transactions** – outlining measures aimed at preventing the occurrences of prescribed types of personal transactions between the Company and any relevant person (i.e. a person involved in activities that may give rise to a conflict of interest or who has access to inside information/confidential information relating to the Company).
- **Accounting procedures** – setting out measures applied by the Company to determine that the calculation of the Net Asset Value of each Fund is accurately effected, on the basis of the accounting, and that subscription and redemption orders can be properly executed at that Net Asset Value.
- **Business continuity** - outlining measures aimed at ensuring, in the case of an interruption to the Company's systems and procedures, the preservation of essential data and functions, and the maintenance of services and activities, or, where that is not possible, the timely recovery of such data and functions and the timely resumption of their services and activities.
- **Recordkeeping** - outlining measures aimed at providing for the retention of records for a period of at least five years.
- **Electronic data processing** – outlining the arrangements made by the Company for suitable electronic systems so as to permit a timely and proper recording of each portfolio transaction or subscription or redemption order and providing a high level of security during the electronic data processing as well as integrity and confidentiality of the recorded information, as appropriate.
- **Risk management** – reflecting the terms of the Company's documented risk management policy which identifies the risks each Fund is or might be exposed to. The risk management policy comprises such procedures as are necessary to enable the Company to assess for each Fund the exposure of that Fund to market, liquidity and counterparty risks, and the exposure of each Fund to all other risks, including operational risks, which may be material.
- **Exercise of voting rights** – outlining the Company's strategies for determining when and how voting rights attached to instruments held by the relevant Fund are to be exercised, to the exclusive benefit of the Fund and its Shareholders, noting that (a) a summary description of such strategies shall be made available to Shareholders on request and (b) details of the actions taken on the basis of those strategies shall be made available to Shareholders on request, free of charge.
- **Conflicts of interest** – outlining how the Company identifies circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of the Company and the procedures to be followed and measures to be adopted in order to manage such conflicts.

As reflected elsewhere in this Prospectus and more fully described in the UCITS Business Plan, the Company has delegated administration, investment management and distribution functions to third party service providers and appointed an independent depository. Where any of the functions highlighted above are delegated in the manner described, the Company will take all reasonable measures necessary with the aim of ensuring that the relevant delegate/third party service provider has taken the appropriate measures in order to comply with the relevant UCITS organisational requirements/conduct of business rules on the Company's behalf.

## **SUBSCRIPTION FOR SHARES**

### **Purchases of Shares**

Under the Articles, the Directors are given authority to effect the issue of Shares and to create new classes of Shares (in accordance with the Central Bank Rules) and have absolute discretion to accept or reject in whole or in part any application for Shares. Provided applications are received before the valuation point, the Directors may at their sole discretion accept a subscription application and / or subscription monies after the relevant dealing deadline.

Issues of Shares will normally be made with effect from a Dealing Day in respect of applications received on or prior to the Dealing Deadline. Dealing Days and Dealing Deadlines relating to each Fund are specified in the relevant Supplement.

Applications for Shares should be made by submitting the written Application Form, or by electronic means (such as an application via a Recognised Clearing System). Where an applicant fails to provide any of the supporting documentation required for anti-money laundering verification purposes, any request by such applicant to repurchase Shares (and, where relevant, the automatic re-investment of such applicant's dividends) shall be processed but the relevant redemption proceeds shall not be paid out until the Administrator has received the supporting documentation required and all of the necessary anti-money laundering checks have been completed to the satisfaction of the Directors. Any change to a Shareholder's registration details or payment instructions may also be made in writing or by such other electronic means.

Following the initial application, subsequent requests, whether by facsimile, attachment of the dealing form to an e-mail, or by the electronic means noted above, will be treated by the Administrator as definite orders even if not subsequently confirmed by letter after acceptance by the Administrator and will not be capable of withdrawal, subject to the discretion of the Directors and in consultation with the Administrator. Applications received after the Dealing Deadline for the relevant Dealing Day shall, unless the Administrator and the Directors shall otherwise agree and provided they are received before the Valuation Point for the relevant Dealing Day, be deemed to have been received by the next Dealing Deadline. The Company will accept subscriptions from prospective Shareholders only after completion of all applicable customer due diligence measures have been completed in accordance with applicable laws.

The Company will deem it appropriate to complete customer due diligence measures during the establishment of the business relationship only in circumstances where applying such measures prior to establishing the business relationship would interrupt the normal conduct of business and where it is assessed that there is no real risk that the prospective Shareholder is involved in money laundering or terrorist financing. The Company therefore ensures that it does not accept subscriptions from a prospective Shareholder for which all customer due diligence measures have not been completed and where there is any real risk of money laundering or terrorist financing.

Furthermore, and for the avoidance of doubt, the Company will not apply the exemption to completion of customer due diligence measures prior to establishing the business relationship in the following circumstances:

- The prospective Shareholder is registered or resident in a jurisdiction which has been designated under applicable laws as a place having inadequate procedures for the detection of money laundering or terrorist financing;
- There are reasonable grounds to suspect the prospective Shareholder is involved in, or the service or transaction sought by the prospective Shareholder, is for the purpose of, money laundering or terrorist financing;
- There is an obligation to apply enhanced customer due diligence measures in respect of the prospective Shareholder as it has been identified as being – or being beneficially owned by - a politically exposed person or an immediate family member, or a close associate of, a politically exposed person.

If, at any time, the conditions attaching to the acceptance of subscriptions as outlined here are not met, the account of the Shareholder or prospective Shareholder concerned will be blocked for subscriptions and

redemptions pending the completion of all necessary customer due diligence measures. As necessary, the Company will also comply with its obligation to make a report to authorities where there are reasonable grounds to suspect that another person is, or has been engaged, in money laundering or terrorist financing.

The Minimum Initial Investment Amount for Shares of each Fund that may be subscribed for by each investor on initial application and the Minimum Shareholding of Shares of each Fund is set out in the Supplement for the relevant Fund. The Directors maintain the discretion to waive any Minimum Initial Investment Amount or Minimum Shareholding applicable in relation to any Class with respect to specific transactions or accounts and to delegate the exercise of this discretion to the Investment Manager or such other parties as they deem appropriate.

Fractions of Shares up to three decimal places may be issued. Subscription monies representing smaller fractions of Shares will not be returned to the applicant but will be retained as part of the assets of the relevant Fund.

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

If an application is rejected, the Administrator at the cost and risk of the applicant will, subject to any applicable laws, return application monies or the balance thereof, without interest, by telegraphic transfer to the account from which it was paid within five Business Days of the rejection.

### **Issue Price**

During the Initial Offer Period for each Fund, the Initial Issue Price for Shares in the relevant Fund shall be the amount set out in the Supplement for the relevant Fund.

The issue price at which Shares of any Fund will be issued on a Dealing Day after the Initial Offer Period is calculated by ascertaining the Net Asset Value per Share of the relevant class on the relevant Dealing Day.

### **Payment for Shares and Subscriptions/Redemptions Account**

Payment in respect of the issue of Shares must be made by the relevant Settlement Date by telegraphic transfer to the Subscriptions/Redemptions Account in cleared funds in the Base Currency of the relevant Fund. The Administrator may, at its discretion, accept payment in other currencies, but such payments will be converted into the relevant Base Currency at then prevailing exchange rate available to the Administrator and only the net proceeds (after deducting the conversion expenses) will be applied towards payment of the subscription moneys. This may result in a delay in processing the application.

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.

If payment in full has not been received in cleared funds into the Subscriptions/Redemptions Account by the Settlement Date, or in the event of non-clearance of funds, the allotment of Shares made in respect of such application may, at the discretion of the Directors, be cancelled, or, alternatively, the Directors may treat the application as an application for such number of Shares as may be purchased with such payment on the Dealing Day next following receipt of payment in full or of cleared funds. In such cases the Company may charge the applicant for any resulting bank charges or market losses incurred by the relevant Fund.

### **In Specie Issues**

The Directors may in their absolute discretion, provided that they are satisfied that no material prejudice would result to any existing Shareholder and subject to the provisions of the Companies Act 2014, allot Shares in any Fund against the vesting in the Depositary on behalf of the relevant Fund of investments, the nature of which would qualify as suitable investments of the relevant Fund in accordance with the investment objectives, policies and restrictions of the Fund. The number of Shares to be issued in this way shall be the number which would, on the day the investments are vested in the Depositary on behalf of the relevant Fund, have been issued for cash against the payment of a sum equal to the value of the investments. The value of the investments to be vested shall be calculated by applying the valuation methods described below under the

heading "Calculation of Net Asset Value/ Valuation of Assets." The Directors, in valuing any such investments, may provide that the whole of or any part of any duties and charges arising in connection with the vesting of the investments in the Depositary on behalf of the relevant Fund shall be paid out of the assets of the relevant Fund or by the investor to whom the Shares are to be issued or partly by the Fund and partly by such investor.

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

Measures aimed towards the prevention of money laundering may require detailed verification of each applicant's identity, address and source of funds; for example an individual will be required to produce a copy of his passport or identification card together with two forms of evidence of his address such as a utility bill or bank statement and his date of birth. In the case of corporate applicants this will require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business address of the directors of the company and details of persons with substantial beneficial ownership of the corporate applicant. Depending on the circumstances of each application, a detailed verification might not be required where, for example, the application is made through a recognised intermediary which is supervised or monitored for compliance with requirements which are the same or equivalent to those applicable in Ireland.

As part of the Company's responsibility to comply with measures for the prevention of money laundering and counter terrorist financing, the Company, the Investment Manager or the Administrator may require a detailed verification of an investor's identity, any beneficial owner underlying the account, and the source of the investor's subscription payment. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator will refuse to accept the application and return all subscription monies. If an application is rejected, the Administrator will return application monies 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 repurchase proceeds where the requisite information for verification purposes has not been produced by a Shareholder.

Depending on the circumstances of each application, a detailed verification of the source of funds may not be required where: (a) the applicant makes payment from an account held in the applicant's name at a recognised financial institution, or (b) the application is made through a recognised intermediary, or (c) investment is made by a recognised intermediary or financial institution. These exceptions will only apply if the financial institution or intermediary referred to above is located in a country which has equivalent anti money laundering legislation to that in place in Ireland.

The Administrator on behalf of the Company reserves the right to request such information as is necessary to verify the identity of an applicant. In the event that the Administrator requires further proof of the identity of any applicant, it will contact the applicant on receipt of an Application Form. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator on behalf of the Company will refuse to accept the application and return all subscription monies.

### **Data Protection**

Prospective investors should note that by completing the Application Form they may provide personal information to the Company, which may constitute personal data within the meaning of Data Protection Legislation. This data will be used for the purposes of client identification, administration, statistical analysis, market research, to comply with any applicable legal or regulatory requirements and for direct marketing purposes. By signing the Application Form, investors acknowledge that the Administrator or the Investment Manager and their delegates, agents and affiliates will hold, use, disclose and process the personal information for one or more of the following purposes:

- (a) to manage and administer the investor's holding in the Company and any related accounts on an on-going basis (i.e. for the performance of a contract);
- (b) for any other specific purposes where the investor has given specific consent;
- (c) to carry out statistical analysis and market research (a legitimate business interest of the Company);
- (d) to comply with legal, tax and regulatory obligations applicable to the investor and the Company;

- (e) for disclosure and transfer whether in Ireland or elsewhere (including companies situated in countries outside of the EEA which may not have the same data protection laws as in Ireland) to third parties including the investors' financial adviser (where appropriate), regulatory bodies, taxation authorities, auditors, technology providers or to the Company and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above; or
- (f) for other legitimate business interests of the Company (such as direct marketing).

Where the Company relies on the pursuit of the legitimate business interests of the Company as the legal basis to process the investor's personal information, a balancing test has been carried out to weigh the legitimate interests of the Company against the potential risks posed to the investor's interests, fundamental rights and freedoms, and it has been determined that the risks posed to the investor's interests, fundamental rights and freedoms are extremely limited and are outweighed by the right of the Company to pursue its legitimate business interests. Where the Company uses the investor's personal information for direct marketing purposes, the investor has the right not to receive such direct marketing and can contact the Company or the Administrator using the contact information found in this Prospectus or on the Application Form to request that such direct marketing cease.

Where the Company transfers investors' personal information to countries outside of the EEA, which may not have the same data protection laws as in Ireland, it will ensure that processing of Personal Data is in compliance with Data Protection Legislation and, in particular, that appropriate measures are in place such as adequacy decisions or Model Contractual Clauses (as published by the European Commission).

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

The Company as a Data Controller and the Administrator as a Data Processor, within the meaning of Data Protection Legislation, undertake to hold any personal information provided by investors in confidence and in accordance with Data Protection Legislation.

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

The Company, the Administrator and their delegates, agents or affiliates will retain investor's personal data for as long as required for the Company, the Administrator or their delegates, agents or affiliates to perform the service required under this application or to perform investigations in relation to that service. The length of the retention period will be determined by such considerations as legal or regulatory obligations that require the Company, the Administrator or their delegates, agents or affiliates to retain the personal data, and applicable statutory limitation periods, whichever are longer.

Where the Company or the Administrator requires investor's personal data to comply with AML or other legal requirements, failure to provide this information means the Company may not be able to accept the investor in the Company.

Investors have the right to lodge a complaint with a supervisory authority in the EU Member State of their habitual residence or place of work or in the place of the alleged infringement if the investor considers that the processing of their personal data carried out by the Company or its service providers infringes Data Protection Legislation.

### **Limitations on Purchases**

Shares may not be issued or sold by the Company during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under "Suspension of Calculation of Net Asset Value" below. Applicants for Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension. Applicants subscribing for Shares via the Distributor or a Sub-Distributor as the case may be have to contact directly the the Distributor or the Sub-Distributor for arrangements regarding application to be made or pending during such suspension period. Applications made or pending during such suspension period via the Distributor or a Sub-Distributor as the case may be, unless withdrawn, will be considered as at the next Dealing Day following the end of such suspension.



Shares may not be directly or indirectly offered or sold in the United States or purchased or held by or for U. S. Persons (unless permitted under certain exceptions under the laws of the United States and then only with the consent of the Directors).

## **REPURCHASE OF SHARES**

### **Repurchases of Shares**

Requests for the repurchase of Shares should be made to the Company care of the Administrator (or through a duly appointed Distributor or Sub-Distributor for onward transmission to the Administrator) and may be made in writing or other electronic means. Requests by electronic means will be treated as definite orders even if not subsequently confirmed in writing. Such redemption requests shall only be processed where payment is made to the account of record. Requests for the repurchase of Shares will not be capable of withdrawal after acceptance by the Administrator. Requests received on or prior to the relevant Dealing Deadline will, subject as mentioned in this section and in the relevant Supplement, normally be dealt with on the relevant Dealing Day. Repurchase requests received after the Dealing Deadline shall, unless the Administrator and the Directors shall otherwise agree and provided they are received before the relevant Valuation Point, be treated as having been received by the following Dealing Deadline.

A repurchase request will not be capable of withdrawal after acceptance by the Administrator. If requested, the Directors may, in their absolute discretion and subject to the prior approval of the Depositary and advance notification to all of the Shareholders, agree to designate additional Dealing Days and Valuation Points for the repurchase of Shares relating to any Fund.

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

Provided applications are received before the valuation point, the Directors may at their sole discretion accept a repurchase request received after the relevant Dealing Deadline as set out in the Supplement of the relevant Fund.

The Administrator will not accept repurchase requests, which are incomplete, until all the necessary information is obtained.

### **Repurchase Price**

The price at which Shares will be repurchased on a Dealing Day is also calculated by ascertaining the Net Asset Value per Share of the relevant class on the relevant Dealing Day. The method of establishing the Net Asset Value of any Fund and the Net Asset Value per Share of any class of Shares in a Fund is set out in the Articles as described herein under the heading "Calculation of Net Asset Value/Valuation of Assets" below.

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

### **Payment of Repurchase Proceeds and Subscriptions/Redemptions Account**

The amount due on repurchase of Shares will be paid by telegraphic transfer at the risk and expense of the relevant Shareholder to an account in the name of the Shareholder in the Base Currency of the relevant Fund (or in such other currency as the Directors shall determine and agree in advance with the relevant Shareholders) by the Settlement Date. Payment of repurchase proceeds will be made to the registered Shareholder, or in favour of the joint registered Shareholders, or a settlement bank account, as appropriate. The proceeds of the repurchase of the Shares will only be paid provided all necessary anti-money laundering checks have been carried out and on receipt by the Administrator of a repurchase request together with such other documentation (including all necessary anti-money laundering documentation, if any) that the Administrator may reasonably require.

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.

### **Limitations on Repurchases**

The Company may not repurchase Shares of any Fund during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under "Suspension of Calculation of Net Asset Value" below. Applicants for repurchases of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension. Applicants repurchasing Shares via the Distributor or a Sub-Distributor as the case may be have to contact directly the Distributor or the relevant Sub-Distributor for arrangements regarding repurchases to be made or pending during such suspension period. Applications made or pending during such suspension period via the Distributor or a Sub-Distributor as the case may be, unless withdrawn, will be considered as at the next Dealing Day following the end of such suspension.

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

The Articles contain special provisions where a repurchase request received from a Shareholder would result in Shares representing more than five per cent of the Net Asset Value of any Fund being repurchased by the Company on any Dealing Day. In such a case, the Company may satisfy the repurchase request by a distribution of investments of the relevant Fund in specie having been approved by the Depositary, and provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Fund. Where the Shareholder requesting such repurchase receives notice of the Company's intention to elect to satisfy the repurchase request by such a distribution of assets that Shareholder may require the Company, instead of transferring those assets, to arrange for their sale and the payment of the proceeds of sale to that Shareholder less any costs incurred in connection with such sale.

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

### **Mandatory Repurchases/Deduction of Tax**

The Company may compulsorily repurchase all of the Shares of any Fund if the Net Asset Value of the relevant Fund is less than the Minimum Fund Size (if any) specified herein.

The Company reserves the right to repurchase any Shares which are or become owned, directly or indirectly, by a U.S. Person (unless pursuant to an exemption under U.S. securities laws), by any individual under the age of 18 (or such other age as the Directors think fit) or if the holding of the Shares by any person is in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares or might result in the Company incurring any liability to taxation or suffering other pecuniary legal or material administrative disadvantages which the Company might not otherwise have incurred, suffered or breached.

In addition, the Company may compulsorily repurchase any Shares held by any person who does not clear such anti-money laundering checks as the Directors may determine from time to time.

When a repurchase request has been submitted by an investor who is or is deemed to be an Irish Resident or a person Ordinarily Resident in Ireland or is acting on behalf of an Irish Resident or person Ordinarily Resident in Ireland, the Company shall deduct from the Repurchase Proceeds an amount which is equal to the tax payable by the Company to the Irish Tax Authorities in respect of the relevant transaction. The attention of investors in relation to the section of this Prospectus entitled "Taxation" and in particular the section headed "Irish Taxation" which details circumstances in which the Company shall be entitled to deduct from payments to Shareholders who are Irish Resident or Irish Ordinarily Resident amounts in respect of liability to Irish taxation including any

penalties and interest thereon and/or compulsorily repurchase Shares to discharge such liability. Relevant Shareholders will be required to indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of an event giving rise to a charge to taxation.

### **Exchange of Shares**

Shareholders will be able to apply to exchange on any Dealing Day all or part of their holding of Shares of any class in any Fund (the **Original Class**) for Shares of another class which are being offered at that time (the **New Class**) (such class being in the same Fund or in a separate Fund) provided that all the criteria for applying for Shares in the New Class have been met and by giving notice to the Administrator on or prior to the Dealing Deadline for the relevant Dealing Day. The Administrator may however at its discretion agree to accept requests for exchange received after the relevant Dealing Deadline provided they are received prior to the relevant Valuation Point. The general provisions and procedures relating to the issue and repurchase of Shares will apply equally to exchanges, save in relation to charges payable, details of which are set out below and in the relevant Supplement.

An Exchange Charge of up to 1% per cent of the repurchase price of the Shares being exchanged may be charged by the Company on the exchange of Shares.

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

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

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

where:

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

Where there is an exchange of Shares, Shares of the New Class will be allotted and issued in respect of and in proportion to the Shares of the Original Class in the proportion S to R.

The Directors may, in their discretion, exchange a Shareholder's Shares of a given Fund class (the first class) for shares of another eligible class of the same Fund (the new class) if the Shareholder's holding of Shares, as a result of a repurchase from the first class, no longer meets the Minimum Shareholding specified for the first class but meets the lower Minimum Shareholding specified for the new class.

The Directors may also, in their discretion, exchange a Shareholder's Shares of the first class for the new class if the Shareholder's holding of Shares, as a result of an additional subscription into the first class, meets the higher Minimum Shareholding specified for the new class.

Any Exchange Charge which may be charged in circumstances where the Directors exercise their discretion to exchange a Shareholder's Shares in the manner described above will be disclosed in the Supplement for the relevant Fund.

### **Limitations on Exchange**

Shares may not be exchanged for Shares of a different class during any period when the calculation of the Net Asset Value of the relevant Fund or Funds is suspended in the manner described under "Suspension of Calculation of Net Asset Value" below. Applicants for exchange of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension. Applicants exchanging Shares via the Distributor or a Sub-Distributor (as the case may be) must contact directly the Distributor or the Sub-Distributor for arrangements regarding exchanges to be made or pending during such suspension period. Applications made or pending during such suspension period via the Distributor or a Sub-Distributor as the case may be, unless withdrawn, will be considered as at the next Dealing Day following the end of such suspension.

### **Calculation of Net Asset Value/Valuation of Assets**

The Net Asset Value of each Fund shall be calculated by the Administrator as at the Valuation Point for each Dealing Day by valuing the assets of the Fund and deducting therefrom the liabilities of the Fund. Where there is more than one class of Shares in a Fund, the Net Asset Value per Share of any class is calculated by the Administrator by ascertaining the Net Asset Value of the relevant Fund as at the Valuation Point for that Fund on the relevant Dealing Day and determining the amount of the Net Asset Value which is attributable to the relevant class of Shares. The Net Asset Value per Share of the relevant class is calculated by determining that proportion of the Net Asset Value of the Fund which is attributable to the relevant class at the Valuation Point. The Valuation Point for each Fund is set out in the Supplement for the relevant Fund. The Net Asset Value per Share is the resulting sum rounded to the nearest three decimal places.

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

- a) In general, the Articles provide that the value of any investments quoted, listed or dealt in on a Market the value thereof shall be the closing or last known market price which for the purposes of the Company shall be understood to mean the last traded price as at the relevant Valuation Point provided that if the last traded price is not available such investments will be valued at closing mid-market or latest mid-market price.
- b) Where such investment is quoted, listed or traded on or under the rules of more than one Market, the Directors shall, in their absolute discretion, select the Market, which in their opinion, constitutes the main Market for such investment or the exchange that the Directors determine provides the fairest criteria for valuing the security.
- c) 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 but for which no such quotation or value is available, or the available quotation or value is not representative of the fair market value, shall be latest bid price or the probable realisation value as estimated with care and good faith by (i) the Directors or (ii) a competent person, firm or corporation (including the Investment Manager) selected by the Directors and approved for the purpose by the Depositary or (iii) any other means provided that the value is approved by the Depositary. In determining the probable realisation value of any such investment, the Directors may accept a certified valuation thereof provided by a competent independent person or in the absence of any independent person duly appointed by the directors, the Investment Manager (notwithstanding that a conflict of interests arises because the Investment Manager has an interest in the valuation), who in each case shall have been approved by the Depositary for such purpose to value the relevant securities. Where reliable market quotations are not available for fixed income securities, the value of such securities may be determined using matrix methodology compiled by the Directors or competent person (as approved by the Depositary) whereby such securities are valued by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics.
- d) The Articles further provide that cash and other liquid assets will be valued at their face value with interest accrued, where applicable unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof

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

- e) Exchange-traded derivative instruments will be valued based on the settlement price as determined by the market where the instrument is traded. If such settlement price is not available, such value shall be the probable realisation value as estimated with care and good faith by (i) the Directors or (ii) a competent person, firm or corporation (including the Investment Manager) selected by the Directors and approved for the purpose by the Depositary or (iii) any other means provided that the value is approved by the Depositary.
- f) Forward foreign exchange and interest rate swap contracts shall be valued in the manner described in the immediately preceding paragraph or using such other value approved by the Depositary
- g) The value of units or shares or other similar participation in any collective investment scheme, which provides for the units or shares or other similar participations therein to be redeemed at the option of the holder out of the assets of that undertaking, shall be the latest bid price or last available Net Asset Value per unit or share or other similar participation as at the relevant Valuation Point or if bid and offer prices are published, the latest available bid price.

Notwithstanding a) to g) above-

- (i) The Directors or their delegate may, at its discretion in relation to any particular Fund which is a short-term money market fund, value any investment using the amortised cost method of valuation where such collective investment schemes comply with the Central Bank's requirements for short-term money market funds and where a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the Central Bank.
- (ii) Where it is not the intention or objective of the Directors to apply amortised cost valuation to the portfolio of the Fund as a whole, a money market instrument within such a portfolio shall only be valued on an amortised basis if the money market instrument has a residual maturity of less than 3 months and does not have any specific sensitivity to market parameters, including credit risk.

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

Notwithstanding the generality of the foregoing, the Directors may with the approval of the Depositary adjust the value of any such security if having regard to currency, applicable rate of interest, anticipated rate of dividend, maturity, marketability, liquidity and/or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof as at the relevant Valuation Point. The rationale for adjusting the value must be clearly documented.

If the Directors deem it necessary, a specific investment may be valued under an alternative method of valuation approved by the Depositary and the rationale/methodologies used must be clearly documented.

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

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

The Directors may at any time temporarily suspend the calculation of the Net Asset Value of any Fund and the issue, repurchase and exchange of Shares and the payment of repurchase proceeds during:

- (i) any period when any of the Markets on which a substantial portion of the investments of the relevant Fund, from time to time, are quoted, listed or dealt in is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or

- (ii) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial portion of the investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the relevant Fund or if, in the opinion of the Directors, the Net Asset Value of the Fund cannot be fairly calculated; or
- (iii) any breakdown in the means of communication normally employed in determining the price of a substantial portion of the investments of the relevant Fund, or when, for any other reason the current prices on any Market of any of the investments of the relevant Fund cannot be promptly and accurately ascertained; or
- (iv) any period during which any transfer of funds involved in the realisation or acquisition of investments of the relevant Fund cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange; or
- (v) any period when the Directors are unable to repatriate funds required for the purpose of making payments due on the repurchase of Shares in the relevant Fund; or
- (vi) any period when the Directors consider it to be in the best interest of the relevant Fund; or
- (vii) following the circulation to Shareholders of a notice of a general meeting at which a resolution proposing to wind up the Company or terminate the relevant Fund is to be considered.

Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Shareholders who have requested issue or repurchases of Shares of any class or exchanges of Shares of one class to another will be notified of any such suspension in such manner as may be directed by the Directors and, unless withdrawn but subject to the limitation referred to above, their requests will be dealt with on the first relevant Dealing Day after the suspension is lifted. Any such suspension will be notified on the same Business Day to the Central Bank and will be communicated without delay to the competent authorities in the Member States in which it markets its Shares. Details of any such suspension will also be notified to all Shareholders and will be published in a newspaper circulating in the European Union, or such other publications as the Directors may determine if, in the opinion of the Directors, it is likely to exceed 14 days.

### **Form of Shares, Share Certificates and Transfer of Shares**

Shares will be issued in registered form. Purchase contract notes will normally be issued within 48 hours after the allotment of Shares. Confirmations of ownership evidencing entry in the register will normally be issued quarterly (monthly if specifically requested by a Shareholder) upon receipt of all original documentation required by the Administrator. Share certificates shall not be issued.

Shares in each Fund will be transferable by instrument in writing in common form or in any other form approved by the Directors and signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor. Transferees will be required to complete an Application Form and provide any other documentation reasonably required by the Administrator. In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Company as having any title to or interest in the Shares registered in the names of such joint Shareholders.

Shares may not be transferred to (i) a United States Person (except pursuant to an exemption available under U.S. securities laws); or (ii) any person who does not clear such money laundering checks as the Directors may determine or who appears to be in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares; or (iii) any person which in the opinion of the Directors might result in the Company incurring any liability to taxation or suffering other pecuniary legal or material administrative disadvantages or being in breach of any law or regulation which the Company might not otherwise have incurred, suffered or breached; or (iv) or by a minor or person of unsound mind; or (v) any person unless the transferee of such Shares would, following such transfer, be the holder of Shares equal to or greater than the Minimum Initial Investment Amount; or (vi) any person in circumstances where as a result of such transfer the transferor or transferee would hold less than the Minimum Shareholding; or (vii) any person where in respect of such transfer any payment of taxation remains outstanding; or (viii) in any other circumstances prohibited by the Articles as described herein. Registration of any transfer may be refused by the Directors if, following the transfer, either transferor or transferee would hold Shares having a value less than

the Minimum Shareholding for that class of Shares specified in the Supplement for the relevant Fund.

If the transferor is, or is deemed to be, or is acting on behalf of an Irish Resident or person Ordinarily Resident in Ireland, the Company is entitled to repurchase and cancel a sufficient portion of the transferor's Shares as will enable the Company to pay the tax payable in respect of the transfer to the Revenue Commissioners in Ireland.

#### **Notification of Prices/Publication**

The up to date issue and repurchase price of each class of Shares in each Fund will be available on each Business Day from the Administrator and financial data service providers such as Bloomberg. Relevant information shall be set out in the Supplement for the relevant Fund. Such prices will usually be the prices applicable to the previous Dealing Day's trades.

In addition to the information disclosed in the periodic reports of the Company, the Company may, from time to time, make available to investors portfolio holdings and portfolio-related information in respect of one or more of the Funds. Any such information will be available to all investors in the relevant Fund on request. Any such information will only be provided on a historical basis and after the relevant Dealing Day to which the information relates.

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## 6 FEES AND EXPENSES

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Particulars of the specific fees and expenses, if any (including performance fees, if any) payable to the Investment Manager and the Distributor are set out in the relevant Supplement. The fees of the Administrator and the Depositary are set out below.

The Company may pay out of the assets of each Fund the fees and expenses payable to the Investment Manager, the Depositary and the Administrator (as set out below), the fees and expenses of sub-Depositaries which will be at normal commercial rates, the fees and expenses of the Directors (if any, as referred to below), any fees in respect of circulating details of the Net Asset Value, stamp duties, all taxes and VAT, company secretarial fees, any costs incurred in respect of meetings of Shareholders, marketing and distribution costs, investment transaction charges, costs incurred in respect of the distribution of income to Shareholders, the fees and expenses of any paying agent or representative appointed in compliance with the requirements of another jurisdiction, any amount payable under indemnity provisions contained in the Articles or any agreement with any appointee of the Company, all sums payable in respect of directors' and officers' liability insurance cover, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors, tax and legal advisers and registering the Company for sale in other jurisdictions. The costs of printing and distributing this Prospectus, reports, accounts and any explanatory memoranda, any necessary translation fees, the costs of publishing prices and any costs incurred as a result of periodic updates of the Prospectus, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law) may also be paid out of the assets of the Company. All fees and expenses payable out of the assets of each Fund shall be approved by any one of the Directors of the Company.

The Administrator shall be entitled to receive out of the net assets of each Fund an annual fee, accrued and calculated at each Valuation Point and payable monthly in arrears at an annual rate which will not exceed 0.05 % of the Net Asset Value of the Fund (plus VAT, if any) subject to a monthly minimum fee per Fund of US\$7,000. For its Transfer Agency services, the Administrator shall be entitled to receive out of the net assets of each Fund an annual base fee of US\$15,000 per Fund. For the provision of services in respect of German tax filings, the Administrator shall be entitled to receive out of the net assets of each Fund requiring such services an annual fee of €15,000. The Administrator is entitled to be repaid all of its properly vouched out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

The Depositary shall receive a trustee fee of up to 0.027% of the Net Asset Value of the Fund accrued and calculated at each Valuation Point and payable monthly in arrears, subject to a minimum fee as may be agreed between the parties from time to time. The Depositary is also entitled to agreed upon transaction charges and to recover properly vouched out-of-pocket expenses out of the assets of each Fund (plus VAT thereon, if any).

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

The Directors will be entitled to remuneration for their services as directors provided however that the annual emoluments of each Director shall not exceed €20,000 (plus VAT where applicable) or such other amount as may be approved by a resolution of the Directors or the Shareholders in general meeting. The non-Irish Directors will not be entitled to a fee. Fees payable to Directors may rise in subsequent years and the non-Irish Directors may be entitled to fees in the future. Shareholders shall be notified of any change to the fees payable to Directors. In addition, all of the Directors will be entitled to be reimbursed out of the assets of each Fund for their reasonable out of pocket expenses incurred in discharging their duties as directors.

The cost of establishing the Company, obtaining authorisation from any authority, filing fees, the preparation and printing of this Prospectus, marketing costs and the fees of all professionals relating to it which were approximately €75,000 (plus VAT where applicable) were borne by the Company and amortised over the first five years of the Company's operation and charged to the first Funds. The cost of establishing subsequent



Funds will be charged to the relevant Fund.

### **Soft Commissions**

The Investment Manager may place trades on behalf of the Company with brokers that will, from time to time, provide or procure research products, specialised software or related services that assist the Investment Manager in the provision of investment services to its clients, including the Company, provided that each broker has agreed to provide best execution with respect to such trades. The Investment Manager's use of soft commissions falls within the safe harbour created by Section 28(e) of the US Securities Exchange Act of 1934. Where a product or service provides both eligible and non-eligible assistance, the Investment Manager will make a reasonable allocation of the cost that may be paid for with soft commissions. A report will be included in the Company's annual and half-yearly reports describing the Investment Manager's soft commission practices.

### General

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

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

### 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. Please refer the Irish Tax Definitions outlined at the end of this Section.

#### **The Company**

The Company will be regarded as resident in Ireland for tax purposes if the central management and control of its business is exercised in Ireland and the Company is not regarded as resident elsewhere. It is the intention of the Directors that the business of the Company will be conducted in such a manner as to ensure that it is Irish resident for tax purposes.

The Directors have been advised that the Company qualifies as an investment undertaking as defined in Section 739B TCA. Under current Irish law and practice, the Company is not chargeable to Irish tax on its relevant income and relevant gains.

However, a charge to tax can arise on the happening of a “chargeable event” in the Company. A chargeable event includes any payments to Shareholders or any distribution, encashment, redemption, cancellation, transfer and also includes a Deemed Disposal (as defined below) of Shares.

A chargeable event does not include:

- (a) An exchange by a Shareholder, effected by way of an arm’s length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company;
- (b) Any transactions (which might otherwise be a chargeable event) in relation to shares held in a Recognised Clearing System (as defined below) as designated by order of the Irish Revenue Commissioners;
- (c) A transfer by a Shareholder of the entitlement to a Share where the transfer is between spouses or civil partners and former spouses or former civil partners, subject to certain conditions;
- (d) An exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H TCA) of the Company with another investment undertaking; or
- (e) An exchange of Shares arising on a scheme of amalgamation (within the meaning of Section 739D(8C) TCA), subject to certain conditions.

If the Company becomes liable to account for tax on the happening of a chargeable event, the Company shall be entitled to deduct from the payment arising on such chargeable event an amount equal to the tax and/or

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

Where the chargeable event is a Deemed Disposal and the percentage value of Shares held by Irish Residents is less than 10% of the total value of the Shares in the Company, and the Company has made an election to report annually to the Irish Revenue Commissioners certain details for each Irish Resident Shareholder, the Company will not be obliged to deduct tax. The Shareholder must instead pay tax on the Deemed Disposal on a self-assessment basis. Irish Resident Shareholders should contact the Company to ascertain whether the Company has made such an election in order to establish their responsibilities to account for Irish tax. Credit is available against tax relating to a chargeable event for tax paid by the Company or the Shareholder on any previous Deemed Disposal. On the eventual disposal by the Shareholder of their Shares, a refund of any unutilised credit will be payable. To the extent that any tax arises on such a chargeable event, such tax will be allowed as a credit against any tax payable on the subsequent redemption, cancellation or transfer of the relevant Shares. In the case of Shares held in a Recognised Clearing System, the Shareholders may have to account for the tax arising at the end of a relevant period on a self-assessment basis.

No chargeable event will arise in relation to a Shareholder who is not Irish Resident at the time of the chargeable event or in relation to an Irish Resident Shareholder which is an Exempt Irish Shareholder provided in each case that a Relevant Declaration (as defined below) has been provided to the Company by the Shareholder.

## **Taxation of Shareholders**

### *Non-Irish Residents*

Non-Irish Resident Shareholders will not generally be chargeable to Irish tax in respect of their Shares. No tax will be deducted by the Company provided that either:

- (a) the Company is in possession of a signed and completed Relevant Declaration from such Shareholder to the effect that the Shareholder is not an Irish Resident; or
- (b) the Company is in possession of written notice of approval from the Irish 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 (the "Equivalent Measures Regime").

If the Company is not in possession of a Relevant Declaration or under the Equivalent Measures Regime, or the Company is in possession of information which would reasonably suggest that the information contained in the Relevant Declaration or Equivalent Measures Regime is not or is no longer materially correct, the Company must deduct tax on the happening of a chargeable event in relation to such Shareholders. The tax deducted will generally not be refunded.

In the absence of such a Relevant Declaration or Equivalent Measures Regime, the Company must presume that the Shareholder is Irish Resident and the Company will deduct tax (at the rates set out below) on the happening of a chargeable event in relation to such Shareholder. It is the obligation of a non-Irish Resident Shareholder to notify the Company if it ceases to be non-Irish Resident.

Intermediaries acting on behalf of non-Irish Resident Shareholders can claim the same exemption (as above) on behalf of the Shareholders for whom they are acting provided that the Company is not in possession of any information which would reasonably suggest that the information provided by an Intermediary is incorrect. The Intermediary must state in the Relevant Declaration that to the best of its knowledge the Shareholders on whose behalf it acts are not Irish Resident.

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 to Irish corporation tax on income from the Shares or gains made on the disposal of the Shares.

### *Exempt Irish Shareholders*

Tax will not be deducted on the happening of a chargeable event in respect of Shares held by Exempt Irish Shareholders where the Company is in possession of a Relevant Declaration in relation to such Shares. It is the Exempt Irish Shareholder's obligation to account for any tax to the Irish Revenue Commissioners and return such details as are required to the Irish Revenue Commissioners. It is also the Exempt Irish Shareholder's obligation to notify the Company if it ceases to be an Exempt Irish Shareholder.

Irish Resident Exempt Irish Shareholders in respect of whom the Company is not in possession of a Relevant Declaration will be treated by the Company in all respects as if they are not Exempt Irish Shareholders (see below).

Exempt Irish Shareholders may be liable, under the self-assessment system, 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.

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

### *Taxable Irish Residents*

An Irish Resident Shareholder who is not an Exempt Irish Shareholder will have tax deducted at the rate of 41% in respect of any distributions made by the Company and on any gain arising on a sale, transfer, Deemed Disposal (subject to the 10% threshold outlined above), redemption, repurchase or cancellation of Shares. Any gain will be computed on the difference between the value of the Shareholder's investment in the Company at the date of the chargeable event and the original cost of the investment as calculated under special rules. The Company will be entitled to deduct such tax from payments or redeem and cancel such number of Shares as are required to meet the tax in respect of the relevant Shareholder and will pay the tax to the Irish Revenue Commissioners.

Where the Shareholder is an Irish Resident company, and the Company is in possession of a declaration from the Shareholder confirming that it is a company and which includes the company's tax reference number, tax will be deducted by the Company from any distributions made by the Company to the Shareholder and from any gains arising on a redemption, repurchase, cancellation or other disposal of shares by the Shareholder at the rate of 25%.

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

Where an Irish Resident Shareholder is not a company and tax has not been deducted, the payment shall be treated as if it were a payment from an offshore fund and the Shareholder will be liable to account for income tax at the rate of 41% on the payment or on the amount of the gain under the self-assessment system and in particular, Part 41A TCA. No further Irish tax will be payable by the Shareholder in respect of that payment or gain.

Where an Irish Resident Shareholder is a company which is not an Exempt Irish Shareholder (and has therefore had tax deducted), and the payment is not taxable as trading income under Schedule D Case I, the Shareholder will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D from which tax at the rate of 25% (or 41% if no declaration has been made) has been deducted. In practice, where tax at a rate higher than 25% has been deducted from payments to a corporate Shareholder resident in Ireland, a credit of the excess tax deducted over the higher corporation tax rate of 25% should be available:

- (a) where an Irish Resident Shareholder is a company which is not an Exempt Irish Shareholder (and has therefore had tax deducted), and the payment is taxable as trading income under Schedule D Case I, therefore the amount received by the Shareholder is increased by any amount of tax deducted and will be treated as income of the Shareholder for the chargeable period in which the payment is made;

- (b) where the payment is made on the sale, transfer, Deemed Disposal, redemption, repurchase or cancellation 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
- (c) the amount of tax deducted 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.

Where an Irish Resident Shareholder is a company and tax has not been deducted, the amount of the payment will be treated as income arising which is chargeable to Irish tax. Where the payment is in respect of the sale, transfer, cancellation, redemption, repurchase or transfer of Shares, such income shall be reduced by the amount of the consideration in money or money's worth given by the Shareholder on the acquisition of the Shares. Where the payment is not taxable as trading income for the company, it will be chargeable to tax under Schedule D Case IV. Where the payment is taxable as trading income for the company, it will be chargeable to tax at the standard rate of 12.5% under Schedule D Case I.

Should an excess payment of tax arise on the redemption of Shares as a result of tax paid on an earlier Deemed Disposal in respect of the Shareholder, the Company, on election in writing to the Revenue Commissioners and notification in writing to the Shareholder, is not obliged to process the refund arising on behalf of the Shareholder provided the value of the Shares held by the Shareholder does not exceed 15% of the total value of the Shares in the Company. Instead the Shareholder should seek such a repayment directly from the Irish Revenue Commissioners. Irish legislation also provides in the case of a Deemed Disposal for the making of an irrevocable election by the Company to value the Shares at the later of 30 June or 31 December immediately prior to the date of the Deemed Disposal, rather than on the date of the Deemed Disposal.

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

### *Reporting*

Pursuant to Section 891C TCA and the Return of Values (Investment Undertakings) Regulations 2013, the Company is obliged to report certain details in relation to Shares held by investors to the Irish Revenue Commissioners on an annual basis. The details to be reported include the name, address and date of birth if on record of, and the value of the Shares held by, a Shareholder. In addition, the tax reference number of the Shareholder must be provided (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual's PPS number) or, in the absence of a tax reference number, a marker indicating that this was not provided.

However, no details are required to be reported to the Irish Revenue Commissioners in respect of Shareholders who are:

- (a) Exempt Irish Shareholders;
- (b) Shareholders who are non-Irish Resident (provided a Relevant Declaration has been made); or
- (c) Shareholders in respect of whom their Shares are held in a Recognised Clearing System.

### **Other Taxes**

#### *Foreign Taxes*

Dividends and interest which the Company may receive with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding or capital gains taxes, in the countries in which the issuers of the investments are located. It is not known whether the Company will be able to benefit from reduced rates of withholding tax under the provisions of the double tax treaties which Ireland has entered into with various countries. In the event that the Company receives any repayment of withholding tax suffered, the Net Asset Value of the relevant Fund will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of such repayment.

#### *Personal Portfolio Investment Undertaking*

An investment undertaking such as the Company will be considered to be a personal portfolio investment undertaking ("PPIU") in relation to a specific non-corporate Irish Resident Shareholder where that 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 individuals who can influence the selection. The tax deducted on the happening of a chargeable event in relation to a PPIU will be at the rate of 60% (or 80% where details of the payment/disposal are not correctly included in the individual's tax returns). An investment undertaking is not a PPIU if the property which may or has been selected was acquired on arm's length terms as part of a general offering to the public.

### *Currency Gains*

Where a currency gain is made by an Irish Resident Shareholder on the disposal of Shares denominated in a currency other than Euro, such Shareholder may be liable to capital gains tax, currently at the rate of 33%, in respect of such gain in the year of assessment in which the Shares are disposed of.

### *Stamp Duty*

Generally no Irish stamp, documentary, transfer or registration tax is payable in Ireland on the issue, sale, transfer, redemption, repurchase, cancellation of or subscription for Shares on the basis that the Company qualifies as an 'investment undertaking' within the meaning of Section 739B TCA. If any redemption is satisfied by the transfer *in specie* to any Shareholder of any Irish situate assets, a charge to Irish stamp duty may arise.

### *Capital Acquisitions Tax*

Provided the Company continues to qualify as an investment undertaking as defined by Section 739B TCA, any Shares which are comprised in a gift or an inheritance will be exempt from capital acquisitions tax ("CAT"), currently at the rate of 33%, and will not be taken into account in computing CAT on any gift or inheritance taken by the donee or successor if:

- (a) the Shares are comprised in the gift or inheritance at the date of the gift or at the date of the inheritance, and at the relevant Valuation Day;
- (b) at the date of the disposition, the Shareholder making the disposition is neither domiciled nor ordinarily resident in Ireland; and
- (c) at the date of the gift, or at the date of the inheritance, the donee or successor is not domiciled or ordinarily resident in Ireland.

### **OECD Common Reporting Standard**

The common reporting standard ("CRS") framework was first released by the OECD as a result of the G20 members endorsing a global model of automatic exchange of information in order to increase international tax transparency. The Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD in 2014 and this includes the Standard. The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local Financial Institutions ("FIs") relating to account holders who are tax resident in other participating countries.

Ireland is a signatory to the Multilateral Competent Authority on Automatic Exchange of Financial Account Information which adopts and implements CRS. Enabling legislation providing the legal basis for the operation of the CRS is effective and involves the collection and reporting of financial account information by Irish FIs. Ireland has elected to adopt the "wider approach" to the Standard. This means that Irish FIs will collect and report information to the Irish Revenue Commissioners on all account holders rather than just account holders who are resident in a jurisdiction that has adopted the Standard. The Irish Revenue Commissioners will then disseminate this information to the jurisdictions with whom they need to exchange information.

The Company is classified as an Irish FI and will be obliged to report to the Irish Revenue Commissioners in respect of CRS. The relevant information must be reported to the Irish Revenue Commissioners by 30 June in each year with respect to the previous calendar year.

Shareholders should note that the Company is required to disclose the name, address, jurisdiction(s) of tax residence, date and place of birth, account reference number and tax identification number(s) of each reportable person in respect of a reportable account for CRS and information relating to each Shareholder's investment (including but not limited to the value of and any payments in respect of the Shares) to the Irish Revenue Commissioners who may in turn exchange this information with the tax authorities in territories who are participating jurisdictions for the purposes of the CRS. In order to comply with its obligations, the Company may require additional information and documentation from Shareholders.

Each Shareholder and prospective investor should consult its own tax advisers on the requirements applicable to it under these arrangements. Further information in respect of Ireland's implementation of CRS may be found at <https://www.revenue.ie/en/companies-and-charities/international-tax/aeoi/what-is-aeoi.aspx>

## FATCA

The governments of Ireland and the United States have signed an intergovernmental agreement (the "IGA") that significantly increases the amount of tax information automatically exchanged between Ireland and the United States. It provides for the automatic reporting and exchange of information in relation to accounts held in Irish FIs by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. The Company is classified as an Irish FI and will be subject to these rules.

The IGA provides that Irish FIs will report to the Irish Revenue Commissioners in respect of U.S. account-holders and, in exchange, U.S. 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 investors 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 the Irish implementing legislation promulgated in connection with the agreement and investors 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.

There can be no assurance that payments to the Company in respect of its assets, including on an investment will not be subject to withholding under FATCA. Accordingly Shareholders and prospective investors should consult its own tax advisers as to the potential implication of the U.S. withholding taxes on the Shares before investing. Further information in respect of Ireland's implementation of FATCA may be found at <https://www.revenue.ie/en/companies-and-charities/international-tax/aeoi/what-is-aeoi.aspx>

## Irish Tax Definitions:

**"Deemed Disposal"** means the deemed chargeable event that will occur at the expiration of the eighth anniversary of an Irish Resident Shareholder acquiring their shareholding and on every subsequent eighth anniversary therefrom.

**"Exempt Irish Shareholder"** means a Shareholder who comes within any of the categories listed below and has provided a Relevant Declaration to this effect to the Company in a form acceptable to the Company:

- (a) a qualifying management company within the meaning of Section 739B(1) TCA;
- (b) a specified company within the meaning of Section 734(1) TCA;
- (c) an investment undertaking within the meaning of Section 739B(1) TCA;
- (d) an investment limited partnership within the meaning of Section 739J TCA;
- (e) a pension scheme which is an exempt approved scheme within the meaning of Section 774 TCA, or a retirement annuity contract or a trust scheme to which Section 784 or 785 TCA applies;
- (f) a company carrying on life business within the meaning of Section 706 TCA;
- (g) a special investment scheme within the meaning of Section 737 TCA;
- (h) a unit trust to which Section 731(5)(a) TCA applies;
- (i) a charity being a person referred to in Section 739D(6)(f)(i) TCA;
- (j) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 784A(2) TCA and the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (k) a qualifying fund manager within the meaning of Section 784A TCA or a qualifying savings manager within the meaning of Section 848B TCA, in respect of Shares which are assets of a special savings incentive account within the meaning of Section 848C TCA;
- (l) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I TCA and the Shares held are assets of a personal retirement savings account as defined in Section 787A TCA;
- (m) the National Treasury Management Agency or a Fund investment vehicle (within the meaning of Section 37 of the National Treasury Management Agency (Amendment) Act 2014);
- (n) the National Asset Management Agency;

- (o) the Motor Insurers' Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurers Insolvency Compensation Fund under the Insurance Act 1964 (amended by the Insurance (Amendment) Act 2018);
- (p) the Courts Service;
- (q) a credit union within the meaning of Section 2 of the Credit Union Act 1997;
- (r) an Irish resident company, within the charge to corporation tax under Section 739G(2) TCA, but only where the Fund is a money market fund;
- (s) a company which is within the charge to corporation tax in accordance with Section 110(2) TCA in respect of payments made to it by the Company; and
- (t) any other person as may be approved by the Directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Company in respect of that Shareholder under Part 27, Chapter 1A TCA.

**“Irish Resident”** means any person Resident in Ireland or Ordinarily Resident in Ireland other than an Exempt Irish Shareholder.

Resident in Ireland means in the case of a:

*Company*

Prior to Finance Act 2014, company residence was determined with regard to the long-established common law rules based on the location of its place of central management and control. These rules were significantly revised in Finance Act 2014 to provide that a company incorporated in Ireland will be regarded as resident for tax purposes in Ireland, unless that company is regarded as resident in a treaty partner jurisdiction by virtue of the terms of a double taxation treaty between Ireland and that treaty partner jurisdiction. While the common law rule based on central management and control remains in place, it is subject to the statutory rule for determining company residence based on incorporation in Ireland set out in the revised Section 23A TCA 1997.

The incorporation rule for determining the tax residence of a company incorporated in Ireland applies to all companies incorporated on or after 1 January 2015. For companies incorporated in Ireland before this date, a transition period will apply until 31 December 2020. It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and declarants are referred to the specific legislative provisions that are contained in Section 23A TCA.

*Individual*

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

- (a) Spends 183 or more days in Ireland in that tax year; or
- (b) 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 year.

Presence in a tax year by an individual of not more than 30 days in Ireland will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual if the individual is present in Ireland at any time during that day. If an individual is not resident in Ireland in a particular year, the individual may, in certain circumstances, elect to be treated as resident in Ireland for tax purposes.

*Trust*

A trust will generally be Irish resident where the trustee is resident in Ireland or a majority of the trustees (if more than one) are resident in Ireland.

**“Intermediary”** means a person who:

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

**“Ordinarily Resident”** the term “ordinary residence” as distinct from “residence” 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 year in which that individual is not resident in Ireland. Thus an individual who is resident and ordinarily resident in Ireland in 2019 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the year in 2022.

**“Recognised Clearing System”** means BNY Mellon Central Securities Depository SA/NV (BNY Mellon CSD), Central Moneymarkets Office, Clearstream Banking SA, Clearstream Banking AG, CREST, Depository Trust Company of New York, Deutsche Bank AG, Depository and Clearing System, Euroclear, Hong Kong Securities Clearing Company Limited, Japan Securities Depository Center (JASDEC), Monte Titoli SPA, Netherlands Centraal Instituut voor Giraal Effectenverkeer BV, National Securities Clearing System, Sicovam SA, SIS Sega Intersettle AG, The Canadian Depository for Securities Ltd, VPC AB (Sweden) or any other system for clearing shares which is designated for the purposes of Section 739B TCA, by the Irish Revenue Commissioners as a recognised clearing system.

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

**“TCA”** means the Taxes Consolidation Act 1997 (as amended).

### **Reports and Accounts**

The Company's year end is 30 June in each year. The annual report and audited accounts of the Company will be made available to Shareholders within four months after the conclusion of each accounting year and at least 21 days before the general meeting of the Company at which they are to be submitted for approval. The Company will also prepare unaudited semi-annual reports which will be made available to Shareholders within two months after 31 December in each year.

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

Audited financial statements and a semi-annual report including unaudited financial information will be sent to Shareholders within four months and two months respectively of the end of the period to which they relate and a copy of the most recent financial statements will be sent to Shareholders and prospective investors on request.

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

The Directors confirm that the Company was incorporated on 29 March 2007. The Company does not have any subsidiaries at the date hereof.

### **Incorporation and Share Capital**

The Company was incorporated and registered in Ireland under the Companies Act as an open-ended umbrella investment company with variable capital and segregated liability between sub-funds on 29 March 2007 with registered number 437095.

At the date of authorisation:

the authorised share capital of the Company is 1,000,000,000,000 Shares of no par value initially designated as unclassified shares; the issued share capital of the Company is €2 represented by 2 shares (the **subscriber shares**) issued for the purposes of the incorporation of the Company and to obtain a certificate to commence trade at an issue price of €1 per Share which are fully paid up and which are beneficially owned by David Loevner (1 share) and Ryan Bowles (1 share).

The unclassified shares are available for issue as Shares. The issue price is payable in full on acceptance. There are no rights of pre-emption attaching to the Shares in the Company.

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

Clause 2 of the Memorandum of Association provides that the sole object of the Company is the collective investment in transferable securities and/or other liquid financial assets of capital raised from the public operating on the principle of risk-spreading in accordance with the Regulations.

The Articles contain provisions to the following effect:

**Directors' Authority to Allot Shares.** The Directors are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities, including fractions thereof, up to an amount equal to the authorised but as yet unissued share capital of the Company;

**Variation of rights.** The rights attached to any class may, be varied or abrogated with the consent in writing of the holders of three-fourths in number of the issued Shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of the class, and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. The quorum at any such separate general meeting, other than an adjourned meeting, shall be two persons holding

or representing by proxy at least one third of the issued Shares of the class in question and the quorum at an adjourned meeting shall be one person holding Shares of the class in question or his proxy;

**Voting Rights.** Subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands every holder who is present in person or by proxy shall have one vote and the holder(s) of subscriber shares present in person or by proxy shall have one vote in respect of all the subscriber shares in issue and on a poll every holder present in person or by proxy shall have one vote for every Share of which he is the holder and every holder of a subscriber share present in person or by proxy shall have one vote in respect of his holding of subscriber shares. Holders who hold a fraction of a Share may not exercise any voting rights, whether on a show of hands or on a poll, in respect of such fraction of a Share;

**Provision of Information to Investors.** Where certain information and/or reports, including but not limited to details of corporate actions and proxy voting activity, are provided to an investor in the Company or any Fund, such information and/or reports will also be provided to any other investor on request;

**Alteration of Share Capital.** The Company may from time to time by ordinary resolution increase the share capital by such amount and/or number as the resolution may prescribe;

The Company may also by ordinary resolution:

- (i) consolidate and divide all or any of its share capital into Shares of larger amount;
- (ii) subdivide its Shares, or any of them, into Shares of smaller amount or value;
- (iii) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the Shares so cancelled; or
- (iv) redenominate the currency of any class of Shares.

**Directors' Interests.** Provided that the nature and extent of his interest shall be disclosed as set out below, no Director or intending Director shall be disqualified by his office from contracting with the Company nor shall any such contract or any contract or arrangement entered into by or on behalf of any other company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

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

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

**Borrowing Powers.** The Directors may exercise all of the powers of the Company to borrow or raise money and to mortgage, or charge its undertaking, property and assets (both present and future) and uncalled capital or any part thereof and to issue securities, whether outright or as collateral security for any debt, liability or obligation of the Company provided that all such borrowings shall be within the limits and conditions laid down by the Central Bank;

**Delegation to Committee.** The Directors may delegate any of their powers to any committee consisting of Directors. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of the Articles of Association regulating the proceedings of Directors so far as they are capable of applying;

**Directors' Remuneration.** Unless and until otherwise determined from time to time by the Company in general

meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors. Any Director who is appointed as an executive director (including for this purpose the office of chairman or deputy chairman) or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of fees, commission or otherwise as the Directors may determine. The Directors may be paid all travelling, hotel and other out-of-pocket expenses properly incurred by them in connection with their attendance at meetings of the Directors or committees established by the Directors or general meetings or separate meetings of the holders of any class of Shares of the Company or otherwise in connection with the discharge of their duties;

**Transfer of Shares.** Subject to the restrictions set out below, the Shares of any holder may be transferred by instrument in writing in any usual or common form or any other form, which the Directors may approve.

The Directors in their absolute discretion and without assigning any reason therefor may decline to register any transfer of a Share to a U.S. Person (other than pursuant to an exemption available under the laws of the United States), any person who, by holding Shares, would appear to be in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares or might result in the Company incurring any liability to taxation or suffering pecuniary legal or material administrative disadvantages or being in breach of any law or regulation which the Company might not otherwise have incurred, suffered or breached, any transfer to an individual under the age of 18, any transfer to or by a minor or a person of unsound mind, any transfer unless the transferee of such Shares would following such transfer be the holder of Shares with a value at then current subscription price equal to or greater than the Minimum Initial Investment Amount, any transfer in circumstances where as a result of such transfer the transferor or transferee would hold less than the Minimum Shareholding and any transfer in regard to which any payment of taxation remains outstanding.

The Directors may decline to recognise any instrument of transfer unless it is accompanied by the certificate for the Shares to which it relates (if issued), is in respect of one class of Share only, is in favour of not more than four transferees and is lodged at the registered office or at such other place as the Directors may appoint. The Directors may decline to register any transfer of Shares unless the transferor and the transferee have provided the Administrator with such evidence of their identities as the Administrator may reasonably require;

**Right of Repurchase.** Shareholders have the right to request the Company to repurchase their Shares in accordance with the provisions of the Articles of Association;

**Dividends.** The Articles of Association permit the Directors to declare such dividends on any class of Shares as appear to the Directors to be justified by the profits of the relevant Fund. The Directors may satisfy any dividend due to holders of Shares in whole or in part by distributing to them in specie any of the assets of the relevant Fund and, in particular, any investments to which the relevant Fund is entitled. A holder may require the Directors instead of transferring any assets in specie to him, to arrange for a sale of the assets and for payment to the holder of the net proceeds of same. Any dividend unclaimed for six years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund;

**Funds.** The Directors are required to establish a separate portfolio of assets for each Fund created by the Company from time to time, to which the following shall apply:-

- (i) for each Fund the Company shall keep separate books and records in which all transactions relating to the relevant Fund shall be recorded and, in particular, the proceeds from the allotment and issue of Shares of each class in the Fund, and the investments and the liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Articles;
- (ii) any asset derived from any other asset(s) (whether cash or otherwise) comprised in any Fund, shall be applied in the books and records of the Company to the same Fund as the asset from which it was derived and any increase or diminution in the value of such an asset shall be applied to the relevant Fund;
- (iii) in the event that there are any assets of the Company which the Directors do not consider are attributable to a particular Fund or Funds, the Directors shall, with the approval of the Depositary, allocate such assets to and among any one or more of the Funds in such manner and on such basis as they, in their discretion, deems fair and equitable; and the Directors shall have the power to and may at any time and from time to time, with the approval of the Depositary, vary the basis in relation to assets previously allocated;

- (iv) each Fund shall be charged with the liabilities, expenses, costs, charges or reserves of the Company in respect of or attributable to that Fund;
- (v) if, as a result of a creditor proceeding against certain of the assets of the Company or otherwise, a liability, expense, cost, charge or reserve would be borne in a different manner from that in which it would have been borne under paragraph (iv) above or in any similar circumstances, the Directors may transfer in the books and records of the Company any asset to and from any of the Funds; and
- (vi) in the event that any asset attributable to a Fund is taken in execution of a liability not attributable to that Fund, the provisions of section 1407 of the Companies Act shall apply.

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

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

- (i) If the Company shall be wound up the liquidator shall, subject to the provisions of the Companies Act, apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund;
- (ii) The assets available for distribution amongst the holders shall be applied as follows: first the proportion of the assets in a Fund attributable to each class of Share shall be distributed to the holders of Shares in the relevant class in the proportion that the number of Shares held by each holder bears to the total number of Shares relating to each such class of Shares in issue as at the date of commencement to wind up; secondly, in the payment to the holder(s) of the subscriber shares of sums up to the notional amount paid thereon out of the assets of the Company not attributable to any class of Share. In the event that there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets of the Company attributable to each class of Share; and thirdly, any balance then remaining and not attributable to any of the classes of Shares shall be apportioned pro-rata as between the classes of Shares based on the Net Asset Value attributable to each class of Shares as at the date of commencement to wind up and the amount so apportioned to a class shall be distributed to holders pro-rata to the number of Shares in that class of Shares held by them;
- (iii) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the relevant holders and any other sanction required by the Companies Act of Ireland, divide among the holders of Shares of any class or classes in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between all the holders of Shares or different classes of Shares. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of holders as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no holder shall be compelled to accept any assets in respect of which there is a liability. A holder may require the liquidator instead of transferring any asset in specie to him/her, to arrange for a sale of the assets and for payment to the holder of the net proceeds of same;
- (iv) A Fund may be wound up pursuant to section 1407 of the Companies Act and in such event the provisions reflected in this paragraph 15 shall apply mutatis mutandis in respect of that Fund;

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

### **Litigation and Arbitration**

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

## **Directors' Interests**

There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed;

At the date of this Prospectus, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Company and save as provided in (20) below no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company; and

At the date of this Prospectus neither the Directors nor any Associated Person have any beneficial interest in the share capital of the Company or any options in respect of such capital.

David Loevner is a Director of the Company and an employee of the Investment Manager and Ryan Bowles is a Director of the Company and an employee of the Investment Manager. Mike Kirby is principal of KB Associates which provides consultancy services to the Company.

## **Material Contracts**

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

**The Depositary Agreement** dated 31 May 2016 2016 between the Company and the Depositary. The Depositary shall act as depositary of the Company's assets and shall be responsible for the oversight of the Company to the extent required by and in accordance with applicable law, rules and regulations. The Depositary shall exercise the supervisory duties in accordance with applicable law, rules and regulations as well as the Depositary Agreement. The Depositary shall perform its obligations with due skill, care and diligence as determined in accordance with the standards and practices of a professional depositary for hire in the markets or jurisdictions in which the Depositary performs services under the Depositary Agreement.

The Depositary shall be liable to the Company, or to the Shareholders, for all losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations as set out in the Depositary Agreement and UCITS V. The Depositary shall be liable to the Company and to the Shareholders, for the loss by the Depositary or a duly appointed third party of any financial instruments held in custody (determined in accordance with UCITS V) and shall be responsible for the return of financial instruments or corresponding amount to the Company without undue delay. The Depositary Agreement contains indemnities in favour of the Depositary for certain losses incurred but excluding circumstances where the Depositary is liable for the losses incurred. The Depositary Agreement shall continue in force unless and until terminated by either party giving not less than 90 days' prior written notice to the other, although termination may be immediate in certain circumstances, such as the insolvency of the Depositary. Upon an (envisaged) removal or resignation of the Depositary, the Company shall with due observance of the applicable requirements of the Central Bank, appoint a successor Depositary. The Depositary may not be replaced without the approval of the Central Bank. The Depositary Agreement shall be governed by the laws of Ireland and the courts of Ireland shall have non-exclusive jurisdiction to hear any disputes or claims arising out of or in connection with the Depositary Agreement.

**The Administration Agreement** dated 30 June 2010 between the Company and the Administrator. The Administration Agreement provides that the appointment of the Administrator will continue unless and until terminated by either party giving to the other not less than 90 days' written notice although in certain circumstances the Administration Agreement may be terminated forthwith by notice in writing by either party to the other. The Administration Agreement also contains no recourse provisions under which the recourse of the Administrator against the Company in respect of any claims arising under or in relation to the Administration Agreement is expressed to be limited to the Fund established in respect of the Shares to which such claims relate, and the Administrator will have no recourse to any other Fund; if following the realisation of all of the assets of the relevant Fund and subject to the application of such realisation proceeds in payment of all claims of the Administrator relating to the relevant Fund and all other liabilities (if any) of the Company ranking *pari passu* with or senior to such claims which have recourse to the relevant Fund, such claims are not paid in full, (a) the amount outstanding in respect of such claims will be automatically extinguished, (b) the Administrator will have no further right of payment in respect thereof (neither (a) and (b) will affect the Administrator's recourse whether at law, in tort or otherwise against the assets of the Company) and (c) the Administrator will not be able to petition for the winding-up of the Company as a consequence of any such shortfall; save where (a) and (b) above shall not apply to any assets of the relevant Fund that may be subsequently held or recouped by the relevant Fund;

**The Investment Management Agreement** dated 31 May 2007 (and novated on 26 August 2009) between the Company and the Investment Manager (the **Agreement**); this Agreement provides that the appointment of the Investment Manager will continue unless and until determined pursuant to the following provisions: The Investment Manager shall be entitled to retire or resign its appointment hereunder: (i) upon the expiration of not less than 90 days' notice in writing to the Company; (ii) at any time by notice in writing if the Company shall go into liquidation (except a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the Investment Manager) or be unable to pay its debts or if the Company or the Depositary or if a receiver is appointed over any of the assets of the Company or if the Company is insolvent or if some event having an equivalent effect occurs in relation to the Company; or (iii) at any time by notice in writing if the Company shall commit any material breach of its obligations under the Agreement and (if such breach shall be capable of remedy) shall fail within thirty days' of receipt of notice served by the Investment Manager requiring it so to do to make good such breach. The Company may terminate the appointment of the Investment Manager at any time by notice in writing: (i) if the Investment Manager shall go into liquidation (except a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the Company) or commits an act of insolvency or if an administration order is made in relation to the Investment Manager or if the Investment Manager is dissolved or if any event having an equivalent effect occurs; or (ii) if the Investment Manager shall commit any material breach of its obligations under the Agreement and (if such breach shall be capable of remedy) shall fail within thirty days' of receipt of notice served by the Company requiring it so to do to make good such breach. On termination of the appointment of the Investment Manager under Clause 18 of the Agreement, the Investment Manager shall be entitled to receive all fees and other monies accrued due up to the date of such termination but shall not be entitled to compensation in respect of such termination. Any termination effected pursuant to Clause 18 of the Agreement shall be without prejudice to any rights of either party in respect of any obligations of the other party hereunder, including the rights of the Investment Manager to payment of any expenses incurred by the Investment Manager in the course of its duties prior to such termination. The Company shall use its best endeavours to appoint a successor investment manager as soon as is reasonably practicable after notice of termination of the Agreement has been given by either party in accordance with this clause. The Agreement shall automatically terminate if the Company's authorisation by the Central Bank is revoked.

Please refer to each Supplement for details of relevant material contracts (if any) in respect of a Fund.

### **Remuneration Policy**

The Company has a remuneration policy in place to ensure 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 ensure that its remuneration policies and practices are consistent with sound and effective risk management, will not encourage risk-taking which is inconsistent with the risk profile of the Funds and the Instrument of Incorporation, and will be consistent with UCITS V. The Directors will ensure that the remuneration policy is at all times consistent with the business strategy, objectives, values and interests of the Company, the Funds and Shareholders, and includes measures to ensure that all relevant conflicts of interest may be managed appropriately at all times. Further details with regard to the remuneration policy are available at the following website: [www.hardingloevnefundspc.com](http://www.hardingloevnefundspc.com). The remuneration policy may be obtained free of charge on request from the Company.

### **Miscellaneous**

Save as disclosed under the Incorporation and Share Capital section above, no share or loan capital of the Company has been issued or agreed to be issued, is under option or otherwise. As of the date of this Prospectus, the Company does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptance or acceptance credits, hire purchase or finance lease commitments, guarantee or other contingent liabilities which are material in nature.

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

Save as disclosed under the Portfolio Transactions and Conflicts of Interest section above, no commissions, discounts, brokerages or other special terms have been paid or granted or are payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares or loan capital of the Company.

The Company may provide certain additional reports (including in relation to certain performance measures, risk measures or general portfolio information) and/or accounting materials to any current or prospective Shareholders upon request, and, if deemed necessary by the Company, upon the execution of a confidentiality agreement and/or non-use agreement.

### **Documents for Inspection**

Copies of the following documents may be obtained from the Company and inspected at the registered office of the Company during usual business hours during a Business Day at the address shown in the Directory section below:

1. the Memorandum and Articles of Association of the Company;
2. the Prospectus (as amended and supplemental to) and the Supplements;
3. Key Shareholder Information Documents ("KIIDs")
4. the annual and semi-annual reports relating to the Company most recently prepared by the Administrator;
5. details of notices sent to Shareholders; and
6. a list of any directorships or partnerships, past or present, held by the Directors in the last five years.

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

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

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



**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 I, 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 Regulations. The Central Bank does not issue a list of approved stock exchanges or markets.

- (i) any stock exchange in the EU, the EEA and also any investments listed, quoted or dealt in on any stock exchange in Australia, Canada, Japan, New Zealand, Hong Kong, Switzerland, United Kingdom, or the United States of America which is a stock exchange within the meaning of the law of the country concerned relating to stock exchanges;
- (ii) any exchange registered with the SEC as a National Stock Exchange, NASDAQ, the over-the-counter market in the U.S. regulated by the Financial Industry Regulatory Authority, Inc.; the market known as the "Grey Book Market", that is the market conducted by those persons for the time being included in the list maintained by the FCA for the purposes of section 43 of the Financial Services Act, 1986 under the conditions imposed by the FCA under that section conducted by listed money market institutions as described in the Bank of England publication entitled "The Regulation of the Wholesale Cash and OTC Derivatives Markets in Sterling, Foreign Exchange and Bullion" dated April, 1988 (as amended or revised from time to time); the over-the-counter market in Tokyo regulated by the Securities Dealers Association of Japan; the market organised by the International Capital Markets Association; the market in U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank in New York; the French market for "Titres de Créances Négociables" (over-the-counter market in negotiable debt instruments) and the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;
- (iii) all of the following stock exchanges and markets: the Hong Kong Stock Exchange, the Bombay Stock Exchange, the Kuala Lumpur Stock Exchange, the Singapore Stock Exchange, the Taiwan Stock Exchange, the Stock Exchange of Thailand, the Korea Stock Exchange, the Shanghai Stock Exchange, the Shanghai-Hong Kong Stock Connect, the Shenzhen-Hong Kong Stock Connect, the Philippines Stock Exchange, the Johannesburg Stock Exchange, the Shenzhen Stock Exchange (SZSE), the Cairo and Alexandria Stock Exchange, the National Stock Exchange of India, the Jakarta Stock Exchange, the Amman Financial Market, the Nairobi Stock Exchange, the Bolsa Mexicana de Valores, the Casablanca Stock Exchange, the Namibia Stock Exchange, the Nigeria Stock Exchange, the Karachi Stock Exchange, the Moscow Exchange, the Colombo Stock Exchange, the Buenos Aires Stock Exchange (MVBA), the Bogota Stock Exchange, the Medellin Stock Exchange, the Lima Stock Exchange, the Caracas Stock Exchange, the Valencia Stock Exchange, the Santiago Stock Exchange, the Bolsa Electronica de Chile, the Sao Paulo Stock Exchange, the Rio de Janeiro Stock Exchange, the Stock Exchange of Mauritius Ltd., the Istanbul Stock Exchange, the Botswana Stock Exchange, the Beirut Stock Exchange, the Lahore Stock Exchange, the Ho Chi Minh Stock Exchange, the Ghana Stock Exchange, the Tunis Stock Exchange, the Ukrainian Stock Exchange, the Chittagong Stock Exchange, the Dhaka Stock Exchange, the Tel Aviv Stock Exchange, the Uganda Securities Exchange, the Belgrade Stock Exchange, the Bolsa de Valores de Panamá, the Lusaka Stock Exchange the market organised by the International Capital Markets Association; the over-the-counter market in the U.S. conducted by primary and secondary dealers regulated by the SEC and by the Financial Industry Regulatory Authority, Inc. and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation; the market conducted by listed money market institutions as described in the Corporation; the market conducted by listed money market institutions as described in the FCA publication entitled "The Regulation of the Wholesale Cash and OTC Derivatives Markets": "The Grey Paper" (as amended or revised from time to time); the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan; AIM - the Alternative Investment Market in the UK, regulated by the

London Stock Exchange; the French Market for Titres de Créances Négociables (over-the-counter market in negotiable debt instruments); the over-the-counter market in Canadian Government Bonds regulated by the Investment Dealers Association of Canada; and

(iv) for investments in financial derivative instruments:-

CME Group, NASDAQ OMX Group, Chicago Board of Trade, Chicago Mercantile Exchange, New York Mercantile Exchange, American Stock Exchange, New York Futures Exchange, New York Stock Exchange, NYSE Arca, Chicago Board Options Exchange, NASDAQ OMX NLX, NASDAQ OMX PHLX, Philadelphia Board of Trade, Kansas City Board of Trade, CBOE Futures Exchange, CME Europe, Eurex, Euronext (Amsterdam, Brussels, Lisbon, Paris), ICE Futures Europe, ICE Futures Canada, ICE Futures U.S., Australian Stock Exchange, Sydney Futures exchange, New Zealand Exchange, Toronto Stock Exchange, Montreal Stock Exchange, Bolsa Mercadorias & Futuros, Bolsa Mexicana de Valores, Hong Kong Exchange, Johannesburg Stock Exchange, MEFF Renta Variable (Madrid), Barcelona MEFF Rent Fija, OMX Nordic Exchange Copenhagen, OMX Exchange Helsinki, OMX Nordic Exchange Stockholm, Osaka Exchange, Singapore Exchange, Tokyo Financial Exchange, Tokyo Stock Exchange, Korea Exchange, London Stock Exchange, NASDAQ OMX Sweden, ERIS Exchange, Global Markets Exchange, ELX Futures.

## Global Network of Markets &amp; Sub-custodians

## Depository - Subcustodian Delegate Information

1. Jurisdiction	2. Subcustodian	3. Subcustodian Delegate
<b>Argentina</b>	Citibank N.A., Buenos Aires Branch	
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
<b>Austria</b>	UniCredit Bank Austria AG	
<b>Bangladesh</b>	Standard Chartered Bank	
<b>Belgium</b>	Deutsche Bank AG	
<b>Bermuda</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Bermuda Limited
<b>Bosnia and Herzegovina (Federation of Bosnia- Herzegovina)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Bosnia and Herzegovina (Republic of Srpska)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Botswana</b>	Standard Chartered Bank Botswana Limited	
<b>Brazil</b>	Citibank N.A., Brazilian Branch	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")

<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	
<b>Canada</b>	The Northern Trust Company, Canada	
<b>Canada*</b>	Royal Bank of Canada	
<b>Chile</b>	Citibank N.A.	Banco de Chile
<b>China B Share</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
<b>Clearstream</b>	Clearstream Banking S.A.,	
<b>Colombia</b>	Cititrust Columbia S.A. Sociedad Fiduciaria	
<b>Costa Rica</b>	Banco Nacional de Costa Rica	
<b>Côte d'Ivoire</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
<b>Croatia</b>	UniCredit Bank Austria AG	Zagrebacka Banka d.d.
<b>Cyprus</b>	Citibank Europe PLC	
<b>Czech Republic</b>	UniCredit Bank Czech Republic and Slovenia, a.s.	
<b>Denmark</b>	Nordea Bank Abp	
<b>Egypt</b>	Citibank N.A., Cairo Branch	
<b>Estonia</b>	Swedbank AS	

<b>Eswatini</b> (formerly Swaziland)	Standard Bank Eswatini Limited	
<b>Finland</b>	Nordea Bank Abp	
<b>France</b>	The Northern Trust Company	
<b>Germany</b>	Deutsche Bank AG	
<b>Ghana</b>	Standard Chartered Bank Ghana Limited	
<b>Greece</b>	Citibank Europe PLC	
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hong Kong (Stock and Bond Connect)</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hungary</b>	UniCredit Bank Hungary Zrt.	
<b>Iceland</b>	Landsbankinn hf	
<b>India</b>	Citibank N.A.	
<b>Indonesia</b>	Standard Chartered Bank	
<b>Ireland</b>	Euroclear UK and Ireland Limited (Northern Trust self-custody)	
<b>Israel</b>	Bank Leumi Le-Israel B.M.	
<b>Italy</b>	Citibank Europe plc	

<b>Japan</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Jordan</b>	Standard Chartered Bank	
<b>Kazakhstan</b>	Citibank Kazakhstan JSC	
<b>Kenya</b>	Standard Chartered Bank Kenya Limited	
<b>Kuwait</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Latvia</b>	Swedbank AS	
<b>Lithuania</b>	AB SEB bankas	
<b>Luxembourg</b>	Euroclear Bank S.A./N.V.	
<b>Malaysia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Malaysia Berhad
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Mexico</b>	Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex	
<b>Morocco</b>	Société Générale Marocaine de Banques	
<b>Namibia</b>	Standard Bank Namibia Ltd	
<b>Netherlands</b>	Deutsche Bank AG	
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited	

<b>Nigeria</b>	Stanbic IBTC Bank Plc	
<b>Norway</b>	Nordea Bank Abp	
<b>Oman</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Oman S.A.O.G
<b>Pakistan</b>	Citibank N.A., Karachi Branch	
<b>Panama</b>	Citibank N.A., Panama Branch	
<b>Peru</b>	Citibank del Peru S.A.	
<b>Philippines</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Poland</b>	Bank Polska Kasa Opieki Spółka Akcyjna,	
<b>Portugal</b>	BNP Paribas Securities Services	
<b>Qatar</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Romania</b>	Citibank Europe PLC	
<b>Russia</b>	AO Citibank	
<b>Saudi Arabia</b>	The Northern Trust Company of Saudi Arabia	
<b>Senegal</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
<b>Serbia</b>	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC

<b>Singapore</b>	DBS Bank Ltd	
<b>Slovakia</b>	Citibank Europe PLC	
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.	
<b>South Africa</b>	The Standard Bank of South Africa Limited	
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Spain</b>	Deutsche Bank SAE	
<b>Sri Lanka</b>	Standard Chartered Bank	
<b>Sweden</b>	Svenska Handelsbanken AB (publ)	
<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd	
<b>Taiwan</b>	Bank of Taiwan	
<b>Tanzania</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
<b>Thailand</b>	Citibank N.A., Bangkok Branch	
<b>Tunisia</b>	Union Internationale De Banques	
<b>Turkey</b>	Deutsche Bank AG & Deutsche Bank AS	
<b>Uganda</b>	Standard Chartered Bank Uganda Limited	



<b>United Arab Emirates (ADX)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (DFM)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (NASDAQ)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Kingdom</b>	Euroclear UK and Ireland Limited (Northern Trust self-custody)	
<b>United States</b>	The Northern Trust Company	
<b>Uruguay</b>	Banco Itau Uruguay S.A.	
<b>Vietnam</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
<b>Zambia</b>	Standard Chartered Bank Zambia PLC	

\*The Royal Bank of Canada serves as Northern Trust's Sub-Custodian for securities not eligible for settlement in Canada's local central securities depository.

**HARDING LOEVNER FUNDS PLC**

2<sup>nd</sup> FLOOR  
5 EARLSFORT TERRACE  
DUBLIN 2  
IRELAND

**PROMOTER**

HARDING LOEVNER LP  
400 CROSSING BLVD.  
4TH FLOOR  
BRIDGEWATER  
NJ 08807  
USA

**DIRECTORS**

DAVID LOEVNER  
RYAN BOWLES  
JIM CLEARY  
MIKE KIRBY

**INVESTMENT MANAGER**

HARDING LOEVNER LP  
400 CROSSING BLVD.  
4TH FLOOR  
BRIDGEWATER  
NJ 08807  
USA

**DEPOSITARY**

NORTHERN TRUST FIDUCIARY SERVICES (IRELAND) LIMITED  
GEORGES COURT  
54-62 TOWNSEND STREET  
DUBLIN 2  
IRELAND

**ADMINISTRATOR**

NORTHERN TRUST INTERNATIONAL FUND ADMINISTRATION SERVICES (IRELAND) LIMITED  
GEORGES COURT  
54-62 TOWNSEND STREET  
DUBLIN 2  
IRELAND

**AUDITORS**

DELOITTE & TOUCHE  
EARLSFORT TERRACE  
DUBLIN 2  
IRELAND

**IRISH LEGAL ADVISERS TO THE COMPANY**

2<sup>nd</sup> FLOOR  
5 EARLSFORT TERRACE  
DUBLIN 2  
IRELAND

**SECRETARY**

2<sup>nd</sup> FLOOR  
5 EARLSFORT TERRACE  
DUBLIN 2  
IRELAND

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