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The directors whose names are listed under “The Company” section of this Prospectus (the “Directors”), accept responsibility for the information contained in this Prospectus and the Supplements hereto. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus and the Supplements is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

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## **GW&K INVESTMENT FUNDS PLC**

**(An umbrella fund with segregated liability between sub-funds constituted as an investment company with variable capital under the laws of Ireland with registration number 437987 on 16 April 2007 and authorised by the Central Bank of Ireland as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended.)**

## **PROSPECTUS**

**DATED 15 December 2021**

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## IMPORTANT INFORMATION

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Capitalised words and expressions are defined in the body of this Prospectus and/or in Appendix I Definitions.

### **THIS PROSPECTUS**

This Prospectus describes GW&K Investment Funds plc ("**Company**"), an investment company with variable capital incorporated in Ireland as a public limited company. The Company is constituted as an umbrella fund insofar as the share capital of the Company will be divided into different series of Shares with each series of Shares representing a portfolio of assets which will comprise a separate fund. Shares of any particular series may be divided into different Classes to accommodate different subscription and/or redemption charges and/or charges and/or dividend and/or fee arrangements. A separate pool of assets is not being maintained for each Class.

The portfolio of assets maintained for each series of Shares and comprising a separate sub-fund (each a "**Fund**") will be invested in accordance with the investment objectives and policies applicable to such Fund as specified in the Relevant Supplement. Each Supplement should be read in conjunction with, and construed as, one document with this Prospectus. For the purposes of this Prospectus, where the context so admits or requires, the term "Fund" shall also be deemed to mean the Directors or their delegate acting for the account of the relevant Fund. Although each Fund will be treated as bearing its own liabilities, the Company as a whole will remain liable to third parties for all of the liabilities of the Company.

This Prospectus and the Supplements may be translated into other languages and such translations shall contain only the same information as this Prospectus and the Supplements. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text shall prevail and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the law of Ireland.

### **INVESTOR RESPONSIBILITY**

**Prospective investors should review this Prospectus and the Relevant Supplements carefully and in their entirety and consult with their stockbroker, bank manager, solicitor, accountant or other legal, tax and financial advisers in relation to (i) the legal requirements within their own countries for the purchase, holding, exchange, redemption or disposal of Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, exchange, redemption or disposal of Shares; and (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Shares. Prospective investors should seek the advice of their legal, tax and financial advisers if they have any doubts regarding the contents of this Prospectus and/or the Relevant Supplements. Prices of Shares in the Company may fall as well as rise.**

### **AUTHORISATION AS A UCITS BY THE CENTRAL BANK**

**The Company is authorised and regulated by the Central Bank of Ireland ("Central Bank") as an "Undertaking for Collective Investment in Transferable Securities" ("UCITS") under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, and will comply with the UCITS Regulations. The authorisation of this Company by the Central Bank shall 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 by the Central Bank 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 was previously authorised by the Central Bank as an open-ended investment company under Section 256(5) of the Companies Act 1990 Part XIII, which authorisation was revoked upon its authorisation as a UCITS.**

## **DISTRIBUTION AND SELLING RESTRICTIONS**

The distribution of this Prospectus, any Supplement and the offering or purchase of Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or any Supplement in any such jurisdiction may treat this Prospectus or any Supplement as constituting an invitation to them to subscribe for Shares unless in the relevant jurisdiction such an invitation could lawfully be made to them without compliance with any registration or other legal requirements.

As a UCITS the Company may apply for recognition by other EU Member States or elsewhere.

### **United States of America**

The distribution of this Prospectus and any Relevant Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus, any Relevant Supplement or the accompanying Subscription Form in any such jurisdiction may treat this Prospectus, any Relevant Supplement or such Subscription Form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such Subscription Form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such Subscription Form could lawfully be used without compliance with any registration or other legal requirements.

The Shares have not been and will not be registered under the Securities Act of 1933 of the United States of America, as amended (the "**1933 Act**") or the securities laws of any of the States of the United States. Except with the consent of the Company's Directors, the Shares may not be offered, sold or delivered directly or indirectly in the United States of America, its territories or possessions or in any State or the District of Columbia (the "**United States**") or to or for the account or benefit of any US Person (as defined herein). Following the consent of the Company's Directors, the Shares may only be offered and sold in the United States to U.S. Persons that are (i) "accredited investors" (as defined in Regulation D under the 1933 Act) in reliance on the exemption provided in Section 4(2) under the 1933 Act and Regulation D), and (ii) "qualified purchasers" within the meaning of Section 2(a)(51) of U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"). Any resales or transfers of the Shares in the United States or to US Persons may constitute a violation of US law and requires the prior written consent of the Company. Applicants for Shares will be required to certify whether they are a "US Person".

### **United Kingdom**

The Company is a collective investment scheme, Shares in which may not be offered or sold in the United Kingdom except as permitted by the Financial Services and Markets Act 2000 (as amended) ("**FSMA 2000**") and the rules and regulations made under it, and this Prospectus may not be communicated to any person in the United Kingdom except in circumstances permitted by FSMA 2000 or those rules and regulations or to a person to whom this Prospectus may otherwise lawfully be issued in the United Kingdom.

## **RELIANCE ON THIS PROSPECTUS**

Shares in the Company are offered only on the basis of the information contained in this Prospectus, the Relevant Supplement, the most recent annual report and, if subsequently published, the semi-annual report of the Company. Any further information or representations given or made by any dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorised to give any information or to make any representation in connection with the offering of Shares in the Company other than those contained in the Key Investor Information Document, this Prospectus, the Relevant Supplement, the most recent annual report and, if subsequently published, the semi-annual report of the Company and, if given or made, such information or representations must not be relied on as having been authorised by the Directors, the Company, the Management Company, the Investment Manager, the Administrator, the Depositary or any distributors. Statements in this Prospectus and the Relevant Supplement are based on the law and practice currently in force in Ireland at the date hereof and are subject to change. Neither the delivery of this Prospectus or the Relevant Supplement nor the issue of Shares shall, under any

circumstances, create any implication or constitute any representation that the affairs of the Company have not changed since the date hereof.

## **INVESTMENT RISKS**

Investment in the Company carries with it a degree of risk. The value of Shares and the income from them may go down as well as up, and investors may not get back the amount invested. Past performance is no indicator of future performance and is no guarantee for future returns. Investment risks from market and currency losses cannot be excluded. Where a sales or redemption fee is imposed, the difference at any one time between the cost of purchase of Shares and their redemption price may mean that an investment should be viewed as medium to long term.

## **EMERGING MARKETS**

Investors should note that an investment in those Funds which may invest in emerging markets should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Please see the Relevant Supplement and the Investment Risks section of this Prospectus.

## **REDEMPTION FEE**

The Company may, having considered the best interests of the Shareholders of the relevant Fund as a whole, charge a redemption fee of up to 0.3% of the Net Asset Value of Shares being redeemed.

To counter frequent trading and market-timing there may be a 2.50% fee charged on Shares redeemed by a Shareholder within 90 days from the date upon which such Shares were issued or charged at such other amount, not to exceed 3.00% of the Net Asset Value of Shares being redeemed, or with respect to such other period, as the Directors may determine from time to time and provide prior notification thereof to Shareholders. Redemption fees will be paid into the applicable Fund. Redemption proceeds will be paid net of any applicable redemption fees. The Directors may, having considered the best interests of the Shareholders of the relevant Fund as a whole, differentiate between Shareholders of a Fund by waiving or reducing the redemption fee chargeable to certain Shareholders. Details of redemption fees will be set out in the Relevant Supplement.

Investment risk factors for an investor to consider are set out under the "Investment Risks" section of this Prospectus.

**NOTE:** THAT THE COMPANY WILL NOT, IN ACCORDANCE WITH THE UCITS REGULATIONS, INVEST DIRECTLY IN, OR THROUGH THE USE OF FINANCIAL DERIVATIVES INSTRUMENTS ON, COMMODITIES AND THE WORDING BELOW, WHICH IS MANDATED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION DOES, NOT AFFECT THIS RESTRICTION.

## **INVESTMENT MANAGERS' U.S. COMMODITY POOL OPERATOR EXEMPTION**

PURSUANT TO RULES ISSUED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION (THE "CFTC"), THE INVESTMENT MANAGERS ARE NOT REQUIRED TO REGISTER, AND ARE NOT REGISTERED, WITH THE CFTC AS A COMMODITY POOL OPERATOR ("CPO"). PURSUANT TO 17 C.F.R. §4.13(a)(3), THE INVESTMENT MANAGERS HAVE FILED A CLAIM OF EXEMPTION FROM REGISTRATION AS A CPO WITH THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION ("CFTC") IN CONNECTION WITH PRIVATE INVESTMENT FUNDS WHOSE U.S. PARTICIPANTS ARE "ACCREDITED INVESTORS", AS DEFINED IN REGULATION D UNDER THE 1933 ACT, CERTAIN FAMILY TRUSTS AND CERTAIN PERSONS AFFILIATED WITH THE INVESTMENT MANAGERS. AT ALL TIMES, EACH FUND WILL UTILIZE FUTURES SUCH THAT EITHER (I) NO MORE THAN 5% OF ITS ASSETS ARE USED TO ESTABLISH COMMODITY INTEREST POSITIONS OR (II) THE NOTIONAL VALUE OF ITS COMMODITY INTEREST POSITIONS DOES NOT EXCEED 100% OF THE FUND'S LIQUIDATION VALUE. UNLIKE A REGISTERED CPO, THE INVESTMENT MANAGERS ARE NOT REQUIRED

**TO DELIVER A DISCLOSURE DOCUMENT AND A CERTIFIED ANNUAL REPORT TO INVESTORS IN EACH FUND. TO CLAIM EXEMPTION FROM CPO, THE INVESTMENT MANAGERS ARE REQUIRED TO FILE, AND HAVE FILED, A PRESCRIBED NOTICE WITH THE U.S. NATIONAL FUTURES ASSOCIATION.**

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## DIRECTORY

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### GW&K INVESTMENT FUNDS PLC

70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Directors:**

T. Williams Roberts III  
Thomas F.X. Powers  
Elizabeth Beazley  
Wyndham Williams

**Management Company:**

Carne Global Fund Managers (Ireland) Limited  
2nd Floor, Block E  
Iveagh Court  
Harcourt Road  
Dublin 2  
Ireland

**Investment Manager:**

GW&K Investment Management, LLC  
222 Berkeley Street, Boston,  
MA 02116,  
USA

**Legal Advisers as to matters of Irish law:**

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Secretary**

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

**Administrator:**

Northern Trust International Fund  
Administration Services (Ireland) Limited  
George's Court  
54-62 Townsend Street  
Dublin 2  
Ireland

**Depositary:**

*Registered and Head Office*  
Northern Trust Fiduciary Services (Ireland)  
Limited  
George's Court  
54-62 Townsend Street  
Dublin 2  
Ireland

**Auditors:**

PricewaterhouseCoopers  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

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## **INVESTMENT OBJECTIVES AND POLICIES**

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### **INVESTMENT OBJECTIVES AND POLICIES**

The Company has been established for the purpose of investing in Transferable Securities in accordance with the UCITS Regulations. The investment objective and policies for each Fund and the investment restrictions in relation thereto will be formulated by the Company and the Management Company at the time of creation of such Fund and will be set out in the Relevant Supplement.

The Company has been established as an umbrella fund with the aim of establishing separate Funds each of which will have similar investment objectives. The Company intends to offer a range of Funds to allow investors to choose between different strategies and returns. A separate portfolio of assets will be maintained for each Fund and will be invested in accordance with the investment objective applicable to such Fund.

The investment objective and policies for each Fund and all other relevant details in relation to such Fund will be formulated by the Company and the Management Company at the time of creation of such Fund and set out in the Relevant Supplement which should be read in conjunction with and construed as supplemental to this Prospectus. The Relevant Supplement will include information relating to particular investment considerations applying to that Fund and any additional risk factors, the currency in which the relevant Shares are denominated, the distribution policy for that Fund and details regarding subscription and redemption procedures and applicable fees and expenses. The base currency of each Fund ("**Base Currency**") will be specified in the Relevant Supplement. The assets of each Fund will be invested in accordance with the restrictions and limits set out in Relevant Supplement and such additional investment restrictions, if any, as may be adopted by the Company and the Management Company. The Directors are empowered to borrow monies from time to time to supplement the assets of the Company in accordance with the requirements of the Central Bank.

A Fund may use financial derivative instruments for investment purposes as set out in the Relevant Supplement. Further, the Company may, on behalf of each Fund, and to the extent only that the Investment Manager deems consistent with the investment policies of the Fund and the Risk Management Process, employ investment techniques and instruments, including financial derivative instruments, for efficient portfolio management of the assets of the Company and, in particular, the Company may, for the purpose of hedging (whether against currency, exchange or interest rate risks or otherwise), purchase or sell spot contracts, forward contracts and financial futures and other derivative instruments and may also enter into sale and repurchase agreements and stocklending arrangements. The particular portfolio management techniques pursued by the Company to achieve its investment objective are outlined in Appendix II Efficient Portfolio Management.

### **CHANGE IN INVESTMENT OBJECTIVES OR POLICIES**

Changes to the investment objective or material changes to the investment policies of a Fund will only be effected with the approval of an Ordinary Resolution of the Shareholders of that Fund or the prior written approval of all Shareholders of a Fund. In the event of any change to investment objectives and/or material change to investment policies, Shareholders will be provided a reasonable period to enable Shareholders to redeem their Shares prior to implementation of such changes.

### **SHARE CLASS HEDGING**

Foreign exchange hedging may be utilised for the benefit of a particular Class of Shares within a Fund; each such transaction will be clearly attributable to a specific Class and its costs and related liabilities and/or benefits will be for the account of that Class only. Accordingly, such costs and related liabilities and/or benefits will be reflected in the Net Asset Value per Share for Shares of any such Class. If it is intended to employ currency hedging at a Class level, appropriate disclosure will be made in the Relevant Supplement. Over-hedged or under-hedged positions may arise unintentionally due to factors outside the control of the relevant Fund, but over-hedged positions will not be permitted to exceed 105% of the Net Asset Value of the relevant Class. The hedged positions will be kept under review to ensure that over-hedged positions do not exceed the permitted level. Such review will incorporate a procedure to ensure that positions materially in excess of 100% will not be carried forward from month to month. To the extent that hedging is successful, the performance of the



relevant Class is likely to move in line with the performance of the underlying assets. The use of hedged currency Classes may substantially limit holders of the Class from benefiting if the Class currency falls against the Base Currency and/or the currency in which the assets of the Fund are denominated. Please see the *Exchange Fluctuations and Currency Hedging* section of the Relevant Supplement for more information.

The Funds will invest in Transferable Securities listed or traded on Recognised Markets in accordance with the investment restrictions described below and subject to the market limits specified in the Articles.

## **BENCHMARKS**

Unless otherwise disclosed in this Prospectus, the indices used as benchmarks by the Funds (as “use” is defined in Regulation (EU) 2016/1011 (the “Benchmark Regulation”)) are, as at the date of this Prospectus, provided by benchmark administrators who appear on register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

Investors should note that, in accordance with the requirements of the Benchmark Regulation, the Company has adopted an index contingency plan to set out the actions which it would take in the event that a benchmark used by a Fund materially changes or ceases to be provided (the “Index Contingency Plan”). Actions taken by the Company or the Management Company on the foot of the Index Contingency Plan may result in changes to the investment objectives or investment policies of a Fund and any such changes will be implemented in accordance with the requirements of the Central Bank and the terms of this Prospectus. Please refer to the Relevant Supplement for a Fund for details on any benchmark that may be used by a Fund.

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## THE COMPANY AND THE MANAGEMENT COMPANY

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The Company is an investment company with variable capital incorporated in Ireland on 16 April 2007 under registration number 437987 and authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations. The object of the Company, as set out in Clause 2 of the Memorandum and Articles of Association, is the collective investment in Transferable Securities and other liquid financial assets of capital raised from the public, operating on the principle of risk spreading in accordance with the UCITS Regulations. All holders of Shares 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 Company, copies of which are available as described in the “*Documents Available for Inspection*” section of this Prospectus.

The Company has been structured as an umbrella fund with segregated liability between Funds, in that the Directors may from time to time, with the prior approval of the Central Bank, issue different series of Shares representing separate portfolios of assets. The assets of each Fund will be invested in accordance with the investment objective and policies applicable to such Fund as disclosed in the Relevant Supplement.

The Shares of each Class of a Fund will rank *pari passu* with each other in all respects provided that they may differ as to certain matters including currency of denomination, hedging strategies if any applied to the currency of a particular Class, dividend policy, the level of fees and expenses to be charged, or the minimum subscription and minimum holding, if any, applicable. The assets of each Fund will be separate from one another and will be invested separately in accordance with the investment objective and policies of each Fund. A separate portfolio of assets is not maintained for each Class. The investment objective and policies and other details in relation to each Fund are set out in the Relevant Supplement.

Under the Articles, the Directors are required to establish a separate Fund, with separate records for each series of Shares in the following manner:

- (a) the proceeds from the issue of Shares representing a Fund shall be applied in the books and records of the Company to that Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund, subject to the provisions of the Articles;
- (b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Company to the same Fund as the assets from which it was derived and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant Fund;
- (c) where the Company incurs a liability which relates to any asset of a particular Fund or to any action taken in conjunction with an asset of a particular Fund, such a liability shall be allocated to the relevant Fund;
- (d) where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, such asset or liability, subject to the approval of the Depositary, shall be allocated to all the Funds pro rata to the Net Asset Value of each Fund or on such other basis approved by the Depositary having taken into account the nature of the assets and liabilities;
- (e) subject as otherwise in the Articles provided, the assets held in each Fund shall belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of or claims against any other Fund and shall not be available for any such purpose;

Provided that when calculating the Net Asset Value of a Class in a Fund, the Directors may allocate commission, Duties and Charges and ongoing expenses on a basis which is different from that which applies in the case of other Classes in the Fund. For more information see the *Fees and Expenses - Establishment and Operating Costs and Share Class Hedging* sections of this Prospectus.

The Base Currency of each Fund is specified in the Relevant Supplement. At the date of this Prospectus the Company has established the Funds listed below:

## Active Funds

GW&K Emerging Markets Equity Fund

## Funds which have closed

In addition, the Company has established the below Funds which have now closed, are no longer available for investment and application is to be made in due course to the Central Bank for withdrawal of approval of these Funds:

Trilogy Global Diversified Fund  
GW&K Trilogy Emerging Wealth Fund  
The Valant Series Emerging Markets Fund

Additional Funds may be added by the Directors with the prior approval of the Central Bank. The terms and conditions of each of the Fund's initial offer/placing of Shares and details of any applicable fees and expenses shall be set out in the Relevant Supplement. Additional Classes to those set out in the Relevant Supplement may be added by the Directors with prior notification to and clearance by the Central Bank. Other Classes may be established within a Fund which may be subject to higher/lower/no fees where applicable as disclosed in the Relevant Supplement. This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Fund and/or Class.

Financial derivative instruments may be used for investment purposes as described in the Relevant Supplement and for efficient portfolio management purposes as set out in Appendix II.

As the Company is availing of the provisions of the Irish Companies Act, 2014, it is intended that each Fund will have segregated liability from the other Funds and that the Company will not be liable as a whole to third parties for the liability of each-Fund. However, investors should note the risk factor "Umbrella Structure of the Company" under "**Investment Risks**" below.

## THE DIRECTORS AND SECRETARY

The Board of Directors is responsible for managing the business affairs of the Company. The Directors are permitted to delegate certain functions to the Management Company and other service providers, subject to supervision and direction by the Directors.

The Directors are listed below with their principal occupations. The Directors have delegated the day-to-day management of the Company to the Management Company. None of the Directors has entered into a service contract with the Company nor is any such contract proposed and none of the Directors is an executive of the Company. The Company has granted indemnities to the Directors in respect of any loss or damages which they may suffer save where this results from the Directors' fraud, negligence breach of duty or breach of trust. The Articles do not stipulate a retirement age for Directors and do not provide for retirement of Directors by rotation. The address of the Directors is the registered office of the Company.

The Directors of the Company are:

**T. Williams Roberts III** (United States) is a partner in GW&K and oversees GW&K's Finance, Legal & Compliance, Information Technology, Operations, Human Resource and Administration departments. He also serves as GW&K's Chief Compliance Officer. Mr Roberts is a member of GW&K's Executive, Management and Investment Committees. In addition he is a member of various Operating Committees at GW&K including Brokerage, Cybersecurity/ Business Continuity & Disaster Recovery, Diversity & Inclusion, ESG, Proxy Voting and Valuation Committees. Mr Roberts joined GW&K in 1994 as Vice President, Director of Operations. In 2006 he was appointed Co-President of the firm responsible for establishing GW&K's strategic plan and managing the firm's overall business operations. Prior to joining GW&K, he was Director of Finance & Operations at Felton, Berlin, an insurance brokerage firm in the Boston area. Mr Roberts received his BA in Political Science from Denison University.

**Thomas F.X. Powers (United States)** is a Partner in the GW&K and oversees GW&K's Sales, Marketing and Client Service departments. He also is a member of the firm's Executive, Management, Investment and ESG Committees. Mr Powers joined GW&K in 1996 as the Director of Sales and Marketing. In 2006, Mr Powers was appointed Co-President of the firm responsible for establishing GW&K's strategic plan and managing the firm's business. Mr Robert's career in financial services began at The Boston Company in 1987. He received his BA in Economics from Boston College.

**Wyndham Williams** (Irish) is an experienced senior financial executive with widespread international and domestic expertise in corporate banking, general management and hedge fund management. A Fellow of the Institute of Bankers in Ireland he has been involved in the Banking and Financial Services industry for more than thirty years. In 1973 Mr Williams opened the first US office of AIB Bank in New York. In 1977 he was appointed Senior Vice President in charge of AIB's International Corporate Division to develop AIB's corporate strategy to multinational corporations establishing in Ireland. In 1991 he was appointed Regional Director of AIB Dublin Metropolitan Region. In 1995 he was appointed Managing Director of AIB Home Mortgages and Director of AIB Commercial Services Limited. Mr Williams retired from AIB in 1998. Since 1998 Mr Williams has acted as a non-executive director of several international hedge fund management companies established in the International Financial Services Centre (IFSC) in Dublin. Mr Williams holds a BA (Hons) and MSc (Mgt) from Trinity College Dublin.

**Elizabeth Beazley** (Irish) is a director with the Carne Group specialising in corporate governance, product development, financial reporting and fund oversight for both mutual and hedge funds. She has a 20-year track record in financial services. As Group Chief of Staff for Carne Group, Elizabeth works on various strategic projects within the Executive Committee and oversees the Global Onboarding team at Carne which is responsible for overseeing a team project managing the establishment of UCITS and AIFs and several third-party management companies covering service provider selection, governance documentation drafting and operational set-up. Ms Beazley currently acts as director on a number of funds/management companies. Prior to Carne Ms. Beazley spent four years with AIB/BNY Fund Management in Ireland, and before that worked for HSBC. Ms Beazley has been a member of various industry working groups including the Technical committee and the ETF committee. She graduated with a Bachelor of Commerce from University College Cork, and has a Masters' degree in Business Studies from the Smurfit Graduate School of Business. Ms. Beazley is a member of the Association of Chartered Certified Accountants.

The Company Secretary of the Company and the Management Company is Carne Global Financial Services Limited whose registered office is at 2nd Floor, Block E, Iveagh Court, Harcourt Road, Dublin 2, Ireland.

### **The Management Company**

The Company has appointed the Management Company to act as manager to the Company and each Fund with power to delegate one or more of its functions subject to the overall supervision and control of the Company. The Management Company is a private limited company and was incorporated in Ireland on 10 November 2003 under the registration number 377914 and has been authorised by the Central Bank to act as a UCITS management company and to carry on the business of providing management and related administration services to UCITS collective investment schemes. The Management Company's parent company is Carne Global Financial Services Limited, a company incorporated in Ireland with limited liability.

The Management Company is responsible for the general management and administration of the Company's affairs and for ensuring compliance with the UCITS Regulations, including investment and reinvestment of each Fund's assets, having regard to the investment objective and policies of each Fund. However, pursuant to the Administration Agreement, the Management has delegated certain of its administration and transfer agency functions in respect of each Fund to the Administrator.

Pursuant to the Investment Management Agreement, the Management Company has delegated certain investment management functions in respect of each Fund to the Investment Manager.

The directors of the Management Company are:

**Neil Clifford (nationality: Irish – Irish resident)**

Mr. Clifford is a Director with the Carne Group. He is an experienced Irish-based investment professional and fund director with wide experience of the governance and operations of alternative investments at the institutional level, including infrastructure and private equity funds. He has also had experience as an equity fund manager and is a qualified risk management professional.

Neil joined the Management Company in October 2014 from Irish Life Investment Managers (“ILIM”) (April 2006 – September 2014), where he was head of alternative investments. He also supervised ILIM’s illiquid investments in private equity and infrastructure, including acting as an independent director on a number of investment companies. He began his career with Irish Life as a sector-focused equity fund manager. Prior to this, Neil was a senior equity analyst for Goodbody Stockbrokers (September 2000 - April 2006) in Dublin. He has also worked as an engineer with a number of leading engineering and telecoms firms in Ireland.

Neil has a bachelor of electrical engineering from University College Cork and a master of business administration from the Smurfit School of Business, University College, Dublin. He is a chartered alternative investment analyst and a financial risk manager (FRM – Global Association of Risk Professionals).

**Teddy Otto (nationality: German – Irish resident)**

Mr. Otto is a Principal with the Carne Group. He specialises mainly in product development, fund establishment and risk management. Before joining the Management Company, Mr. Otto was employed by the Allianz / Dresdner Bank group in Ireland for six years. During this time, he acted as head of fund operations, head of product management and was appointed as a director of the Irish management company for Allianz Global Investors and a range of Irish and Cayman domiciled investment companies.

He had previously held senior positions in the areas of market data and custody at Deutsche International (Ireland) Limited and worked in the investment banking division of Deutsche Bank, Frankfurt. He spent over six years at DeutscheBank group. Prior to that, he was employed with Bankgesellschaft Berlin for two years.

Mr. Otto holds a degree in business administration from Technische Universität Berlin.

**Michael Bishop (nationality: British – U.K. resident)**

Mr. Bishop was with UBS Global Asset Management (U.K.) Ltd. (1990 – 2011) holding executive director and then managing director positions and was responsible for the development and management of the U.K. business's range of investment funds. His areas of expertise include U.K. open-ended investment companies, unit trusts, unit linked funds and Irish, Cayman Islands, Channel Islands and other investment structures. He was a director of and responsible for the launch of UBS Global Asset Management Life Ltd. and UBS (Ireland)plc.

Mr. Bishop has designed and launched products catering for all capabilities including equities, fixed income and alternative strategies. He has also been responsible for service provider appointment and management, as well as holding senior accounting and managerial roles with other financial services companies including Flemings and Tyndall. He has served on a number of the Investment Management Association’s committees, industry forums and consultation groups specialising in U.K. and international regulation, product development and taxation.

Mr. Bishop is a Fellow of the Association of Chartered Certified Accountants. Since retiring in 2011, he has been involved with various charities.

**Sarah Murphy (nationality: Irish – Irish resident)**

Sarah is a Director of Oversight at Carne, with a particular focus on the governance and operations of management companies and fund platforms. She currently acts as a Director and Chief Operations

Officer of Carne's management companies in addition to serving on the boards of Carne's UCITS and QIAIF platforms. Sarah is primarily responsible for leading the execution of the firm's management companies' operations, which collectively oversee more than \$100bn in assets. She began her career at Carne as a business manager where she was tasked with leading the launch and development of a number of the firm's corporate services businesses.

Prior to joining Carne, Sarah held a number of senior management roles in BDO Ireland's corporate services business. During this period, Sarah was responsible for providing advisory services to a broad range of domestic and international clients in relation to corporate governance and company law issues associated with acquisitions, disposals and company re-organisations.

Sarah is a Fellow of the Institute of Chartered Secretaries and Administrators and is currently completing the Chartered Alternative Investment Analyst certification.

**David McGowan (nationality: Irish – Irish resident)**

David joined Carne as the Global Chief Operating Officer in October 2019. David has over 15 years' experience in building and managing complex operations teams across a variety of industries. David has responsibility for a multitude of operational functions across a number of business lines across the Carne Group. As part of David's remit within Carne Group, he is responsible for ensuring that the most appropriate operating model is in place for the Management Company's regulatory environment as the Management Company grows in terms of assets under management, number of funds under management and number of delegate arrangements.

In David's role prior to joining Carne, he served as a Director of Global Business Services with LinkedIn leading a number of global business lines, including heading up functions of over 400 full time employees with global accountability for relationship management and management operating systems implementation. Prior to his role with LinkedIn, David was a Director of Global Business Services with Accenture Plc providing domain and analytical support for outsourced relationships in EMEA and project implementation across a number of areas including Customer Success and Sales.

David holds a BSc in Supply Chain Management and Logistics from the Aston University Birmingham.

**Elizabeth Beazley (nationality: Irish – Irish resident)**

A biography for Ms Beazley is set out under the section above entitled "Directors and Secretary".

**Christophe Douche (nationality: French)**

Christophe Douche is a Director with the Carne Group with over 23 years' experience in the funds industry, focusing on risk management, compliance, AML and corporate governance. His roles have included acting as conducting officer, executive director and chairman on fund boards, committees and management companies.

Christophe currently acts as conducting officer in charge of risk for Carne Global Fund Managers (Luxembourg) SA. He also acts as Head of the Carne Group Risk & Valuation Teams. Previously he worked as a director with responsibility for risk & operations with FundRock where he was the conducting officer in charge of risk, distribution, central administration and depositary oversight. He also acted as Head of Regulatory Compliance and AML and Head of Investment Compliance during his time with FundRock. Prior to that he worked with State Street Bank Luxembourg as fund compliance manager and with Natixis Private Banking Luxembourg as a manager in the fund compliance and fund depositary department.

Christophe has a master's degree in Finance and Economics and a degree in Banking, Finance and Insurance from University Nancy.

The Secretary of the Management Company is Carne Global Financial Services Limited.

**Management Agreement**

Pursuant to the Management Agreement the Management Company is responsible for the general management and administration of the Company's affairs, subject to the overall supervision and control of the Directors. Pursuant to the provisions of the Management Agreement the Management Company may delegate one or more of its functions subject to the overall supervision and control of the Company.

The Management Company shall exercise the due care of a professional UCITS manager in the performance of its duties under the Management Agreement, including with regard to the selection, appointment and monitoring of any delegates and shall use its best endeavours, skill and judgment and all due care in performing its duties and obligations and exercising its rights and authorities under the Management Agreement provided that for the avoidance of any doubt the Management Company shall not be liable for any decline in the value of the Investments of the Company or any Fund or any part thereof to the extent that such decline results from any investment decision made by the Management Company or any delegate in good faith unless such decision was made negligently, fraudulently, in bad faith or with wilful default on the part of the Management Company.

Neither the Management Company nor any of its directors, officers, employees or agents shall be liable for any loss or damage arising directly or indirectly out of or in connection with the performance by the Management Company of its obligations and duties under the Management Agreement unless such loss or damage arose out of or in connection with the negligence, wilful default, fraud or bad faith on the part of or by the Management Company or any delegate in the performance of its duties under the Management Agreement.

The Company shall be liable and shall indemnify and keep indemnified and hold harmless the Management Company from and against any and all actions, proceedings, claims, demands, losses, damages, costs and expenses (including reasonable legal and professional fees and expenses arising) which may be made or brought against or suffered or incurred by the Management Company (including those made or brought against or suffered or incurred by the Management Company through any of its directors, officers, employees or agents) arising out of or in connection with the performance of its obligations and duties under the Management Agreement in the absence of any negligence, wilful default, fraud or bad faith of or by the Management Company in the performance of its duties under the Management Agreement or as otherwise may be required by law.

The Management Company may perform any of its duties, obligations and responsibilities under the Management Agreement by or through its directors, officers, servants or agents and shall be entitled to delegate or sub-contract all or any of its functions, powers, discretions, duties and obligations as the Management Company under the Management Agreement to any person approved by the Directors and, where required, the Central Bank on such terms and conditions as agreed between the Company and the Management Company, provided that any such delegation or sub-contract shall terminate automatically on the termination of the Management Agreement and provided further that the Management Company shall remain responsible and liable for any acts or omissions of any such delegate or sub-contractor as if such acts or omissions were those of the Management Company. The Management Company's liability to the Company shall not be affected by the fact that the Management Company has delegated all or any part of its duties, obligations and responsibilities under the Management Agreement to a third party.

The Management Agreement shall continue in full force and effect unless terminated by any party at any time upon ninety (90) days' prior written notice to the other party or at any time if any party: (i) commits any material breach of the Management Agreement or commits persistent breaches of the Management Agreement which is or are either incapable of remedy or have not been remedied within thirty (30) days of the non-defaulting party serving notice requiring the remedying of the default; (ii) becomes incapable of performing its duties or obligations under the Management Agreement due to any change in law or regulatory practice; (iii) is unable to pay its debts as they fall due or otherwise becomes insolvent or enters into any composition or arrangement with or for the benefit of its creditors or any class thereof; (iv) is the subject of a petition for the appointment of an examiner, administrator, trustee, official assignee or similar officer to it or in respect of its affairs or assets; (v) has a receiver appointed over all or any substantial part of its undertaking, assets or revenues; (vi) is the subject of an effective resolution for the winding up (except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party); or (vii) is the subject of a court order for its winding up or liquidation. Either party may also terminate the

Management Agreement by notice in writing to the other party in the event that a force majeure event, as defined in the Management Agreement, continues for longer than fourteen (14) days.



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## **INVESTMENT RESTRICTIONS**

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The assets of each Fund will be invested in accordance with the investment restrictions contained in the UCITS Regulations which are summarised below and subject to the market limits specified in the Articles and such additional investment restrictions, if any, as may be adopted by the Directors.

### **1 PERMITTED INVESTMENTS**

Investments of a Fund are confined to:

- 1.1 Transferable Securities and Money Market Instruments which are either admitted to official listing on a Recognised Market in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State;
- 1.2 recently issued Transferable Securities which will be admitted to official listing on a Recognised Market within a year;
- 1.3 Money Market Instruments, other than those dealt on a Recognised Market;
- 1.4 deposits with credit institutions ; and
- 1.5 financial derivative instruments.

### **2 INVESTMENT RESTRICTIONS**

- 2.1 A Fund may invest no more than 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to in paragraph 1 above.
- 2.2 A Fund may invest no more than 10% of net assets in recently issued Transferable Securities which will be admitted to official listing on a Recognised Market within a year. This restriction will not apply in relation to investment by a Fund in certain US securities known as Rule 144A securities which satisfy the requirements of paragraph 1.1 above or provided that
  - such securities are issued with an undertaking to register with the US Securities & Exchanges Commission within one year of issue; and
  - the securities are not illiquid securities, i.e. they may be realised by a 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 assets in Transferable Securities or Money Market Instruments issued by the same body provided that the total value of Transferable Securities and Money Market Instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4 The limit of 10% in 2.3 is raised to 35% if the Transferable Securities or Money Market Instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 2.5 The Transferable Securities and Money Market Instruments referred to in paragraph 2.4 shall not be taken into account for the purpose of applying the limit of 40% referred to in paragraph 2.3.
- 2.6 Cash booked in accounts and held as ancillary liquidity shall not exceed 20% of the net assets of a Fund.
- 2.7 The risk exposure of a Fund to a counterparty to an OTC Derivative may not exceed 5% of net assets.

This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution in a third country deemed equivalent pursuant to article 107(4) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

- 2.8 Notwithstanding paragraphs 2.3, 2.6 and 2.7 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
- (i) investments in Transferable Securities or Money Market Instruments;
  - (ii) deposits; and/or
  - (iii) risk exposures arising from OTC Derivatives transactions.
- 2.9 The limits referred to in 2.3, 2.4, 2.6, 2.7 and 2.8 above may not be combined, so that exposure to a single body shall not exceed 35% of the net assets of the relevant Fund.
- 2.10 Group companies are regarded as a single issuer for the purposes of paragraphs 2.3, 2.4, 2.6, 2.7, and 2.8. However, a limit of 20% of net assets of a Fund may be applied to investments in Transferable Securities and Money Market Instruments within the same group.
- 2.11 A Fund may invest up to 100% of net assets in different Transferable Securities and Money Market Instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international bodies of which one or more Member States are members, as may be drawn from the following list: OECD Governments and the Governments of Brazil or India (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and 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 and Export-Import Bank and such other governments, local authorities and public bodies as the Central Bank may permit pursuant to the UCITS Regulations. In circumstances where a Fund has invested 100% of net assets in the above manner the Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

### **3 INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES ("CIS")**

- 3.1 Save where specified in the Relevant Supplement, a Fund shall not invest in any CIS.
- 3.2 Such CIS in which investment is made are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.

### **4 INDEX TRACKING UCITS**

- 4.1 A Fund may invest up to 20% of its net assets in shares and/or debt securities issued by the same body where the investment policy of the relevant Fund is to replicate an index which satisfies the criteria set out in the UCITS Regulations and is recognised by the Central Bank.
- 4.2 The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

## 5 GENERAL PROVISIONS

5.1 A Fund, or management company acting in connection with all of the CIS which 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:

- (i) 10% of the non-voting shares of any single issuer;
- (ii) 10% of the debt securities of any single issuer;
- (iii) 10% of the Money Market Instruments of any single issuing body.

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

5.3 5.1 and 5.2 shall not be applicable to:

- (i) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
- (ii) Transferable Securities and Money Market Instruments issued or guaranteed by a non-Member State;
- (iii) Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States are members;
- (iv) shares held by a Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies with the registered offices in that non-Member State, where under the legislation of that non-Member State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that non-Member State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.10, 3.1, 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;
- (v) shares held by the 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 redemption of units at unit-holders' 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 has allowed each Fund to derogate from the provisions of paragraphs 2.3 to 2.11, 3.1, 3.2, 4.1 and 4.2 for a period of up to six months from the date of authorisation of such Fund as a UCITS, provided that such Fund 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, that 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:

- (i) Transferable Securities;

- (ii) Money Market Instruments;
- (iii) units of collective investment undertakings; or
- (iv) financial derivative instruments.

5.8 A Fund may hold ancillary liquid assets.

## 6 FINANCIAL DERIVATIVE INSTRUMENTS (“FDIs”)

6.1 A Fund’s global exposure relating to FDI must not exceed its total net asset value.

6.2 Position exposure to the underlying assets of FDI, including embedded FDI in Transferable Securities or Money Market Instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)

6.3 A Fund may invest in FDIs dealt in over-the-counter (OTC) provided that

- The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

6.4 Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

The Company shall not acquire either precious metals or certificates representing them.

The Company may invest up to 5% of net assets in warrants on Transferable Securities which warrants are traded or dealt on a Recognised Market.

The Company shall not (except as a permitted investment technique described in Appendix II “Efficient Portfolio Management”) make any loan of its assets provided that, for the purpose of this restriction, the holding of ancillary liquid assets such as deposits, and the acquisition of bonds, notes, commercial paper, certificates of deposit, bankers acceptances, and other debt securities or obligations permitted by the UCITS Regulations, and the acquisition of Transferable Securities, Money Market Instruments or other financial instruments that are not fully paid, shall not be deemed to constitute the making of a loan.

A Fund may borrow up to 10% of its Net Asset Value for temporary purposes. A Fund may acquire foreign currency by means of a back-to-back loan. Foreign currency acquired in this manner is not classified as borrowing for the purpose of the restriction on borrowing provided that the offsetting deposit (a) is denominated in the Base Currency of the relevant Fund and (b) equals or exceeds the value of the foreign currency loan outstanding.

Without limitation, the Management Company, in accordance with the requirements of the Central Bank, may adopt additional investment restrictions to facilitate the distribution of Shares to the public in a particular jurisdiction. In addition, the investment restrictions set out above may be changed from time to time by the Management Company in accordance with a change in the applicable law and regulations in any jurisdiction in which Shares are currently offered, provided that the assets of a Fund, at all times, will be invested in accordance with the restrictions on investments set out in the UCITS Regulations. In the event of any such addition to, or change in, the investment restrictions applicable to the relevant Fund, the Prospectus and Relevant Supplement will be amended accordingly and a reasonable notification period will be provided by the Company to enable Shareholders to redeem their Shares prior to implementation of these changes. A Fund will not amend such investment restrictions except in accordance with the requirements of the Central Bank.

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## THE INVESTMENT MANAGER

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The Company and the Management Company has appointed GW&K Investment Management LLC (“**GW&K**” or the “**Investment Manager**”) as its investment manager responsible for providing discretionary investment management and advisory services to the Funds.

GW&K is an investment advisor registered with the U.S. Securities and Exchange Commission, whose head office is located at 222 Berkeley Street, Boston, MA 02116, USA which offers a range of equity and fixed income investment strategies. As of 30 September 2020, the Investment Manager had approximately USD47 billion in assets under management.

The investment management agreement dated 9 April 2021, as may be amended, between the Company, the Management Company and the Investment Manager (the “**Investment Management Agreements**”) provides that in the absence of negligence, wilful default, fraud, bad faith or recklessness by the Investment Manager or a delegate, neither the Investment Manager nor any of its directors, officers, employees or agents shall be liable for any loss or damage arising out of its performance of its obligations and duties under the Agreement. Under the Investment Management Agreement, in no circumstances shall the Investment Manager be liable for indirect or consequential damages (including without limitation, loss of profits or loss of goodwill) arising out of or in connection with the performance of its duties, or the exercise of its powers, under the Investment Management Agreement. The Company is obliged under the Investment Management Agreement to indemnify, out of the assets of the relevant Fund(s), the Investment Manager from and against all actions, proceedings, claims and against all loss, costs, demands and expenses (including reasonable legal expenses) which may be brought against, suffered or incurred by the Investment Manager, by reason of the performance of its obligations under the terms of the Investment Management Agreement (other than by reference to any negligence, fraud, bad faith, recklessness or wilful default in the performance or non-performance by the Investment Manager or persons designated by it of its obligations or duties under the Investment Management Agreement or as a result of a breach of any of its obligations under the Investment Management Agreement).

Under the Investment Management Agreement, the Investment Manager is entitled to delegate or sub-contract all or any of their functions, powers, discretions, duties and obligations to any person approved by the Management Company and otherwise in accordance with the requirements of the Central Bank. The Investment Manager shall remain responsible and liable for any acts or omissions of any such delegate as if such acts or omissions were those of the Investment Manager. Information on any sub-investment manager will be provided to Shareholders on request and details disclosed in the Company’s periodic reports.

The appointment of the Investment Manager under the Investment Management Agreement is not exclusive and the Company and/or the Management Company is entitled to appoint other persons to manage the assets of the Company and to provide investment advice to the Company. Any such appointment will be in accordance with the requirements of the Central Bank.

The Investment Management Agreement shall have an initial term of one year from the date of the Investment Management Agreement (the “**Initial Term**”) and thereafter shall automatically renew for successive one year periods (the “**Renewal Periods**”). Any party to the Investment Management Agreement shall be entitled to terminate the Investment Management Agreement following the Initial Term by giving notice in writing to the other parties hereto not less than six months’ prior to the end of a Renewal Period (or such shorter notice as may be agreed by the parties) provided that such notice shall only be effective as of the end of such Renewal Period.

The Investment Management Agreement may be terminated by one of the parties hereto at any time if any other party: (i) commits any material breach any of its obligations under the Investment Management Agreement and shall fail to make good such breach within 30 days of receipt of notice from one of the other parties requiring it to do so; or; (ii) a resolution for the winding up of that other party is passed (except a voluntary liquidation for the purpose of reconstruction or amalgamation on terms previously approved in writing by the other parties) or if a court of competent jurisdiction shall order a winding up, or a receiver shall be appointed over that other party’s assets, or an examiner shall be appointed to that other party; or (iii) that other party shall cease to be permitted to perform its duties and obligations under the Investment Management Agreement under any applicable laws.

The Investment Management Agreement shall automatically terminate upon the revocation of Central Bank authorisation of the Company or Central Bank approval of the all Funds or upon termination of the Management Agreement (provided, that in the case of the termination of the Management Agreement, the parties to the Investment Management Agreement acknowledge that the Investment Manager may remain as the investment manager to the Company if it is duly appointed under a separate agreement).

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## THE ADMINISTRATOR

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Northern Trust International Fund Administration Services (Ireland) Limited has been appointed by the Management Company to act as administrator, registrar and transfer agent under the terms of the administration agreement dated 30 June 2021 between the Company, the Management Company and the Administrator (the “**Administration Agreement**”), as may be amended from time to time.

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 31 March 2021, the Northern Trust Group’s assets under custody totalled in excess of US\$11.5 trillion. The principal business activity of the Administrator is the administration of collective investment schemes.

The Administrator is responsible for the administration of the Company’s affairs including the calculation of the Net Asset Value and preparation of the Company’s annual and semi-annual report, subject to the overall supervision of the Management Company and the Company. The Administrator is not responsible for the monitoring of the Company’s or any Fund’s investments with any investment rules and restrictions contained in any agreement and / or this Prospectus, unless otherwise stated.

The Administration Agreement provides that the appointment of the Administrator shall continue until terminated by the Management Company or the Administrator on not less than 90 days’ notice or earlier upon certain breaches or certain insolvency events of the parties or in the event that the performance of the Administration Agreement ceases to be lawful. In the absence of fraud, negligence or wilful default, the Administrator will not be liable for any loss arising as a result of the performance by the Administrator of its obligations and duties under the Administration Agreement. The Company has agreed to indemnify the Administrator, its officers, employees, agents, sub-contractors and representatives against losses suffered by the Administrator, its officers, employees, agents, sub-contractors and representatives, in the performance or non-performance of their duties and obligations under the Administration Agreement, except for losses arising out of the fraud, negligence or wilful default of the Administrator, its officers, employees, agents, sub-contractors and representatives.

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## THE DEPOSITARY

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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 31 March 2021, the Northern Trust Group's assets under custody totalled in excess of US\$11.5 trillion.

The Depositary has been entrusted with the following main functions:

- (i) ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with the UCITS Regulations and the Articles;
- (ii) ensuring that the value of the Shares is calculated in accordance with the UCITS Regulations and the Articles;
- (iii) carrying out the proper instructions of the Company and the Management Company unless they conflict with the Articles or the UCITS Regulations;
- (iv) ensuring that in transactions involving the assets of the Company any consideration is remitted within the usual time limits;
- (v) ensuring that the income of the Company is applied in accordance the UCITS Regulations and the Articles;
- (vi) monitoring the Company's cash and cash flows; and
- (vii) safe-keeping of the Company's assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

Conflicts of interest may arise as a result of the appointment of the Depositary and up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to the Shareholders on request from the Company. A list of the Depositary's delegates is outlined in detail at Appendix IV.

Under the terms of the depositary agreement dated 6 May 2021 (with an effective date of 1 July 2021), as may be amended from time to time, between the Company, the Management Company and the Depositary (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 Regulations; (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 continues to exercise 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 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 UCITS Regulations. The Company has agreed to indemnify the Depositary (and each of its directors, officers and employees) from and against any and all third party actions, proceedings, claims, costs, demands and expenses which may be brought against suffered or incurred by Depositary other than circumstances where the Depositary is liable as set out above.



The Depositary Agreement may be terminated by any party on ninety (90) days' notice to the other parties or earlier upon certain breaches or certain insolvency events of a party or in the event that the performance of the Depositary Agreement ceases to be lawful.

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## **FEES AND EXPENSES**

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### **INVESTMENT MANAGEMENT FEES**

The Investment Manager shall be entitled to receive an annual investment management fee and such other fees as are specified in the Relevant Supplement. The Investment Manager shall also be entitled to reimbursements of all reasonable vouched out-of-pocket expenses and disbursements, and for any value added tax payable on any such disbursement, incurred with respect to the relevant Fund.

Unless otherwise provided in any Relevant Supplement, the Company will pay the Investment Manager fees out of the assets of the Company and the Investment Manager shall be entitled to reimbursement by the Company for any value added tax payable in relation thereto.

### **MANAGEMENT COMPANY FEE**

The Management Company shall be entitled to receive an annual management fee and such other fees as are specified in the Relevant Supplement. The Management Company shall also be entitled to reimbursements of all reasonable vouched out-of-pocket expenses and disbursements, and for any value added tax payable on any such disbursement, incurred with respect to the relevant Fund.

Unless otherwise provided in any Relevant Supplement, the Company will pay the Management Company fees out of the assets of the Company and the Management Company shall be entitled to reimbursement by the Company for any value added tax payable in relation thereto.

### **ADMINISTRATION AND DEPOSITARY FEES**

The Administrator will be entitled to receive an administration fee in respect of the Company payable out of the assets of each Fund accruing daily and payable monthly in arrears at an annual rate which shall not exceed 0.03% of the Net Asset Value of each Fund, but subject to a minimum annual fee per Fund of US\$54,000.

In addition to the administration fee, the Administrator will also be entitled to receive an annual transfer agency fee of US\$4,000 per Fund per annum for up to three Share Classes, accruing daily and payable monthly in arrears (with an additional fee of US\$600 payable for the fourth Share Class and any subsequent Share Class).

The Administrator shall also be entitled to be reimbursed out of the assets of each Fund for transfer agency fees which include, but are not limited to shareholder fees and transaction fees, and tax reporting services, including local tax reporting in various jurisdictions, and reasonable and vouched out-of-pocket expenses incurred by it in respect of each Fund.

In addition, the Administrator will be entitled to receive an annual fee of US\$4,000 per Fund for the preparation of annual and semi-annual financial statements, accruing daily and payable monthly in arrears.

The Depositary will be entitled to receive a depositary fee in respect of the Company payable out of the assets of each Fund accruing daily and payable monthly in arrears at an annual rate which shall not exceed 0.015% of the Net Asset Value of the Fund, subject to a minimum fee per Fund of US\$15,000 per annum.

The Depositary shall also be entitled to receive out of the assets of each Fund safe-keeping fees, transaction charges, asset fees, account fees, derivative fees, client pricing and due diligence fees (at normal commercial rates). The Depositary will also be entitled to be reimbursed out of the assets of each Fund for the fees (which will not exceed normal commercial rates) and reasonable out-of-pocket expenses of any sub-custodian appointed by the Depositary.

The Depositary will also be entitled to be reimbursed out of the assets of each Fund for reasonable and properly vouched out-of-pocket expenses incurred by it in respect of each Fund. These fees will cover costs and expenses such as printing, translation, mailing and other sundry expenses.

Each Fund will bear its proportion of the fees and expenses of the Administrator and the Depositary respectively.

## **PAYING AGENTS AND LOCAL REPRESENTATIVES**

**The Company or the Management Company, as applicable, may appoint such paying agents and local representatives, in accordance with the requirements of the Central Bank, as may be required to facilitate the authorisation or registration of the Company and/or the marketing of its Shares in any jurisdiction. The fees and expenses of any paying agents or local representatives, which fees and expenses shall be at normal commercial rates, will be allotted to the Fund or Funds to which, in the opinion of the Directors, they relate, or to the Class or Classes of Shares of a Fund or Funds to which, in the opinion of the Directors, they relate.**

## **ESTABLISHMENT AND OPERATING EXPENSES**

The Company will also pay certain other costs and expenses incurred in its operation, including without limitation: fees paid to the Central Bank, withholding taxes that may arise on Investments and other taxes; clearing and registration fees and other expenses due to regulatory, supervisory or fiscal authorities in various jurisdictions including the costs of marketing the Shares in those jurisdictions, insurance; interest; brokerage, listing and offering costs; promotional and marketing expenses; professional and other fees and expenses in connection therewith (including, without limitation, professional fees and expenses of consultants and experts); the cost of publication of the Net Asset Value of the Shares; quotation and news services; research expenses; accounting fees; infrastructure and risk monitoring; all investment expenses, i.e. expenses which the Directors or the Management Company reasonably determine to be directly related to the investment of the Company's assets such as brokerage commissions, clearing and settlement charges, bank service fees, spreads, interest expenses, borrowing expenses, *pro rata* costs and expenses of the Funds including costs and expenses of entering into and utilising credit facilities and structured notes, swaps or derivative instruments; authorised agent fees; each Investment Manager's legal expenses in relation to the Company; fees and expenses of the registered office provider; company secretarial fees; and any extraordinary expenses (such as litigation and indemnification). Such fees will be charged at normal commercial rates and will be collected at the time of settlement.

Under the Articles, the Directors are entitled to a fee as remuneration for their services at a rate to be determined from time to time by the Directors, but so that the aggregate amount of Directors' remuneration in any one year shall not exceed €100,000. In the case of the Company, T. Williams Roberts III and Thomas F.X. Powers have elected to waive their directorship fees. The Directors and any alternate Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any other meetings in connection with the business of the Company.

Expenses will be allotted to the Fund or Funds to which, in the opinion of the Directors or the Management Company, they relate, or to the Class or Classes of Shares of a Fund or Funds to which, in the opinion of the Directors or the Management Company, they relate. If an expense is not readily attributable to any particular Fund, the Directors or the Management Company shall have discretion to determine the basis on which the expense shall be allocated between the Funds and all Classes. In such cases the expense will be allocated to all Funds and all Classes pro rata to the value of the net assets of the relevant Fund or Class, as applicable.

## **REDEMPTION FEE**

Details of redemption fees will be set out in the Relevant Supplement.

## **SUBSCRIPTION FEE**

Details of subscription fees will be set out in the relevant Supplement.

## **ANTI-DILUTION LEVY**

In the event that an anti-dilution levy may be applied in respect of a particular Fund, this will be specified in the Relevant Supplement.

## **CONVERSION AND EXCHANGE FEE**

The Articles of Association authorise the Directors to charge a fee on the conversion of Shares in any Fund to Shares in another Fund. Details of any such fee will be set out in the Relevant Supplement.

## **INVESTMENT IN UNDERLYING COLLECTIVE INVESTMENT SCHEMES**

When a Fund invests in the units of other collective investment schemes that are managed, directly or by delegation, by the Management Company, the Investment Manager or by any other company with which the Management Company or the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, the Management Company or Investment Manager or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other collective investment scheme.

Where a commission (including a rebated commission) is received by the Management Company or the Investment Manager by virtue of an investment in the units of another collective investment scheme, this commission must be paid into the property of the relevant Fund.

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## SUBSCRIPTIONS

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The Directors are given authority to effect the issue of any Classes in respect of a Fund and to create new Classes on such terms as they may from time to time determine in relation to any Fund. The creation of further Classes must be effected in accordance with the requirements of the Central Bank. Issues of Shares will be made with effect from a Dealing Day.

The description of Classes established in a Fund and the terms, conditions and procedures applicable to an issue of Shares in respect of a Fund is specified in the Relevant Supplement.

The Company has established individual collection accounts at a Fund level (the “**Cash Collection Accounts**”). All subscriptions into and redemptions and distributions due from the Funds will be paid into the relevant Cash Collection Accounts.

Pending the issue of Shares, and pending payment of redemption proceeds or distributions, such monies in the Cash Collection Account are assets of the relevant Fund, and the relevant investor will be an unsecured creditor of the Fund in respect of amounts paid by or due to it.

All subscriptions (including subscriptions received in advance of the issue of Shares) attributable to, and all redemptions or cash distributions payable from a Fund will be channelled and managed through that Fund’s Cash Collection Account. Redemptions and distributions, including blocked redemptions or distributions, will be held in the relevant Cash Collection Account until payment due date (or such later date as blocked payments are permitted to be paid), and will then be paid to the relevant or redeeming Shareholder.

The Cash Collection Accounts have been opened on behalf of each Fund with The Northern Trust International Banking Corporation, New Jersey. The Depository will be responsible for safe-keeping and oversight of the monies in the Cash Collection Accounts. Monies in the Cash Collection Account will be taken into account in the calculation of the Net Asset Value, and assessing compliance with investment restrictions by the relevant Fund.

Where subscription monies are received in a Cash Collection Account without sufficient documentation to identify the investor, such monies shall be returned to the relevant investor within 5 days. Subscription monies received into an incorrect Cash Collection Account will be returned to the relevant investor within the same timescales. Failure to provide the necessary complete and accurate documentation, and or to make payment into the correct Cash Collection Account, is at the investor’s risk.

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## **INVESTMENT RISKS**

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Investment in the Company carries with it a degree of risk including, but not limited to, the risks referred to below. The value of the Shares may go down as well as up and investors may not get back the amount invested. The investment risks set out below do not purport to be exhaustive and potential investors should review this Prospectus and any Relevant Supplement carefully and in its entirety and consult with their professional advisers before making an application for Shares. Additional risks which are specific to a particular Fund will be specified in the Relevant Supplement.

An investment in the Company involves certain risks. Also, although intended to protect capital and enhance returns in varying market conditions, certain trading and hedging techniques which may be employed by the Company could increase the adverse impact to which the Company may be subject. Prospective Shareholders should carefully consider the following risk factors which relate to an investment in the Funds. Upon request by any Shareholder, information relating to 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, for any Fund may be provided to such Shareholder.

### **Availability of Investment Strategies**

Identification and exploitation of the investment strategies to be pursued by a Fund involves a high degree of uncertainty. No assurance can be given that a Fund will be able to locate suitable investment opportunities in which to deploy all of the monies held. A reduction in the volatility and pricing inefficiency of the markets in which a Fund seeks to invest will reduce the scope of the investment strategies.

### **Brokerage Arrangements**

In selecting brokers and dealers and in negotiating any commission or dealer mark-up involved in its transactions, the Company considers the range and quality of the professional services provided by such firm. Such services may include furnishing information concerning investment opportunities for a Fund and providing statistical and other research services to the Investment Manager with respect to a Fund and other advisory accounts that it manages. The Company is authorised to pay higher commissions to purchase securities through firms that provide such investment and research information if the Company determines such commissions are reasonable in relation to the overall services provided to it. Subject to obtaining "best execution" in selecting brokers and dealers, the Company may give consideration to research or brokerage services provided to it.

Information so received is in addition to and not in lieu of the services required to be performed by the Investment Manager, and the expenses of the Investment Manager will not necessarily be reduced as a result of the receipt of such supplemental information. Research services provided by firms used by the Company may be utilised by the Investment Manager in connection with its investment services for other accounts and, likewise, research services provided by firms used for transactions for other accounts may be utilised by the Investment Manager in performing its services for the Company.

Where the Investment Manager, or any of its delegates, successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities for the Company, the rebated commission shall be paid to the relevant Fund.

### **Competition for Investment Management Services**

The principals of the Investment Manager will devote as much of their time to the business of the Company as is reasonably required in their judgment. They may potentially have conflicts of interest in allocating management time, services and functions among the Company and any other fund or ventures which they may organize.

### **Competition for Investments**

The principals of the Investment Manager may organize other funds or managed accounts with investment objectives similar to those of the Funds. The Investment Management Agreement

provides that the Investment Manager will not be obligated to present any particular investment opportunity to a Fund, even if such opportunity is of a character which, if presented to a Fund, could be taken by it. The Investment Manager has agreed to act in a manner which the Investment Manager in good faith considers fair and equitable in allotting investment opportunities to the Company, and to resolve fairly any conflicts which may arise.

### **Counterparty Risk**

A Fund will be exposed to credit risk on the counterparties with which it trades in relation to futures and other derivative financial instruments that are not traded on a recognised exchange. Such instruments are not afforded the same protections as may apply to participants trading futures on organised exchanges, such as the performance guarantee of an exchange clearing house. A Fund will be subject to the possibility of the insolvency, bankruptcy or default of a counterparty with which it trades such instruments, which could result in substantial losses to the Fund.

### **Currency Risk**

The Net Asset Value per Share will be computed in the Base Currency of the relevant Fund whereas the investments held for the account of that Fund may be acquired in other currencies. The Base Currency value of the investments of the Company, which may be designated in any currency, may rise and fall due to exchange rate fluctuations in respect of the relevant currency. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital. It may not be possible or practicable to successfully hedge against the consequent currency risk exposure in all circumstances.

### **Custodial Risk**

As a Fund may invest in those markets listed under Emerging Markets in Appendix III – Recognised Markets, hereto, where custodial and/or settlement systems are not fully developed or in financial instruments traded on markets where custodial and/or settlement systems are not fully developed, the assets of a Fund which are traded in such markets and which have been entrusted to sub-custodians in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances where the Depositary would have no liability.

### **Financial Derivative Instruments (“FDI”) Risk**

*Correlation Risk* Although taking exposure to underlying assets through the use of FDI will, the Investment Manager believes, benefit Shareholders in certain circumstances, by reducing operational costs and creating other efficiencies, there is a risk that the performance of a Fund will be imperfectly correlated with the performance which would be generated by investing directly in the underlying assets.

*Derivatives risk.* The risks associated with the use of FDI are different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Generally, a derivative is a financial contract the value of which depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to stocks, bonds, interest rates, currencies or currency exchange rates and related indices. There is no assurance that any derivative strategy used by a Fund will succeed.

*Interest rate risk.* is primarily the chance that the zero coupon swap prices overall will decline because of rising interest rates. Interest rate risk will be high for a Fund which invests mainly in long-term zero coupon swaps, whose prices are more sensitive to interest rate changes than are the prices of intermediate bonds.

*Management risk.* FDI are highly specialised instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of FDI requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.

*Credit risk.* The use of FDI involves the risk that a loss may be sustained as a result of the failure of another party to the contract (usually referred to as the “counterparty”) to make required payments or otherwise comply with the contract’s terms.

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

*Pricing risk.* Pricing risk exists when a particular FDI becomes extraordinarily expensive relative to historical prices or the prices of corresponding cash market instruments. Under certain market conditions, it may not be economically feasible to initiate a transaction or liquidate a position in time to avoid a loss or to take advantage of an opportunity.

*Leverage risk.* Because many FDI have a leveraged component, adverse changes in the value or level of the underlying asset, reference rate or index can result in a loss substantially greater than the amount invested in the derivative itself. The Company’s Funds are managed on a non-leveraged basis unless otherwise specified in the relevant Fund Supplement. See also *Appendix II Efficient Portfolio Management - Use of Financial Derivative Instruments (“FDI”)* to this Prospectus.

*Market risk.* Like most other investments, FDI are subject to the risk that the market value of the instrument will change in a way detrimental to the Fund’s interests. While hedging strategies involving FDI can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other portfolio investments. A Fund may also have to buy or sell a security at a disadvantageous time or price because it is legally required to maintain offsetting positions or asset coverage in connection with certain FDI transactions.

*Settlement risk.* Derivative markets will have different clearance and settlement procedures and in certain markets there have been times when settlements have been unable to keep pace with the volume of transactions, thereby making it difficult to conduct such transactions. Delays in settlement could result in temporary periods when assets of the Fund are uninvested and no return is earned thereon. A Fund’s inability to make intended purchases due to settlement problems could cause it to miss attractive investment opportunities. Inability to dispose of portfolio securities due to settlement problems could result either in losses to the Fund due to subsequent declines in value of the security or, if it has entered into a contract to sell the security it could result in a possible liability of it to the purchaser.

*Legal risk.* The terms of Over the Counter (“**OTC**”) FDI are generally established through negotiation between the parties thereto. While therefore more flexible, OTC FDI may involve greater legal risk than exchange-traded instruments, which are standardised as to the underlying instrument, expiration date, contract size and strike price, as there may be a risk of loss if the OTC FDI are deemed not to be legally enforceable or are not documented correctly. There may also be a legal or documentation risk that the parties to the OTC FDI may disagree as to the proper interpretation of its terms. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for a Fund to enforce its contractual rights may lead the Fund to decide not to pursue its claims under the OTC FDI. A Fund thus assumes the risk that it may be unable to obtain payments owed to it under OTC arrangements, and that those payments may be delayed or made only after the Fund has incurred the costs of litigation. Further, legal, tax and regulatory changes could occur which may adversely affect a Fund. The regulatory and tax environment for FDI is evolving, and changes in the regulation or taxation of FDI may adversely affect the value of such instruments held by the Fund and its ability to pursue its trading strategies.

The Company employs a Risk Management Process which enables it to accurately measure, monitor and manage the various risks associated with the use of FDI. The Company will only use those FDI which are specified in the Risk Management Process and cleared by the Central Bank. Global exposure is calculated using the commitment approach, details of which are contained in the Risk Management Process.



## Swap Agreements

Where provided for in the Relevant Supplement, a Fund may enter into swap agreements. Swap agreements are derivative products in which two parties agree to exchange payment streams that may be calculated in relation to a rate, index, instrument, or certain securities and a particular "notional amount." Swaps may be subject to various types of risks, including market risk, liquidity risk, structuring risk, tax risk, and the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty. Swaps may be structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swaps may increase or decrease a Fund's exposure to equity or debt securities, long-term or short-term interest rates (in the United States or abroad), foreign currency values, corporate borrowing rates, or other factors such as security prices, baskets of securities, or inflation rates and may increase or decrease the overall volatility of the Fund's portfolio. Swaps may embed an agreed fee or rate of return for the counterparty. Swap agreements can take many different forms and are known by a variety of names. A Fund is not limited to any particular form of swap agreement if the Investment Manager determines that other forms are consistent with the Fund's investment objective and policies.

Most swaps entered into by a Fund would require the calculation of the obligations of the parties to the agreements on a "net basis". Consequently, a Fund's current obligations (or rights) under a swap generally will be equal only to the net amount to be paid or received under the agreement based on the relative values of the positions held by each party to the agreement (the "net amount"). The risk of loss with respect to swaps is limited to the net amount of payments that the Fund is contractually obligated to make. If the other party to a swap defaults, a Fund's risk of loss consists of any margin or the net amount of payments that the Fund is contractually entitled to receive if uncollateralised.

The most significant factor in the performance of swaps is the change in individual equity values, specific interest rate, currency or other factors that determine the amounts of payments due to and from the counterparties. If a swap calls for payments by a Fund, the Fund must have sufficient cash available to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of a swap agreement would be likely to decline, potentially resulting in losses to the Fund.

Swaps may be individually negotiated transactions in the over-the-counter market in which a Fund assumes the credit risk of the other counterparty to the swap and is exposed to the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of the swap counterparty. Such over-the-counter swap transactions may be highly illiquid and may increase or decrease the volatility of a Fund's portfolio. If there is a default by a counterparty, a Fund under most normal circumstances will have contractual remedies pursuant to the swap agreement; however, exercising such contractual rights may involve delays or costs which could result in the net asset value of the Fund being less than if the Fund had not entered into the transaction. Furthermore, there is a risk that a swap counterparty could become insolvent and / or the subject of insolvency proceedings, in which event the recovery of the collateral posted by the Fund with such counterparty or the payment of claims under the swap agreement may be significantly delayed and the Fund may recover substantially less than the full value of the collateral entrusted to such counterparty or of the Fund's claims.

A Fund will also bear the risk of loss if it breaches the swap agreement or if it fails to post or maintain required collateral. Recent changes in law and regulation require certain types of swap agreements to be transacted on exchanges and / or cleared through a clearinghouse, and will in the future require additional types of swap agreements to be transacted on exchanges and / or cleared through a clearinghouse.

## Foreign Investment Risks

The Funds will invest in securities of foreign companies and countries. Investing in the securities of such companies and countries involves certain considerations not usually associated with investing securities of developed countries or of companies located thereon, including political and economic considerations, such as greater risks of expropriation and nationalisation, confiscatory taxation, the potential difficulty of repatriating funds, general social, political and economic instability and adverse diplomatic developments; the possibility of imposition of withholding or other taxes on dividends, interest, capital gain or other income, the small size of the securities markets in such countries and the

low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict a Fund's investment opportunities. In addition, accounting and financial reporting standards that prevail in foreign countries generally are not equivalent to those used in industrialised nations, such as US GAAP, and, consequently, different information is available to investors. Internationally, there are varying levels of less regulation, generally, of the securities markets which may not provide the same protections available in industrialised nations. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

## **Foreign Taxes**

The Company may be liable to taxes (including withholding taxes) in countries other than Ireland on income earned and capital gains arising on its investments. The Company may not be able to benefit from a reduction in the rate of such foreign tax by virtue of the double taxation treaties between Ireland and other countries. The Company may not, therefore, be able to reclaim any foreign withholding tax suffered by it in particular countries. If this position changes and the Company obtains a repayment of foreign tax, the Net Asset Value of the Company will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment.

The United States has enacted legislation, the Foreign Account Tax Compliance Act ("**FATCA**") that creates a new reporting regime for non-U.S. financial institutions, such as the Company. Ireland has signed an intergovernmental agreement (an "**IGA**") with the United States to implement FATCA, and Ireland has also enacted regulations to introduce the provisions of the IGA into law. Accordingly, the Company may be required to report certain identifying information with respect to certain investors to the Irish Revenue Commissioners, which information will be communicated to the U.S. Internal Revenue Service. The Company intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA, pursuant to the terms of the IGA. If the Company does not comply with such reporting requirements, however, it could become subject to a 30% withholding tax on certain payments received from sources within the United States. For additional information, see the description of FATCA in the "Taxation" section below.

The United States Congress has considered various legislative proposals that, if enacted into law, could affect the after-tax performance of the Company and the Funds. Legislation has been introduced that would, among other things, treat certain foreign corporations that are managed and controlled in the U.S. as domestic corporations for income tax purposes. If enacted, this legislation, or other legislation like it, could subject the Funds and other non-U.S. corporations in which the Funds may invest to substantial U.S. income and/or withholding taxes.

WE ADVISE YOU THAT ANY FEDERAL TAX ADVICE CONTAINED IN THIS PROSPECTUS WAS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF (I) AVOIDING TAX-RELATED PENALTIES UNDER THE CODE OR (II) PROMOTING, MARKETING OR RECOMMENDING TO ANOTHER PARTY ANY TAX-RELATED MATTERS ADDRESSED HEREIN.

## **Futures Contracts and Hedging Strategies**

Each Fund may use futures for efficient portfolio management and to attempt to hedge or reduce the overall risk of its investments. In addition, a Fund may actively invest in futures and other derivative instruments to enhance return. To the extent that the Investment Manager's expectations in employing such strategies are incorrect, a Fund may suffer a substantial loss having an adverse effect on the Net Asset Value per Share. A Fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. Use of these strategies involves certain special risks, including (i) dependence on the Investment Manager's ability to predict movements in the price of securities being hedged and movements in interest rates; (ii) imperfect correlation between movements in the securities or currency on which a futures contract is based and movements in the securities or currencies in the Company; (iii) the absence of a liquid market for any particular instrument at any particular time; (iv) while a Fund may not use derivatives speculatively or for gearing purposes, the degree of leverage inherent in futures trading (that is, the low margin deposits normally required in futures trading) means that a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Fund; and (v) possible impediments to effective

portfolio management or the ability to meet redemption requests or other short-term obligations because of the percentage of a Fund's assets segregated to cover its obligations. The Company's performance may be strongly influenced by movements in foreign exchange rates as currency positions held by the Company may not correspond with the securities held by the Company.

### **Legal, Tax and Regulatory Risks**

Legal, tax and regulatory changes could occur, and in the event of such occurrence, the investment return of Shares may be adversely affected. For example, the regulatory or tax environment for derivative instruments is evolving, and changes in the regulation or taxation of derivative instruments may adversely affect the value of derivative instruments held by a Fund and the ability of a Fund to pursue its investment strategies.

### **Liquidity**

The Fund will bear the risk of cessation of trading in the markets for securities and other instruments in which it invests. Any such cessation will affect the Investment Manager's ability to initiate or close out positions. Poor liquidity for securities and other instruments may adversely affect the Net Asset Value of the Fund as the Investment Manager may not be able to initiate or close out positions on the terms on which it may wish to do so.

### **Market Considerations**

The capital investments of the Funds are subject to normal market fluctuations and the risks inherent in investment in international securities markets. There can be no assurances that appreciation will occur. The Investment Manager will endeavour to maintain a diversified portfolio of investments so as to reduce risk but the price of the Shares in the Company can go down as well as up and on redemption investors may not realise their initial investment.

### **Market Risks and Liquidity**

The profitability of a significant portion of a Fund's investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Investment Manager will be able to predict accurately these price movements. Although the Investment Manager may attempt to mitigate market risk, there is always some, and occasionally a significant, degree of market risk.

Furthermore, the Fund may be adversely affected by a decrease in market liquidity for the instrument in which it invests which may impair a Fund's ability to adjust its position. The size of a Fund's positions may magnify the effect of a decrease in market liquidity for such instruments. Some of the underlying investments of a Fund may not be actively traded and there may be uncertainties involved in the valuation of such investments. Potential investors should be warned that under such circumstances, the Net Asset Value of a Fund may be adversely affected.

Environmental and public health risks, such as natural disasters, pandemics, epidemics, outbreaks of disease or widespread fear that such events may occur, may also impact markets adversely and cause market volatility in both the short- and long-term. For instance in December 2019 China experienced an outbreak of a new and highly contagious form of coronavirus disease, or COVID-19. Since then the disease has and is still spreading rapidly around the world. As a response to contain the spread of the disease governments have imposed restrictions to freedom of movement, population lockdowns, quarantine and business closures.

### **Assumption of Business, Terrorism and Catastrophe and Outbreaks of Disease Risks**

Opportunities involving the assumption by a Fund of various risks relating to particular assets, markets or events may be considered from time to time. A Fund's portfolio is subject to the risk of loss arising from exposure that it may incur, directly or indirectly, due to the occurrence of various events, including, without limitation, hurricanes, earthquakes, and other natural disasters, terrorism, other catastrophic events, health pandemics, epidemics or outbreaks of disease and other events that could adversely affect freedom of movement or the health or life expectancy of people. These risks of loss

can be substantial, could greatly exceed all income or other gains, if any, received by a Fund in assuming these risks and, depending on the size of the loss, could adversely affect the return of such Fund.

Additionally, the risks related to health pandemics, epidemics or outbreaks of disease are heightened due to uncertainty as to whether such an event would qualify as a force majeure event. The applicability, or lack thereof, of force majeure provisions could be relevant in connection with contracts that a Fund and its investments have entered into, which could ultimately work to their detriment. The factors that are considered when determining whether a force majeure event has occurred are entirely dependent on the specific force majeure provision included in each contract. If a force majeure event is determined to have occurred, a counterparty to a Fund or a Fund investment may be relieved of its obligations under certain contracts to which it is a party, or, if it has not, the Fund and its investments may be required to meet their contractual obligations, despite potential constraints on their operations and/or financial stability. Either outcome could also adversely affect a Fund's investments and the return of such Fund.

### **No Action by Investors**

The Shareholders have no right to enforce any of the rights associated with investments held by the Fund. No Shareholder will have any right to act directly with respect to such investments or to proceed directly against the issuer of any of the equity securities held by a Fund. Most likely, any dispute relating to the performance, interpretation or construction of the terms and conditions governing any of the investments will be subject to the jurisdiction of courts in the country to which such instrument is related or subject and will be governed by the laws of such country.

### **Paying Agents**

Local regulations in EEA Member States may require the appointment of paying agents and the maintenance of accounts by such agents through which subscriptions and redemption monies may be paid, and investors who choose or are obliged under local regulations to pay subscriptions to and/or receive redemption monies via an intermediary entity, bear a credit risk against that intermediate entity with respect to: (a) subscription monies prior to the transmission of such monies to the Administrator for the account of the Company; and (b) redemption monies payable by such intermediate entity to the relevant investor.

### **Political and/or Regulatory Risks**

The value of the assets of a Fund may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in applicable laws and regulations.

### **Portfolio Transaction Charges**

The difference at any one time between the sale and repurchase price of Shares (taking into account any portfolio transaction charges payable) in any Fund means that an investor should view his or her investment as for the medium to long term.

### **Possible Indemnification Obligations**

The Company has agreed to indemnify the Directors, the Investment Manager, the Administrator and the Depositary as provided for in the relevant agreements or as may be required by applicable law or regulation.

### **Price Fluctuations**

The performance of a Fund may be affected by changes in economic and market conditions and in legal, regulatory and tax requirements. Each Fund will be responsible for paying its fees and expenses regardless of its level of profitability.

### **Restrictions on Transfers and Redemptions**

No active secondary market is expected to develop in the Shares. Shares are freely transferable except in the circumstances set out in the relevant section under *Transfers of Shares*. The Company also may require mandatory redemption of Shares in certain circumstances as set out in the relevant section under *Redemption of Shares*.

### **Repurchase and Reverse Repurchase Agreements**

If the seller of a repurchase agreement fails to fulfil its commitment to repurchase the security in accordance with the terms of the agreement, the relevant Fund may incur a loss to the extent that the proceeds realised on the sale of the securities are less than the repurchase price. If the seller becomes insolvent, a bankruptcy court may determine that the securities do not belong to the Fund and order that the securities be sold to pay off the seller's debts. The relevant Fund may experience both delays in liquidating the underlying securities and losses during the period while it seeks to enforce its rights thereto, including possible sub-normal levels of income and lack of access to income during the period and expenses in enforcing its rights.

Reverse repurchase agreements involve the risk that the market value of the securities sold by the Fund may decline below the prices at which the Fund is obliged to repurchase such securities under the agreement. In the event that the buyer of securities under a reverse repurchase agreement files for bankruptcy or proves insolvent, the Fund's use of proceeds from the agreement may be restricted pending the determination by the other party or its trustee or receiver whether to enforce the obligation to repurchase the securities.

### **Risks of Global Investing**

The Company invests in various capital markets throughout the world. As a result, the Funds are subject to risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the US Dollar and the various other currencies in which a Fund's investments may be denominated, and costs associated with conversion of investment principal and income from one currency into another and (ii) the possible imposition of withholding taxes on income received from the issuer of, or gains with respect to, such securities. In addition, investing in certain of these capital markets involve certain factors not typically associated with investing in established securities markets, including risks relating to (i) differences between markets, (ii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, and less governmental supervision and regulation and (iii) certain economic and political risks, including potential exchange control regulations and potential restrictions on investment and repatriation of capital.

### **Stock Connect**

A Fund may make investments through the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect mutual market access model ("Stock Connect"). This may be subject to the following risks:

(a) Quota limitations: Stock Connect is subject to quota limitations. The investment quota does not belong to the Company and is utilized on a first-come-first-serve basis. In particular, once the remaining balance of the northbound trading daily quota drops to zero or the northbound trading daily quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). A Fund's ability to invest in China A-shares through the Stock Connect may be affected.

(b) Suspension risk: The Stock Exchange of Hong Kong Limited (the "SEHK"), the Shanghai Stock Exchange (the "SSE") and the Shenzhen Stock Exchange (the "SZSE") reserve the right to suspend northbound and/or southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in northbound trading is effected, a Fund's ability to access the Chinese market through Stock Connect will be adversely affected.

(c) Operational risk: Stock Connect provides a channel for investors from Hong Kong and overseas to access the PRC stock market directly. Market participants are able to participate in this

program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. As the securities regimes and legal systems of the two markets differ significantly, market participants may need to address issues arising from such differences on an on-going basis in order for the program to operate.

Further, the “connectivity” in the Stock Connect requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted.

(d) Recalling of eligible stocks: If a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold and cannot be bought. This may affect a Fund’s investment portfolio or strategy if, for example, the Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

(e) Clearing and settlement risk: Hong Kong Securities and Clearing Company Limited (“HKSCC”) and China Securities Depository and Clearing Corporation Limited (“CSDCC”) have established the clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. Should the remote event of CSDCC default occur and the CSDCC be declared as a defaulter, HKSCC’s liabilities in northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against the CSDCC. HKSCC will in good faith seek recovery of the outstanding stocks and monies from the CSDCC through available legal channels or through the CSDCC’s liquidation. In that event, a Fund may suffer delay in the recovery process or may not be able to fully recover its losses from the CSDCC.

(f) Nominee arrangements: HKSCC is the nominee holder of the SSE securities and SZSE securities acquired by Hong Kong and overseas investors through Stock Connect.

The Chinese Stock Connect rules expressly provide that investors enjoy the rights and benefits of the securities acquired through Stock Connect in accordance with applicable laws. Such rules are departmental regulations having legal effect in China. However, the application of such rules is untested, and there is no assurance that Chinese courts will recognize such rules (for example, in liquidation proceedings of PRC companies).

It should be noted that, under the Central Clearing and Settlement System (“CCASS”) rules, HKSCC as nominee holder shall have no obligation to take any legal action or court proceedings to enforce any rights on behalf of the investors in respect of the SSE securities and SZSE securities in the PRC or elsewhere. Therefore, although the Company’s ownership may be ultimately recognized, a Fund may suffer difficulties or delays in enforcing its rights in SSE securities or SZSE securities.

(g) Participation in corporate actions and shareholders’ meetings: HKSCC will keep CCASS participants informed of corporate actions of SSE securities and SZSE securities. Hong Kong and overseas investors (including the Company) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of SSE securities and SZSE securities may be as short as one business day only. Therefore, a Fund may not be able to participate in some corporate actions in a timely manner.

Overseas investors (including the Company) hold SSE securities and SZSE Securities traded via Stock Connect program through their brokers or custodians. According to existing PRC practice, multiple proxies are not available. Therefore, the Company may not be able to appoint proxies to attend or participate in shareholders’ meetings in respect of the SSE securities and SZSE securities.

(h) No Protection by Investor Compensation Fund: Investment through the Stock Connect program is conducted through broker(s), and is subject to the risks of default by such brokers' on their obligations. A Fund's investment through northbound trading under Stock Connect is not covered by Hong Kong's Investor Compensation Fund or the PRC equivalent. Investors should note that the Company is exposed to the risk of default of the broker(s) it engages for its northbound trading through the program.

(i) Regulatory risk: The Stock Connect is evolving, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in China and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect. The regulations are untested and there is no certainty as to how they will be applied, and are subject to change. There can be no assurance that the Stock Connect will not be abolished.

(j) Taxation risk: Although the relevant authorities have announced that corporate income tax and value-added tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (including the Company) on the trading of China A-shares through the Stock Connect, dividends from China A-share investments via the Stock Connect paid to Hong Kong and overseas investors will continue to be subject to 10% Chinese withholding income tax and the company distributing the dividend has the withholding obligation. The PRC regulators have issued a circular concerning the tax treatment for the Shanghai-Hong Kong Stock Connect (Caishui [2014] No. 81 – The Circular Concerning the Tax Treatment for the Pilot Program of the Shanghai-Hong Kong Stock Connect) (the "Notice No. 81") and a circular concerning the tax treatment for the Shenzhen-Hong Kong Stock Connect (Caishui [2016] No. 127 – The Circular Concerning the Tax Treatment for the Pilot Program of the Shenzhen-Hong Kong Stock Connect) (the "Notice No. 127"), pursuant to which corporate income tax will be temporarily exempted on gains derived from the trading of China A-shares via the Stock Connect. Investors should note that the tax exemption under Notice No. 81 and Notice No. 127 was granted on a temporary basis and there is no assurance that the Company will continue to enjoy the tax exemption over a long period of time. If the exemption under Notice No. 81 and Notice No. 127 is withdrawn, or if guidance is issued in relation to the tax position for China A-shares traded via the Stock Connect which differs from the current practice of the Investment Manager, any tax on capital gains derived from the trading of China A-shares via the Stock Connect may be directly borne by the relevant Portfolio and may result in a substantial impact to the Fund's Net Asset Value.

The Chinese tax rules and practices in relation to the Stock Connect are relatively new and their implementation is untested and uncertain. It is possible that any future announcement by the Chinese tax authority may subject the Fund to unforeseen tax obligations, which may have retrospective effect.

(k) Differences in trading days: Stock Connect only operates on days when the SEHK market and the mainland market (SSE and SZSE) are open for trading, and banking services are available in both markets on the corresponding settlement days. Accordingly, there may be occasions when it is a trading day for the PRC market but not a trading day for the Hong Kong market. On these occasions, a Fund may be subject to a risk of price fluctuations in China A-shares as the Fund will not be able to trade China A-shares through Stock Connect.

(l) Shenzhen-Hong Kong Stock Connect Specific Risks: The Shenzhen-Hong Kong Stock Connect is more recently launched and does not have an operating history and the risks identified above are particularly relevant to the Shenzhen-Hong Kong Stock Connect due to the limited operating history. Investors should note that the performance of the Shenzhen-Hong Kong Stock Connect may not be the same as the performance of the Shanghai-Hong Kong Stock Connect to date.

(m) Front-end monitoring risk: PRC regulations require that in order for an investor to sell any China A-Shares on a certain trading day, there must be sufficient China A-Shares in the investor's account before market opens on that day. If there are insufficient China A-Shares in the investor's account, the sell order will be rejected by the SSE or the SZSE. The SEHK carries out pre-trade checking on SSE securities and SZSE securities sell orders of its participants (i.e. stock brokers) to ensure that this requirement is satisfied. If the Fund intends to sell certain China A-Shares it holds, it must transfer such securities to the accounts of its brokers before the market opens on the trading day unless its brokers can otherwise confirm that the Fund has sufficient China A-Shares in its accounts. If it fails to meet this deadline, it will not be able to sell China A-Shares on the relevant trading day.

Because of this requirement, the Fund may not be able to dispose of holdings of China A-Shares in a timely manner.

Alternatively, if the Fund maintains its China A-Shares with a custodian which is a custodian participant or general clearing participant participating in CCASS, the Company may request such custodian to open a special segregated account (“SPSA”) in CCASS to maintain its holdings in China A-Shares under the enhanced pre-trade checking model. Each SPSA will be assigned a unique “Investor ID” by CCASS for the purpose of facilitating the Stock Connect system to verify the holdings of an investor such as the Fund. Provided that there is sufficient holding in the SPSA when a broker inputs the Fund’s sell order, the Fund will only need to transfer China A-Shares from its SPSA to its broker’s account after execution and not before placing the sell order and the Fund will not be subject to the risk of being unable to dispose of its holdings of China A-Shares in a timely manner due to failure to transfer China A-Shares to its brokers in a timely manner. If the Fund is unable to utilize this model, it would have to deliver China A-Shares to brokers before the trading day and the above risks may still apply.

(n) Risks associated with the Small and Medium Enterprise (“SME”) Board and/or ChiNext Board: A Fund may from time to time invest in the SME Board and/or the ChiNext Board of the SZSE via the Shenzhen-Hong Kong Stock Connect. Investments in the SME Board and/or ChiNext Board may result in significant losses for a Fund and its investors. The following additional risks apply:

- Higher fluctuation on stock prices – Companies listed on the SME Board and/or ChiNext Board are usually of an emerging nature with smaller operating scale. Hence, they may be subject to higher price fluctuation and lower liquidity and have higher risks and turnover ratios than companies listed on the main board of the SZSE.
- Over-valuation risk – Stocks listed on the SME Board and/or ChiNext Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.
- Differences in regulations – The rules and regulations regarding companies listed on ChiNext Board are less stringent in terms of profitability and share capital than those in the main board and SME Board.
- Delisting risk – It may be more common and faster for companies listed on the SME Board and/or ChiNext Board to delist. This may have an adverse impact on the Fund if the companies that it invests in are delisted.

### **Russian Markets Risk**

There are significant risks inherent in investing in Russia. There is no history of stability in the Russian market and no guarantee of future stability. The economic infrastructure of Russia is poor and the country maintains a high level of external and internal debt. Tax regulations are ambiguous and unclear and there is a risk of imposition of arbitrary or onerous taxes. Banks and other financial systems are not well developed or regulated and as a result tend to be untested and have low credit ratings. Bankruptcy and insolvency are a commonplace feature of the business environment. Foreign investment is affected by restrictions in terms of repatriation and convertibility of currency.

The concept of fiduciary duty on the part of a company’s management is generally non-existent. Local laws and regulations may not prohibit or restrict a company’s management from materially changing the company’s structure without shareholder consent. Foreign investors cannot be guaranteed redress in a court of law for breach of local laws, regulations or contracts. Regulations governing securities investment may not exist or may be applied in an arbitrary and inconsistent manner.

Equity securities in Russia are issued only in book entry form and ownership records are maintained by registrars who are under contract with the issuers. Although a Russian sub-custodian will maintain copies of the registrar’s records (“Share Extracts”) on its premises, such Share Extracts may not, however, be legally sufficient to establish ownership of securities. Further a quantity of forged or otherwise fraudulent securities, Share Extracts or other documents are in circulation in the Russian



markets and there is therefore a risk that a Fund's purchases may be settled with such forged or fraudulent securities.

### **Securities-Lending Arrangements**

A Fund will have a credit risk on a counterparty to any securities-lending contract. The risks associated with lending Fund securities include the possible loss of rights against the collateral for the securities should the borrower fail financially.

### **Settlement Risks**

Each Fund will also be exposed to a credit risk on parties with whom it trades securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments. Shareholders should also note that settlement mechanisms in emerging markets are generally less developed and reliable than those in more developed countries and that this therefore increases the risk of settlement default, which could result in substantial losses for a Fund in respect to investments in emerging markets. Shareholders should also note that the securities of small capitalisation companies as well as the securities of companies domiciled in emerging markets are less liquid and more volatile than more developed stock markets and this may result in fluctuations in the price of the Shares.

### **Share Currency Designation Risk**

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

In this case, a currency conversion will take place on subscriptions, redemptions, exchanges and distributions at prevailing exchange rates. The Fund reserves the right to mitigate the effect of significant non-Base Currency subscriptions, redemptions, exchanges and distributions on the Net Asset Value by requiring the applicant or relevant Shareholder, rather than the Fund, to bear the costs of foreign exchange on relevant subscriptions, redemptions, exchanges and distributions into or out of the Fund.

### **Substantial Redemptions**

If there are substantial redemptions it may be more difficult for the Investment Manager to ensure that sufficient funds are available without liquidating positions either at an inappropriate time or on unfavourable terms. The Company therefore has a policy of limiting redemptions in certain circumstances. Details of these circumstances and provisions are set out in the Redemptions, Transfer and Exchange of Shares sections of the Relevant Supplement.

### **Umbrella Structure of the Company**

Pursuant to Irish law the Company should not be liable as a whole to third parties and there should not be the potential for cross contamination of liabilities between different Funds. However, there can be no categorical assurance that, should an action be brought against the Company in the courts of another jurisdiction, the segregated nature of the Funds will necessarily be upheld.

### **Cyber Security Risk**

With the increased use of technologies such as the Internet and the dependence on computer systems to perform business and operational functions, the Company, the Funds, the Management Company and their service providers (including the Investment Manager, Depositary and Administrator) may be prone to operational and information security risks resulting from cyber-attacks and/or technological malfunctions. In general, cyber-attacks are deliberate, but unintentional events may have similar effects. Cyber-attacks include, among others, stealing or corrupting data maintained online or digitally, preventing legitimate users from accessing information or services on a website, releasing confidential information without authorization, and causing operational disruption. Successful cyber-attacks against, or security breakdowns of a Fund, the Investment Manager, the Depositary,

Administrator, or other affiliated or third-party service provider may adversely affect the Funds or the Shareholders. For instance, cyber-attacks may interfere with the processing of Shareholder transactions, affect the Administrator's ability to calculate the Net Asset Value of the Funds and the Shares, cause the release of private Shareholder information or confidential Fund information, impede trading, cause reputational damage, and subject the Funds to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and additional compliance costs. Cyber-attacks may render records of Fund assets and transactions, Shareholder ownership of Shares, and other data integral to the functioning of the Fund inaccessible or inaccurate or incomplete. The Funds may also incur substantial costs for cyber security risk management in order to prevent cyber incidents in the future. The Company, the Funds and their Shareholders could be negatively impacted as a result. While the Management Company and the Investment Manager have established business continuity plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. The Funds rely on third-party service providers for many of their day-to-day operations, and will be subject to the risk that the protections and protocols implemented by those service providers will be ineffective to protect the Funds from cyber-attack. Similar types of cyber security risks also are present for issuers of securities in which the Funds invest, which could result in material adverse consequences for such issuers, and may cause a Fund's investment in such securities to lose value.

### **Cash Collection Accounts**

Subscriptions monies received in respect of a Fund in advance of the issue of Shares will be held in the Cash Collection Account in the name of the Fund and will be an asset of the relevant Fund. Investors will be unsecured creditors of such Fund with respect to the amount subscribed until such Shares are issued, and will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights (including distribution entitlement) until such time as Shares are issued. In the event of an insolvency of a Fund, there is no guarantee that the Fund or Company will have sufficient funds to pay unsecured creditors in full.

Payment by the Fund of redemption proceeds and distributions is subject to compliance with all anti-money laundering procedures. Notwithstanding this, redeeming Shareholders will cease to be Shareholders, with regard to the redeemed Shares, from the relevant redemption date. Redeeming Shareholders and Shareholders entitled to distributions will, from the redemption or distribution date, as appropriate, be unsecured creditors of the Fund, and will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights (including further distribution entitlement), with respect to the redemption or distribution amount. In the event of an insolvency of the Fund during this period, there is no guarantee that the Fund will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to distributions should therefore ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

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## **DIVIDEND DISTRIBUTION POLICY**

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The Articles empower but do not require the Directors to declare dividends in respect of any Shares out of net income (including dividend and interest income) and the excess of realised and unrealised gains over realised and unrealised losses in respect of investments of a Fund.

At the discretion of the Directors, dividends may be declared and paid in a currency other than the currency of denomination of the relevant Class at the exchange rate applicable on the relevant distribution date. Any dividend unclaimed after a period of 6 years from the date of declaration of such dividend shall be forfeited and shall revert to the Fund.

The dividend distribution policy in respect of any Fund, together with details of method of payment of dividends and frequency of payments, will be specified in the Relevant Supplement.

It is the Directors' current intention not to declare any dividend and to automatically reinvest any amounts available for distribution in the relevant Fund. If provision is made for a Fund to change its dividend policy from an accumulating to a distributing policy, full details of the change in policy will be disclosed in an updated Supplement and all Shareholders will be notified in advance.

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## **BORROWING POLICY**

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Under the Articles, the Directors are empowered to exercise all of the borrowing powers of the Company, subject to any limitations under the UCITS Regulations, and to charge the assets of the Company as security for any such borrowings.

A Fund may not borrow money, grant loans or act as guarantor on behalf of third parties, except:

- (i) foreign currency may be acquired by means of a back-to-back loan, i.e. borrowing one currency against the deposit of an equivalent amount of another currency) provided that where foreign currency borrowings exceed the value of the "back-to-back" deposit, any excess shall be regarded as borrowing and therefore aggregated with other borrowing for the purposes of the 10% limit referred to below. Foreign currency obtained in this manner is not classified as borrowing for the purposes of Regulation 70(1) of the UCITS Regulations provided that the offsetting deposit is (a) denominated in the Base Currency of the Fund and (b) equals or exceeds the value of the foreign currency loan outstanding; and
- (ii) a Fund may incur temporary borrowings in an amount not exceeding 10% of its Net Asset Value and may charge its assets as security for such borrowings. Reverse repurchase agreements are not treated as borrowings for these purposes.

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## DETERMINATION AND PUBLICATION AND TEMPORARY SUSPENSION OF NET ASSET VALUE

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### **Determination and Publication of Net Asset Value**

The Net Asset Value of each Fund or each Class shall be calculated as at each Valuation Day by the Administrator to the nearest three decimal points in the Base Currency or Class Currency, as applicable, as of the Valuation Point in accordance with the valuation provisions set out in the Articles and summarised below.

The Net Asset Value of a Fund shall be calculated by ascertaining the value of the assets of the Fund and deducting from such amount the liabilities of the Fund (which shall include all fees and expenses payable and/or accrued and/or estimated to be payable by the Fund to the Investment Manager, the Depositary and the Administrator). The Net Asset Value per Share of each class of Shares of a Fund shall be calculated by dividing the Net Asset Value of the relevant Fund attributable to the relevant class of Shares in the Fund by the number of Shares of the relevant class in issue.

In calculating the Net Asset Value and Net Asset Value per Share, the Administrator shall not be responsible for the accuracy of financial data, opinions or advice furnished to it by the Investment Manager or its delegates, the Company, the Management Company, the Company's agents and delegates including market makers and/or independent third party pricing services. The Administrator may accept, use and rely on prices provided to it by the Company, the Management Company, the Investment Manager or their delegates or other agreed independent third party pricing services for the purposes of determining the Net Asset Value and Net Asset Value per Share and shall not be liable to the Company, the Management Company, the Investment Manager, the Depositary, an external valuer, any Shareholder or any other person in so doing by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by the Company, the Management Company, the Investment Manager, their delegates, other independent third party pricing services or other delegates that the Administrator is directed to use by the Company or an external valuer in accordance with the Company's valuation policy. The Company acknowledges that the Administrator has not been retained to act as its external valuer or independent valuation agent.

Foreign exchange hedging may be utilised for the benefit of a particular Class of Shares within a Fund (each such Class, a "Foreign Exchange Class") and its cost and related liabilities and/or benefits shall be for the account of such class of Shares within the Fund only. Accordingly, any appreciation or depreciation of the Net Asset Value of a Fund resulting from expenses, income, gains and losses that are attributable to any foreign exchange hedging in respect of a Foreign Exchange Class shall be attributable solely to the Foreign Exchange Class to which it relates.

In determining the value of the assets of any Fund, each Investment which is quoted, listed or traded on or under the rules of any Recognised Market shall be valued at the last traded price as published by the relevant exchange or clearing house quoted on such exchange provided that the value of any Investment listed on a Recognised Market but acquired or traded at a premium or at a discount outside or off the relevant Recognised Market may be valued taking into account the level of premium or discount as at the date of valuation, and the Depositary must ensure the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the Investment. Where prices are available on more than one exchange for a particular security, the price will be the last traded price on the exchange which constitutes the main market for such security or the one which the Management Company determines provides the fairest criteria in ascribing a value to such security. If prices for an Investment quoted, listed or traded on the relevant Recognised Market are not available at the relevant time or are unrepresentative in the opinion of the Management Company, such investment shall be valued at its probable realisation value estimated with care and in good faith by the Management Company in consultation with the Investment Manager or by a competent person, firm or corporation appointed by the Management Company and approved for such purpose by the Depositary. Neither the Directors, the Management Company nor the Administrator, the Investment Manager, or the Depositary shall be under any liability if a price reasonably believed by them to be the last traded price or, as the case may be found not to be such.

The value of any Investment which is not normally quoted, listed or traded on or under the rules of a Recognised Market shall be valued at its probable realisation value estimated with care and in good

faith by the Management Company in consultation with the Investment Manager or by a competent person, firm or corporation appointed by the Management Company and approved for such purpose by the Depositary.

Cash deposits and similar investments shall be valued at their face value together with accrued interest unless in the opinion of the Management Company (in consultation with the Investment Manager) and with the approval of the Depositary any adjustment should be made to reflect the fair value thereof. The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.

Derivative instruments dealt in or traded on an exchange or market will be valued at the relevant settlement price on the applicable exchange or market. If such price is not available the value of such investments shall be the probable realisation value estimated with care and in good faith by a competent person appointed by the Management Company and approved for the purpose by the Depositary.

OTC derivatives will be valued either using the counterparty's valuation or an alternative valuation, including valuation by the Management Company or by an independent pricing vendor. OTC derivatives shall be valued at least daily. If using the counterparty's valuation, such valuation must be approved or verified by a party independent of the counterparty and with the approval of the Depositary (which may include the Company) on a weekly basis. If using an alternative valuation, the Company will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as IOSCO and AIMA. If the Company opts to use an alternative valuation, the Company will use a competent person appointed by the Management Company, approved for this purpose by the Directors and the Depositary, or will use such other method approved by the Depositary and such alternative valuation will be reconciled with the counterparty's valuation on a monthly basis. Any significant differences to the counterparty valuation will be promptly investigated and explained. Forward foreign exchange and interest rate swap contracts which are OTC derivative contracts may be valued in accordance with the preceding provisions or alternatively by reference to freely available market quotations.

Units or shares in collective investment schemes shall be valued on the basis of the latest available net asset value per unit as published by the collective investment scheme. If units or shares in such collective investment schemes are quoted, listed or traded on or under the rules of any Recognised Market then such units and shares will be valued in accordance with the rules set out above for the valuation of Investments which are quoted, listed or traded on or under the rules of any Recognised Market. If such prices are unavailable, the units will be valued at their probable realisation value estimated with care and good faith by the Management Company in consultation with the Administrator or by a competent person, firm or corporation appointed for such purpose by the Management Company and approved for such purpose by the Management Company and the Depositary.

Notwithstanding the above provisions the Management Company may, with the prior consent of the Depositary and in consultation with the Investment Manager, adjust the valuation of any Investment or permit some other method of valuation approved by the Depositary to be used if, having regard to currency, applicable rate of interest, maturity, marketability and/or such other considerations as they deem relevant, they consider that such adjustment is required to reflect more fairly the value thereof.

Values of assets and liabilities expressed in a currency other than the Base Currency of the relevant Fund will be converted by the Administrator into the Base Currency of the relevant Fund at the latest available exchange rate at the Valuation Point.

In determining the value of the assets there shall be added to the assets any interest or dividends accrued but not received and any amounts available for distribution but in respect of which no distribution has been made and there shall be deducted from the assets all liabilities accrued.

#### **Temporary Suspension of Net Asset Value**

The Directors may at any time with the approval of the Depositary temporarily suspend the issue, valuation, sale, purchase, redemption or conversion of Shares during:

- (a) any period when any Recognised Market on which a substantial portion of the Investments for the time being comprised in the Fund are quoted, listed or dealt in is closed otherwise than for ordinary holidays, or during which dealings in any such Recognised Market are restricted or suspended;
- (b) any period where, as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the Directors, including the unavailability of relevant prices, the disposal or valuation of any Investments for the time being comprised in the Fund cannot, in the opinion of the Directors, be effected or completed normally or without prejudicing the interest of Shareholders;
- (c) any breakdown in the means of communication normally employed in determining the value of any Investments for the time being comprised in the Fund or during any period when for any other reason the value of Investments for the time being comprised in the Fund cannot, in the opinion of the Directors, be promptly or accurately ascertained;
- (d) any period when the Fund is unable to repatriate funds for the purposes of making redemption payments or during which the realisation of any Investments for the time being comprised in the Fund, or the transfer or payment of funds involved in connection therewith cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange;
- (e) any period in which the redemption of the Shares would, in the opinion of the Directors, result in a violation of applicable laws;
- (f) any period in which notice has been given to Shareholders of a resolution to wind up the Fund;  
or
- (g) any period when the Directors determine that it is in the best interests of the Shareholders to do so.

Notice of any such suspension shall be published by the Management Company in the Financial Times and through such other means as the Directors or the Management Company may from time to time determine, if in the opinion of the Directors, it is likely to exceed fourteen days. Such suspension shall be notified without delay to the Central Bank and the Shareholders. 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 redemption of Shares of any Class will have their subscription or redemption request dealt with on the first Valuation Day after the suspension has been lifted unless applications or redemption requests have been withdrawn prior to the lifting of the suspension.

The Management Company shall notify the Central Bank immediately upon the lifting of any such temporary suspension and in circumstances where the temporary suspension has not been lifted within 21 working days of application, the Management Company shall provide the Central Bank with an update on the temporary suspension at the expiration of the 21 working day period and each subsequent period of 21 working days where the temporary suspension continues to apply.

Save where the determination of the Net Asset Value per Share has been temporarily suspended in the circumstances described above, the Net Asset Value per Share will be published on each Business Day through Bloomberg (where access is available to those investors with Bloomberg terminals) and/or Morningstar where access is publically available at <http://www.morningstar.com> and/or Lipper Inc. where access is publically available at <http://www.lipperweb.com> and/or such other media as the Management Company may from time to time determine, notify to Shareholders and disclose in the Prospectus. The Net Asset per Share will also be available from the office of the Administrator.

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## REDEMPTION, TRANSFERS AND EXCHANGE OF SHARES

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### **Redemption of Shares**

The terms, conditions and procedures applicable to a request for a redemption of Shares in respect of a Fund is specified in the Relevant Supplement.

### **Transfers of Shares**

The terms, conditions and procedures applicable to the transfer of Shares in respect of a Fund is specified in the Relevant Supplement.

### **Exchange of Shares**

The terms, conditions and procedures applicable to the exchange of Shares in respect of a Fund for Shares in another Fund is specified in the Relevant Supplement.



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## TERMINATION OF FUNDS

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The Company may terminate any Fund and redeem all of the Shares corresponding to such Fund, if:

- (a) the holders of Shares of the relevant Fund pass a Special Resolution to approve the redemption of all the Shares in the relevant Fund; or
- (b) after the first anniversary of the launch of the relevant Fund if the Net Asset Value of the relevant Fund falls below such amount as may be specified in the Relevant Supplement; or
- (c) the Depositary has served notice of its intention to retire under the terms of the Depositary Agreement (and has not revoked such notice) and no new depositary has been appointed by the Company with the approval of the Central Bank within six months from the date of service of such notice.

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## TAXATION

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The following is a summary of certain Irish (and, with respect to FATCA only, certain United States) tax consequences of the purchase, ownership and disposal of Shares. The summary does not purport to be a comprehensive description of all of the Irish (or United States) tax considerations that may be relevant. The summary relates only to the position of persons who are the absolute beneficial owners of Shares and may not apply to certain other classes of persons.

*The summary is based on Irish (and, with respect to FATCA only, certain United States) tax laws and the practice of the Irish Revenue Commissioners in effect on the date of this Prospectus (and is subject to any prospective or retroactive change). Potential investors in Shares should consult their own advisors as to the Irish, U.S. or other tax consequences of the purchase, ownership and disposal of Shares.*

### **Taxation of the Company**

The Company intends to conduct its affairs so that it is Irish tax resident. On the basis that the Company is Irish tax resident, the Company qualifies as an 'investment undertaking' for Irish tax purposes and, consequently, is exempt from Irish corporation tax on its income and gains.

The Company will be obliged to account for Irish income tax to the Irish Revenue Commissioners if Shares are held by non-exempt Irish resident Shareholders (and in certain other circumstances), as described below. Explanations of the terms '*resident*' and '*ordinarily resident*' are set out at the end of this summary.

### **Taxation of non-Irish shareholders**

Where a Shareholder is not resident (or ordinarily resident) in Ireland for Irish tax purposes, the Company will not deduct any Irish tax in respect of the Shareholder's Shares once the Declaration has been received by the Company confirming the Shareholder's non-resident status. The Declaration may be provided by an Intermediary who holds Shares on behalf of investors who are not resident (or ordinarily resident) in Ireland, provided that, to the best of the Intermediary's knowledge, the investors are not resident (or ordinarily resident) in Ireland. An explanation of the term '*Intermediary*' is set out at the end of this summary.

If this declaration is not received by the Company, the Company will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a non-exempt Irish resident Shareholder (see below). The Company will also deduct Irish tax if the Company has information which reasonably suggests that a Shareholder's Declaration is incorrect. A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company and holds the Shares through an Irish branch and in certain other limited circumstances. The Company must be informed if a Shareholder becomes Irish tax resident.

Generally, Shareholders who are not Irish tax resident will have no other Irish tax liability with respect to their Shares. However, if a Shareholder is a company which holds its Shares through an Irish branch or agency, the Shareholder may be liable to Irish corporation tax in respect of profits and gains arising in respect of the Shares (on a self-assessment basis).

### **Taxation of exempt Irish shareholders**

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and falls within any of the categories listed in section 739D(6) Taxes Consolidation Act of Ireland ("**TCA**"), the Company will not deduct Irish tax in respect of the Shareholder's Shares once the Declaration has been received by the Company confirming the Shareholder's exempt status.

The categories listed in section 739D(6) TCA can be summarised as follows:

1. Pension schemes (within the meaning of section 774, section 784 or section 785 TCA).

2. Companies carrying on life assurance business (within the meaning of section 706 TCA).
3. Investment undertakings (within the meaning of section 739B TCA).
4. Investment limited partnerships (within the meaning of section 739J TCA).
5. Special investment schemes (within the meaning of section 737 TCA).
6. Unauthorised unit trust schemes (to which section 731(5)(a) TCA applies).
7. Charities (within the meaning of section 739D(6)(f)(i) TCA).
8. Qualifying managing companies (within the meaning of section 734(1) TCA).
9. Specified companies (within the meaning of section 734(1) TCA).
10. Qualifying fund and savings managers (within the meaning of section 739D(6)(h) TCA).
11. Personal Retirement Savings Account (PRSA) administrators (within the meaning of section 739D(6)(i) TCA).
12. Irish credit unions (within the meaning of section 2 of the Credit Union Act 1997).
13. The National Asset Management Agency.
14. The National Treasury Management Agency or a Fund Investment Vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or Ireland acting through the National Treasury Management Agency.
15. Qualifying companies (within the meaning of section 110 TCA).
16. Any other person resident in Ireland who is permitted (whether by legislation or by the express concession of the Irish Revenue Commissioners) to hold Shares in the Company without requiring the Company to deduct or account for Irish tax.

Irish resident Shareholders who claim exempt status will be obliged to account for any Irish tax due in respect of Shares on a self-assessment basis.

If this declaration is not received by the Company in respect of a Shareholder, the Company will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a non-exempt Irish resident Shareholder (see below). A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company within the charge to Irish corporation tax and in certain other limited circumstances.

### **Taxation of other Irish shareholders**

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and is not an 'exempt' Shareholder (see above), the Company will deduct Irish tax on distributions, redemptions and transfers and, additionally, on 'eighth anniversary' events, as described below.

#### *Distributions by the Company*

If the Company pays a distribution to a non-exempt Irish resident Shareholder, the Company will deduct Irish tax from the distribution. The amount of Irish tax deducted will be:

1. 25% of the distribution, where the distributions are paid to a Shareholder who is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the distribution, in all other cases.

The Company will pay this deducted tax to the Irish Revenue Commissioners.

Generally, a Shareholder will have no further Irish tax liability in respect of the distribution. However, if the Shareholder is a company for which the distribution is a trading receipt, the gross distribution (including the Irish tax deducted) will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

#### *Redemptions and transfers of shares*

If the Company redeems Shares held by a non-exempt Irish resident Shareholder, the Company will deduct Irish tax from the redemption payment made to the Shareholder. Similarly, if such an Irish resident Shareholder transfers (by sale or otherwise) an entitlement to Shares, the Company will account for Irish tax in respect of that transfer. The amount of Irish tax deducted or accounted for will be calculated by reference to the gain (if any) which has accrued to the Shareholder on the Shares being redeemed or transferred and will be equal to:

1. 25% of such gain, where the Shareholder is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the gain, in all other cases.

The Company will pay this deducted tax to the Irish Revenue Commissioners. In the case of a transfer of Shares, to fund this Irish tax liability the Company may appropriate or cancel other Shares held by the Shareholder. This may result in further Irish tax becoming due.

Generally, a Shareholder will have no further Irish tax liability in respect of the redemption or transfer. However, if the Shareholder is a company for which the redemption or transfer payment is a trading receipt, the gross payment (including the Irish tax deducted) less the cost of acquiring the Shares will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

If Shares are not denominated in euro, a Shareholder may be liable (on a self-assessment basis) to Irish capital gains taxation on any currency gain arising on the redemption or transfer of the Shares.

#### *Eighth Anniversary' Events*

If a non-exempt Irish resident Shareholder does not dispose of Shares within eight years of acquiring them, the Shareholder will be deemed for Irish tax purposes to have disposed of the Shares on the eighth anniversary of their acquisition (and any subsequent eighth anniversary). On such deemed disposal, the Company will account for Irish tax in respect of the increase in value (if any) of those Shares over that eight year period. The amount of Irish tax accounted for will be equal to:

1. 25% of such increase in value, where the Shareholder is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the increase in value, in all other cases.

The Company will pay this tax to the Irish Revenue Commissioners. To fund the Irish tax liability, the Company may appropriate or cancel Shares held by the Shareholder.

However, if less than 10% of the Shares (by value) in the relevant Fund are held by non-exempt Irish resident Shareholders, the Company may elect not to account for Irish tax on this deemed disposal. To claim this election, the Company must:

1. confirm to the Irish Revenue Commissioners, on an annual basis, that this 10% requirement is satisfied and provide the Irish Revenue Commissioners with details of any non-exempt Irish resident Shareholders (including the value of their Shares and their Irish tax reference numbers); and
2. notify any non-exempt Irish resident Shareholders that the Company is electing to claim this exemption.

If the exemption is claimed by the Company, any non-exempt Irish resident Shareholders must pay to the Irish Revenue Commissioners on a self-assessment basis the Irish tax which would otherwise have been payable by the Company on the eighth anniversary (and any subsequent eighth anniversary).

Any Irish tax paid in respect of the increase in value of Shares over the eight year period may be set off on a proportionate basis against any future Irish tax which would otherwise be payable in respect of those Shares and any excess may be recovered on an ultimate disposal of the Shares.

#### *Share exchanges*

Where a Shareholder exchanges Shares on arm's length terms for other Shares in the Company or for Shares in another Fund of the Company and no payment is received by the Shareholder, the Company will not deduct Irish tax in respect of the exchange.

#### **Stamp duty**

No Irish stamp duty (or other Irish transfer tax) will apply to the issue, transfer or redemption of Shares. If a Shareholder receives a distribution *in specie* of assets from the Company, a charge to Irish stamp duty could potentially arise.

#### **Gift and Inheritance tax**

Irish capital acquisitions tax (at a rate of 33%) can apply to gifts or inheritances of Irish situate assets or where either the person from whom the gift or inheritance is taken is Irish domiciled, resident or ordinarily resident or the person taking the gift or inheritance is Irish resident or ordinarily resident.

The Shares could be treated as Irish situate assets because they have been issued by an Irish company. However, any gift or inheritance of Shares will be exempt from Irish gift or inheritance tax once:

1. the Shares are comprised in the gift or inheritance both at the date of the gift or inheritance and at the 'valuation date' (as defined for Irish capital acquisitions tax purposes);
2. the person from whom the gift or inheritance is taken is neither domiciled nor ordinarily resident in Ireland at the date of the disposition; and
3. the person taking the gift or inheritance is neither domiciled nor ordinarily resident in Ireland at the date of the gift or inheritance.

#### **FATCA**

Ireland has an intergovernmental agreement with the United States of America (the "IGA") in relation to the U.S. Foreign Account Tax Compliance Act ("FATCA"), of a type commonly known as a 'model 1' agreement. Ireland has also enacted regulations to introduce the provisions of the IGA into Irish law. The Company intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA, pursuant to the terms of the IGA. The Company has registered with the U.S. Internal Revenue Service as a 'reporting financial institution' for FATCA purposes and intends to report information to the Irish Revenue Commissioners relating to Shareholders who, for FATCA purposes, are specified US persons, non-participating financial institutions (to the extent required) or passive non-financial foreign entities that are controlled by specified US persons. Any information reported by

the Company to the Irish Revenue Commissioners will be communicated to the U.S. Internal Revenue Service pursuant to the IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

The Company should generally not be subject to FATCA withholding tax in respect of its U.S. source income for so long as it complies with its FATCA obligations. FATCA withholding tax of 30% would only be envisaged to arise on U.S. source payments to the Company (and, beginning no earlier than 2019, on, potentially, gross proceeds that can produce U.S.-source interest or dividends and on foreign pass-through payments, a term which is not yet defined) if the Company did not comply with its FATCA registration and reporting obligations and the U.S. Internal Revenue Service specifically identified the Company as being a 'non-participating financial institution' for FATCA purposes.

Under FATCA, the Company may also be required to withhold 30% on certain payments made to certain investors if the payments are treated as "foreign passthru payments." As mentioned above, however, the term "foreign passthru payment," is not yet defined, and it is not clear whether or to what extent payments on the Shares might be considered foreign passthru payments and if the Company would be required to withhold. Under the U.S. Treasury Regulations, withholding will not be required with respect to foreign passthru payments before January 1, 2019.

Each Shareholder acknowledges that the Company may take such action as it considers necessary in accordance with applicable law in relation to each Shareholder's holding to ensure that any withholding tax borne by the Company under FATCA, and any costs, interests, penalties and other losses and liabilities suffered by the Company, any Fund, the Investment Manager, the Administrator, the Depositary, or any other investor, or any agent, delegate, employee, director, officer or affiliate of any of the foregoing persons, arising from such Shareholders failure to provide any documentation or information upon request for the purposes of FATCA or any similar reporting regime is economically borne by such Shareholder.

### **OECD Common Reporting Standard**

The automatic exchange of information regime known as the "*Common Reporting Standard*" developed by the Organisation for Economic Co-operation and Development applies in Ireland. Under this regime, the Company is required to report information to the Irish Revenue Commissioners relating to all Shareholders, including the identity, residence and tax identification number of Shareholders and details as to the amount of income and sale or redemption proceeds received by Shareholders in respect of the Shares. This information may then be shared by the Irish Revenue Commissioners with tax authorities in other EU member states and other jurisdictions which implement the OECD Common Reporting Standard.

The OECD Common Reporting Standard replaces the previous European information reporting regime in respect of savings income under Directive 2003/48/EC (commonly known as the EU Savings Directive regime).

### **Meaning of terms**

#### *Meaning of 'residence' for companies*

A company which has its central management and control in Ireland is tax resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which was incorporated in Ireland on or after 1 January 2015 is tax resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

A company which does not have its central management and control in Ireland but which was incorporated before 1 January 2015 in Ireland is resident in Ireland except where:

1. the company (or a related company) carries on a trade in Ireland and either the company is ultimately controlled by persons resident in EU member states or in countries with which

Ireland has a double tax treaty, or the company (or a related company) are quoted companies on a recognised stock exchange in the EU or in a tax treaty country; or

2. the company is regarded as not resident in Ireland under a double tax treaty between Ireland and another country.

Finally, a company that was incorporated in Ireland before 1 January 2015 will also be regarded as resident in Ireland if the company is (i) managed and controlled in a territory with which a double taxation agreement with Ireland is in force (a 'relevant territory'), and such management and control would have been sufficient, if exercised in Ireland, to make the company Irish tax resident; and (ii) the company would have been tax resident in that relevant territory under its laws had it been incorporated there; and (iii) the company would not otherwise be regarded by virtue of the law of any territory as resident in that territory for the purposes of tax.

#### *Meaning of 'residence' for individuals*

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

1. spends 183 days or more in Ireland in that calendar year; or
2. has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that calendar year together with the number of days spent in Ireland in the preceding year. Presence in Ireland by an individual of not more than 30 days in a calendar year will not be reckoned for the purposes of applying this 'two year' test.

An individual is treated as present in Ireland for a day if that individual is personally present in Ireland at any time during that day.

#### *Meaning of 'ordinary residence' for individuals*

The term 'ordinary residence' (as distinct from 'residence') relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2020 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2023.

#### *Meaning of 'intermediary'*

An 'intermediary' means a person who:

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

### **ERISA AND OTHER BENEFIT PLAN CONSIDERATIONS**

The following is a summary of certain aspects of laws affecting retirement plan investments, all of which are subject to change. This summary is general in nature and does not address every issue that may be applicable to the Company or a potential investor that becomes or is considering becoming an investor in the Company. Accordingly, each prospective investor should consult with its own counsel.

Before authorizing an investment in the Company, fiduciaries of pension, profit sharing or other employee benefit plans and individual retirement accounts (collectively, "Plans") should consider, among other matters, (a) fiduciary standards imposed by ERISA or any other law or regulation specifically applicable to governmental, church or non-U.S. plans ("Similar Law"), if applicable, (b)

whether the purchase of the Shares satisfies the prudence and diversification requirements of ERISA and Similar Law, as applicable, taking into account any applicable Plan investment policy, the composition of the Plan's portfolio, and the limitations on the marketability of the Shares, (c) whether such fiduciaries have authority to hold the Shares under the applicable Plan investment policies and governing instruments, (d) rules relating to the periodic valuation of Plan assets and the delegation of control over responsibility for "plan assets" under ERISA or Similar Law, as applicable, and (e) prohibitions under ERISA, the Code and/or Similar Law relating to Plans engaging in certain transactions involving "plan assets" with persons who are "disqualified persons" under the Code or "parties in interest" under ERISA or Similar Law, as applicable.

Under the regulations issued by the U.S. Department of Labor at 29 C.F.R. 2950.3-101, as modified in application by Section 3(42) of ERISA, relating to what constitutes "plan assets" under ERISA (the "Plan Asset Regulations"), when a Plan that is subject to ERISA or Section 4975 of the Code (an "ERISA Plan") makes an equity investment in an entity such as a Fund, the Plan's assets include both the interest in that Fund and an undivided interest in each of the underlying assets of that Fund, unless certain exceptions apply. If a Fund were deemed to hold plan assets, the Investment Manager, in its capacity as investment manager of that Fund, would become a fiduciary of ERISA Plans that invest in that Fund and that Fund's transactions could constitute prohibited transactions under ERISA and the Code.

Pursuant to an exception contained in the Plan Asset Regulations, the assets of an entity will not be deemed to be "plan assets" of investing ERISA Plans if, immediately after the most recent acquisition of an equity interest in the entity, less than twenty-five percent (25 per cent) of the value of each class of equity interests in the entity is held by "benefit plan investors" (the "25% Threshold"). "Benefit plan investor" is defined by Section 3(42) of ERISA to mean any employee benefit plan subject to Part 4 of Title I of ERISA, any plan to which Section 4975 of the Code applies and any entity whose underlying assets include plan assets by reason of a plan's investment in such entity. In determining the 25% Threshold, non-benefit plan investor equity interests in the entity that are held by persons who have discretionary authority or control over the assets of such entity or who provide investment advice with respect to those assets for a fee, as well as their affiliates, are disregarded.

Under the Plan Asset Regulations, each of the Funds should be treated as a separate entity.

GW&K Emerging Markets Equity Fund will not restrict investments by benefit plan investors. Further details regarding the potential application of ERISA to GW&K Emerging Markets Equity Fund will be set out in the Relevant Supplement.

Acceptance of a subscription on behalf of a Plan is in no respect a representation by the Company or any other person that the investment meets all relevant legal requirements with respect to investments by the Plan or that the investment is appropriate for the Plan. Any prospective investor that is a Plan should consult its own advisers with respect to the provisions of ERISA, the Code and any Similar Law that may apply with respect to an investment in the Company.



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## GENERAL

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### THE SHARE CAPITAL

The minimum authorised share capital of the Company is €2.00 represented by 2 (two) Subscriber Shares of no par value and the maximum authorised share capital of the Company is 500,000,000,002 Shares of no par value initially designated as unclassified Shares. The Directors are empowered to issue up to 500,000,000,000 Shares of no par value designated as Shares of any Class or series on such items as they think fit.

The issued capital of the Company as of the date of this Prospectus is €2.00 represented by 2 Subscriber Shares of no par value issued for €1 each. The Subscriber Shares entitle the holders to attend and vote at general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding-up. The Shares entitle the holders to attend and, if relevant, vote at general meetings of the Company and to participate in the profits and assets of the Company. There are no pre-emption rights attaching to the Shares.

### VARIATION OF SHARE CAPITAL

The Company may from time to time by Ordinary Resolution increase its capital, consolidate its Shares or any of them into a smaller number of Shares, sub-divide Shares or any of them into a larger number of Shares or cancel any Shares not taken or agreed to be taken by any person. The Company may by Special Resolution from time to time reduce its Share capital in any way permitted by Irish law.

### VARIATION OF SHAREHOLDER RIGHTS

The rights attached to each Class of Shares (and for these purposes, reference to any Class of Shares shall include reference to any class of that Class) may, whether or not the Company is being wound up be varied with the consent in writing of the holders of three-fourths 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 that Class. The provisions of the Articles in relation to general meetings shall apply to every such separate general meeting except that the necessary quorum at any such meeting shall be two persons holding or representing by proxy at least one-third of the issued Shares of the Class in question or, at an adjourned meeting, one person holding Shares of the Class in question or his proxy. Any holder of Shares representing one-tenth of the Shares in issue of the Class in question present in person or by proxy may demand a poll. The rights attaching to any Class shall not be deemed to be varied by the creation or issue of further Shares of that Class ranking *pari passu* with Shares already in issue, unless otherwise expressly provided by the terms of issue of those Shares.

### VOTING RIGHTS

The Articles provide that on a show of hands at a general meeting of the Company every Shareholder and Subscriber Shareholder, present in person or by proxy, shall have one vote and on a poll at a general meeting every Shareholder and Subscriber Shareholder shall have one vote in respect of each Share or Subscriber Share, as the case may be, held by him; provided, however, that, in relation to a resolution which in the opinion of the Directors affects more than one Class or gives or may give rise to a conflict of interest between the Shareholders of the respective Classes, such resolution shall be deemed to have been duly passed, only if, in lieu of being passed at a single meeting of the Shareholders of all of those Classes, such resolution shall have been passed at a separate meeting of the Shareholders of each such Class.

### MEMORANDUM AND ARTICLES OF ASSOCIATION

The sole object of the Company, as set out in Clause 2 of the Articles, is the collective investment of its funds in either or both Transferable Securities and other liquid financial assets of capital raised from the public operating on the principle of risk-spreading in accordance with the UCITS Regulations.

All holders of Shares 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 Company, copies of which are available as described under the section entitled "General - Documents for Inspection".

## **CONFLICTS OF INTEREST**

The Directors, the Management Company, the Depositary, the Administrator, the Investment manager their delegates, and their respective affiliates may from time to time act as manager, registrar, administrator, trustee, depositary, investment manager or adviser or distributor in relation to, or be otherwise involved in, other funds or collective investment schemes which have similar investment objectives to those of the Company. It is, therefore, possible that any of them may, in the due course of their business, have potential conflicts of interests with the Company. Each will at all times have regard in such event to its obligations under the Articles and/or any agreements to which it is party or by which it is bound in relation to the Company and, in particular, but without limitation, to its obligations to act in the best interests of the Shareholders when undertaking any investments where conflicts of interest may arise and they will each respectively endeavour to ensure that such conflicts are resolved fairly and, in particular the Investment Manager has agreed to act in a manner which the Investment Manager in good faith considers fair and equitable in allocating investment opportunities to the Company. Where determined appropriate by the Directors and approved for the purpose by the Depositary, a valuation committee of the Investment Manager may be established to value unlisted securities. In this regard, the Directors or the the Management Company may accept the valuation of the valuation committee and investors should be aware that in these circumstances a possible conflict of interest may arise as the higher the estimated value of the unlisted securities the higher the fees payable to the Investment Manager.

There is no prohibition on dealing in assets of the Company by entities related to the Management Company, the Depositary, the Investment Manager, their delegates, or their respective affiliates provided that such transactions are conducted at arm's length and in the best interests of the Shareholders. Permitted transactions are subject to: (i) a certified valuation of a transaction by a person approved by the Depositary (or the Management Company in the case of a transaction involving the Depositary or an affiliate of the Depositary) as independent and competent; or (ii) the execution of transactions on best terms on organised investment exchanges under their rules and, (ii) where these are not practical, transactions executed on terms the Depositary (or the Management Company in the case of a transaction involving the Depositary or an affiliate of the Depositary) is satisfied conform to the principles set out above, will be deemed to be carried out as if conducted at arm's length and in the best interests of the Shareholders. The Depositary (or the Management Company in the case of a transaction involving the Depositary or an affiliate of the Depositary) shall document how it has complied with (i), (ii) or (iii) set out above. Where transactions are conducted in accordance with (iii), the Depositary (or the Management Company in the case of a transaction involving the Depositary or an affiliate of the Depositary) shall document its rationale for being satisfied that the transaction conformed to the principles outlined in this paragraph.

In particular, but without limitation, the Depositary may hold funds for the Company subject to the provisions of the Central Bank Acts 1942 to 1998 (as may be amended from time to time).

Employees or officers of the Investment Manager or their affiliates may directly or indirectly acquire Shares. Any acquisition or divestment of Shares by such individuals shall be on terms which are no more favourable than those applying to all Shareholders. The Investment Manager will maintain internal procedures to ensure that the size and timing of any subscriptions or redemptions of Shares by such individuals shall not conflict with any duties owed to Shareholders and the Company by the Investment Manager or its affiliates or any employees or officers thereof.

In selecting broker-dealers (who may in some cases be an affiliate of the Investment Manager), the Investment Manager will choose those broker-dealers who provide best execution to the Company. In determining the quality of execution, the Investment Manager will generally consider the full range and quality of a broker-dealer's service including, among other things, execution services, research provision, financial stability, commission charges and responsiveness. In managing the assets of the Company, the Investment Manager may receive certain research and services from broker-dealers. The Investment Manager may select broker dealers who have provided research and/or services to

the Investment Manager. The benefits provided under any soft commission arrangements may assist in the provision of investment services to the Company but may not be for its exclusive use.

A Director may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is interested, provided that he has disclosed to the Directors prior to the conclusion of any such transaction or arrangement the nature and extent of any material interest of his or hers therein. Unless the Directors determine otherwise, a Director may vote in respect of any contract or arrangement or any proposal whatsoever in which he has a material interest, having first disclosed such interest. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

At the date of this Prospectus, the following Directors are affiliated with, and are not independent from, GW&K:

- T. Williams Roberts III (United States) is a partner in GW&K and oversees GW&K's Finance, Legal & Compliance, Information Technology, Operations, Human Resource and Administration departments. He also serves as GW&K's Chief Compliance Officer and is a member of GW&K's Executive, Management and Investment Committees; and
- Thomas F.X. Powers (United States) is a Partner in the GW&K and oversees GW&K's Sales, Marketing and Client Service departments. He also is a member of the firm's Executive, Management, Investment and ESG Committees.

## **REMUNERATION POLICIES AND PRACTICES**

The Management Company has remuneration policies and practices in place consistent with the requirements of the UCITS Regulations and the ESMA Guidelines on sound remuneration policies under the UCITS Directive ("ESMA Remuneration Guidelines"). The Management Company will procure that any delegate, including the Investment Manager, to whom such requirements also apply pursuant to the ESMA Remuneration Guidelines will have equivalent remuneration policies and practices in place.

The remuneration policy reflects the Management Company's objective for good corporate governance, promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the Funds or the Articles. It is also aligned with the investment objectives of each Fund and includes measures to avoid conflicts of interest. The remuneration policy is reviewed on an annual basis (or more frequently, if required) by the board of directors of the Management Company, to ensure that the overall remuneration system operates as intended and that the remuneration pay-outs are appropriate. This review will also ensure that the remuneration policy reflects best practice guidelines and regulatory requirements, as may be amended from time to time.

Details of the up-to-date remuneration policy of the Management Company (including, but not limited to: (i) a description of how remuneration and benefits are calculated; (ii) the identities of persons responsible for awarding the remuneration and benefits; and (iii) the composition of the remuneration committee, where such a committee exists) will be available by means of a website <http://www.carnegroup.com/policies-and-procedures/> and a paper copy will be made available to Shareholders free of charge upon request.

## **MEETINGS**

All general meetings of the Company shall be held in Ireland and at least one general meeting of the Company shall be held in each year as the Company's annual general meeting. At least 21 days' notice (inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) shall be given to Shareholders. The notice shall specify the place, day and hour of the meeting and the terms of the resolutions to be proposed. A proxy may attend on behalf of any Shareholder. The voting rights attached to the Shares are set out under the heading "*General - Voting Rights*".

## **REPORTS AND ACCOUNTS**

The Directors shall cause to be prepared an annual report and audited annual accounts for the Company for the period ending 31 December in each year. These will be forwarded to Shareholders within four months of the end of the relevant accounting period end and at least twenty-one days before the annual general meeting. In addition, the Directors shall cause to be prepared and circulated to Shareholders a half-yearly report which shall include unaudited half-yearly accounts for the Company. The half-yearly report will be made up to 30 June in each year. Unaudited half-yearly reports will be sent to Shareholders within two months of the end of the relevant accounting period. The annual audited financial statements for the Company will be sent to prospective investors on request.

## **DATA PRIVACY**

The Company will control and protect personal data in accordance with the requirements of Regulation (EU) 2016/679, the General Data Protection Regulation or "GDPR", as described in greater detail in the Company's data privacy statement. A copy of this data privacy statement will be available at [www.gwkinvest.com](http://www.gwkinvest.com).

## **COMPLAINTS PROCEDURE**

If any Shareholder wishes to file a complaint against the Company, it may do so free of charge. Information with respect to the complaints procedure is available, also free of charge, upon request to the Administrator.

## **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 Irish Companies Act, 2014 (as may be amended or supplemented from time to time), apply the assets of the Company attributable to each Fund in such manner and order as he thinks fit in satisfaction of creditors claims relating to that Fund.
- (i) the assets available for distribution among the Shareholders shall then be applied in the following priority:
  - (a) First, in the payment to the Shareholders of each Fund of a sum in the currency in which that Fund is designated (or in any other currency selected by the liquidator) as nearly as possible equal (at a rate of exchange determined by the liquidator) to the aggregate Net Asset Value of the Shares of such Fund held by such Shareholders respectively as at the date of commencement to wind up provided that there are sufficient assets available to enable such payment to be made.
  - (b) Secondly, in the payment to the Subscriber Shareholders of sums up to the nominal amount paid thereon out of the assets of the Company.
  - (c) Thirdly, in the payment to the Shareholders of any balance then remaining, such payment being made in proportion to the number of Shares held.
- (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 and any other sanction required by the Irish Companies Act, 2014, divide among the members *in specie* the whole or any part of the assets of the Company, 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 the members or different classes of members. The liquidator shall, if any Shareholder so requests, liquidate or otherwise dispose of sufficient assets in order to enable the liquidator to distribute the cash proceeds thereof, net of all duties and charges incurred in connection with the sale of such underlying investments, to the Shareholder in question. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members 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 member shall be compelled to accept any assets in respect of which there is liability.

## **ELECTRONIC COMMUNICATION**

The Directors have arranged for electronic communication by the Company or any other person on behalf of the Company, with any Shareholder or any other person of, without limitation, the following:

- notices of annual or extraordinary general meetings;
- the annual reports and audited accounts;
- the semi-annual reports and unaudited financial statements;
- the Net Asset Value.
- periodic account statements; and
- all other Shareholder correspondence.

All communication of such notices, accounts, confirmations and Net Asset Values or other Shareholder material by the Company or any other person on behalf of the Company will be exclusively by electronic communication to those Shareholders electing to avail of the service. Shareholders should note that electronic communications to and from Shareholders may be sent out in an unencrypted manner. As a result, there is a risk that client information may be subject to unauthorised access.

Shareholders electing to avail of electronic communication shall be deemed to have consented to the receipt of electronic communications from the Company or any of its delegates or service providers. All Shareholder documents and material sent by electronic communication will remain available in hard copy and will be sent by post without postal charges to those Shareholders not availing of electronic communication. Shareholders may at anytime change their election to or from electronic communication by contacting the Administrator.

## **MATERIAL CONTRACTS**

The following contracts, which are summarised in the sections “Investment Manager”, “Administrator”, “Depository” and “Fees and Expenses” above, have been entered into and are, or may be, material:

- (i) Management Agreement dated 9 April 2021 between the Company and the Management Company, as amended, by which Management Company was appointed as management company to the Company;
- (ii) Investment Management Agreement dated 9 April 2021 between the Company, the Management Company and GW&K, as amended, by which GW&K was appointed to provide certain investment management and advisory services to the Company;
- (iii) Administration Agreement dated 30 June 2021 between the Company, the Management Company and the Administrator, pursuant to which the Administrator was appointed administrator, registrar and transfer agent to the Company; and
- (iv) Depository Agreement dated 6 May 2021 (with an effective date of 1 July 2021), as may be amended from time to time, between the Company, the Management Company and the Depository, pursuant to which the Depository has been appointed as depository of the Company’s assets.

## **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected and obtained at the registered office of the Administrator at George's Court, 54-62 Townsend Street, Dublin 2, Ireland during normal business hours on any Business Day:

- (i) the material contracts referred to above;
- (ii) the Memorandum and Articles of Association;
- (iii) the annual and half-yearly reports of the Company;
- (iv) the subscription and redemption prices for the Shares; and
- (v) the UCITS Regulations and Central Bank regulations issued pursuant thereto

In addition, the Memorandum and Articles of Association of the Company and any yearly or half-yearly reports may be obtained from the Administrator free of charge or may be inspected at the registered office of the Administrator during normal business hours on any Dealing Day.

## **DISCLOSURE OF THE COMPANY'S PORTFOLIO HOLDINGS**

In addition to their required disclosure in the Company's annual and half-yearly reports, the Company may also disclose portfolio holdings in the circumstances outlined below. Disclosure generally may be either on a monthly or quarterly basis with no time lag in some cases and with a time lag of up to sixty days in other cases.

Disclosure of portfolio holdings may be made by the Company as follows to:

- (i) current or prospective Shareholders that request such information, which will be provided free of charge;
- (ii) regulatory authorities in response to requests for such information or as required by law, rule or regulation;
- (iii) the Company's service providers as necessary for the performance of their services;
- (iv) certain financial intermediaries for purposes of their performing due diligence on the Company; and
- (v) consultants for purposes of performing analysis of the Company, which analysis may be used by the consultant with its clients or disseminated to the public.

Employees of the Investment Manager and its affiliates will often have access to information concerning the Company's portfolio holdings.

The Company, acting through the Investment Manager, may from time to time elect, in its sole discretion, to make available to the Shareholders additional information in respect of the Company or a Fund. Shareholders interested in receiving such reports should contact the Investment Manager to learn if the Company is making any such reports available. The Company is not obliged to provide such reports to the Shareholders. However, if the Company chooses to provide such reports, subject to such policies and conditions as may be established by the Investment Manager, the Company will endeavour to make the reports available to all requesting Shareholders on equal terms. The Company may discontinue providing such reports at any time without prior notice. The Company, the Management Company and the Investment Manager make no representation as to the accuracy, completeness, fitness for a particular purpose or timeliness of any information contained in any such report, and the Company, the Management Company, the Investment Manager and their respective affiliates will not be liable for any loss suffered by a Shareholder as a result of reliance on any such report.

The Company, the Management Company or the Investment Manager may, in their sole discretion but in accordance with any previously approved policies, agree to provide certain Shareholders, including

upon request, with additional or different information than that provided to the Shareholders in the reports referred to above.

### **COMPENSATION**

The Investment Manager and/or its affiliates may, to the extent permitted by applicable law and regulation, pay (or cause to be paid) fees to persons (whether or not affiliated with the Investment Manager), and including, without limitation, employees, partners, officers and affiliates of the Investment Manager, who are instrumental in the sale of Shares of the Company. Any such fees will in no event be payable by or chargeable to the Company or any Shareholder or prospective Shareholder.

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**APPENDIX I  
DEFINITIONS**

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

<b>“Administrator”</b>	Northern Trust International Fund Administration Services (Ireland) Limited or such other company as may from time to time be appointed to provide administration and related services to the Company in Ireland;
<b>“Subscription Form”</b>	the subscription form for Shares in the Company which is available from the Administrator;
<b>“Articles”</b>	the Memorandum and Articles of Association of the Company for the time being in force and as may be modified from time to time;
<b>“Auditors”</b>	PricewaterhouseCoopers or such other firm of registered auditors as may from time to time be appointed as auditors to the Company;
<b>“Base Currency”</b>	the base currency of each Fund, being U.S. Dollar, unless otherwise determined by the Directors;
<b>“Business Day”</b>	a day (except Saturdays, Sundays and public holidays in the Republic of Ireland) on which the Irish Stock Exchange and the New York Stock Exchange are open for normal trading business (provided such day is not a bank holiday in the Republic of Ireland) or such other day or days as may be specified by the Directors and agreed with the Administrator;
<b>“Central Bank”</b>	the Central Bank of Ireland or such successor authority as may be created from time to time;
<b>“Central Bank UCITS Regulations”</b>	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (as may be amended or supplemented from time to time) in addition to any guidance issued by the Central Bank in respect of same.
<b>“Class”</b>	each class of Shares in the Company;
<b>“Class Currency”</b>	the currency in which a Share class is designated, as set out in the Relevant Supplement;
<b>“Code”</b>	the United States Internal Revenue Code of 1986, as amended;
<b>“Company”</b>	GW&K Investment Funds plc;
<b>“Depositary”</b>	Northern Trust Fiduciary Services (Ireland) Limited or such other company in Ireland as may from time to time be appointed as depositary of all the assets of the Company with the prior approval of the Central Bank;
<b>“Dealing Day”</b>	means such day or days as set out in the relevant Supplement;
<b>“Dealing Deadline”</b>	means such time on each Dealing Day as set out in the Relevant Supplement, or such other time as the Directors may from time to time determine and notify in advance to Shareholders and the Administrator, provided that such time shall never be after the relevant Valuation Point;



<b>“Declaration”</b>	a valid declaration in a form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D TCA (as may be amended from time to time);
<b>“Directors”</b>	the directors of the Company for the time being and any duly constituted committee thereof;
<b>“Duties and Charges”</b>	All stamp duty and other duties, taxes, governmental charges, imposts, levies, exchange costs and commissions, transfer fees and expenses, agents’ fees, brokerage fees, commissions, bank charges, transfer fees, registration fees and other duties and charges, whether payable in respect of the constitution, increase or reduction of all of the cash and other assets of the Company or the creation, acquisition, issue, conversion, exchange, purchase, holding, repurchase, redemption, sale or transfer of Shares or Investments by or on behalf of the Company which may have become or will become payable in respect of or prior to or upon the occasion of any transaction, dealing or valuation;
<b>“ERISA”</b>	the United States Employee Retirement Income Security Act of 1974, as amended;
<b>“ESMA”</b>	The European Securities and Markets Authority;
<b>“EU”</b>	the European Union;
<b>“EU Member State” or “Member State”</b>	a Member State of the European Union;
<b>“Euro”, “euro”, “Eur” and “€”</b>	each the lawful currency of the Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
<b>“Exempt Investor”</b>	Those Shareholders resident (or ordinarily resident) in Ireland for Irish tax purposes and falling within any of the categories listed in section 739D(6) TCA, and for which the Company will not deduct Irish tax in respect of the Shares once a Declaration has been received by the Company confirming the Shareholder’s exempt status.
<b>“FATCA”</b>	the United States Foreign Account Tax Compliance Act;
<b>“Fund”</b>	a distinct portfolio of assets established by the Directors (with the prior approval of the Central Bank) constituting in each case a separate fund with segregated liability from the other Funds and invested in accordance with the investment objective and policies applicable to such Fund as specified in the Relevant Supplement;
<b>"IGA"</b>	the inter-governmental agreement between Ireland and the United States of America with respect to FATCA;
<b>“Intermediary”</b>	a person who carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other or holds shares in an investment undertaking on behalf of other persons;
<b>“Investment Manager”</b>	GW&K Investment Management LLC, or such other person, firm or company as may from time to time be appointed to provide investment management or advisory services to or on behalf of the Company;

<b>“Investments”</b>	any securities, instruments or obligations of whatsoever nature in which the Company may invest;
<b>“Irish Resident”</b>	any company resident, or other person resident or ordinarily resident, in Ireland for the purposes of Irish tax. Please see the “Taxation” section above for the summary of the concepts of residence and ordinary residence issued by the Irish Revenue Commissioners;
<b>“Irish Revenue Commissioners”</b>	the Irish authority responsible for taxation;
<b>“Key Investor Information Document”</b>	the document summarising the key investor information as prescribed by the UCITS Regulations
<b>“Management Company”</b>	Carne Global Fund Managers (Ireland) Limited or such other company for the time being appointed as management company to the Company, in accordance with the requirements of the Central Bank;
<b>“Money Market Instruments”</b>	instruments normally dealt in on the money market, that are liquid and have a value which can be accurately determined at any time and which shall be understood by reference to the UCITS Regulations;
<b>“Net Asset Value”</b>	means the Net Asset Value of the Company or a Fund calculated as described or referred to herein;
<b>“Net Asset Value per Share”</b>	means in relation to any Class the Net Asset Value divided by the number of Shares of the Class, in issue or deemed to be in issue in respect of the Company subject to such adjustments, if any;
<b>“Non-US Person”</b>	means a person who is not a US Person.
<b>“Ordinary Resolution”</b>	a resolution passed by a simple majority of the votes cast in its favour by Shareholders entitled to attend and vote at general meetings of the Company or on matters affecting the relevant Class, as the case may be;
<b>“OTC Derivative”</b>	a financial derivative instrument dealt over-the-counter;
<b>“Pound Sterling”, “Sterling”, “GBP” and “£”</b>	each the lawful currency of the United Kingdom;
<b>“Prospectus”</b>	this document, any supplement designed to be read and construed together with and to form part of this document and the Company’s most recent annual report and accounts (if issued) or, if more recent, its interim report and accounts;
<b>“Recognised Market”</b>	any recognised exchange or market listed or referred to in Appendix III to this Prospectus and such other markets as Directors may from time to time determine in accordance with the Central Bank UCITS Regulations and specify in Appendix III to this Prospectus;
<b>“Redemption Request Form”</b>	a redemption request form for the redemption of Shares in the Company which is available from the Administrator;
<b>“Relevant Institutions”</b>	A credit institution which falls under one of the following categories: <ul style="list-style-type: none"> <li>• A credit institution authorised in the European Economic Area (EEA) (being EU Member States, Norway, Iceland and Liechtenstein);</li> </ul>

- A credit institution authorised within a signatory state, other than an EEA Member State), to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, the United Kingdom, U.S.);
- A credit institution authorised in a third country deemed equivalent pursuant to article 107(4) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

<b>“Relevant Supplement”</b>	in relation to each Fund, the Supplement published in respect of that Fund and which forms part of and should be read in the context of and together with this Prospectus;
<b>“Risk Management Process”</b>	any risk management process statement adopted by the Company, from time to time, in accordance with the requirements of the Central Bank
<b>“Section 739 B”</b>	means Section 739B of TCA;
<b>“Share” or “Shares”</b>	a share or shares of whatsoever Class in the capital of the Company (other than Subscriber Shares) entitling the holders to participate in the profits of the Company attributable to the relevant Fund as described in this Prospectus and the Relevant Supplement;
<b>“Shareholder”</b>	a person registered as a holder of Shares;
<b>“Special Resolution”</b>	means a resolution passed with the support of 75 per cent or more of the votes cast in its favour by Shareholders entitled to attend and vote at general meetings of the Company or on matters affecting the relevant Class as the case may be;
<b>“Subscriber Shares”</b>	means the initial issued share capital of 2 Shares of €1 each and initially designated as Subscriber Shares;
<b>“Subscriber Shareholder” or “Subscriber Shareholders”</b>	means a holder or holders of Subscriber Shares;
<b>“Supplement”</b>	a document which contains specific information supplemental to this document in relation to a particular Fund;
<b>“TCA”</b>	the Taxes Consolidation Act 1997 (as may be amended from time to time);
<b>“Transferable Securities”</b>	<ul style="list-style-type: none"> <li>• Shares in companies and other securities equivalent to shares in companies.</li> <li>• Bonds and other forms of securitised debt.</li> <li>• Any other negotiable securities that carry the right to acquire any such transferable securities by subscription or exchange,</li> </ul> <p>other than the techniques and instruments referred to in the UCITS Regulations, and which fulfil the criteria set out in the UCITS Regulations.</p>

<b>“UCITS”</b>	an undertaking for collective investment in Transferable Securities within the meaning of the UCITS Regulations;
<b>“UCITS Regulations”</b>	The European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. 352 of 2011) (as may be amended, consolidated or substituted from time to time) and the European Communities (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 (S.I. No. 143 of 2016) and all applicable Central Bank regulations made or conditions imposed or derogations granted thereunder whether by notice or otherwise;
<b>“USD” or “US\$” or “US Dollars” or “\$”</b>	the lawful currency of the United States of America;
<b>“US”</b>	the United States of America, its territories and possessions including the States and the District of Columbia;
<b>“US Person”</b>	means any person, any individual or entity that would be a US Person under Regulation S of the US Securities Act of 1933, as amended, or such other persons as determined by the Directors and disclosed in the Prospectus;
<b>“Valuation Day”</b>	such Business Day or Business Days as the Directors may from time to time determine, being a day on which the Net Asset Value shall be determined. Unless otherwise determined, each Business Day shall be a Valuation Day;
<b>“Valuation Point”</b>	means such time on a Valuation Day as the Directors may from time to time specify as set out in the Relevant Supplement.

References in this Prospectus to the “Company” or a “Fund” shall, where required under the Central Bank UCITS Regulations, be deemed to refer to the Management Company acting in its capacity as “responsible person” in respect of the Company or the relevant Fund, as defined in Regulation 2(1) of the Central Bank UCITS Regulations.

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## APPENDIX II

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### USE OF EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES

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The Company may employ investment techniques and instruments relating to Transferable Securities and Money Market Instruments for efficient portfolio management of the assets of any Fund, including hedging against market movements, currency exchange or interest rate risks under the conditions and within the limits stipulated by the Central Bank under the UCITS Regulations, as described below. In particular, the Company may enter into spot and forward contracts, repurchase and reverse repurchase agreements and securities lending arrangements and may purchase securities on a “when-issued” or “forward commitment” basis. Except as may be permitted by the Central Bank under the UCITS Regulations and specified in this Prospectus, the Company may not leverage or gear a Fund through the use of derivative instruments, that is, the total exposure of a Fund, including but not limited to its exposure from the use of any derivative instruments, must not exceed the total net assets of the Fund.

Techniques and instruments which relate to Transferable Securities or Money Market Instruments and which are used for the purpose of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:

- (i) they are economically appropriate in that they are realised in a cost effective way;
- (ii) they are entered into for one or more of the following specific aims:
  - (a) reduction of risk;
  - (b) reduction of cost;
  - (c) generation of additional capital or income for a Fund with an appropriate level of risk which is consistent with the risk profile of the Fund and the risk diversification rules stipulated under the UCITS Regulations.
- (iii) their risks are adequately captured by the Risk Management Process, and
- (iv) they cannot result in a change to a Fund’s declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

Financial derivative instruments used for efficient portfolio management must also comply with the UCITS Regulations.

### USE OF FINANCIAL DERIVATIVE INSTRUMENTS (“FDI”)

In addition to using FDI for investment purposes, a Fund may utilise FDI for efficient portfolio management purposes, or for hedging against market movements, currency exchange or interest rate risks, subject to the general restrictions outlined under ‘Investment Restrictions’ in the “Investment Objectives and Policies” section above. A Fund may use various types of FDI for these purposes, including, without limitation, participation notes, futures and forward foreign currency contracts. A description of the types of FDI that may be used by any Fund will be included in the investment objectives and policies applicable to that Fund. The Management Company employs a risk management process (“**Risk Management Process**”) which enables it to accurately measure, monitor and manage the various risks associated with the FDI held by a Fund. FDI will not be used until an appropriate Risk Management Process has been submitted to, and cleared by, the Central Bank. A Fund will only utilise those FDI that are listed in the Risk Management Process. The Management Company will, on request, provide supplementary information to Shareholders relating to the Risk Management Process employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment. Global exposure is calculated using the commitment approach, details of which are contained in the Risk Management Process.

The Funds may use participation notes mainly for investing purposes as a replacement for direct investment in Transferable Securities in order to avail of cost or liquidity advantages of FDI over

Transferable Securities. Participation notes are securities the return of which is linked to the performance of underlying listed shares of a company in a market (for example, the shares in a company incorporated in India and listed on the Bombay Stock Exchange). Foreign investment in the shares of the underlying company is either usually restricted or less efficient. Participation notes give investors the opportunity to receive a return which reflects the performance of the underlying shares, without the investor having to go to the expense or difficulty of directly investing in the underlying shares. Participation notes are OTC FDIs and the counterparty will usually be an investment bank or broker.

The Funds may buy or sell exchange-traded futures (contracts) whose underlyings are relevant equities or equity indices and which are compliant with the investment objective and policies of the Fund. Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. The commercial purpose of futures contracts can be to allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. Using futures to achieve a particular strategy instead of using the underlying or related security or index may result in lower transaction costs being incurred.

Forward foreign currency contracts are agreements to exchange one currency for another - for example, to exchange a certain amount of Sterling for a certain amount of Euro - at a future date. The date (which may be any agreed-upon fixed number of days in the future), the amount of currency to be exchanged and the price at which the exchange will take place are negotiated and fixed for the term of the contract at the time that the contract is entered into. Interest rate swaps enable a Fund to switch floating-rate loans for fixed-rate loans. These loans may be in either the same or in a different currency than the one for which they are being exchanged.

As a Fund may generally purchase FDI using only a fraction of the assets that would be needed to purchase the relevant securities directly, the remainder of the Fund's assets may be invested in other types of securities. The Investment Manager may therefore seek to achieve greater returns by purchasing FDI and investing the relevant Fund's remaining assets in other types of securities to add excess return.

FDI used for efficient portfolio management may be used by a Fund for hedging purposes. Hedging is a technique used for minimising an exposure created from an underlying position by counteracting such exposure by means of acquiring an offsetting position. The positions taken for hedging purposes will not be allowed to exceed materially the value of the assets that they seek to offset.

To the extent that a Fund uses FDI, there may be a risk that the volatility of the Fund's Net Asset Value may increase. However, a Fund is not expected to have an above average risk profile as a result of use of FDI. Although a fund may be leveraged as a result of its use of FDI such leverage will not exceed the Fund's Net Asset Value at any time due to its other investments. Investors should refer to the section entitled "Investment Risks" for information in relation to the risks associated with the use of FDI.

## **COLLATERAL AND USE OF EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES**

Any revenues from efficient portfolio management techniques not received directly by the Company in respect of a Fund, net of direct and indirect operational costs and fees (which do not include hidden revenue), will be returned to the Fund. To the extent that the Company engages in securities lending in respect of a Fund it may appoint a securities lending agent which may receive a fee in relation to its securities lending activities. Any operational costs arising from such securities lending activities shall be borne by the securities lending agent out of its fee.

A Fund may enter into repurchase agreements, reverse repurchase agreements and securities lending arrangements only for the purposes of efficient portfolio management subject to the conditions set out in the Central Bank UCITS Regulations. Under a repurchase agreement, a Fund acquires securities from a seller (for example, a bank or securities dealer) who agrees, at the time of sale, to repurchase the securities at a mutually agreed-upon date (usually not more than seven days from the date of

purchase) and price, thereby determining the yield to the Fund during the term of the repurchase agreement. The resale price reflects the purchase price plus an agreed upon market rate of interest which is unrelated to the coupon rate or maturity of the purchased security. A Fund may enter into reverse repurchase agreements under which it sells a security and agrees to repurchase it at a mutually agreed upon date and price. A Fund may lend its securities to brokers, dealers and other financial institutions.

The following applies to repurchase agreement, reverse repurchase agreements (“repo contracts”) and securities lending arrangements entered into in respect of a Fund and reflects the requirements of the Central Bank and is subject to changes thereto:

- (a) Repo contracts and securities lending may only be effected in accordance with normal market practice.
- (b) The Company must have the right to terminate any securities lending arrangement which it has entered into at any time or demand the return of any or all of the securities loaned.
- (c) Repo contracts, securities borrowing or securities lending do not constitute borrowing or lending for the purposes of the UCITS Regulations.
- (d) Where the Company enters into repurchase agreements in respect of a Fund, the Company must be 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 agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.
- (e) Where the Company enters into reverse repurchase agreements in respect of a Fund, the Company must be 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. Fixed-term reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.
- (f) Any interest or dividends paid on securities which are the subject of such securities lending arrangements shall accrue to the benefit of the Fund.

### **Management of Collateral for OTC FDI Transactions and Efficient Portfolio Management**

Collateral obtained under the repo contract or securities lending arrangement or in respect of OTC FDIs (“Collateral”) must at all times meet with the following criteria: (i) Liquidity: Collateral (other than cash) should be transferable securities or money market instruments (of any maturity) which must be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a robust price that is close to its pre-sale valuation Collateral received should also comply with the provisions of Regulation 74 of the UCITS Regulations; (ii) Valuation: Collateral must be capable of being valued on a daily basis and assets that exhibit high price volatility shall not be accepted as Collateral unless suitably conservative haircuts are in place. Collateral may be marked to market daily by the counterparty using its procedures, subject to any agreed haircuts, reflecting market values and liquidity risk and may be subject to variation margin requirements; (iii) Issuer credit quality: Collateral must be of high quality. in making such a determination (a) where the issuer is subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account in the credit assessment process; and (b) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in (a) this shall result in a new credit assessment of the issuer being conducted without delay; (iv) Correlation: Collateral must be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty; (v)

Diversification: Subject to the below, collateral must be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to any given issuer of 20% of the Fund's Net Asset Value. When the Fund is exposed to different counterparties the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. A Fund may be fully collateralised in different Transferable Securities and Money Market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Any such Fund shall receive securities from at least 6 different issues, but securities from any single issue should not account for more than 30 per cent of the Fund's net asset value. Where it is intended that a Fund be fully collateralised in securities issued or guaranteed by a Member State, this shall be set out in the Relevant Supplement. The Member States, local authorities, or public international bodies or guaranteeing securities which can be accepted as collateral for more than 20% of a Fund's Net Asset Value shall also be set out in the Relevant Supplement; and (vi) Immediately Available: Collateral must be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.

Risks linked to the management of Collateral, including operational and legal risks, are identified and mitigated by risk management procedures employed by the Company.

Where there is a title transfer, the Collateral received will be held by the Depositary, or its agent. For other types of collateral arrangement the collateral may be held by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the Collateral.

### **Acceptable Counterparties**

A Fund may only enter into OTC FDI, repo contracts and securities lending arrangements with counterparties in accordance with the requirements of the Central Bank UCITS Regulations where a credit assessment has been undertaken. Such counterparties will be entities with legal personality typically located in OECD jurisdictions. Where the counterparty is subject to a credit rating by any agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment. Where a counterparty is downgraded to A2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken without delay.

### **Reinvestment of Collateral**

Cash received as Collateral may not be invested or used other than as set out below:

- (i) placed on deposit with, or investment in certificates of deposit (which mature in no more than 12 months), issued by Relevant Institutions;
- (ii) invested in high quality government bonds;
- (iii) used for the purpose of reverse repurchase agreements provided that the transactions are with Relevant Institutions and a Fund is able to recall at any time the full amount of cash on an accrued basis; or
- (iv) invested in short term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds.

Re-invested cash Collateral must be diversified in accordance with the diversification requirements applicable to non-cash Collateral. The Company must be satisfied, at all times, that any investment of cash collateral will enable it to meet with its repayment obligations. Invested cash collateral may not be placed on deposit with, or invested in securities issued by, the counterparty or a related entity.

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

### **Stress Testing Policy**



In the event that a Fund receives collateral for at least 30% of its net assets, it will implement a stress testing policy to ensure that regular stress tests are carried out under normal and exceptional liquidity conditions in order to allow it to assess the liquidity risk attached to collateral.

### **Haircut Policy**

The Company has implemented a documented haircut policy in respect of each class of assets received as collateral in respect of a Fund. A haircut is a discount applied to the value of a Collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the Collateral, the price volatility of the Collateral and the results of any stress tests which may be performed in accordance with the stress testing policy. The value of any Collateral received by the Company, adjusted in light of the haircut policy, shall equal or exceed, in value, at all times, the relevant counterparty exposure.

### **Exposure**

The risk exposures to a counterparty arising from OTC FDI transactions and efficient portfolio management techniques should be combined when calculating the counterparty risk limits set out in the section of the Prospectus entitled Investment Restrictions.

There are certain risks involved in efficient portfolio management activities and the management of collateral in relation to such activities, including the reinvestment of cash collateral. Please refer to the section of this Prospectus entitled “Investment Risks” and “General – Conflicts of Interest” and, in particular but without limitation, the risk factors relating to “Repurchase and Reverse Repurchase Agreements” and “Financial Derivative Instruments (“FDI”) Risk”. These risks may expose investors to an increased risk of loss.

The use of efficient portfolio management techniques may impact positively or negatively on the performance of a Fund.

### **WHEN-ISSUED AND FORWARD COMMITMENT SECURITIES**

A Fund may purchase securities on a “when-issued” basis and may purchase or sell securities on a “forward commitment” basis. The price, which is generally expressed in yield terms, is fixed at the time the commitment is made, but delivery and payment for the securities take place at a later date. When-issued securities and forward commitments may be sold prior to the settlement date, but a Fund will usually enter into when-issued and forward commitments only with the intention of actually receiving or delivering the securities or to avoid currency risk, as the case may be. No income accrues on securities which have been purchased pursuant to a forward commitment or on a when-issued basis prior to delivery of the securities. If a Fund disposes of the right to acquire a when-issued security prior to its acquisition or disposes of its right to deliver or receive against a forward commitment, the relevant Fund may incur a gain or loss. There is a risk that the securities may not be delivered and that the Fund may incur a loss. “When-issued” and “forward-commitment” securities are taken into account when calculating the limits set out in the restrictions under the **Investment Restrictions** section of this Prospectus.

### **SECURITIES FINANCING TRANSACTION REGULATIONS**

Each Fund’s exposure to securities financing transactions (total return swaps, repo contracts and securities lending arrangements) will be outlined in detail in the Relevant Supplement. To the extent that a Fund engages in total return swaps, repo contracts and securities lending arrangements, any permitted investments of a Fund may be subject to such transactions.

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**APPENDIX III**  
**RECOGNISED MARKETS**

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The following exchanges and markets constitute Recognised Markets for the purposes of this Prospectus:

**DEVELOPED MARKETS**

(i) Any stock exchange in an EU Member State (unless listed under Emerging Markets below), excluding Malta, or in any of the following member countries of the OECD:

Australia, Canada, Japan, New Zealand, Norway, Switzerland, United Kingdom and the United States.

(ii) Any of the following stock exchanges:

- Argentina
  - Buenos Aires Stock Exchange
  - Cordoba Stock Exchange
  - La Plata Stock Exchange
  - Mendoza Stock Exchange
  - Rosario Stock Exchange
- Brazil
  - Rio de Janeiro Stock Exchange
  - Sao Paulo Stock Exchange
- China
  - Shanghai Securities Exchange
  - Shenzhen Stock Exchange
- Hong Kong
  - The Stock Exchange of Hong Kong Limited
- India
  - The National Stock Exchange of India
  - Bombay Stock Exchange
  - Delhi Stock Exchange
  - Ahmedabad Stock Exchange
  - Bangalore Stock Exchange
  - Cochin Stock Exchange
  - Guwahati Stock Exchange
  - Magadh Stock Exchange
  - Pune Stock Exchange
  - Hyderabad Stock Exchange
  - Ludhiana Stock Exchange
  - Uttar Pradesh Stock Exchange
  - Calcutta Stock Exchange
- Indonesia
  - Jakarta Stock Exchange
  - Surabaya Stock Exchange
- Israel
  - Tel Aviv Stock Exchange Limited
- Republic of Korea
  - Korea Stock Exchange
- Malaysia
  - Kuala Lumpur Stock Exchange
- Mexico
  - Mexico Stock Exchange
- Philippines
  - Philippines Stock Exchange
- Singapore
  - Singapore Stock Exchange
- South Africa
  - Johannesburg Stock Exchange
- Taiwan
  - Taiwan Stock Exchange
- Thailand
  - Stock Exchange of Thailand
- Turkey
  - Istanbul Stock Exchange

(iii) The following markets:

- the market organised by the International Capital Market Association;
- the market conducted by “listed money market institutions” as described in the Financial Conduct Authority Publication “The Regulation of the Wholesale cash and Derivatives Markets under Section 43 of the Financial Services Act

1986 (The Grey Paper)” dated June 1999 (as amended from time to time);

- (a) NASDAQ in the United States, (b) the market in the US government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York; and (c) the over-the-counter market in the United States conducted by primary dealers and secondary dealers regulated by the Securities and Exchange Commission and the Financial Industry Regulatory Authority and by banking institutions regulated by the US Comptroller of Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;
- the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
- AIM - the alternative investment market in the United Kingdom regulated and operated by the London Stock Exchange;
- the French market for “Titres de Creance Negotiable” (over-the-counter market in negotiable instruments); and
- the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

#### **EMERGING MARKETS**

- Bangladesh Dhaka Stock Exchange
- Botswana Botswana Stock Exchange
- Bulgaria The Bulgaria Stock Exchange Sofia Ltd
- Chile Santiago Stock Exchange  
Valparaiso Stock Exchange
- Colombia Colombian Stock Exchange
- Croatia Zagreb Stock Exchange
- Czech Republic Prague Stock Exchange
- Estonia Tallinn Stock Exchange
- Egypt Cairo and Alexandria Stock Exchange
- Ghana Ghana Stock Exchange
- Iceland OMX Nordic Exchange
- Jordan Amman Stock Exchange
- Kazakhstan Kazakhstan Stock Exchange
- Kenya Nairobi Stock Exchange
- Kuwait Kuwait Stock Exchange
- Latvia Riga Stock Exchange
- Lithuania Vilnius Stock Exchange
- Mauritius Stock Exchange of Mauritius
- Morocco Casablanca Stock Exchange
- Namibia Namibian Stock Exchange
- Nigeria Nigerian Stock Exchange
- Oman Muscat Securities Market
- Pakistan Karachi Stock Exchange  
Lahore Stock Exchange
- Peru Lima Stock Exchange
- Qatar Doha Securities Market
- Romania Bucharest Stock Exchange
- Russia Moscow International Currency  
Exchange (included solely in relation to equity  
securities)  
Russian Trading System (RTS) 1  
Russian Trading System (RTS) 2
- Serbia Belgrade Stock Exchange
- Slovak Republic Bratislava Stock Exchange
- Slovenia Ljubljana Stock Exchange

- Sri Lanka Colombo Stock Exchange
- Swaziland Swaziland Share Market
- Tunisia Tunis Stock Exchange
- United Arab Emirates (UAE) Abu Dhabi Securities Exchange  
Dubai: Financial Market (DFM)  
Dubai: International Financial Center
- Uruguay Montevideo Stock Exchange
- Vietnam Ho Chi Min Stock Exchange (HOSE)
- Zambia Lusaka Stock Exchange

## **DERIVATIVES MARKETS**

- derivative markets approved in Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden or the United Kingdom.

These exchanges and markets are listed above in accordance with the regulatory criteria as defined in the Central Bank UCITS Regulations. The Central Bank does not issue a list of approved markets.

With the exception of permitted investments in unlisted securities the Company will only invest in securities traded on a stock exchange or market which meets with the regulatory criteria (regulated, operated regularly, recognised and open to the public) and which is listed in this Prospectus.

**APPENDIX IV**  
**DEPOSITARY'S DELEGATES**

The Depositary has delegated custody and safekeeping of the Company's assets to the following third-party delegates in the referenced markets as sub-custodians of the Company's assets: This list may be updated from time to time and is available upon request in writing from the Administrator or the Depositary. The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to The Northern Trust Company or any of the sub-delegates listed below. The Depositary will notify the Directors of the Company of any such conflict should it so arise.

	<b>1. Jurisdiction</b>	<b>2. Subcustodian</b>		<b>1. Jurisdiction</b>	<b>2. Subcustodian</b>
1	<b>Argentina</b>	Citibank N.A., Buenos Aires Branch	47	<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited
2	<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited	48	<b>Mexico</b>	Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex
3	<b>Austria</b>	UniCredit Bank Austria AG	49	<b>Morocco</b>	Société Générale Marocaine de Banques
4	<b>Bangladesh</b>	Standard Chartered Bank	50	<b>Namibia</b>	Standard Bank Namibia Ltd
5	<b>Belgium</b>	Deutsche Bank AG	51	<b>Netherlands</b>	Deutsche Bank AG
6	<b>Bermuda</b>	The Hongkong and Shanghai Banking Corporation Limited	52	<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited
7	<b>Bosnia and Herzegovina (Federation of Bosnia-Herzegovina)</b>	Raiffeisen Bank International AG	53	<b>Nigeria</b>	Stanbic IBTC Bank Plc
8	<b>Bosnia and Herzegovina (Republic of Srpska)</b>	Raiffeisen Bank International AG	54	<b>Norway</b>	Nordea Bank AB (publ)
9	<b>Botswana</b>	Standard Chartered Bank Botswana Limited	55	<b>Oman</b>	The Hongkong and Shanghai Banking Corporation Limited
10	<b>Brazil</b>	Citibank N.A., Brazilian Branch	56	<b>Pakistan</b>	Citibank N.A., Karachi Branch
11	<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	57	<b>Panama</b>	Citibank N.A., Panama Branch
12	<b>Canada</b>	The Northern Trust Company, Canada	58	<b>Peru</b>	Citibank del Peru S.A.
13	<b>Canada*</b>	Royal Bank of Canada	59	<b>Philippines</b>	The Hongkong and Shanghai Banking Corporation Limited
14	<b>Chile</b>	Citibank N.A.	60	<b>Poland</b>	Bank Polska Kasa Opieki Spółka Akcyjna,
15	<b>China B Share</b>	The Hongkong and Shanghai Banking Corporation Limited	61	<b>Portugal</b>	BNP Paribas Securities Services
16	<b>Clearstream</b>	Clearstream Banking S.A.,	62	<b>Qatar</b>	The Hongkong and Shanghai Banking Corporation Limited
17	<b>Colombia</b>	Cititrust Columbia S.A. Sociedad Fiduciaria	63	<b>Romania</b>	Citibank Europe PLC
18	<b>Costa Rica</b>	Banco Nacional de Costa Rica	64	<b>Russia</b>	AO Citibank
19	<b>Croatia</b>	UniCredit Bank Austria AG	65	<b>Saudi Arabia</b>	The Hongkong and Shanghai Banking Corporation Limited
20	<b>Cyprus</b>	Citibank Europe PLC	66	<b>Serbia</b>	UniCredit Bank Austria A.G.
21	<b>Czech Republic</b>	UniCredit Bank Czech Republic and Slovenia, a.s.	67	<b>Singapore</b>	DBS Bank Ltd
22	<b>Denmark</b>	Nordea Bank AB (publ)	68	<b>Slovakia</b>	Citibank Europe PLC
23	<b>Egypt</b>	Citibank N.A., Cairo Branch	69	<b>Slovenia</b>	UniCredit Banka Slovenija d.d.
24	<b>Estonia</b>	Swedbank AS	70	<b>South Africa</b>	The Standard Bank of South Africa Limited
25	<b>Finland</b>	Nordea Bank AB (publ)	71	<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited
26	<b>France</b>	The Northern Trust Company	72	<b>Spain</b>	Deutsche Bank SAE
27	<b>Germany</b>	Deutsche Bank AG	73	<b>Sri Lanka</b>	Standard Chartered Bank
28	<b>Ghana</b>	Standard Chartered Bank Ghana Limited	74	<b>Swaziland</b>	Standard Bank Swaziland Ltd
29	<b>Greece</b>	Citibank Europe PLC	75	<b>Sweden</b>	Svenska Handelsbanken AB (publ)
30	<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	76	<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd

31	<b>Hong Kong (Stock Connect Shanghai/Shenzhen)</b>	The Hongkong and Shanghai Banking Corporation Limited	77	<b>Taiwan</b>	Bank of Taiwan
32	<b>Hungary</b>	UniCredit Bank Hungary Zrt.	78	<b>Tanzania</b>	Standard Chartered Bank (Mauritius) Limited
33	<b>India</b>	Citibank N.A.	79	<b>Thailand</b>	Citibank N.A., Bangkok Branch
34	<b>Indonesia</b>	Standard Chartered Bank	80	<b>Tunisia</b>	Union Internationale De Banques
35	<b>Ireland</b>	Euroclear UK and Ireland Limited (Northern Trust self-custody)*	81	<b>Turkey</b>	Deutsche Bank AG & Deutsche Bank AS
36	<b>Israel</b>	Bank Leumi Le-Israel B.M.	82	<b>Uganda</b>	Standard Chartered Bank Uganda Limited
37	<b>Italy</b>	Deutsche Bank SpA	83	<b>United Arab Emirates (ADX)</b>	The Hongkong and Shanghai Banking Corporation Limited
38	<b>Japan</b>	The Hongkong and Shanghai Banking Corporation Limited	84	<b>United Arab Emirates (DFM)</b>	The Hongkong and Shanghai Banking Corporation Limited
39	<b>Jordan</b>	Standard Chartered Bank	85	<b>United Arab Emirates (NASDAQ)</b>	The Hongkong and Shanghai Banking Corporation Limited
40	<b>Kazakhstan</b>	Citibank Kazakhstan JSC	86	<b>United Kingdom</b>	Euroclear UK and Ireland Limited (Northern Trust self-custody)
41	<b>Kenya</b>	Standard Chartered Bank Kenya Limited	87	<b>United States</b>	The Northern Trust Company
42	<b>Kuwait</b>	The Hongkong and Shanghai Banking Corporation Limited	88	<b>Uruguay</b>	Banco Itau Uruguay S.A.
43	<b>Latvia</b>	Swedbank AS	89	<b>Vietnam</b>	The Hongkong and Shanghai Banking Corporation Limited
44	<b>Lithuania</b>	AB SEB bankas	90	<b>Zambia</b>	Standard Chartered Bank Zambia PLC
45	<b>Luxembourg</b>	Euroclear Bank S.A./N.V.			
46	<b>Malaysia</b>	The Hongkong and Shanghai Banking Corporation Limited			