

# PROSPECTUS

---

## CONNECT ETFs ICAV

(an open-ended Irish Collective Asset-management Vehicle with segregated liability between sub-funds and established as an umbrella fund pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) with registered number C521236)

## CARNE GLOBAL FUND MANAGERS (IRELAND) LIMITED

(MANAGER)

---

Dated 1 May 2024

## IMPORTANT INFORMATION

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

### Sponsors

The Fund is established by Market Access Asset Management Limited (the “Promoter”) and NTree International Limited (which has been appointed as the Distributor). As such, use of ‘Connect’ within the name of the Fund conveys how the Fund will bring together investment managers and specialist service providers with ETF experience and expertise.

The Promoter is a private limited company incorporated on 18 January 2016 under the laws of England and Wales and is regulated by the Financial Conduct Authority (“FCA”). The principal function of the Promoter is the provision of fund structuring and investment management services.

The Distributor is a private limited company incorporated on 31 March 2017 under the laws of England and Wales and is an appointed representative of Messels Limited, which is regulated by the FCA. The principal function of the Distributor is the provision of distribution and marketing services.

### Reliance on Prospectus

The Shares are offered solely on the basis of the information and representations contained in this Prospectus and any further information given or representations made by any person may not be relied upon as having been authorised by the Fund or the Directors. Neither the delivery of this Prospectus nor the allotment or issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Fund since the date hereof.

### Central Bank authorisation

**The Fund is authorised in Ireland by the Central Bank as a UCITS pursuant to the UCITS Rules.**

**The authorisation of the Fund by the Central Bank is not an endorsement or guarantee of the Fund by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. The Central Bank shall not be liable by virtue of its authorisation of this scheme or by reason of its exercise of the functions conferred on it by legislation in relation to this scheme for any default of the scheme. Authorisation of this scheme shall not constitute a warranty by the Central Bank as to the performance or default of the Fund. The value of the Shares may fall as well as rise.**

**The difference at any one time between the sale price (to which may be added a sales charge) and the redemption price of Shares in the Fund (from which may be deducted a redemption fee) means that an investment should be viewed as medium to long term. Details of any such charge with respect to one or more Sub-Funds will be set out in the relevant Supplement.**

**Investors should note that all of the fees and expenses of certain Classes may be charged to the capital of the Fund. This will have the effect of lowering the capital value of an investor’s investment, and the capital of the Fund may be eroded. Distribution is**

**achieved by forgoing the potential for future capital growth. Thus, on redemptions of holdings, investors may not receive back the full amount invested. This cycle may continue until all capital is depleted.**

### Structure

The Fund is structured as an open-ended umbrella fund with segregated liability between sub funds. Shares representing interests in different Sub-Funds may be issued from time to time by the Directors. Shares of more than one Class may be issued in relation to a Sub-Fund. All Shares of each Class will rank *pari passu* save as provided for in the relevant Supplement. On the introduction of any new Sub-Fund (for which prior Central Bank approval is required) or any new Class (which must be issued in accordance with the UCITS Rules), the Fund will prepare and the Directors will issue a Supplement setting out the relevant details of each such Sub-Fund or new Class. A separate portfolio of assets will be maintained for each Sub-Fund (and accordingly not for each Class) and will be invested in accordance with the investment objective and policy applicable to such Sub-Fund. Particulars relating to individual Sub-Funds and the Classes available therein are set out in the relevant Supplement.

Sub-Funds may have ETF Classes (being classes of Shares that are intended to be actively traded on a Secondary Market) and/or non-ETF Classes (being class of Shares which are not actively traded on a Secondary Market).

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

### Offer

The Instrument permits the creation of classes of Shares. Classes may be subject to different terms, including distribution policies, charging structures and currency hedging including within the same Sub-Fund and in terms of liquidity in separate Sub-Funds. Further information in this regard is available on request.

The relevant Supplement will set out the Shares available for subscription in each Sub-Fund.

The Fund reserves the right to offer only one or several Classes for purchase by investors in any particular jurisdiction in order to conform to local law, custom or business practice. The Fund also reserves the right to adopt standards applicable to certain classes of investors or transactions in respect of the purchase of a particular Class.

### Listing

The Shares of a Sub-Fund will be listed for trading on the relevant Listing Stock Exchange(s). The launch and listing of various Share Classes within a Sub-Fund may occur at different times and therefore at the time of the launch of given Share Class(es) the pool of assets to which a given Share Class relates may have commenced to trade. Financial information in respect of the Fund will be published from time to time and the most recently published audited and unaudited financial information will be available to Shareholders and potential investors upon request.

As at the date of this Prospectus, none of the Fund or any Sub-Fund has any loan capital (including term loans) outstanding or created but unissued, or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including

bank overdraft, liabilities under acceptances or acceptance credits, obligations under finance leases, hire purchase, commitments, guarantees or other contingent liabilities.

### Restrictions on Distribution

**Generally:** The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. The information below is for general guidance only, and it is the responsibility of any person or persons in possession of this Prospectus and wishing to make an application for Shares to inform themselves of and observe all applicable laws and regulations of any relevant jurisdiction. Such persons should also inform themselves of any applicable legal requirements, exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

This Prospectus does not constitute an offer or solicitation to any person in any jurisdiction in which such an offer or solicitation is not authorised or to any person to whom it would be unlawful to make such an offer or solicitation.

This Prospectus does not constitute an offer or solicitation to invest in any alternative investment fund mentioned in this Prospectus other than the Fund.

This Prospectus has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Fund, and should not be reproduced or used for any other purpose.

### Distribution in the EEA

In relation to each member state of the EEA (each a "Relevant State"), this Prospectus may only be distributed and Shares may only be offered or placed in a Relevant State to the extent that (i) the relevant Sub-Fund is permitted to be marketed to investors in the Relevant State in accordance with the equivalent to the UCITS Rules as implemented in the Relevant State or (ii) this Prospectus may otherwise be lawfully distributed and the Shares may otherwise be lawfully offered or placed in that Relevant State (including at the initiative of the investor).

### Distribution outside the EEA

**Switzerland:** The offer and the marketing of Shares in Switzerland will be made to, and directed at, non-qualified investors (the "Non-Qualified Investors") and qualified investors (the "Qualified Investors"), as defined in Article 10(3) and (3ter) of the Swiss Collective Investment Schemes Act ("CISA") and its implementing ordinance, to the exclusion of qualified investors who have opted-out pursuant to Article 5(1) of the Swiss Federal Act on Financial Services and without any portfolio management or advisory relationship with a financial intermediary pursuant to Article 10(3ter) CISA (the "Excluded Qualified Investors"). Accordingly, the Fund will be registered with the Swiss Financial Market Supervisory Authority and a representative and paying agent have been appointed in Switzerland. This Prospectus and/or any other offering or marketing materials relating to the Shares may be made available in Switzerland to both Non-Qualified Investors and Qualified Investors, to the exclusion of Excluded Qualified Investors. The legal documents of the Fund may be obtained free of charge from the Manager or Swiss representative.

**United Kingdom:** The Prospectus and each Supplement are not available to the public in the United Kingdom ("UK") because the Fund is an unregulated collective investment scheme whose promotion is restricted by sections 238 and 240 of the Financial Services and Markets Act 2000 ("FSMA"). The Fund has not been approved by and is not regulated by the UK

Financial Conduct Authority. This Prospectus has not been approved by a person authorised under FSMA for the purposes of section 21 of FSMA.

The intention is to seek to have the Fund (and certain Sub-Funds) recognised for sale in the United Kingdom under the UK's Overseas Funds Regime.

The Prospectus and each Supplement is directed only at: (i) persons having professional experience in matters relating to investments, being investment professionals within the meaning of Article 19(5) of the UK Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended (the "FPO"); (ii) high net worth companies, unincorporated associations and other bodies within the meaning of Article 49 of the FPO and who meet the requirements thereunder; and (iii) other persons to whom it may lawfully be made available (together the "Relevant Persons").

The Prospectus and any Supplement must not be acted on or relied on by persons who are not Relevant Persons.

Any potential investment or investment activity to which this document relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Prior to accepting an application from any applicant who claims to fall within any of the above categories, verifiable evidence of the applicant's status may be required.

Potential investors in the UK are advised that all, or most, of the protections afforded by the UK regulatory system will not apply to the possible investment opportunity to which this document relates and that compensation will not be available under the UK financial services compensation scheme.

### Risk Factors

**Investment in the Fund carries substantial risk. There can be no assurance that a Sub-Fund's investment objective will be achieved and investment results may vary substantially over time. Investment in a Sub-Fund is not intended to be a complete investment programme for any investor. Prospective investors should carefully consider whether an investment in Shares is suitable for them in light of their circumstances and financial resources (see Appendix 2 – Risk Factors).**

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

**If you are in any doubt about the contents of this Prospectus you should consult your stockbroker or other financial adviser.**

### **Forward-Looking Statements**

This Prospectus, including information included or incorporated by reference in this Prospectus, may contain "forward-looking statements" concerning the Fund and each Sub-Fund. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates", "projects" or similar expressions identify forward-looking statements. Such forward-looking statements involve risks, uncertainties and other factors, which may cause the actual results, performance or achievements of, or developments affecting, the Fund, or industry results, to be materially different from any future results, performance, achievements or developments expressed or implied by such forward-looking statements, and as such, no representation or warranty is made as to future performance or such forward-looking statements. Such risks,

uncertainties and other factors include, among others, those factors described in Appendix 2 – Risk Factors below such as general economic and business conditions, changes in technology, government policy, the ability to attract and retain personnel and the behaviour of other market participants, as well as, but not limited to, the following:

1. returns for investors may fluctuate;
2. suitable investments may not be identified by the Investment Manager;
3. the benefits identified in this Prospectus may not be achieved on time, or at all; and
4. potential conflicts of interest for the Investment Manager may arise.

These forward-looking statements speak only as at the date of this document. Except as required by law, the Fund expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Fund's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

This Prospectus should be read in its entirety before making an application for Shares.

## CONTENTS

INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS.....	9
DIRECTORS.....	18
INVESTMENT MANAGER.....	20
MANAGER.....	21
ADMINISTRATOR.....	25
DEPOSITARY.....	26
SHARE DEALING – ETF SUB-FUNDS AND ETF CLASSES .....	28
SHARE DEALING – NON-ETF CLASSES .....	39
EXCHANGE OF SHARES .....	46
NET ASSET VALUE .....	48
FEES AND EXPENSES.....	55
CONFLICTS OF INTEREST .....	59
TAXATION.....	61
GENERAL AND STATUTORY INFORMATION .....	65
DEFINITIONS .....	76
APPENDIX 1 – INVESTMENT RESTRICTIONS.....	86
APPENDIX 2 – RISK FACTORS.....	90
APPENDIX 3 – ELIGIBLE MARKETS .....	127
APPENDIX 4 – DEPOSITARY SUB-CUSTODIANS.....	129

## DIRECTORY

### Connect ETFs ICAV

**Registered Office**

Fourth Floor  
One Molesworth Street  
Dublin 2  
Ireland

**Secretary**

Simmons & Simmons Corporate Services  
Limited  
One Molesworth Street  
Dublin 2  
Ireland

**Investment Manager**

As disclosed in the relevant Supplement

**Administrator**

Citibank Europe plc  
1 North Wall Quay  
Dublin 1  
Ireland

**Legal Advisers as to Irish law**

Simmons & Simmons LLP  
One Molesworth Street  
Dublin 2  
Ireland

**Directors**

Raymond O'Neill  
Danny Dolan  
Tim Harvey  
Natasha Haugh

**Manager**

Carne Global Fund Managers (Ireland)  
Limited  
3rd Floor  
55 Charlemont Place  
Dublin 2  
Ireland

**Depository**

Citi Depository Services Ireland Designated  
Activity Company  
1 North Wall Quay  
Dublin 1  
Ireland

**Distributor**

NTree International Limited  
85 Great Portland Street  
First Floor  
London  
England  
W1W 7LT

**Auditor**

EY  
EY Building  
Harcourt St  
Dublin 2  
Ireland

## **INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS**

### Investment Objective

The investment objective of each Sub-Fund is set out in the relevant Supplement. There can be no assurance that a Sub-Fund will achieve its investment objective.

### Investment Policy

The investment policy of each Sub-Fund is set out in the relevant Supplement.

### *Passively Managed Sub-Funds*

The investment objective of a Sub-Fund may be to track or replicate the performance of a particular Index (or indices) or strategy through: (i) direct investment in some or all of the constituents of the relevant Index or strategy (assuming that those constituents are eligible assets); (ii) direct investments in eligible assets that provide indirect exposure to the relevant Index or strategy (or the constituents thereof); (iii) derivatives that provide indirect exposure to the relevant Index or the constituents thereof; (iv) other eligible access instruments, including Depositary Receipts; or (v) a combination of (i) to (iv) above.

### *Actively Managed Sub-Funds*

Alternatively, the investment objective of a Sub-Fund may be to provide a specific return not relating to an Index or a strategy or to outperform an Index. Such actively-managed Sub-Funds will be managed by the Investment Manager or its delegates to seek to achieve this investment objective, for example, to seek to outperform an Index, rather than just to track it, or to seek to achieve capital growth over the medium to long term. Where a Sub-Fund is actively managed, the Investment Manager will typically have greater discretion in relation to the composition of the Sub-Fund's portfolio, subject to the investment objectives and policies stated in the Supplement.

### *Index Tracking Sub-Funds*

These Sub-Funds will seek to track the performance of an Index while seeking to minimise as far as possible the tracking error between the Sub-Fund's performance and that of its applicable Index. Such Sub-Funds will typically seek to achieve this objective by using a replication strategy, an optimisation strategy, or a stratified sampling strategy, depending on which the Investment Manager considers to be the most appropriate strategy for the particular Sub-Fund at the relevant time. The relevant Supplement will specify and describe the strategy the applicable Sub-Fund intends to use and provide details of where information on the Index tracked by that Sub-Fund may be obtained.

### *Replicating Sub-Funds*

Sub-Funds which employ full index replication seek to replicate as closely as possible the constituents of the relevant Index by holding all the securities comprising the relevant Index in similar proportion to their weightings in the relevant Index. However, it may not always be possible and practicable to purchase each and every constituent of the relevant Index in accordance with the weightings of the relevant Index, or doing so may be detrimental to Shareholders (due to considerable costs or practical difficulties involved in compiling a portfolio of the constituents of the relevant Index in order to replicate the relevant Index, or where a constituent of the relevant Index becomes temporarily illiquid, unavailable or less liquid).

### *Non-Replicating Sub-Funds*

It may not be practical or cost efficient for a Sub-Fund to fully replicate its Index. In such instances, the Sub-Fund may use optimisation or representative sampling techniques. Optimisation or representative sampling techniques may include the strategic selection of some (rather than all) of the securities that make up the Index (generally whose risk, return and other characteristics resemble the risk, return and other characteristics of the Index as a whole) in proportions that differ from the proportions of the Index and/or the use of derivatives to track the performance of certain securities that make up the Index. The Investment Manager may also select securities which are not underlying constituents of the Index where it believes such securities may provide similar performance (with similar risk profile) to certain securities that make up the Index. The extent to which a Sub-Fund utilises optimisation techniques will partly depend on the nature of the constituents of the relevant Index. For example, the Sub-Fund may utilise optimisation techniques and may be able to provide a return similar to that of its Index by investing in a sub-set of the constituents on its Index.

The securities in which each Sub-Fund invests will be primarily listed or traded on Eligible Markets, although the Sub-Funds may also invest in unlisted securities in accordance with the limits set out in the UCITS Regulations.

### Changes to the Investment Objective, Investment Policy and/or Financial Indices

Any change in the investment objective and any material change in the investment policy will be subject to the approval of the Shareholders in the relevant Sub-Fund and the prior approval of the Central Bank. Votes in favour of the change must represent a simple majority of the votes cast at the general meeting.

In the event that such a change is approved by the Shareholders in the relevant Sub-Fund, a reasonable notification period will be provided to Shareholders of the relevant Sub-Fund to enable them to redeem their Shares prior to the implementation of such a change.

Alternatively, in any case, approval by way of written consent of all Shareholders of the relevant Sub-Fund will be required.

For the avoidance of doubt, in the case of a change of name only of a relevant Index such change shall not be deemed to be a change in the investment objective of a Sub-Fund and/or material change to the investment policy of a Sub-Fund and Shareholders will be notified in advance of any change of name of a relevant Index.

The Directors reserve the right, if they consider it in the interests of the Fund or a Sub-Fund to do so, to change or substitute another index for the Index. The Directors may change the name of a Sub-Fund, particularly if the Index is changed. Any such change to the Index or to the name of a Sub-Fund must be notified to and cleared in advance by the Central Bank and noted in the annual audited accounts, semi-annual reports and unaudited accounts of the relevant Sub-Fund issued after such change takes place.

Changes other than those described above may be approved by resolution of the Directors following consultation with the Manager and notified to Shareholders of the relevant Sub-Fund by means of appropriate disclosure in the next periodic report.

## Efficient Portfolio Management

A Sub-Fund may employ techniques and instruments relating to transferable securities, money market instruments and/or other financial instruments (including derivatives) in which it invests for efficient portfolio management purposes, a list of which (if any) shall be set out in the relevant Supplement. Use of such techniques and instruments should be in line with the best interests of Shareholders and will generally be made for one or more of the reduction of risk, the reduction of cost or the generation of additional capital or income for the relevant Sub-Fund with an appropriate level of risk, taking into account the risk profile of the Sub-Fund and the risk diversification rules set out in the UCITS Rules.

In addition, the use of such techniques and instruments must be realised in a cost-effective way and must not result in a change to the investment objective of a Sub-Fund or add substantial supplementary risks not covered in this Prospectus. The risks arising from the use of such techniques and instruments shall be adequately captured in a risk management process.

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

The Manager shall ensure that all capital or income received from efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the relevant Sub-Fund.

Assets of a Sub-Fund may be denominated in a currency other than the Base Currency of the Sub-Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Sub-Fund's assets as expressed in the Base Currency. The Investment Manager may seek to mitigate this exchange rate risk by using derivatives.

## Securities Financing Transactions and Total Return Swaps

Where disclosed in a Supplement, a Sub-Fund may use Securities Financing Transactions and Total Return Swaps in accordance with normal market practice and subject to the requirements of SFTR and the UCITS Rules. Such Securities Financing Transactions and Total Return Swaps may be entered into for efficient portfolio management purposes only provided they are consistent with the investment objective of the relevant Sub-Fund.

Securities lending means transactions by which one party transfers securities to the other party subject to a commitment that the other party will return equivalent securities on a future date or when requested to do so by the party transferring the securities, that transaction being considered as securities lending for the party transferring the securities. Repurchase agreements are a type of securities lending transaction in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate (if any) of the securities. A reverse repurchase agreement is a transaction whereby a Sub-Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price. Total return swap agreements may be used to gain exposure to particular securities or markets in instances where it is not possible and/or practicable to do so through the underlying security or a futures contract. Swaps may also be used to hedge against credit, currency and interest rate risk or to achieve both long and short exposure.

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

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

A Sub-Fund that enters into a repurchase agreement should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Sub-Fund. Should the Fund or the relevant Sub-Fund engage in securities financing transactions, the proportion of assets under management subject to such securities financing transactions is expected to be less than 100% of the Net Asset Value of the relevant Sub-Fund and will be subject to a maximum of 100% of the Net Asset Value of the relevant Sub-Fund.

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

Details of Sub-Fund revenues arising and attendant direct and indirect operational costs and fees as well as the identity of any specific repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Fund from time to time shall be included in the relevant Sub-Fund's semi-annual and annual reports.

While the Fund will conduct appropriate due diligence in the selection of counterparties, including consideration of the legal status (i.e., whether the entity is regulated, approved, registered or supervised in their home jurisdiction), country of origin (i.e., whether the entity is located in a jurisdiction containing an Eligible Market and/or whether located in an EEA Member State), credit rating and minimum credit rating (BBB+ or equivalent) (where relevant), it is noted that the UCITS Rules do not prescribe any pre-trade eligibility criteria for counterparties to Securities Financing Transactions.

From time to time, a Sub-Fund may engage repurchase/reverse repurchase agreements counterparties and/or securities lending agents that are related parties to the Depositary or other service providers of the Fund. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the Fund. The identity of any such related parties will be specifically identified in the relevant Sub-Fund's semi-annual and annual reports.

Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of the UCITS Rules. Assets received by a Sub-Fund subject to securities financing transactions and total return swaps and collateral received are safe-kept with the Depositary.

Please refer to Appendix 2 – Risk Factors in respect of the risks related to Securities Financing Transactions and Total Return Swaps. The risks arising from the use of Securities Financing Transactions and Total Return Swaps shall be adequately captured in a risk management process.

### Collateral Policy

A Sub-Fund may invest in over the counter derivatives in accordance with the UCITS Rules and provided that the counterparties to the over the counter derivatives are Eligible Counterparties.

Collateral may be received from a counterparty for the benefit of a Sub-Fund or posted to a counterparty by or on behalf of a Sub-Fund. Any receipt or posting of collateral by a Sub-Fund will be conducted in accordance with the UCITS Rules and the terms of the Fund's collateral policy outlined herein.

Collateral posted by a counterparty for the benefit of a Sub-Fund may be taken into account as reducing the exposure to such counterparty. Each Sub-Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits are not breached. The level of collateral required to be posted with the Fund on behalf of a Sub-Fund may vary by counterparty with which the Fund trades on behalf of a Sub-Fund and where relevant, will be more particularly described in the relevant Supplement. Counterparty risk may be reduced to the extent that the value of the collateral received corresponds with the value of the amount exposed to counterparty risk at any given time.

The Investment Manager will liaise with the Depositary in order to manage all aspects of the counterparty collateral process.

Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by a risk management process. A Sub-Fund receiving collateral for at least 30% of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Sub-Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy will at least prescribe the components set out in the UCITS Rules.

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

All assets received by a Sub-Fund in relation to efficient portfolio management techniques shall be considered as collateral and must comply with the terms of the Fund's collateral policy.

Any non-cash assets received by the Sub-Fund from a counterparty on a title transfer basis (whether in respect of a Securities Financing Transaction, an over the counter derivative transaction or otherwise) shall be held by the Depositary or a duly appointed sub-depositary. Assets provided by the Sub-Fund on a title transfer basis shall no longer belong to the Sub-Fund and shall pass outside the custodial network. The counterparty may use those assets at

its absolute discretion. Assets provided to a counterparty other than on a title transfer basis shall be held by the Depositary or a duly appointed sub-depositary.

Collateral received must, at all times, meet with the specific criteria outlined in the UCITS Rules, in particular, the Investment Manager and/or the Manager, on behalf of each Sub-Fund, shall apply suitably conservative haircuts to assets being received as collateral where appropriate on the basis of an assessment of the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of any stress tests performed as referred to above. Specific guidelines on collateral haircut requirements for different asset types and characteristics will be maintained in writing by the Manager on an ongoing basis. To the extent that a Sub-Fund avails of the increased issuer exposure facility permitted by the UCITS Rules, such increased issuer exposure may be to any of the issuers listed in the Investment Restrictions set out herein.

Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.

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

Non-cash Collateral cannot be sold, pledged or re-invested. Cash Collateral may not be invested other than in deposits with Relevant Institutions, high-quality government bonds, reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the relevant Sub-Fund is able to recall at any time the full amount of cash on an accrued basis or short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Sub-Funds (ref CESR/10-049).

Invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral (20% per issuer limit). Invested cash collateral may not be placed on deposit with the relevant counterparty or a related entity. Exposure created through the reinvestment of collateral must be taken into account in determining risk exposures to a counterparty. Re-investment of cash collateral in accordance with the provisions above can still present additional risk for the relevant Sub-Fund.

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

#### Reference to Ratings

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

#### References to Benchmarks

A Supplement may refer to indices in respect of a Sub-Fund in addition to a Sub-Fund seeking to track or replicate a specific Index. These indices may be referenced for various purposes including, but not limited to, (i) operating as a reference benchmark which the Sub-Fund seeks to outperform; (ii) relative VaR measurement (i.e. relative VaR being the VaR of the relevant Sub-Fund divided by the VaR of the applicable benchmark); and (iii) calculating performance fees. The particular purpose of the relevant index shall be clearly disclosed in the relevant Supplement. Where an index is used for the purposes of (i) above this will not constitute use of an index within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “Benchmark Regulation”) unless the relevant Supplement (in particular as part of its investment policy or strategy) defines constraints on the asset allocation of the portfolio in relation to the index (e.g. an investment restriction that the Sub-Fund must invest only in components of the index or must be partially invested in line with index composition). Other references to indices, including for example for the purposes of relative VaR measurement as outlined at (ii) above, may not constitute use of an index within the meaning of the Benchmark Regulation. Shareholders should note that the Fund and/or its distributors may from time to time refer to other indices in marketing literature or other communications purely for financial or risk comparison purposes. However, unless such indices are referred to as such in the Supplement of the Sub-Fund they are not formal benchmarks against which the Sub-Fund is managed.

Where relevant the Fund, in consultation with the Manager and the relevant Investment Manager, shall put in place written plans detailing the actions to be taken in the event that any index it uses for any Sub-Fund materially changes or ceases to be provided. These written plans shall detail the steps the Fund will take, in consultation with the Manager and the relevant Investment Manager, to nominate a suitable alternative index.

Any index used by a Sub-Fund shall be provided by an administrator either included in the register or availing of the transitional arrangements, each as referred to in the Benchmark Regulation.

#### Impact of EU Securitisation Rules

The instruments held by a Sub-Fund may constitute Securitisation Positions within the scope of the Securitisation Regulation (EU) 2017/2402, as may be amended from time to time (the “Securitisation Regulation”). A “Securitisation Position” means an instrument held by a Sub-Fund that meets the criteria of a “Securitisation” so as to bring such instruments into the scope of the Securitisation Regulation and trigger obligations which must be met by the relevant Sub-Fund (as an “institutional investor” under the Securitisation Regulation). Without prejudice to the precise definition in Article 2 of the Securitisation Regulation, this generally covers transactions or schemes, whereby (i) the credit risk associated with an exposure or a pool of exposures is divided into classes or tranches; (ii) payments are dependent upon the performance of the exposure or of the pool of exposures; and (iii) the subordination of classes or tranches determines the distribution of losses during the ongoing life of the transaction or scheme

In such cases, the Sub-Fund will be characterised as an “institutional investor” for the purposes of the Securitisation Regulation and as such shall be directly subject to obligations outlined in the Securitisation Regulation with respect to the relevant Securitisation Positions it holds/proposes to hold. This includes a range of specific due diligence measures that must be considered by the Sub-Fund in advance of holding a Securitisation Position. In particular, the Sub-Fund will be required to verify that the originator, sponsor or original lender of the

Securitisation Position that it proposes to hold is complying with the requirement to retain on an ongoing basis a material net economic interest in the relevant securitisation (the “Risk Retention Requirement”). Additionally, where the Sub-Fund is exposed to a Securitisation Position that no longer meets the requirements provided for in the Securitisation Regulation, the Manager or Investment Manager shall, in the best interests of the investors in the Sub-Fund, act and take corrective action, if appropriate.

It is noted that the Securitisation Regulation also imposes obligations directly on originators/sponsors/original lenders of Securitisation Positions established in the EU, including applying the Risk Retention Requirement to those parties as a direct obligation – thereby aligning with the pre-investment verification obligation that will apply to the Sub-Fund as an institutional investor in such instruments. It should therefore be quite efficient in practice for the Sub-Fund to verify that the Risk Retention Requirement is being met. Conversely, in practice it may be more difficult for the Sub-Fund to verify that the Risk Retention Requirement is being met for originators/sponsors/original lenders of Securitisation Positions established outside the EU. Indeed, there may be instances where instruments the Sub-Fund would seek to invest in, that are structured by parties established outside the EU, are not compliant with the Risk Retention Requirement (or other requirements of the Securitisation Regulation). This presents the risk that the universe of instruments the Sub-Fund may consider investing in may be narrower than would otherwise be the case.

#### Investment Restrictions

The Fund adheres to the restrictions and requirements set out under the UCITS Rules.

The investment restrictions applying to each Sub-Fund are set out in Appendix 1 below. These are, however, subject to the qualifications and exemptions contained in the UCITS Rules and with the approval of the Central Bank. Any additional investment restrictions for other Sub-Funds will be formulated by the Directors in consultation with the Manager at the time of the creation of such Sub-Fund and disclosed in the relevant Supplement.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interest of the Shareholders.

#### ETF Classes and Non-ETF Classes

The Fund may establish Sub-Funds which comprise both traded Classes (being ETF Classes) and unlisted Classes (being Non-ETF Classes) in accordance with the requirements of the Central Bank. ETF Classes will be identified as such by the denominator “ETF”. Classes without the “ETF” denominator are Non-ETF Classes. Applicants for Shares in such Sub-Funds should note that investors in a Non-ETF Class can subscribe and redeem their Shares directly from the Fund whereas investors who have purchased Shares in an ETF Class on the Secondary Market should be aware that such shares cannot usually be sold directly back to the Fund. Investors in ETF Classes must buy and sell Shares on a Secondary Market with the assistance of an intermediary (e.g. a broker-dealer) and may incur fees for doing so. In addition, investors in ETF Classes may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value when selling them. Investors in an ETF Class can purchase or sell Shares on a stock exchange through an intermediary multiple times during the day whereas investors in a Non-ETF Class may only purchase and sell shares directly with the Fund prior to the Dealing Deadline for that Dealing Day.

#### EU Sustainable Finance Disclosure Regulation

As an EU entity, the Manager is subject to the SFDR. This section summarises the Manager's status under SFDR and cross-refers to other sections of this Prospectus or Supplements where additional information is provided.

### Sustainability risks

The Manager has delegated portfolio management to the Investment Manager of each Sub-Fund. A policy in respect of the integration of sustainability risks in its investment decision making process will be adopted by the Investment Manager as required in respect of a Sub-Fund. Further information on this policy is set out below under "Responsible investing".

### Principal adverse impacts

Unless otherwise stated in a Supplement, the principal adverse impacts of investment decisions on sustainability factors are not currently considered by the Investment Manager for the relevant Sub-Fund due to the lack of information and data available to adequately assess such principal adverse impacts.

### Sub-Fund categorisation under SFDR

A description of each Sub-Fund's consideration of sustainability risks and the likely impacts of sustainability risks on the returns of the Fund is set out in the relevant Supplement.

Where the Manager, in consultation with the relevant Investment Manager, categorises a Sub-Fund as meeting the provisions set out in Article 8 of SFDR for products which promote environmental and social characteristics or Article 9 of SFDR for products that have a sustainable investment objective, additional disclosure requirements for such financial products as referred to in Article 8 or Article 9 SFDR will be set out in the Supplement for the relevant Sub-Fund.

### Responsible investing

A sustainability risks policy may be implemented in relation to a Sub-Fund, information in respect of which is available in the relevant Supplement.

### Taxonomy

Unless otherwise specified in the Supplement for the relevant Sub-Fund, the investments underlying each financial product do not take into account the EU criteria for environmentally sustainable economic activities and therefore not subject to the requirements of the Framework Regulation.

## DIRECTORS

The Directors are responsible for the overall management and control of the Fund in accordance with the Instrument. Certain functions of the Fund have been delegated to the Service Providers, as described in this Prospectus.

The Directors will review the operations of the Fund at regular meetings which will take place on at least a quarterly basis and more frequently as required. The Directors will receive periodic reports from the Investment Manager(s) detailing the performance of each Sub-Fund and providing an analysis of its investment portfolio. The Investment Manager(s) will provide such other information as may from time to time be reasonably required by the Directors for the purpose of those meetings.

The Directors are:

### **Raymond O'Neill (Irish Resident) (Chairperson)**

Mr O'Neill has worked in the asset management industry since 1987. He acts as a Director of various entities including regulated companies and investment funds. His industry experience includes working for entrepreneurial start-ups and large global organisations in London, Dublin, Boston and Bermuda. Mr O'Neill previously was CEO and a founding member of Kinetic Partners, a boutique global professional services firm. He has also worked at a senior level for Bank of Bermuda and Investors Bank & Trust in their fund administration and global custody divisions. He is a Fellow of the Chartered Association of Certified Accountants, a Chartered Financial Analyst and has obtained the Diploma in Company Direction from the Institute of Directors. Mr O'Neill is a founding member of the Irish Fund Directors Association and sits on its Council.

### **Danny Dolan (United Kingdom)**

Mr Dolan is managing director of Market Access Asset Management Limited, having joined the company in February 2016. He is responsible for all aspects of the company's business, including investment management, business development and fund structuring. Previously, he was Managing Director of RBS' structured funds team from 2010 until early 2016. Prior to RBS, Mr Dolan was an Executive Director at Nomura, originating and managing structured funds for a variety of global markets. This followed several years of structuring equity and fund derivatives for Nomura's institutional and retail businesses in Europe and Asia. Before this, Mr Dolan worked at Merrill Lynch in Frankfurt, London and Dublin in structuring and sales roles. Mr Dolan holds a Bachelors degree in International Commerce and German from University College, Dublin.

### **Tim Harvey (United Kingdom)**

Mr Harvey is Chief Executive Officer of NTree International Limited, having founded the company in March 2017. He is responsible for all aspects of the company's business, including ETF distribution, marketing, strategy and business development. Mr Harvey began working in ETF distribution in January 2007, as Head of German Sales at ETF Securities. He became Head of European Sales at ETF Securities in late 2009, and Senior Vice President in 2011. After 6 years at ETF Securities, Mr Harvey worked at Velocity Shares in Connecticut, USA from 2013 to 2015, holding the position of Director. From 2015 to 2017, he was Head of Distribution at Zfyin Funds, a specialist provider of India and emerging market ETFs.

Prior to starting his ETF distribution career, Mr Harvey worked for 7 years in sales trading for several US investment and brokerage houses specializing in US, European or Asian single stocks. In his spare time he volunteers in London with several church homeless kitchens.

### **Natasha Haugh (Irish Resident)**

Ms Haugh is a Director in Client Relationship Management with Carne Global Financial Services, Dublin and has over 25 years of experience in the funds industry. She has held Central Bank approved Designated Person roles for all six managerial functions for both Self-Managed Investment Companies and external Management Companies. She also serves as a Director on both UCITS and QIAIF products where she provides guidance on Operational Risk, Regulatory Compliance and general industry expertise.

Natasha joined Carne from BNY Mellon, where she held the roles of Head of Offshore & Onshore Service Delivery Management and Fund Accounting Group Manager. Her clients ranged from large Institutional Investment Managers to smaller Boutique operations, managing a wide range of UCITS and Hedge fund products. Prior to joining BNY Mellon, Natasha was at PNC GIS for seven years where she was a Senior Fund Accounting Manager, with responsibility for NAV Production and client relationship management for alternative investment clients with complex fund structures and security types. Natasha has also worked at IBT Europe Ltd, CICM Fund Administration, Deutsche International, Bank of Ireland and National Irish Bank.

Natasha has a Bachelor of Arts Degree in Financial Services from Liverpool John Moore's University, a Professional Diploma in Applied Alternative Investments, a Joint Financial Services Diploma, a Certificate in Mortgage Practise and a Certificate in Mutual Fund Services from the Institute of Bankers, a micro credentials certificate in 'Creating Value with ESG' from Trinity College Dublin and a Certificate in Business, International Relations and the Political Economy from The London School of Economics and Political Science.

## **INVESTMENT MANAGER**

Details of each Investment Manager will be disclosed in the relevant Supplement.

## MANAGER

The Fund has appointed Carne Global Fund Managers (Ireland) Limited as its manager pursuant to the Management Agreement. The Manager was incorporated in Ireland as a private company limited by shares under Irish company law 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 Manager's ultimate parent company is Carne Global Financial Services Limited, a company incorporated in Ireland with limited liability. Under the terms of the Management Agreement, the Manager has responsibility for the management and administration of the Fund's affairs and the distribution of the shares, subject to the overall supervision and control of the Directors.

The Manager has delegated the investment management and distribution functions in respect of each Sub-Fund to the relevant Investment Manager and the administration, transfer agency and registrar functions to the Administrator.

The Management Agreement provides that the appointment of the Manager will continue in force unless and until terminated by either party giving to the other not less than ninety (90) days' prior written notice although in certain circumstances, such as the insolvency of either party or an unremedied breach after notice, the Management Agreement may be terminated forthwith by notice in writing by either party to the other.

The Management Agreement contains indemnities in favour of the Manager other than in respect of matters arising by reason of its negligence, fraud, wilful default or bad faith in the performance of its duties and obligations, in which cases the Manager shall be liable. The directors of the Manager are:

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

Mr. Clifford is a Director and Chief Executive Officer of the Manager. He is an experienced Irish-based investment management professional and fund director, with wide experience in the governance and operations of traditional and alternative investment funds. Neil joined the Manager in October 2014 from Irish Life Investment Managers ("ILIM") (April 2006 – September 2014), where he was Head of Alternative Investments. 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 holds a degree in Electrical Engineering from University College Cork and a Masters of Business Administration from the Smurfit School of Business, University College, Dublin. He has also attained the professional certifications of Chartered Alternative Investment Analyst (CAIA) and 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 Manager, 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.

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

Sarah is an Executive Director and the Chief Operating Officer of the Manager. The Manager is a UCITS Management Company and Alternative Investment Fund Manager which currently manages in excess of €130bn in assets across a wide range of fund structures and asset classes. Sarah began her career at the Carne Group 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 the Carne Group, 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.

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

Elizabeth Beazley is a Managing Director in Carne Group with over 20 years' experience in the funds' industry focussing on fund establishment, operations and corporate governance. During her time in Carne Group, Ms Beazley has held a number of roles including Global Head of Onboarding covering a variety of jurisdictions including Ireland, Luxembourg, the UK and Channel Islands amongst others. Ms Beazley acts as non-executive director on a number of fund boards including Carne Global Fund Managers (Ireland) Limited. Prior to joining Carne, she spent 4 years in a senior role with AIB/BNY Fund Management in Ireland, and before that worked for Bank of Bermuda (now HSBC).

Ms Beazley has been a member of various industry working groups and currently sits on the Irish Funds' Management Company working group as Deputy Chair in addition to being a member of the ETF Committee in EFAMA. She has a Bachelor of Commerce degree from University College Cork and has a Masters' degree in Business Studies from the Smurfit Graduate School of Business at University College Dublin. Ms Beazley is a member of the Association of Chartered Certified Accountants.

**Christophe Douche (nationality: French – Luxembourg resident)**

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.

**Jackie O'Connor (nationality: British – Irish resident)**

Jackie O'Connor is an independent non-executive director on Carne Group's Irish and Luxembourg management companies. She has over 20 years' experience within the asset management industry, most recently as Managing Director and CEO of Goldman Sachs Asset Management Fund Services Ltd ("GSAMFSL"), GSAM's Irish domiciled UCITS management company and Alternative Investment Fund Manager based in Ireland. Jackie was responsible for setting up GSAMFSL in Ireland.

Prior to that, Jackie was international head of regulatory reform for Goldman Sachs Asset Management ("GSAM"), responsible for identifying and implementing requirements under new regulations within the EMEA and Asia Pacific regions. Earlier in her career, Jackie worked in a number of roles within the GSAM and the wider Goldman Sachs Group, including global project manager for the GSAM Client Relationship Team as well as five years in Goldman Sachs's Internal Audit department.

Jackie holds a bachelor's degree with honours in Zoology from Sheffield University in the UK.

**Aleda Anderson (nationality: USA – Irish resident)**

Aleda Anderson is an independent non-executive director with over 30 years' experience within the investment industry, most recently as Chief Executive Officer and Chief Investment Officer at Principal Global Investors (EU) Limited, a subsidiary of Principal Financial Group (NASDAQ:PFG), a global investment firm and FORTUNE 500 member. Prior to relocating to Ireland from the United States in 2018 to establish a Dublin office for Principal Global Investors, she was director of Strategy & Operations at Edge Asset Management, a specialist investment boutique located in Seattle, WA. During her 30-year career, Aleda has held various positions at Charles Schwab in San Francisco, CA. including Vice President and General Manager, Asset Management Strategic Alliances, and Vice President Distribution Services for Schwab Funds and Laudus Funds. Earlier in her career, she worked for Franklin Templeton in San Mateo, CA. Aleda studied Philosophy and Religion from San Francisco State University and holds Professional Diplomas in Strategic Management and Applied Alternative Investments, and a Professional Certificate in Complex Financial Instruments from University College Dublin.

The Secretary of the Manager is Carne Global Financial Services Limited.

**Remuneration Policy of the Manager**

The Manager 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 Manager 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 Manager'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 each Sub-Fund or the Instrument. It is also aligned with the investment objectives of each Sub-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 Manager, 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 Manager (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.

## **ADMINISTRATOR**

The Manager has appointed Citibank Europe plc to act as administrator, registrar and transfer agent of the Fund with responsibility for performing the day to day administration of the Fund, including preparing the calculation of the Net Asset Value and the Net Asset Value per Share of each Sub-Fund. The Administrator was incorporated in Ireland on 9 June 1988 as a private company limited by shares and is engaged in the provision of fund administration, accounting, registration and transfer agency services.

The Administration Agreement may be terminated by either party giving one hundred and eighty (180) days' prior written notice to the other party or at any time in the event of (i) a party entering liquidation or unable to pay its debts or commits an act of insolvency or if a receiver is appointed over any assets of such party; (ii) a party ceasing to be permitted to act in its current capacity under any applicable laws; (iii) either party committing a material breach of the Administration Agreement having not remedied such breach (if capable of being remedied) within 30 days of notice requiring same to be remedied; or (iv) an examiner, administrator or similar person is appointed to either party. The Fund and/or the Manager may terminate the Administration Agreement with immediate effect if it considers this to be in the best interests of Shareholders. The Administration Agreement will automatically terminate in the event that authorisation by the Central Bank of the Fund is revoked. The Administrator shall immediately notify the Fund and the Manager in the event that the authorisation by the Central Bank of the Administrator to provide services hereunder is revoked in order that the Fund can consider appointing a replacement administrator.

The Administrator is not liable for any loss, damage or expense arising out of or in connection with the performance by it of its duties, obligations and responsibilities under the Administration Agreement otherwise than by reason of its negligence, wilful default, bad faith, fraud or unjustifiable failure in the performance of its duties under the Administration Agreement.

The Fund has indemnified and will keep indemnified and hold harmless the Administrator and each of its officers, servants, employees, delegates and agents from and against any and all losses, liabilities, damages, costs, claims or expenses suffered or incurred by the Administrator arising out of or in connection with the performance of the Administrator's duties including as a result any breach of the Administration Agreement by the Fund (otherwise than by reason of the negligence, fraud or wilful default of the Administrator in the performance of its duties under the Administration Agreement).

Notwithstanding the above, in no circumstances shall the Administrator be liable to the Fund, the Manager, an Investment Manager, the Shareholders or any other person for special, indirect or consequential damages of any nature whatsoever in the absence of any fraud, bad faith, negligence or wilful default on the part of the Administrator, its servants or delegates.

## DEPOSITARY

The Fund has appointed Citi Depositary Services Ireland Designated Activity Company to act as the depositary to the Fund.

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

The Depositary shall be responsible for the segregation of the assets of each of the Sub-Funds.

The Depositary is obliged to ensure inter alia that:

- (A) The sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the UCITS Rules and the Instrument;
- (B) The value of Shares is calculated in accordance with the Instrument;
- (C) In transactions involving the assets of the Fund any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction;
- (D) It carries out the instructions of the Fund unless such instructions conflict with the Instrument and the UCITS Rules;
- (E) The income of the Fund is applied in accordance with the Instrument and the UCITS Rules;
- (F) It has enquired into the conduct of the Fund in each accounting period and reported thereon to the Shareholders. The Depositary's report shall be delivered to the Fund in good time to enable the Directors to include a copy of the report in the annual report of the Fund. The Depositary's report shall state whether in the Depositary's opinion each Sub-Fund has been managed in that period:
  - (i) in accordance with the limitations imposed on the investment and borrowing powers of each Sub-Fund by the Instrument and by the Central Bank under the powers granted to the Central Bank under the UCITS Rules; and
  - (ii) otherwise in accordance with the provisions of the Instrument and the UCITS Rules;
- (G) The Fund's cash flows are properly monitored in accordance with the UCITS Rules.

The duties provided for in paragraphs (A) to (G) above may not be delegated by the Depositary to a third party.

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

Under the Depositary Agreement, the Depositary has power to delegate the whole or any part of its depositary functions, (with the exception of cashflow monitoring and oversight obligations) however, its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary has delegated its safe-keeping duties in respect of financial instruments in custody to the list of sub-custodians as set out in Appendix 4 hereto. The use of a particular sub custodian will depend on the markets in which the Fund invests. The Depositary shall also be entitled to be repaid out of the assets of each Sub-Fund any fees, transaction charges and expenses of any sub-custodian appointed by it which shall be at normal commercial rates together with VAT, if any, thereon.

### *Conflicts of Interest*

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

Up-to-date information regarding the identity of the Depositary, duties of the Depositary, any conflicts of interest that may arise and the safekeeping functions delegated by the Depositary, including a list of delegates and subdelegates and any conflicts of interest that may arise from such delegation will be made available to investors by the Fund on request.

The Depositary Agreement may be terminated by either the Fund, the Manager or the Depositary (the "Parties" and each a "Party") on giving one hundred and eighty (180) days' prior written notice to the other Parties, although termination may be immediate in certain circumstances, such as the insolvency of the Depositary. The Depositary may not retire or be removed from appointment unless and until a new depositary approved by the Central Bank has been appointed with the prior approval of the Central Bank.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the Fund, applicable law, and its conflicts of interest policy.

## SHARE DEALING – ETF SUB-FUNDS AND ETF CLASSES

### Primary Market

#### *Authorised Participants*

To become an Authorised Participant and to deal with a Sub-Fund in the Primary Market an applicant must enter into certain terms and conditions in respect of the Fund as well as an Application Form. The terms and conditions require the applicant to satisfy certain eligibility criteria imposed by the Fund on an ongoing basis. The criteria may include requirements relating to creditworthiness and having access to one or more Securities Settlement Systems. The applicant must also undergo a money laundering prevention verification conducted by the Administrator on behalf of the Fund. If the criteria set out in the terms and conditions cease to be met by any Authorised Participant at any time, the Manager and / or the Fund may take such steps as it believes necessary to seek to ensure that the interests of the Fund, Sub-Fund and / or Shareholders are protected. The Fund may revoke any authorisation to act as an Authorised Participant. Applicants wishing to become Authorised Participants should contact the Administrator for further details. Failure to promptly provide the original Application Form and all requested supporting documentation may, at the discretion of the Directors, result in the compulsory redemption of the Creation Unit(s) subscribed for. Until it has provided the original Application Form and relevant verification, an Authorised Participant will not receive the proceeds of any redemption of Creation Units or dividend payments (if any).

### Subscription Price

The Subscription Price for Shares in a Sub-Fund shall be set out in the relevant Supplement.

Authorised Participants can subscribe for or redeem their Creation Units: (i) for cash; and/or (ii) at the discretion of the Directors, in specie on any Dealing Day; or (iii) in a combination of both. It is also possible for Authorised Participants to buy or sell their Shares on the Secondary Market (as described above). The details on the specific cash and in specie subscription and redemption procedures are set out below in the sections entitled 'Cash Subscriptions and Redemptions of Creation Units' and 'In Specie Subscription and In Specie Redemption of Creation Units'.

### Procedure

The Primary Market is the market on which Shares are issued or redeemed by the Fund at the request of Authorised Participants. Generally, only Authorised Participants are able to effect subscriptions and redemptions of Shares on the Primary Market.

Applicants for Shares, including Shareholders wishing to apply for additional Shares, subject to meeting the eligibility criteria outlined above, must send their completed and executed Application Form to the Administrator so as to be received by the Administrator by the Dealing Deadline (with the original duly completed Application Form to be mailed to the Administrator immediately thereafter).

Initial applications for Creation Units must be made in writing to the Administrator using the Application Form and an original Application Form and supporting documentation in relation to money laundering prevention checks must be received promptly. Subsequent applications may be processed without a requirement to submit original documentation. In either case a proposed Authorised Participant must subsequently telephone the Administrator to confirm their receipt of the application.

If the Application Form is not received as described above, the application will be held over to the following Dealing Day and Shares will be issued at the relevant Subscription Price in respect of that following Dealing Day, save in exceptional circumstances where the Directors shall otherwise agree and provided the Application Form is received before the Valuation Point for the relevant Dealing Day.

Application Forms may be sent by fax as further detailed in the Application Form, or by such electronic means as the Fund or the Administrator may permit. The Fund and the Administrator reserve the right to require an original executed Application Form to be submitted, generally or in any particular case.

Subscription monies must be paid into the bank account, as further detailed in the Application Form within the timeframe specified in the relevant Supplement.

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

A written confirmation in the form of a contract note will be issued to successful applicants confirming acceptance of their application. Once applications have been received they are irrevocable. Amendments to a Shareholder's registration details and payment instructions will only be effected on receipt of original documentation or electronic instruction from the relevant Shareholder. Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator electronically without a requirement to submit original documentation and such applications should contain such information as may be specified from time to time by the Directors or their delegate.

Shares are deemed to be issued on the relevant Dealing Day. Fractions of Shares will, if necessary, be issued. Unless otherwise specified in the relevant Supplement, the number of Shares issued will be rounded to two decimal places and any surplus amount will be retained for the benefit of the relevant Sub-Fund.

A Sub-Fund may, upon prior notification to and clearance by the Central Bank, create additional Classes. A separate portfolio of assets shall not be maintained for each Class.

Investors should note that as at the date of this Prospectus only certain Classes may be available for purchase.

### Form of Shares

ETF Shares in a Sub-Fund will be issued in Dematerialised Form in one or more Recognised Clearing and Settlement Systems subject to the issue of a Global Share Certificate (as defined below) where required by a clearing system in which ETF Shares are held. Shareholders will receive written confirmation of entry in the share register. The Fund's share register, maintained by the Administrator, is conclusive evidence of ownership.

### Cash Subscriptions and Redemptions of Creation Units

An Authorised Participant may subscribe for or redeem Shares for cash, only in Creation Units, on each Dealing Day (except during any period in which the calculation of the Net Asset Value is suspended) as described below.

*(a) Cash Transaction Fee*

All subscriptions and redemptions for cash may be subject to a Cash Transaction Fee, as specified for each Sub-Fund in the relevant Supplement. The Cash Transaction Fee is payable to the Fund or the Administrator as agent for the Fund to offset the costs and expenses incurred by the Fund or the Administrator as agent for the Fund in dealing in cash for that subscription or redemption. It will be added to the requisite subscription amount or deducted from the redemption proceeds, as the case may be.

The Directors may reduce the amount of the Cash Transaction Fee at their discretion, or if this is a requirement of the local law or practice of any country in which the Creation Units are offered.

*(b) Procedures for Subscriptions or Redemptions for Cash*

Applications for cash subscriptions or redemptions received by the Administrator on any Business Day before the relevant Dealing Deadline will be processed by the Administrator on that Business Day at the next calculated Net Asset Value per Share. Applications for cash subscriptions or redemption requests received after the relevant Dealing Deadline on a given Business Day will, unless the Directors or Manager, in exceptional circumstances, otherwise agree and provided they are received before the Valuation Point for the relevant Dealing Day, be processed as though received on the next Business Day. Applications for subscription will be binding and irrevocable unless the Directors, or a delegate, otherwise agree.

Shareholders wishing to subscribe or redeem Creation Units for cash may do so by notifying the Administrator of (i) the Shareholder's wish to subscribe or redeem in cash; and (ii) details of the Shareholder's bank account in which the subscription amount or redemption proceeds, denominated either in the Base Currency of the Sub-Fund or the local currency (at an exchange rate applied by the transfer agency department within the Administrator), are to be debited or credited, respectively. Delivery instructions are available from the Administrator upon written request. On a redemption, the Depositary will release cash at the instruction of the Administrator.

Cash subscriptions must be received by the stated settlement period. The Fund and the Manager reserve the right, in their sole discretion, to require the applicant to indemnify the Fund against any losses, costs or expenses arising as a result of a Sub-Fund's failure to receive payment by the relevant settlement period.

*(c) Payment Procedures for Redemptions for Cash*

Payment for Creation Units redeemed will be effected within two Business Days after the relevant Dealing Day on which the application for redemption is accepted (assuming the Shares have been transferred into the Fund's account at a clearing system). Redemption proceeds in either the Base Currency of the Sub-Fund or other local currency (at an exchange rate applied by the transfer agency department within the Administrator) will be paid by electronic transfer to the appropriate bank account designated by the Shareholder in the Application Form. The cost of any transfer of proceeds by electronic transfer may be deducted from such proceeds. The redemption proceeds will be paid net of the Cash Transaction Fee and any electronic transfer costs. Shareholders are reminded that, because of market fluctuations, transaction fees

and other factors, the redemption proceeds can be higher or lower than the initial subscription amount.

(d) *Creation Units*

The minimum number of Shares for cash creations or redemptions is one Creation Unit (corresponding in each case to the number of Shares indicated for that Sub-Fund in the relevant Supplement). Applications for the subscription or redemption of Creation Units for cash must be in integer multiples of that Sub-Fund's Creation Unit size.

In Specie Subscription and In Specie Redemption of Creation Units

At the discretion of the Directors, each Sub-Fund may allow investors to subscribe for and redeem Shares in specie, only in Creation Units, on each Dealing Day (except during any period in which the calculation of the Net Asset Value is suspended) subject to the relevant asset allocation being approved by the Depositary. In specie means that, rather than receiving cash in respect of a subscription and delivering cash proceeds in respect of a redemption, the Sub-Fund will receive and deliver securities (or predominantly securities) acceptable to the Investment Manager and set out in the Portfolio Composition File. At the discretion of the Directors, each Sub-Fund may satisfy a redemption request of Creation Units in specie subject to the consent of the individual Shareholders, the approval of the asset allocation by the Depositary and provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of the Sub-Fund.

Securities delivered in connection with in specie subscription requests must be securities which the Sub-Fund may acquire pursuant to its investment objective, policies and restrictions, and will be valued in accordance with the provisions of this Prospectus. The value attributed to securities delivered in connection with in specie subscription or redemption requests will be equivalent to that for cash subscriptions/redemptions, and no Shares shall be issued until all securities and cash payable to the Depositary (or a permitted collateral amount) are vested in the Depositary and the Depositary is satisfied that there is unlikely to be any material prejudice to Shareholders of the Fund.

(a) *Subscription Price*

The initial offer price per Share and/or per Creation Unit for each Sub-Fund shall be set out in the relevant Supplement. Thereafter, the Subscription Price for each further Creation Unit will be the aggregate of the daily Net Asset Value per Share of the Shares comprising the Creation Unit plus, in respect of each Creation Unit, the relevant In Specie Transaction Fee (as may be defined and set out in the relevant Supplement) and, if applicable, any Transfer Taxes and any additional payments in the event of failure to deliver the Portfolio Deposit as described below. The Subscription Price per Creation Unit will be payable by transferring the securities portion of the Portfolio Deposit, plus or minus (as the case may be) the Cash Component of the Portfolio Deposit, plus a cash amount equal to the relevant In Specie Transaction Fee and any applicable Transfer Taxes.

The minimum number of Shares for in specie subscriptions is one Creation Unit (corresponding in each case to the number of Shares indicated for that Sub-Fund in the relevant Sub-Fund's

Supplement). Applications for the subscription of Shares in specie in that Sub-Fund must be in integer multiples of that Sub-Fund's Creation Unit size.

(b) *Redemption Price*

The Redemption Price for each Creation Unit will equal the aggregate of the daily Net Asset Value per Share of the Shares comprising the Creation Unit less, in respect of each Creation Unit, the relevant In Specie Transaction Fee and, if applicable, any Transfer Taxes. The Redemption Price per Creation Unit will be payable by transferring the securities portion of the Portfolio Deposit, plus or minus (as the case may be) a cash amount ordinarily equal to the Cash Component of the Portfolio Deposit, less a cash amount equal to the relevant In Specie Transaction Fee and any applicable Transfer Taxes.

Procedure for Subscribing for Creation Units In Specie

*Publication of Portfolio Composition File*

The Administrator will publish the Portfolio Composition File via one or more market data suppliers.

*Applications for In Specie Subscription*

Applications for in specie subscriptions for Creation Units must be received by the Administrator before the Dealing Deadline for any Dealing Day in accordance with the specific procedures made available by the Administrator. Except when the calculation of the Net Asset Value per Share is suspended, or as otherwise determined by the Fund in respect of a Sub-Fund, all applications for in specie subscriptions will be binding and irrevocable. The Directors (or a delegate) may in their sole discretion decide to reject any application for subscription in whole or in part.

If a properly made application is received before the Dealing Deadline for the relevant Dealing Day, the Administrator will accept receipt of the application for that Dealing Day. Receipt of any properly made application received by the Administrator after the Dealing Deadline for the relevant Dealing Day will not be accepted until the following Dealing Day (unless the Directors, in exceptional circumstances, otherwise agree and provided it is received before the Valuation Point for the relevant Dealing Day).

*Notification of Cash Component, In Specie Transaction Fee and Transfer Taxes*

On the Business Day after the Dealing Day for which receipt is accepted, the Administrator will report to the applicant the amounts of the Cash Component, In Specie Transaction Fee and Transfer Taxes, if any, to be delivered by the applicant to the Depositary with the Portfolio Deposit. In limited circumstances, the securities portion of the Portfolio Deposit may differ from the Portfolio Composition File as a result of corporate actions or events affecting the securities detailed therein. The Fund reserves the right to permit delivery of a previously agreed basket of securities by way of a Portfolio Deposit which is different from the Portfolio Composition File. Delivery of securities in the Portfolio Deposit will be on a free delivery settlement basis. In certain circumstances, and with advanced disclosure to the applicant, the Administrator, at its sole discretion, may permit or require that a portion of the Cash Component itself be deliverable in specie in one or more securities which are eligible security holdings of the Sub-Fund.

*Settlement Period*

The standard settlement period for in specie subscriptions will normally be within ten Business Days following the Business Day for which the application for subscription is accepted but shall not (in the absence of appropriate collateral being posted) in any event exceed ten Business Days from the relevant Dealing Day. Investors should refer to the relevant Supplement of each Sub-Fund for further details. No Shares of a Creation Unit will be issued to the applicant until all the securities in the Portfolio Deposit have been received by the Depositary and the requisite Cash Component, In Specie Transaction Fee and, if applicable, Transfer Taxes have been received by the Depositary.

#### *Failure to Deliver Securities*

In the event that an Authorised Participant fails to deliver to the Depositary one or more of the securities set out in the Portfolio Composition File by the designated time, the Fund may reject the application for subscription, or may require the applicant to pay to it, in cash, a collateral sum at least equal to 105% of the closing value of such undelivered securities as at the Valuation Point for the relevant Dealing Day, marked to market until the date of delivery of such undelivered securities or the date on which the Sub-Fund acquires such securities in the open market, plus any costs or expenses and, if applicable, Transfer Taxes associated with the purchase by the Sub-Fund of those securities or may require a letter of credit acceptable to it for such purpose.

The amount of collateral required will be determined by the Investment Manager from time to time and may vary depending on the estimated cost of acquiring the undelivered securities or the anticipated cost of selling underlying investments to meet the cash redemption request.

To the extent that undelivered securities are not received by the relevant settlement time or in the event the cash payment is not made by the Authorised Participant within one Business Day following notification to the Authorised Participant that such a payment is required, the Investment Manager may use the cash on deposit to purchase the missing securities for the relevant Sub-Fund or may use the cash to satisfy the redemption payment due to the Authorised Participant.

Authorised Participants will be liable to the Fund and relevant Sub-Fund for the costs incurred by the Sub-Fund in connection with any such transactions. These costs will be deemed to include the amount by which the actual purchase price of the securities exceeds the market value of such securities in respect of the relevant Dealing Day, and any associated duties and charges, as well as any stamp duty, income or dividends due (or, in the case of cash, the cost of remitting the cash to the Authorised Participant). Any unused portion of the cash deposit shall be returned to the Authorised Participant once all of the undelivered securities have been properly received by the Depositary or purchased by the Manager or the relevant Investment Manager on behalf of the Sub-Fund and all related transaction costs and other items, as noted above, have been cleared.

Cash collateral must be in the Base Currency of the relevant Sub-Fund (save where otherwise agreed with the Manager or the relevant Investment Manager), in immediately available funds, held by the Depositary and marked-to-market daily. The Fund may, on behalf of the affected Sub-Fund, purchase the undelivered securities at any time. The Fund may settle the redemption obligation owed to the Authorised Participant out of cash so maintained by the settlement time provided for in the Supplement. The fees of the Depositary and any sub-custodians in respect of the delivery, maintenance and redelivery of the cash collateral shall be payable by the Authorised Participant and deducted from any collateral held by the Depositary following satisfaction of the Authorised Participant's obligations to the Fund. The

Authorised Participant will be liable to the Fund and the Sub-Fund for any shortfall between the cash deposit and the cost to the Sub-Fund of purchasing such securities, the cost of remitting the cash to the Authorised Participant and any duties and charges as well as any stamp duty, income or dividends due.

On the payment of such amounts, the relevant Creation Unit(s) will be issued. In the event that the actual cost to the Sub-Fund of acquiring the securities (including costs or expenses and any Transfer Taxes) exceeds the aggregate of the value of such securities as at the Valuation Point for the relevant Dealing Day, the In Specie Transaction Fee and, if applicable, the Transfer Taxes paid by the Authorised Participant, the applicant will be required to promptly reimburse the Sub-Fund the difference on demand. The Fund will have the right to sell or redeem all or part of the applicant's holding of Creation Units in the Sub-Fund (or any other Sub-Fund) in order to meet some or all of these charges.

#### Procedures for Redeeming Creation Units In Specie

##### *Publication of Portfolio Composition File*

The Administrator will publish the Portfolio Composition File via one or more market data suppliers.

##### *Applications for In Specie Redemption*

Applications for in specie redemptions of Creation Units must be made to the Administrator before the Dealing Deadline for the relevant Dealing Day in accordance with the specific procedures made available by the Administrator. Except when the calculation of the Net Asset Value per Share is suspended, or as otherwise determined by the Fund, all applications for in specie redemptions will be binding and irrevocable.

If a properly made application for redemption is received before the Dealing Deadline, the Administrator will accept receipt of that application for that Dealing Day. Receipt of any properly made application for redemption received by the Administrator after the Dealing Deadline will not be accepted until the following Dealing Day (unless the Directors or Manager, in exceptional circumstances, otherwise agree and provided they are received before the Valuation Point for the relevant Dealing Day).

If a redeeming investor requests redemption of a number of Creation Units representing 5% or more of the Net Asset Value of a Sub-Fund, the Directors may, in their discretion (and with the investor's consent, unless the original subscription was made in specie), redeem the Creation Units by way of a redemption in specie and in such circumstances the Directors will, if requested by the redeeming investor, sell the Investments on behalf of the investor. (The cost of the sale can be charged to the investor).

No delivery instructions will be issued by the Administrator to the Depositary in relation to the securities or cash in the Portfolio Deposit until the Administrator has accepted the application for redemption in relation to all Shares of the Creation Unit(s) being redeemed (such day, the Cancellation Day). Delivery of securities will be on a free delivery settlement basis. The cost of any settlement by telegraphic transfer will be charged to and payable by the applicant for redemption.

##### *Notification of Cash Component, In Specie Transaction Fee and any Transfer Taxes*

On the Business Day after the Dealing Day for which receipt is accepted, the Administrator will report to the applicant the amount of the Cash Component to be delivered by the Depository to the applicant with the Portfolio Deposit and the amounts of the In Specie Transaction Fee and Transfer Taxes, if any, to be deducted by the Depository from the redemption proceeds. In limited circumstances, the securities portion of the Portfolio Deposit may differ from the Portfolio Composition File as a result of corporate actions or events affecting the securities detailed therein. The Fund reserves the right to have the Depository deliver to a person redeeming a previously agreed basket of securities by way of a Portfolio Deposit which is different from the Portfolio Composition File, provided that the value of the alternative basket of securities will equal the value of at least one Creation Unit. In certain circumstances, and with advanced disclosure to the applicant, the Administrator, within its sole discretion, may permit or require that a portion of the Cash Component itself be deliverable in specie in one or more securities which are comprised in the Portfolio Composition File.

#### *Settlement Period*

The standard settlement period for in specie redemptions will normally be made within ten Business Days following the Dealing Day for which the application for redemption is accepted. This may vary depending upon the standard settlement periods of the different stock exchanges on which the Shares are traded and the securities in the Portfolio Deposit although it will not exceed ten Business Days from the relevant Dealing Day. Investors should refer to the relevant Supplement of each Sub-Fund for further details. Any cash to be paid in respect of an in specie redemption will be paid on the same day as settlement of the securities.

#### *Partial Cash Settlement*

The Fund may, in its absolute discretion, satisfy part of the application for in specie redemption in cash, for example in cases in which it believes that a security held by a Sub-Fund is unavailable for delivery or where it believes that an insufficient amount of that security is held for delivery to the applicant for redemption in specie.

Investors should note that they may be unable to redeem Shares via an Authorised Participant on days that any such Authorised Participant is not open for business.

#### Secondary Market

The intention of the Fund is for each of its Sub-Funds to qualify as exchange traded Sub-Funds through having Shares listed on one or more Eligible Markets. As part of those listings there is an obligation on one or more members of the relevant stock exchanges to act as market makers, offering prices at which the Shares can be purchased or sold by investors on the Secondary Market. The spread between the bid and offer price is typically monitored and regulated by the relevant stock exchange.

The Fund does not charge any subscription fee for purchases of Shares of those Sub-Funds on the Secondary Market.

Certain Authorised Participants who subscribe for Creation Units may act as market makers; other Authorised Participants are expected to subscribe for Shares in order to be able to offer to buy Shares from or sell Shares to their customers as part of their broker/dealer business. Through such Authorised Participants being able to subscribe for or redeem Shares, a liquid and efficient Secondary Market may develop over time on one or more relevant stock exchanges as they meet Secondary Market demand for such Shares. Through the operation of

such a Secondary Market, persons who are not Authorised Participants will be able to buy Shares from or sell Shares to other Secondary Market investors or market makers, broker/dealers, or other Authorised Participants.

Investors should be aware that on days other than Business Days or Dealing Days of a Sub-Fund when one or more Regulated Markets are trading Shares but one or more of the underlying Eligible Market(s) on which the securities held by the Sub-Fund are traded are closed, or the Index tracked by the Sub-Fund (as applicable) is not scheduled to be calculated and published, the spread between the quoted bid and offer prices in the Shares may widen and the difference between the market price of a Share and the last calculated Net Asset Value per Share may, after currency conversion, increase. The settlement of trades in Shares on stock exchange(s) will be through the facilities of one or more Recognised Clearing and Settlement Systems following applicable procedures which are available from the stock exchange(s). Investors should also be aware that on such days traded prices for the securities held by the Sub-Fund, or the Index level as applicable, would not necessarily be published and available for investors in making their investment decisions.

Distributions of dividend and other payments with respect to Shares will be credited, to the extent received by the custodian bank as depository, to the cash accounts of such settlement systems' participants in the case of a cash redemption or as part of the Cash Component in the case of an in specie redemption, in accordance with the system's rules and procedures. Any information to Shareholders will likewise be transmitted through the settlement systems.

Secondary Market sales, purchases or transfers of Shares will be conducted and settled in accordance with the normal rules and operating procedures of the relevant stock exchange and settlement systems.

Orders to buy Shares in the Secondary Market through the relevant stock exchanges or over the counter may incur costs over which the Fund has no control.

The price of any Shares traded on the Secondary Market will depend, inter alia, on market supply and demand, movements in the value of the underlying asset(s) as well as other factors such as the prevailing financial market, corporate, economic and political conditions.

Where the Manager determines in its sole discretion that the value of the Shares quoted on the Secondary Market significantly differs or varies from the current Net Asset Value per Share, investors who hold their Shares through the Secondary Market will be permitted, subject to compliance with relevant laws and regulations, to redeem their shareholding directly from the Fund. For example, this may apply in cases of market disruption such as the absence of a market maker.

In such situations, information will be communicated to the regulated market indicating that the Fund is open for direct redemptions from the Fund. Such Secondary Market investors wishing to redeem their Shares in such situations should contact the Administrator for details on how to process such redemption requests. Only the actual costs of providing this facility (i.e. those costs associated with liquidating any underlying positions) will be charged to such Secondary Market investors and in any event, the fees in respect of any such redemptions shall not be excessive. The Fund's agreement to accept direct redemptions of any Shares when a Secondary Market disruption event occurs is conditional on the Shares being delivered back into the account of the Administrator. Such direct redemption requests shall only be accepted on delivery of the Shares.

## Global Clearing and Settlement

The Directors have resolved that ETF Shares in the Sub-Funds will be not be issued in dematerialised (or uncertificated) form and no temporary documents of title or Share certificates will be issued, other than the Global Share Certificate required for the International Central Securities Depositories (“ICSD”) (being the recognised clearing systems through which a Sub-Fund’s Shares will be settled). The Fund will apply for admission for clearing and settlement through the applicable ICSD. The ICSDs for the Sub-Funds are currently Euroclear and Clearstream and the applicable ICSD for an investor is dependent on the market in which the Shares are traded. All investors in the Sub-Funds will ultimately settle in an ICSD but may have their holdings within Central Securities Depositories. A Global Share Certificate will be deposited with the Common Depositary (being the entity nominated by the ICSDs to hold the Global Share Certificate) and registered in the name of the Common Depositary’s nominee (being the registered holder of the Shares of a Sub-Fund, as nominated by the Common Depositary) on behalf of Euroclear and Clearstream and accepted for clearing through Euroclear and Clearstream. Interests in the Shares represented by the Global Share Certificate will be transferable in accordance with applicable laws and any rules and procedures issued by the ICSDs. Legal title to the Shares will be held by the Common Depositary’s nominee.

A purchaser of interests in Shares will not be a registered Shareholder in a Sub-Fund but will hold an indirect beneficial interest in such Shares and the rights of such investors, where Participants, shall be governed by their agreement with their ICSD and otherwise by the arrangement with their nominee, broker or Central Securities Depositary, as appropriate. All references herein to actions by holders of the Global Share Certificate will refer to actions taken by the Common Depositary’s nominee as registered Shareholder following instructions from the applicable ICSD upon receipt of instructions from its Participants. All references herein to distributions, notices, reports and statements to such Shareholder, shall be distributed to the Participants in accordance with such applicable ICSD’s procedures.

## International Central Securities Depositories

All Shares in issue are represented by a Global Share Certificate and the Global Share Certificate is held by the Common Depositary and registered in the name of the Common Depositary’s nominee on behalf of an ICSD, beneficial interests in such Shares will only be transferable in accordance with the rules and procedures for the time being of the relevant ICSD. Each investor that settles or clears through an ICSD (“Participant”) must look solely to its ICSD for documentary evidence as to the amount of its interests in any Shares. Any certificate or other document issued by the relevant ICSD, as to the amount of interests in such Shares standing to the account of any person shall be conclusive and binding as accurately representing such records.

Each Participant must look solely to its ICSD for such Participant’s share of each payment or distribution made by a Sub-Fund to or on the instructions of the Common Depositary’s nominee and in relation to all other rights arising under the Global Share Certificate. The extent to which, and the manner in which, Participants may exercise any rights arising under the Global Share Certificate will be determined by the respective rules and procedures of their ICSD. Participants shall have no claim directly against the Fund or any other person (other than their ICSD) in respect of payments or distributions due under the Global Share Certificate which are made by a Sub-Fund to or on the instructions of the Common Depositary’s nominee and such obligations of the Sub-Fund shall be discharged thereby. The ICSD shall have no claim directly against the Fund or any other person (other than the Common Depositary). The Fund or its duly authorised agent may from time to time require investors to provide them with information relating to: (a) the capacity in which they hold an interest in Shares; (b) the identity of any other person or

persons then or previously interested in such Shares; (c) the nature of any such interests; and (d) any other matter where disclosure of such matter is required to enable compliance by the Fund with applicable laws or the constitutional documents of the Fund.

The Fund or its duly authorised agent may from time to time request the applicable ICSD to provide the Fund with following details: ISIN, ICSD Participant name, ICSD Participant type - Fund/Bank/Individual, Residence of ICSD Participant, number of ETF Shares of the Participant within Euroclear and Clearstream, as appropriate, that hold an interest in Shares and the number of such interests in the Shares held by each such Participant. Euroclear and Clearstream Participants which are holders of interests in Shares or intermediaries acting on behalf of such account holders will provide such information upon request of the ICSD or its duly authorised agent and have authorised pursuant to the respective rules and procedures of Euroclear and Clearstream to disclose such information to the Fund of the interest in Shares or to its duly authorised agent. Investors may be required to provide promptly any information as required and requested by the Fund or its duly authorised agent and agree to the applicable ICSD providing the identity of such Participant or investor to the Fund upon their request. Notices of general meetings and associated documentation will be issued by the Fund to the registered holder of the Global Share Certificate, the Common Depositary's nominee. Each Participant must look solely to its ICSD and the rules and procedures for the time being of the relevant ICSD governing delivery of such notices and exercising voting rights. For investors, other than Participants, delivery of notices and exercising voting rights shall be governed by the arrangements with a Participant of the ICSD (for example, their nominee, broker or Central Securities Depositories, as appropriate).

## SHARE DEALING – NON-ETF CLASSES

### General

Shares are available for subscription on each Dealing Day at the relevant Subscription Price.

Each Sub-Fund may charge a Subscription Fee. The amount of the Subscription Fee in respect of a Sub-Fund, if any, will be set out in the relevant Supplement.

The Directors may from time to time close a Sub-Fund or any Class to new subscriptions on such basis and on such terms as they may in their absolute discretion determine.

### Subscription Price

The Subscription Price for Shares in a Sub-Fund shall be set out in the relevant Supplement.

### Procedure

Applicants for Shares, including Shareholders wishing to apply for additional Shares, must send their completed and executed Application Form to the Administrator so as to be received by the Administrator within the timeframe specified in the relevant Supplement (with the original duly completed Application Form to be mailed to the Administrator immediately thereafter).

If the Application Form is not received as described above, the application will be held over to the following Dealing Day and Shares will be issued at the relevant Subscription Price for that following Dealing Day, save in exceptional circumstances where the Directors shall otherwise agree and provided the Application Form is received before the Valuation Point for the relevant Dealing Day.

Application Forms may be sent by fax as further detailed in the Application Form, or by such electronic means as the Fund or the Administrator may permit. The Fund and the Administrator reserve the right to require an original executed Application Form to be submitted, generally or in any particular case.

Subscription monies must be paid into the bank account, as further detailed in the Application Form within the timeframe specified in the relevant Supplement.

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

A written confirmation in the form of a contract note will be issued to successful applicants confirming acceptance of their application. Once applications have been received they are irrevocable. Amendments to a Shareholder's registration details and payment instructions will only be effected on receipt of original documentation or electronic instruction from the relevant Shareholder. Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator electronically without a requirement to submit original documentation and such applications should contain such information as may be specified from time to time by the Directors or their delegate.

Shares are deemed to be issued on the relevant Dealing Day. Fractions of Shares will, if necessary, be issued. Unless otherwise specified in the relevant Supplement, the number of

Shares issued will be rounded to two decimal places and any surplus amount will be retained for the benefit of the relevant Sub-Fund.

A Sub-Fund may, upon prior notification to and clearance by the Central Bank, create additional Classes. A separate portfolio of assets shall not be maintained for each Class.

Investors should note that as at the date of this Prospectus only certain Classes may be available for purchase.

#### Minimum Investment

The Minimum Initial Investment, the Minimum Additional Investment and the Minimum Holding of Shares of each Class of a Sub-Fund may vary and, if applicable, is set out in the Supplement for the relevant Sub-Fund. The Directors reserve the right from time to time to waive any requirements relating to the Minimum Initial Investment, the Minimum Additional Investment and the Minimum Holding as and when they determine at their reasonable discretion.

#### Ineligible Applicants

The Application Form requires each prospective applicant for Shares to represent and warrant to the Fund that, among other things, it is able to acquire and hold Shares without violating applicable laws.

Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund might not otherwise incur or suffer, or would result in the Fund being required to register under any applicable US securities laws.

Shares may generally not be issued or transferred to or for the account of any US Person, except that the Directors may authorise the issue or transfer of Shares to or for the account of a US Person provided that:

- (a) such US Person is a US Tax-Exempt Investor which certifies that it is an “accredited investor” and a “qualified purchaser”, in each case as defined under applicable US federal securities laws, thereby also qualifying as a “qualified eligible person” as defined in Rule 4.7 under the CEA;
- (b) such issue or transfer does not result in a violation of the 1933 Act, the securities laws of any of the states of the United States or the CEA;
- (c) such issue or transfer will not require the Fund to register under the 1940 Act or the United States Securities Exchange Act of 1934, as amended, or to file a prospectus with the CFTC or the National Futures Association of the United States (the “NFA”) pursuant to regulations under the CEA, or cause the Investment Manager be ineligible for any exemption it has claimed or may in the future claim with respect to the Fund under the CEA or the rules of the CFTC;
- (d) such issue or transfer will not cause any assets of the Fund to be “plan assets” for the purposes of ERISA or Section 4975 of the Code; and
- (e) such issue or transfer will not result in any adverse regulatory or tax consequences to the Fund or its Shareholders.

In certain circumstances the Directors may in their absolute discretion determine to allow a US Person who is not a US Tax-Exempt Investor to invest in the Fund, provided that in doing so the requirements of (a) to (e) above are met.

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

Subject as mentioned above and under “General and Statutory Information” below, Shares are freely transferable.

### Form of Shares

The Fund does not issue share certificates. The Fund’s register of Shareholders is updated to reflect dealings in Non-ETF Shares, including subscriptions, redemptions and transfers. Written confirmation of entry to the Fund’s register of Shareholders is provided to successful applicants. Non-ETF Shares are issued in registered form.

### In Specie Subscription

The Directors may in their absolute discretion, provided that they are satisfied that no material prejudice would result to any existing Shareholder and subject to the requirements of the Central Bank, allot Shares of any Sub-Fund against the vesting in the Depositary on behalf of the relevant Sub-Fund of investments, the nature of which would qualify as suitable investments of the relevant Sub-Fund in accordance with the investment objective, policy and restrictions of the Sub-Fund. The number of Shares to be issued in this way shall be the number which would, at the relevant Valuation Point, have been issued for cash (together with the relevant Preliminary Charge) against the payment of a sum equal to the value of the investments. The value of the investments to be vested shall be calculated by applying the valuation methods described below under the heading “Net Asset Value”.

### Anti-Money Laundering

The Anti-Money Laundering and Counter Terrorist Financing Legislation applies to the Fund. In order to comply with the Anti-Money Laundering and Counter Terrorist Financing Legislation or equivalent legislation or regulations aimed at the prevention of money laundering, the Fund is required to adopt and maintain anti-money laundering procedures, and may require subscribers to provide evidence to verify their identity, the identity of their beneficial owners/controllers (where applicable) and source of funds. Where permitted, and subject to certain conditions, the Fund may also rely upon a suitable person for the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) or otherwise delegate the maintenance of such procedures to a suitable person.

The Fund and the Administrator have statutory obligations under Irish law, to comply with regulations aimed at the prevention of money laundering. Subscribers will be required to make certain representations and warranties in the Fund’s Application Form in connection with these laws.

In order to comply with Irish law, the Administrator will require verification of identity, the identity of their beneficial owners/controllers (where applicable) and the source of funds from all

subscribers. Depending on the circumstances of each subscription, it may not be necessary under the Anti-Money Laundering and Counter Terrorist Financing Legislation to obtain full documentary evidence of identity in situations where the Anti-Money Laundering and Counter Terrorist Financing Legislation allow simplified due diligence to be applied. Verification documentation may, however, be required before any payment is made back to the applicant; e.g. any dividend or redemption proceeds.

By way of example, an individual may be required to produce a copy of a passport or identification card duly certified by a public authority such as a notary public, the police or the embassy in his country of residence, together with evidence of his address such as a utility bill or bank statement. In the case of corporate applicants, this may require production of a certified copy of the certificate of incorporation (and any change of name) and of the memorandum and articles of association (or equivalent), and of the names and residential and business addresses of all directors and beneficial owners.

The details given above are by way of example only and the Fund and the Administrator reserve the right to request such information and/or documentation as is necessary to verify the identity and the source of funds of a subscriber. In the event of delay or failure on the part of the subscriber in producing any information and/or documentation required for verification purposes, the Fund and/or the Administrator may refuse to accept the application in which case any funds received will be returned without interest to the account from which they were originally debited. As such, Shares in a Sub-Fund will not be issued until the Fund and the Administrator are satisfied with the information and documentation provided in accordance with the Anti-Money Laundering and Counter Terrorist Financing Legislation.

The Fund and the Administrator also reserve the right to refuse to make any redemption payment to a Shareholder if the Directors or the Administrator suspect or are advised that the payment of redemption proceeds to such Shareholder might result in a breach of applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction or if such refusal is considered necessary or appropriate to ensure the compliance by the Fund or the Administrator with any such laws or regulations in any relevant jurisdiction.

Each applicant for Shares will be required to make such representations as may be required by the Directors and the Administrator in connection with anti-money laundering programmes, including, without limitation, representations that such applicant is not a prohibited country, territory, individual or entity listed on the OFAC website, or under equivalent regulations applicable in the EU or UK, and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC, EU or UK list or prohibited by any OFAC, EU or UK sanctions programmes. Each applicant will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene United States federal or state, or international, laws and regulations, including anti-money laundering laws and regulations.

The Fund and/or the Administrator may develop additional procedures to comply with applicable anti-money laundering laws and regulations.

### Redemptions

Shareholders may redeem their Shares on any Dealing Day at the relevant Redemption Price.

Each Sub-Fund may charge a Redemption Fee. The amount of the Redemption Fee in respect of a Sub-Fund, if any, will be set out in the relevant Supplement but will not exceed 3% of the relevant redemption amount.

### Redemption Price

The Redemption Price for Shares in a Sub-Fund shall be set out in the relevant Supplement.

### Notice Period and Procedure

To redeem Shares, a Shareholder must send an original completed and executed redemption request by facsimile, by electronic means or by such other means as the Directors may (with the consent of the Administrator) prescribe from time to time (where such means are in accordance with the requirements of the Central Bank) and must quote the relevant account number, the relevant Sub-Fund(s), Class and any other information which the Administrator reasonably requires, and be signed by or on behalf of the Shareholder before payment of redemption proceeds can be made. No payment to a Shareholder may be made until the steps above have been completed.

Requests received with sufficient notice will normally be processed for the relevant Dealing Day. If sufficient notice has not been provided, redemption requests shall be treated as having been received in respect of the following Dealing Day, save in exceptional circumstances where the Directors shall otherwise agree and provided they are received before the Valuation Point for the relevant Dealing Day.

A redemption request, once given, is irrevocable except with the consent of the Directors (which may be withheld in their absolute discretion) or as specified under "Suspension of Net Asset Value Calculations, Subscriptions and Redemptions". A written confirmation in the form of a contract note will be issued to redeeming Shareholders confirming acceptance of their redemption request.

In the event of a partial redemption, Shares of a Class will be redeemed on a first-in, first-out ('fifo') basis unless otherwise agreed by the Directors. A request for a partial redemption of Shares may be refused, or the holding redeemed in its entirety, if, as a result of that partial redemption, the Net Asset Value of the Shares of the relevant Class retained by the Shareholder would be less than the Minimum Holding.

### Suspension

The Directors may declare a suspension of the determination of Net Asset Value and/or the redemption of Shares in certain circumstances. No Shares will be redeemed during any such period of suspension.

### Settlement

Payment of redemption proceeds in respect of a Sub-Fund will generally be made within such number of days from the applicable Dealing Day as outlined in the relevant Supplement. Cash redemption proceeds will be paid in the currency in which the Shares are redeemed by direct transfer, at the Shareholder's risk and cost, to the account from which the subscription monies for the Shares were originally debited (unless otherwise agreed by the Fund and the Administrator) and otherwise in accordance with instructions given by the redeeming Shareholder to the Administrator. Redemption Orders can be processed on receipt of electronic instructions only where payment is made to the account of record.

The Directors may reduce the redemption proceeds (including, for the avoidance of doubt, the proceeds of any compulsory redemption), and/or any other distribution payable to any Shareholder, in the circumstances described under "Taxation – Automatic Exchange of Account Information".

Shareholders will generally be removed from the register of Shareholders prior to or upon redemption proceeds being paid. Insofar as investors remain as Shareholders until such time as the relevant Net Asset Value per Share has been calculated and the register of Shareholders is updated, investors will be treated as creditors for the redemption proceeds and any dividend which has been declared in respect of their Shares prior to the relevant Dealing Day, rather than Shareholders, from the relevant Dealing Day, and will rank accordingly in the priority of the Fund's creditors. Furthermore, during this period, investors will not have rights as a Shareholder, except the right to receive redemption proceeds and any dividend which has been declared in respect of their Shares prior to the relevant Dealing Day and, in particular, will not have the right to receive notice of, attend or vote at any meetings of the Fund.

### Compulsory Redemptions

The Fund has the right to compulsorily redeem all or part of the Shares held by or for the benefit of a Shareholder at any time without giving any reason.

Without limiting the above right, when the Directors become aware that (i) a Shareholder has become an Ineligible Applicant, (ii) a Shareholder is holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax, legal, pecuniary or material administrative disadvantages for the Fund or its Shareholders including, but not limited to, a situation in which investment in the Fund by Benefit Plan Investors is significant, (iii) the Net Asset Value of the Shares held by a Shareholder is less than the Minimum Holding or a Shareholder is holding Shares less than such minimum number as the Directors may from time to time determine or (iv) a Shareholder has failed to provide any information or declaration required by the Directors and/or the Administrator within ten days of being requested to do so, the Directors may either direct that Shareholder to redeem or to transfer the relevant Shares to a person who is qualified or entitled to own or hold the relevant Shares, or compulsorily redeem the relevant Shares.

### In Specie Redemptions

Applications for in specie redemptions must be made to the Administrator before the relevant Dealing Deadline in accordance with the specific procedures made available by the Administrator. Except when the calculation of the Net Asset Value per Share is suspended, or as otherwise determined by the Fund, all applications for in specie redemptions will be binding and irrevocable.

If a properly made application for redemption is received before the Dealing Deadline, the Administrator will accept receipt of that application for the corresponding Dealing Day. Receipt of any properly made application for redemption received by the Administrator after the Dealing Deadline will not be accepted until the following Dealing Day (unless the Directors or Manager, in exceptional circumstances, otherwise agree and provided they are received before the Valuation Point for the relevant Dealing Day).

If a redeeming investor requests redemption of a number of Shares representing 5% or more of the Net Asset Value of a Sub-Fund, the Directors may, in their discretion (and with the investors' consent, unless the original subscription was made in specie), redeem the Shares by way of a redemption in specie and in such circumstances the Directors will, if requested by the redeeming investor, sell the Investments on behalf of the investor. (The cost of the sale can be charged to the investor).

No delivery instructions will be issued by the Administrator to the Depositary in relation to the securities or cash until the Administrator has accepted the application for redemption in relation

to all Shares being redeemed (such day, the Cancellation Day). Delivery of securities will be on a free delivery settlement basis. The cost of any settlement by telegraphic transfer will be charged to and payable by the applicant for redemption.

#### Limitations on Redemptions

The Directors are entitled to limit the number of Shares in a Sub-Fund redeemed on any Dealing Day to Shares representing 10% of the total Net Asset Value of that Sub-Fund on that Dealing Day. In this event, the limitation will apply pro rata so that all Shareholders wishing to have Shares of that Sub-Fund repurchased on that Dealing Day realise the same proportion of their repurchase request. Shares not repurchased, but which would otherwise have been repurchased, will be carried forward for repurchase on the next Dealing Day and will be dealt with on a pro-rata basis in priority over repurchase requests received subsequently. If requests for repurchase are so carried forward, the Administrator will inform the Shareholders affected.

#### Anti-Money Laundering

The Fund or the Administrator will refuse to accept or process a redemption request if it is not accompanied by such additional information as it may reasonably require. This power may, without limitation to the generality of the foregoing, be exercised where proper information has not been provided for money laundering verification purposes as described under "Subscriptions".

Where redemption proceeds are requested to be remitted to an account which is not in the name of the investor, the Administrator reserves the right to request such information as may be reasonably necessary in order to verify the identity of the investor and the owner of the account to which the redemption proceeds will be paid. The redemption proceeds will not be paid to a third-party account if the investor and/or owner of the account fails to provide such information.

## EXCHANGE OF SHARES

Subject to the Minimum Initial Investment and Minimum Holding amounts of the relevant Sub-Fund or Classes, Shareholders may convert some or all of their Shares in one Sub-Fund or Class (the "Original Sub-Fund") to Shares in another Sub-Fund or Class or another Class in the same Sub-Fund (the "New Sub-Fund") in accordance with the formula and procedures specified below. Applications for conversion of Shares should be made to the Administrator by facsimile or written communication and should include such information as may be specified from time to time by the Directors or their delegate. Requests for conversion should be received prior to the earlier of the Dealing Deadline for redemptions in the Original Sub-Fund and the Dealing Deadline for subscriptions in the New Sub-Fund. Any applications received after such time will be processed for the next day which is a Dealing Day for both the Original Sub-Fund and the New Sub-Fund unless the Directors in their absolute discretion otherwise determine provided always that any such application has been received prior to the relevant Valuation Point. Conversion requests will only be accepted where cleared funds and completed documents are in place from original subscriptions.

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

Fractions of Shares which shall not be less than 0.01 of a Share may be issued by the Fund on conversion where the value of Shares converted from the Original Sub-Fund are not sufficient to purchase an integral number of Shares in the New Sub-Fund and any balance representing less than 0.01 of a Share will be retained by the Fund in order to defray administration costs.

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

$$\text{NS} = \frac{A \times (B - [\text{TC}]) \times C}{D}$$

where:

- NS = the number of New Shares which will be issued;
- A = the number of Original Shares to be converted;
- B = the redemption price of the Original Shares to be converted;
- C = the currency conversion factor (if any) as determined by the Directors;
- D = the issue price of the New Shares for the relevant Valuation Day; and
- TC = a transaction charge per Share which may be levied by the Fund to cover any costs incurred by the Fund in respect of the proposed transaction.

If NS is not an integral number of Shares the Directors reserve the right to issue fractional New Shares or to return the surplus arising to the investor seeking to convert the Shares.

A transaction charge of up to 5% of the Net Asset Value of the Shares to be issued in the New Fund may be charged.

Upon Exchange, the Fund shall cause assets or cash representing the value of NS as defined above to be allocated to the Class comprising the New Shares.

## NET ASSET VALUE

### Determination of Net Asset Value

The Net Asset Value of each Sub-Fund and the Net Asset Value per Share of each Class will be determined as at each Valuation Point.

The Net Asset Value per Share of a Sub-Fund will be calculated by dividing the Net Asset Value of the Sub-Fund by the number of Shares in the Sub-Fund then in issue or deemed to be in issue as at the Valuation Point for the relevant Dealing Day and rounding the result mathematically to three decimal places or such other number of decimal places as may be determined by the Directors from time to time.

A separate account for each Class of Shares (a "Separate Account") is maintained in the books of the Fund. An amount equal to the proceeds of issue of each Share will be credited to the relevant Separate Account and an amount equal to the redemption proceeds of each Share will be debited from the relevant Separate Account. Any increase or decrease in the Net Asset Value of the Fund since the previous Valuation Point (disregarding any increase due to subscriptions and any decrease due to redemptions and any Designated Adjustments) will be allocated among Separate Accounts based on the Net Asset Values of each Separate Account as at the previous Valuation Point (after adjustment for any subscriptions or redemptions referable to that Valuation Point). There will then be allocated to each Separate Account the Designated Adjustments for that Class. "Designated Adjustments" are those costs, pre-paid expenses, losses, dividends, profits, gains and income which the Directors determine in their sole discretion relate to one or more particular Class (such as items relating to any foreign exchange transactions in respect of a Class denominated in a particular currency, Investment Management Fees, performance fees and any dividends). In particular, the costs of hedging the foreign currency exposure of a Class denominated in a currency other than the Base Currency of the Fund will be allocated solely to that Class denominated in that other currency.

The Instrument provides for the method of valuation of the assets and liabilities of each Sub-Fund and of the Net Asset Value of each Sub-Fund.

### Valuation of Assets

The assets of each Sub-Fund will be valued in accordance with the following principles, unless otherwise disclosed in the relevant Supplement:

- a) Assets listed or traded on a recognised exchange for which market quotations are readily available shall be valued at the closing or last known market price which for the purposes of the Fund shall be understood to mean the last traded price. Where a security is listed or dealt in on more than one recognised exchange, the relevant exchange or market shall be the principal or main stock exchange or market on which the security is listed or dealt in or the exchange or market which the Manager determines provides the fairest criteria in determining a value for the relevant Investment. Assets listed or traded on a recognised exchange, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount at the Valuation Point provided that the Depositary shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.
- b) The value of any Investment which is not quoted, listed or dealt in on a recognised exchange, or which is so quoted, listed or dealt in but for which no such quotation or value is available, or the available quotation or value is deemed by the Manager and/or the Directors to not be representative of the fair market value, shall be the probable realisation value as estimated with care and good faith by (i) the Manager or (ii) a competent person, firm or corporation (including the Investment Manager) selected by the Manager and approved for the purpose by the Depositary or (iii) any other means provided that the value is approved by the Depositary. Where reliable market quotations are not available for fixed income securities, the value of such securities may be determined using matrix methodology compiled by the Manager or competent person (as approved by the Depositary) whereby such securities are valued by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics.
- c) Investments other than securities that are dealt in or traded through a clearing firm, an exchange or a financial institution will be valued by reference to the most recent official settlement price quoted by that clearing house, exchange or financial institution. If there is no such price, then the average will be taken between the lowest offer price and the highest bid price at the close of business on any market on which the relevant investments are or can be dealt in or traded. Where the investment is dealt in or traded on more than one market, the Directors may determine the applicable market in their discretion.
- d) Investment other than securities that are not dealt in or traded through a clearing firm, an exchange or a financial institution will be valued on the basis of the latest available valuation provided by the relevant counterparty or an independent valuation agent.
- e) Deposits will be valued at their cost plus accrued interest as at the close of business on the relevant Valuation Day.
- f) Notwithstanding paragraph (A) above, units in collective investment schemes shall be valued at the latest available Net Asset Value per unit or latest bid price as published by the relevant collective investment scheme or, if listed or traded on a recognised exchange, in accordance with (A) above.
- g) Cash in hand or on deposit will be valued at its nominal/face value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.

- h) In the event of it being impossible, impractical or incorrect to carry out a valuation of a specific financial instrument in accordance with the valuation rules set out above, or if such valuation is deemed by the Manager and/or the Directors to not be representative of a financial instrument's fair market value and the Directors deem it necessary to do so, the Directors are entitled to use other generally recognised valuation methods in order to reach a proper valuation of that specific financial instrument, provided that any alternative method of valuation is approved by the Depositary.
- i) Exchange traded futures and options contracts shall be valued based on the settlement price as determined by the market where the exchange traded future/option contract is traded. In the event that a settlement price is not available, the exchange traded future/option contract may be valued as per unlisted securities and securities which are listed/traded on a regulated market where the price is unrepresentative/not available.

The Manager may, at its discretion, permit any other method of valuation to be used if it considers that the other method of valuation better reflects value generally or in particular markets or market conditions and is in accordance with good accounting practice. Such method of valuation shall be approved by the Depositary and the rationale / methodologies used shall be clearly documented. The value of an asset may be adjusted by the Manager, at its discretion, where such an adjustment is considered necessary to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant.

The base currency of each Sub-Fund will be set out in the relevant Supplement ("Base Currency"). Any value (whether of an investment or cash) in any currency other than in the Base Currency will be converted into the Base Currency at the rate (whether official or otherwise) that the Directors in their absolute discretion deem applicable as at close of business on the relevant Valuation Day, having regard, among other things, to any premium or discount which they consider may be appropriate and to costs of exchange.

#### Responsibility for Net Asset Value

The Manager has adopted a written valuation policy that is consistent with the Instrument and this Prospectus (the "Valuation Policy"), which has been approved by the Directors. The Valuation Policy may be modified from time to time. A copy of the Valuation Policy is available to Shareholders and prospective investors upon request.

The Directors are responsible for the determination of Net Asset Value. The Administrator has been appointed by the Manager to calculate and publish, in accordance with the Valuation Policy, the Net Asset Value of each Sub-Fund, and the Net Asset Value per Share of each Class in each case in accordance with the Valuation Policy.

#### Net Asset Value Information

The Net Asset Value of a Sub-Fund and the Net Asset Value per Share of each Class, together with details of the historical performance of a Sub-Fund, will be available from the Administrator on request.

#### Dilution Adjustment

The actual cost of purchasing or selling investments in a Sub-Fund may be higher or lower than the latest available market price used in calculating the Net Asset Value per Share. These costs may include dealing charges, commissions and the effects of dealing at prices other than the

mid-market price. The effect of the transaction charges and the dealing spread may have a materially disadvantageous effect on the Shareholders' interests in a Sub-Fund. To prevent this effect, known as "dilution", the Fund may apply a dilution adjustment in the calculation of Net Asset Value when there are net inflows into a Sub-Fund or net outflows from a Sub-Fund, so that the price of a Share in the Sub-Fund is above or below that which would have resulted from a latest available market valuation. It is not, however, possible to predict accurately whether dilution will occur on any particular Dealing Day. Consequently it is not possible to predict accurately how frequently the Fund will need to make such dilution adjustment in respect of any Sub-Fund. The application of a dilution adjustment may either reduce or increase the Redemption Price or the Subscription Price. Where a dilution adjustment is applied, it will increase the Net Asset Value per Share where the Sub-Fund receives net subscriptions and will reduce the Net Asset Value per Share where the Sub-Fund receives net redemptions.

A dilution adjustment will only be imposed in a manner that is, so far as practicable, fair to all Shareholders in the relevant Sub-Fund.

The imposition of a dilution adjustment will depend on the volume of sales or redemptions of Shares on any Dealing Day.

In particular, a dilution adjustment may be applied in the following circumstances:

- a) on a Sub-Fund experiencing significant levels of net subscriptions (i.e. subscriptions less redemptions) relative to its size;
- b) on a Sub-Fund experiencing significant levels of net redemptions (i.e. redemptions less subscriptions) relative to its size; or
- c) in any other case whether the Directors believe that it is in the best interests of Shareholders to apply a dilution adjustment.

The dilution adjustment for each Sub-Fund will be calculated by reference to the costs of dealing, including any dealing spreads, commissions and transfer taxes. These costs can vary over time and as a result any dilution adjustment will also vary over time. The price of each Class in a Sub-Fund will be calculated separately but any dilution adjustment will affect the price of Shares of each Class in a Sub-Fund in an identical manner.

The responsibility for the calculation of a dilution adjustment for each Sub-Fund has been delegated to the Investment Manager for each Sub-Fund and will be applied by the Administrator. Details of the dilution adjustments, if any, applied to subscriptions and/or redemptions can be obtained by a Shareholder on request from the Administrator.

#### Suspension of Net Asset Value Calculations, Subscriptions and Redemptions

The Directors may suspend (i) the determination of the Net Asset Value of a Sub-Fund and/or (ii) the issue, redemption and/or exchange of Shares during:

- a) any period (other than ordinary holiday or customary weekend closings) when any market is closed which is the main market for a significant part of the relevant Sub-Fund investments, or when trading thereon is restricted or suspended;
- b) any period when any emergency exists as a result of which disposal by the relevant Sub-Fund of investments which constitute a substantial portion of its assets is not practically feasible;
- c) any period when for any reason the prices of a material portion of the investments of the relevant Sub-Fund cannot be reasonably, promptly or accurately ascertained by the relevant Sub-Fund;
- d) any period when due to conditions of market turmoil or market illiquidity it is not possible, in the opinion of the Directors, to determine the fair value of the assets of the relevant Sub-Fund;
- e) any period when remittance of monies which will, or may be, involved in the realisation of, or in the payment for, investments of the relevant Sub-Fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- f) any period when proceeds of the sale or redemption of the Shares cannot be transmitted to or from the Fund's account; or
- g) any period during which circumstances exist in which the Directors consider that to permit the determination of the Net Asset Value of a Sub-Fund and/or (ii) the issue, redemption and/or exchange of Shares would not be in the best interest of the relevant Sub-Fund.

If the determination of the Net Asset Value of a Sub-Fund is suspended, then Subscriptions, Redemptions and Exchanges of Shares in that Sub-Fund will also be suspended.

In the event of a suspension of the determination of the Net Asset Value of a Sub-Fund, an investor in such Sub-Fund may at any time revoke any application for Shares, any redemption request or any exchange request that is not yet effective, provided that the revocation notice is received by the Administrator before the suspension is terminated. If not revoked, applications for Shares, redemption requests and exchange requests will be effected on the first Dealing Day after the suspension is lifted at the relevant Subscription Price and/or Redemption Price prevailing on that Dealing Day.

Notice of any suspension and its termination will be given to Shareholders. All reasonable steps will be taken to bring any period of suspension to an end as soon as possible after the conditions for the suspension have ended. The Central Bank will be notified of any such suspension immediately (without delay).

The Directors retain the right to compulsorily redeem Shares during a suspension of the redemption of Shares. If the determination of the Net Asset Value is also suspended on the day on which the compulsory redemption is effective, the Redemption Price will be determined as at the first Valuation Point following the end of the suspension of the determination of the Net Asset Value. The Redemption Proceeds of a Redemption during any period of suspension will be paid following the end of the suspension.

## TERMINATION OF THE FUND, A SUB-FUND OR SHARE CLASS

Shares may be redeemed by the Fund in the following circumstances:

- a) a majority of votes cast at a general meeting of the Fund, Sub-Fund or Class, as appropriate, approves the redemption of the Shares.
- b) if so determined by the Directors, provided that not less than 21 days' written notice has been given to the Shareholders of the Fund, Sub-Fund or the Class, as appropriate, that all of the Shares of the Fund, Sub-Fund or the Class, as the case may be, shall be redeemed by the Fund.
- c) if the Net Asset Value of the Fund or a Sub-Fund or a Class amounts at such date to less than any such amount as determined by the Directors as being impracticable or inadvisable to continue the Fund or Sub-Fund.
- d) the Fund ceases to be authorised by the Central Bank.
- e) a Sub-Fund ceases to be approved by the Central Bank.
- f) a special resolution to terminate the Fund or a Sub-Fund is passed.
- g) any law shall be passed which renders it illegal or in the opinion of the Directors, impracticable or inadvisable to continue the Fund, Sub-Fund or any Class;
- h) the Directors consider that it is in the best interests of the Shareholders of a Class, a Sub-Fund or the Fund, as relevant;
- i) there is a change in material aspects of the business or in the economic or political situation relating to a Class, a Sub-Fund and/or the Fund which the Directors consider would have material adverse consequences on the Shareholders and/or the investments of the Fund or Sub-Fund; or
- j) if no replacement depositary or manager shall have been appointed during the period of 90 days commencing on the date the Depositary or the Manager shall have notified the Fund of its desire to retire as depositary or manager or shall have ceased to be approved by the Central Bank.

The Directors may resolve in their absolute discretion to retain sufficient monies prior to effecting a total redemption of Shares to cover the costs associated with the subsequent termination of a Class or a Sub-Fund or the liquidation of the Fund.

On a winding up or if all of the Shares are to be redeemed, the assets available for distribution (after satisfaction of creditors' claims) shall be distributed *pro rata* to the holders of the Shares in proportion to the number of the Shares. Distribution of the assets of a Sub-Fund rather than cash proceeds on a winding up may be at the discretion of the Fund. Asset allocation in respect of any such asset transfer is subject to the approval of the Depositary who must also be satisfied that the terms of the exchange will not be such as are likely to result in any material prejudice to the Shareholders. At the request of any investor, the Fund shall arrange the sale of such assets at the expense of such investor and without any liability on the part of the Fund, the Manager, the relevant Investment Manager, the Depositary or the Administrator if the proceeds of sale of any asset are less than the value of the assets at the time at which it was transferred to the investor. The transaction costs incurred in the disposal of such investments shall be borne

by the investor. The Founder Shares do not entitle the holders to participate in the dividends or net assets of any Sub-Fund.

## FEES AND EXPENSES

### Management Charges and Expenses

The Fund employs a single fee structure for its Sub-Funds, with each Sub-Fund paying a single flat fee out of the assets of the relevant Sub-Fund (the “Total Expense Ratio” or “TER”) as disclosed in the relevant Supplement. The TER will cover ordinary fees, operating costs and expenses payable by each Sub-Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the relevant Sub-Fund including investment management and advisory fees, Director’s fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Fund. The fees, costs and expenses covered by the TER will in particular include, but are not limited to, the following;

- a) fees and expenses of the Manager, Investment Manager, any sub-investment manager, registrar, Depository, Administrator, auditor, money laundering reporting officer (MLRO) and Distributor;
- b) any fees in respect of circulating details of the Net Asset Value per Share;
- c) company secretarial fees;
- d) rating fees (if any);
- e) licensing fees (including those for the use of an Index);
- f) fees and expenses of the tax, legal and other professional advisers of the Fund;
- g) VAT reporting and any required country specific tax reporting;
- h) the Central Bank’s industry funding levy and statutory fees;
- i) fees and expenses for the production and dissemination of portfolio composition files for the Sub-Funds;
- j) fees connected with listing of Shares on any stock exchange;
- k) costs of calculation and publication of the intra-day net asset values (iNAV) of the Sub-Funds;
- l) fees and expenses in connection with the provision of registrar and transfer agency services to the Fund including, from or within CREST, International Central Securities Depository or any other system for the registration and transfer of dematerialised securities;
- m) fees of any marketing agent, paying agent or facilities agent;
- n) fees of any sub-custodian provided that such fees are at normal commercial rates;
- o) fees of any collateral manager and in relation to the maintenance of collateral accounts;

- p) fees and expenses in connection with the distribution of Shares and costs of registration and listing of the Fund in jurisdictions outside Ireland (including fees of any regulators, advisors and translation fees);
- q) costs of preparing, printing and distributing the Prospectus, Supplements, key investor information documents, annual reports, financial statements and any explanatory memoranda;
- r) fees and expenses of any portfolio monitoring;
- s) ongoing legal fees and expenses, including any costs incurred as a result of periodic updates of the Prospectus, Supplement, key investor information documents, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law); and
- t) any other fees and expenses relating to the management and administration of the Fund or attributable to the investments of the Fund.

The TER does not include the following other costs and expenses all of which will be paid separately out of the assets of the relevant Sub-Fund:

- a) portfolio transaction charges including commissions, brokerage fees and settlement costs;
- b) stamp duty or other taxes incurred in respect of the investments of the Fund including transfer taxes and duties, capital gains taxes and withholding taxes;
- c) interest charged on any credit facility and charges incurred in negotiating, effecting or varying the terms of such facility;
- d) any commissions charged by intermediaries in relation to an investment in a Sub-Fund, if applicable; and/or
- e) exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Fund.

The TER is calculated and accrued daily from the current Net Asset Value of the relevant Sub-Fund and shall be payable quarterly in arrears. The TER for each Sub-Fund is set out in the Supplement for the relevant Sub-Fund.

If a Sub-Fund's costs and expenses in connection with the operation of the Sub-Fund which are intended to be covered within the TER exceed the stated TER, the relevant Investment Manager or other relevant party, as applicable, will discharge any excess amounts out of their own assets.

Whilst it is anticipated that the TER borne by a Sub-Fund shall not exceed the amounts set out in the relevant Supplement during the life of a Sub-Fund such amounts may be increased from time to time. Any such increase will be subject to the prior approval of the Shareholders of the relevant Sub-Fund evidenced either by a majority vote at a meeting of Shareholders or by a written resolution of all of the Shareholders.

### Investment Management Fees

Details of the fees payable to the Investment Manager in respect of a Sub-Fund will be outlined in the relevant Supplement.

Unless otherwise specified in the relevant Supplement, the Investment Management Fees are calculated and accrued daily, and payable quarterly by the Sub-Fund.

The Investment Manager may also be entitled to receive a performance fee in respect of a Sub-Fund or Class of a Sub-Fund, as detailed in the relevant Supplement.

Subject to any applicable law, the Investment Manager may from time to time, at its sole discretion and out of its own resources, decide to waive or pay to intermediaries part or all of the Investment Management Fee or performance fee. The Investment Manager is also entitled to receive its reasonable and properly vouched expenses out of the assets of the relevant Sub-Fund.

### Management Fee

Details of the fees payable to the Manager in respect of a Sub-Fund will be outlined in the relevant Supplement. The Manager is also entitled to receive its reasonable and properly vouched expenses out of the assets of the relevant Sub-Fund.

### Administrator Fees

Details of the fees payable to the Administrator in respect of a Sub-Fund will be outlined in the relevant Supplement.

The Administrator will also be entitled to be repaid all of its reasonable agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses attributable to each Sub-Fund and in each case exclusive of any applicable taxes.

### Depositary Fees

Details of the fees payable to the Depositary in respect of a Sub-Fund will be outlined in the relevant Supplement.

The Depositary shall also be entitled to be repaid out of the assets of each Sub-Fund all of its reasonable disbursements incurred on behalf of the Sub-Fund, including the safe-keeping fees and expenses of any sub-custodian (which shall be at normal commercial rates) and transaction charges (which shall also be at normal commercial rates) levied by the Depositary or any sub-custodian and any applicable taxes it incurs on behalf of a Sub-Fund. Such custody fees shall accrue and be payable monthly in arrears.

The Depositary will also be entitled to recover out of pocket expenses (plus VAT thereon, if any) reasonably incurred on behalf of any Sub-Fund out of the assets of the relevant Sub-Fund.

### Directors

Directors' fees and expenses including out-of-pocket expenses may be discharged out of the TER. Following authorisation of the Fund, the relevant Investment Manager may, out of its own resources, cover the discharge of such fees where there may not be sufficient funds in the TER.

The Instrument provides that the remuneration of the Directors may be determined from time to time by a resolution of the Directors. Such annual fees may be increased by a resolution of the Directors at any time including, without limitation, to take account of additional board meetings and notified in advance to the Shareholders. The Directors may also be paid travel, accommodation and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Fund or in connection with the business of the Fund. Mr O'Neill will be paid €25,000 per annum in respect of his role as a director of the Fund, however he will be paid a reduced fee of €15,000 for the first year after launch of the Fund. Mr Harvey, Ms Haugh and Mr Dolan have each waived their right to receive an annual fee in respect of their roles as directors of the Fund.

#### Establishment Costs

The fees and expenses incurred in respect of the establishment of the Fund and the initial Sub-Fund will not be paid out of the assets of the Fund or the initial Sub-Fund.

#### Research Charges

Researches charges in respect of each Sub-Fund will be paid by the relevant Investment Manager out of its own resources, unless otherwise disclosed in the relevant Supplement.

## CONFLICTS OF INTEREST

The Directors, the Manager, any Investment Manager, the Distributor, the Administrator, and the Depositary may from time to time act as director, manager, investment manager, custodian, registrar, broker, administrator, depositary, investment adviser, distributor or dealer in relation to, or invest directly or indirectly in, or be otherwise involved in, other investment funds, vehicles and accounts that have similar objectives to those of, or invest in similar assets to those held by, a Sub-Fund.

It is therefore possible that any of them or their respective principals, shareholders, members, directors, officers, agents or employees may, in the course of business, have potential conflicts of interest in respect of their duties to the Fund. The Investment Manager of a Sub-Fund will, at all times, have regard to its obligations to that Sub-Fund. In addition, subject to applicable law, any of the foregoing may deal, as principal or agent, with the Fund or any Sub-Fund, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis, in the best interests of Shareholders and the relevant transaction is subject to:

- (A) the value of the transaction is certified by either: (i) a person who has been approved by the Depositary as being independent and competent; or (ii) a person who has been approved by the Fund as being independent and competent in the case of transactions involving the Depositary;
- (B) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of the relevant exchange; or
- (C) where (A) and (B) are not practical, the transaction is executed on terms which the Depositary or, in the case of a transaction involving the Depositary, the Fund, is satisfied conform with the principle that such transactions are negotiated at arm's length on normal commercial terms and are in the best interests of Shareholders.

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

Each of the Directors is or may be a director of other investment funds and vehicles (or the general partner or managing member thereof) whose assets are managed by an Investment Manager or its affiliates. No agreement or transaction between the Fund and a Director or any person related to a Director is void or voidable only because of the Director's interest in it, or because the Director is present at the meeting of the committee of Directors that approves the agreement or transaction or votes on that business, provided that the interests of the Director in the matter are disclosed in good faith to or known by the other Directors.

The Sub-Funds may seek to track the performance of or otherwise take exposure to indices which are sponsored, governed, compiled, calculated or published by affiliates of the Manager and/or the relevant Investment Manager. In compliance with the requirements of the Central Bank, the performance of such indices will be calculated in an independent environment, free from any external influences from the Fund or its service providers.

Neither the Investment Manager of a Sub-Fund nor any of its affiliates nor any person connected with them is under any obligation to offer investment opportunities of which any of

them becomes aware to the Fund or to account to the Fund in respect of (or share with the Fund or inform the Fund of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the Fund and other clients.

Each of the parties as listed above will use its reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly. In relation to co-investment opportunities which arise between the Fund and other clients of an Investment Manager, such Investment Manager will ensure that the Fund participate fairly in such investment opportunities.

The Directors, an Investment Manager and the directors, members, partners, officers, shareholders and agents of that Investment Manager and their affiliates may, directly or indirectly, subscribe for, hold and redeem Shares.

Tim Harvey is an employee of the Distributor. The Distributor may receive a Distribution Fee out of the TER. Danny Dolan is an employee of the Promoter. The Promoter may provide services in respect of a Sub-Fund, including (but not limited to) providing execution or other services to the Investment Manager.

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the Fund.

## TAXATION

### Ireland

*The following is a summary of certain Irish 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 tax considerations that may be relevant. The summary relates only to the position of persons who are the absolute beneficial owners of Shares (other than dealers in securities).*

*The summary is based on Irish 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 or other tax consequences of the purchase, ownership and disposal of Shares.*

### **Taxation of the Fund**

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

The Irish exit tax regime which is ordinarily applicable to an 'investment undertaking' does not apply to an 'investment undertaking', such as the Fund, which is an ETF, provided the Shares of the Fund remain held in a clearing system that is recognised by the Revenue Commissioners (which currently includes Euroclear and Clearstream). As a result, the Fund will not be obliged to account for any Irish exit tax (or other Irish tax) in respect of the ETF Shares. Certain categories of Irish Shareholders will be required to self-account for Irish tax due, as described in more detail below.

If the ETF Shares cease to be held in such a recognised clearing system, the Fund would be obliged to account for Irish exit tax to the Revenue Commissioners in certain circumstances.

### **Taxation of Non-Irish Shareholders**

Shareholders who are not resident (or ordinarily resident) in Ireland for Irish tax purposes will have no liability to Irish income tax or capital gains tax in respect of their Shares.

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 (on a self-assessment basis) in respect of the Shares. Explanations of the terms 'resident' and 'ordinarily resident' are set out at the end of this summary.

### **Taxation of Irish Shareholders**

Shareholders who are resident (or ordinarily resident) in Ireland for Irish tax purposes will be obliged to account (on a self-assessment basis) for any Irish tax due arising on distributions, redemptions and disposals (including deemed disposals where Shares are held for eight years) in respect of the Shares. For Shareholders who are individuals, the applicable Irish tax rate is currently 41%. For Shareholders who are companies (other than dealers in securities), the applicable Irish tax rate is currently 25%.

### **Irish 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.

### **Irish Gift & Inheritance Tax**

Irish capital acquisitions tax (at a rate of 33%) could apply to gifts or inheritances of the Shares (irrespective of the residence or domicile of the donor or donee) because the Shares could be treated as Irish situate assets. However, any gift or inheritance of Shares will be exempt from Irish capital acquisitions tax once:

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

### **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:

- (A) 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
- (B) 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 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:

- (A) spends 183 days or more in Ireland in that calendar year; or
- (B) 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 2022 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2025.

#### *Meaning of “Intermediary”*

An “intermediary” means a person who:

- (A) 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
- (B) holds units in such an investment undertaking on behalf of other persons.

**Potential investors who are in any doubt as to their tax position should consult their own independent tax advisors as to the Irish or other tax consequences of the purchase, ownership and disposal of Shares. In addition, investors should be aware that tax regulations and their application or interpretation by the relevant tax authorities’ change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.**

#### **Automatic Exchange of Information for International Tax Compliance**

In order to comply with the legislation implementing applicable legal obligations including those under various intergovernmental agreements and EU directives relating to the automatic exchange of information to improve international tax compliance (including but not limited to, the United States provisions commonly known as FATCA (the Foreign Account Tax Compliance Act) and the OECD Common Reporting Standard (“CRS”), the Fund (or its agent) will collect and report information about Shareholders for this purpose, including information to verify their identity and tax status, to the relevant authorities.

In addition: (i) the Fund is responsible for the processing of personal data in accordance with FATCA and CRS; (ii) the relevant personal data will only be processed for the purposes of FATCA and CRS, or as otherwise set out in this Prospectus or the Fund’s privacy policy; (iii) the personal data may be communicated to the Revenue Commissioners; (iv) responding to FATCA-related and CRS questions is mandatory; and (v) the investor has a right of access to and rectification of the data communicated to the Revenue Commissioners.

The Fund reserves the right to refuse any application for Shares if the information provided by a potential investor does not satisfy the requirements under CRS.

The Fund is a reporting financial institution and will comply with these Irish laws.

When requested to do so by the Fund or its agent, Shareholders must provide information including tax certifications. All Shareholders that are Reportable persons (and Controlling Persons of certain entities that are Passive Non-Financial Entities) under the various applicable rules will be reported to the relevant tax authority and by that tax authority, to any relevant overseas tax authorities.

Additionally, US persons, US citizens and US tax residents are subject to reporting to the United States Internal Revenue Service (IRS) and may be subject to US withholding taxes.

### **Other Jurisdictions**

Income and capital gains received by the Fund from sources outside Ireland may give rise to withholding or other taxes imposed by other jurisdictions. Prospective applicants for Shares should consult their own advisers as to the particular tax consequences of their proposed investment in the Fund. The receipt of dividends (if any) by Shareholders, the redemption, redesignation or transfer of Shares and any distribution on a winding-up of the Fund may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the relevant Sub-Fund. The Directors, the Fund and each of the Fund's agents shall have no liability in respect of the individual tax affairs of Shareholders.

The tax and other matters described in this Prospectus do not constitute, and should not be considered as, legal or tax advice to prospective investors. Prospective investors should consult legal and tax advisors in the countries of their citizenship, residence and domicile to determine the possible tax or other consequences of purchasing, holding and redeeming shares under the laws of their respective jurisdictions.

## GENERAL AND STATUTORY INFORMATION

*The information in this section includes a summary of some of the provisions of the Instrument and material contracts described below and is provided subject to the general provisions of each of such documents.*

### The Fund

The Fund was registered with limited liability in Ireland on 24 August 2023 as an Irish Collective Asset-management Vehicle under the provisions of the ICAV Act with registration number C521236. The sole object of the Fund is the collective investment in either or both transferable securities and other liquid financial assets referred to in Regulation 68 of the UCITS Regulations of capital raised from the public and which operates on the principle of risk spreading.

The Fund is authorised by the Central Bank as a UCITS pursuant to the UCITS Rules.

### Share capital of the Fund

As of the date of this Prospectus the authorised share capital of the Fund is two Founder Shares of €1 each and 1,000,000,000,000 shares of no par value initially designated as unclassified shares and available for issue as Shares. The Founder Shares do not participate in the assets of the Fund. The maximum issued share capital of the Fund shall not be more than 100,000,000,005 shares of no par value. All Shares have voting rights. There are no restrictions on the voting rights attached to any Shares.

The Directors are empowered to issue Shares on such terms as they may think fit. There are no rights of pre-emption exercisable by existing investors upon a new issue of Shares. Shares shall be issued at the Subscription Price during the Initial Offer Period or as at the relevant Dealing Day (plus any applicable duties and charges where applicable).

Each of the Shares entitles the investor to participate equally on a *pro rata* basis in the dividends and net assets of the relevant Sub-Fund attributable to the relevant Class in respect of which they are issued, save in the case of dividends declared prior to becoming an investor. The Founder Shares' entitlement is limited to the amount subscribed.

The proceeds from the issue of Shares shall be applied in the books of the relevant Sub-Fund and shall be used for the acquisition of the relevant Sub-Fund's investments and the payment of the running costs of the relevant Sub-Fund.

The Directors reserve the right to re-designate any Class from time to time, provided that Shareholders in that Class shall first have been notified by the Fund that the Shares will be re-designated and shall have been given the opportunity to redeem their Shares, except that this requirement shall not apply where the Directors re-designate Shares in issue in order to facilitate the creation of an additional Class.

Where a Class of Shares is denominated in a currency other than the Base Currency of a Sub-Fund, that Class may be hedged or unhedged as disclosed in the relevant Supplement for the relevant Class.

Where a Class of Shares denominated in such other currency is to be unhedged, a currency conversion will take place on subscription, redemption, switching and distributions at prevailing exchange rates. The value of the Shares expressed in the Class currency will be subject to exchange rate risk in relation to the Base Currency.

Each of the Shares entitles the holder to attend and vote at meetings of the Fund and the relevant Sub-Fund. No Class confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other Class or any voting rights in relation to matters relating solely to any other Class.

Any resolution to alter the Class rights of the Shares requires the approval in writing of all of the holders of the Shares or the approval of three quarters of Shareholders, by value, represented or present and voting at a general meeting duly convened in accordance with the Instrument.

The Instrument empowers the Directors to issue fractional Shares. Fractional Shares may be issued and shall not carry any voting rights at general meetings of the Fund, a Sub-Fund or Class and the Net Asset Value of any fractional Share shall be the Net Asset Value per Share adjusted in proportion to the fraction.

The Founder Shares entitle the holders holding them to attend and vote (in certain circumstances) at all meetings of the Fund but do not entitle the holders to participate in the dividends or net assets of the Fund or any Sub-Fund.

Separate records shall be maintained in respect of each Class.

#### Reports and Accounts

The year-end of the Fund and each Sub-Fund is 31 December in each year. Each Sub-Fund will prepare an annual report and audited accounts as of 31 December in each calendar year and a semi-annual report and unaudited accounts as of 30 June in each year.

The initial audited accounts shall be made up to 31 December 2024 and the initial half-yearly accounts shall be made up to 30 June 2024.

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

The audited annual report and accounts will be published within four months of the financial year-end and its semi-annual report will be published within two months of the end of the half-year period and in each case will be offered to subscribers before conclusion of a contract and supplied to Shareholders free of charge on request and will be available to the public at the office of the Administrator.

The Directors may send such reports and accounts electronically to Shareholders in accordance with the UCITS Rules. See the section "Documents available" below.

#### Change in share capital

The Fund may, by ordinary resolution, alter its share capital by consolidating, re-designating and/or dividing its share capital into shares of larger amount than its existing shares, subdividing its shares into shares of smaller amount than that fixed by the Instrument, or by cancelling any shares which, at the date of such ordinary resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

For so long as the share capital is divided into different Classes of Shares, the rights attached to any Classes of Shares may be varied by consent in writing of holders of not less than three

quarters of the issued Shares of that Class of Shares or with the sanction of a special resolution (a three quarters majority of votes cast) passed at a general meeting of the holders of the Shares of that Class of Shares.

### Transfer of Shares

Subject to the restrictions set out in this section and under "Subscriptions" above, Shares are transferable by written instrument of transfer signed by (or in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor and containing the name and address of the transferor and the transferee. The instrument of transfer shall be in such form as the Directors approve.

In the case of the death of any one of joint Shareholders, the survivor(s) will be the only person or persons recognised by the Fund as having any title to the interest of the deceased joint Shareholder in the Shares registered in the names of such joint Shareholders.

Shareholders wishing to transfer Shares must sign the transfer in the exact name or names in which the Shares are registered, indicate any special capacity in which they are signing and supply all other required details. The completed form of transfer, duly stamped if applicable, together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and the eligibility of the transferee to become a Shareholder, must be sent to the Administrator. The transfer shall take effect upon the registration of the transferee in the register of members. If the transferee is not already a Shareholder, the transferee will be required to complete an Application Form.

The Directors may decline to register a transfer of Shares without giving any reason therefor.

Transfers of Shares will generally be treated for the purposes of the performance fee as a redemption of, and a simultaneous subscription for, Shares of the relevant Class and/or Sub-Fund, unless the Directors otherwise determine. Accordingly, transfers of Shares will generally result in the crystallisation of any performance fee accrued in respect of the relevant Shares, with such performance fee being payable in accordance with the procedures set out in the paragraph headed "Performance Fee" in the section entitled "Fees and Expenses" in the relevant Supplement, unless the Directors otherwise determine.

### Hedged Classes

Where a Class of a Sub-Fund is designated as "hedged" in the relevant Supplement, the Fund shall enter into certain currency related transactions in order to mitigate the exchange rate risk between the Base Currency of a Sub-Fund and the currency in which Shares in a class of the relevant Sub-Fund are designated where that designated currency is different to the Base Currency of the Sub-Fund

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

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

Where there is more than one hedged Class in a Sub-Fund denominated in the same currency (which is a currency other than the Base Currency of the relevant Sub-Fund) and it is intended

to hedge the foreign currency exposure of such Classes into the Base Currency of the relevant Sub-Fund, any costs related to such hedging along with all gains/losses which may be made by any Class of any Sub-Fund as a result of such hedging transactions shall accrue to the relevant Class of Shares.

Where the Fund seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Fund. However, over-hedged positions will not exceed 105% of the Net Asset Value of the Class and under-hedged positions shall not fall short of 95% of the portion of the Net Asset Value of the Class which is hedged against currency risk taking into account net subscriptions and redemptions applicable to the relevant Dealing Day. Hedged positions will be kept under review to ensure that under-hedged positions do not fall short of 95% and over-hedged positions do not exceed 105% of the Net Asset Value of a hedged Class. This review will also incorporate a procedure to ensure that under-hedged positions and positions materially in excess of 100% of the Net Asset Value of the Class will not be carried forward from month to month.

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

The currency hedging strategy will be monitored and adjusted in line with the valuation cycle at

which investors are able to subscribe to and redeem from the relevant Sub-Fund.

#### Distribution Policy

The Directors intend to declare a dividend in respect of the Classes of the Sub-Funds as set out in the relevant Supplement (the "Distributing Classes"). For all Classes that are not Distributing Classes, the relevant Sub-Fund's income and capital gains will be reinvested in accordance with the investment objectives and investment policies of the relevant Sub-Fund.

The Directors intend to declare dividends in accordance with the distribution frequency as set out in the relevant Supplement for each Sub-Fund which has Distributing Classes.

Save as may be otherwise set out in the relevant Supplement, dividends for the Distributing Classes may, at the sole discretion of the Directors, be paid from a Sub-Fund's net income and/or realised and unrealised capital gains net of realised and unrealised losses. Dividends will be paid in cash by telegraphic transfer to the account of the Shareholder specified in the application form or, in the case of joint holders, to the name of the first Shareholder appearing on the register within one month of their declaration and in any event within four months of the year end.

Shareholders should note that certain Sub-Funds, as set out in the relevant Supplement, may charge all/part of their fees and expenses to the capital of the Sub-Fund. Where a Sub-Fund that intends to pay dividends from its net income charges its fees and expenses to capital, the net income available for distribution will in practice be a gross rather than net income figure. Gross income shall generally consist of interest, dividends and other investment income less withholding and other taxes or adjustments as applicable.

**Shareholders should note that, where set out in the relevant Supplement, distributions may be payable out of the capital of each Sub-Fund. The payment of distributions out of capital may result in the erosion of capital notwithstanding the performance of such Sub-Fund. As a result, distributions may be achieved by foregoing the potential for future capital growth and this cycle may continue until all capital is depleted. Distributions out of capital may have different tax implications to distributions of**

**income or gains and investors should seek advice from their professional advisers in this regard. The rationale for providing for the payment of distributions out of capital is to allow each Sub-Fund the ability to maximise the amount distributable to investors who are seeking a higher distribution paying Class.**

The Fund is not obliged to communicate an expected dividend rate per Share to Shareholders and prospective investors, and although it may choose to do so from time to time, investors should note that any such rate may vary with market conditions. There can be no guarantee that any rate will be achieved, and in the event that there is insufficient distributable income, gains or capital in the relevant Sub-Fund to meet a specific level, investors in such Sub-Fund may receive no distribution or a lower level distribution.

Any dividend which is unclaimed six years from the date it became payable shall be forfeited and become the property of the relevant Sub-Fund.

The Directors may satisfy any dividend due to Shareholders in whole or in part by distributing to them *in specie* any of the assets of the relevant Sub-Fund, and in particular any investments to which the relevant Sub-Fund is entitled. A Shareholder may require the Fund instead of transferring any assets *in specie* to him, to arrange for a sale of the assets and for payment to the Shareholder of the net proceeds of same. The Fund will be obliged and entitled to deduct an amount in respect of Irish taxation from any dividend payable to a Shareholder in any Sub-Fund who is or is deemed to be an Irish Resident and pay such sum to the Revenue Commissioners.

Pending payment to the relevant Shareholder, distribution payments will be held in an account in the name of the Fund and will be treated as an asset of the Fund until paid to that Shareholder and will not benefit from the application of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers (as may be amended from time to time) (i.e. the distribution monies in such circumstance will not be held on trust for the relevant Shareholder). In such circumstance, the Shareholder will be an unsecured creditor of the relevant Sub-Fund with respect to the distribution amount held by the Fund until paid to the Shareholder and the Shareholder entitled to such distribution amount will be an unsecured creditor of the Fund.

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

The distribution policy for each Sub-Fund is set out in the relevant Supplement. In the event that it is proposed to change the distribution policy for a Sub-Fund, full details will be provided in the relevant Supplement and Shareholders will be notified in advance.

### Cash Accounts

In connection with the processing of subscriptions, redemptions, distributions or other relevant payments to or from investors, the Fund may establish or operate a specific cash account in respect of each Sub-Fund, opened in its name, for each currency in which Shares are denominated. No investment or trading will be effected on behalf of the relevant Sub-Fund in respect of the cash balances on such accounts. Any balances on such accounts shall belong to the relevant Sub-Fund and are not held on trust on behalf of any investors or any other persons.

Cash subscriptions received in advance of the relevant Dealing Day will be held as an asset in cash in the relevant Sub-Fund cash account until that Dealing Day, following which the Shares will be issued and the applicant will become a Shareholder. In respect of such subscription proceeds and until such time as Shares have been issued to the applicant, in the event of the Fund becoming insolvent, the applicant will rank as a general unsecured creditor of the relevant Sub-Fund in respect of such subscription proceeds.

Should the Fund be unable to issue Shares to an applicant who has paid the requisite subscription amount to the Fund but has yet to provide the Fund or the Administrator with all requisite information or documentation in order to verify the applicant's identity, the Administrator shall ensure that in the event that such subscription proceeds cannot be applied, they will be returned to the relevant applicant without interest as soon as reasonably practicable, in accordance with and subject to applicable laws.

In respect of a dividend declared and payable to an investor that is unable to be paid for any reason whatsoever, such as, for example, if the relevant investor has not provided the requisite information or documentation to the Fund or the Administrator, such dividend amount may be held as an asset of the relevant Sub-Fund in cash in a cash account until such time as the reason for the relevant Sub-Fund or the Administrator being unable to pay the dividend amount has been addressed, at which point the Fund or the Administrator shall pay the dividend amount to the investor. In this regard, the relevant investor should seek to promptly address the reason for the Fund or the Administrator being unable to pay the dividend amount to the relevant investor. Until such time as such dividend amount has been paid to a Shareholder, in the event of the Fund becoming insolvent, the Shareholder will rank as a general unsecured creditor of the Fund in respect of such a dividend amount.

In respect of a redemption request, the Fund or the Administrator may refuse to remit the redemption proceeds until such time as the investor has provided the requisite information or documentation to the Fund or the Administrator, as requested by the Fund or the Administrator from time to time. In such circumstances, the Administrator will nevertheless process the redemption request (and from the Dealing Day the Shareholder will no longer be considered a shareholder of the relevant Sub-Fund ) but the proceeds of that redemption will be held as an asset of the relevant Sub-Fund in cash in a cash account until such time as the Fund or the Administrator has received all requisite information or documentation and has verified the investor's identity to its satisfaction, following which the redemption proceeds will be released. In this regard, the relevant investor should seek to promptly address the reason for the Fund or the Administrator being unable to pay the redemption proceeds to the relevant investor. In respect of such compulsory redemption proceeds that are unable to be paid and until such time as the redemption proceeds have been released to the Shareholder, in the event of the Fund becoming insolvent, the Shareholder will rank as a general unsecured creditor of the Fund in respect of such redemption proceeds. The Fund may cancel Shares or seek recovery, including any relevant credit charges, from investors who fail to pay subscription proceeds within the stated settlement period. Where this situation arises, the Net Asset Value of the relevant Sub-Fund may be negatively impacted.

#### Publication of prices

The most recent Net Asset Value per Share and the issue and repurchase process of the Shares on each Dealing Day and Dealing Day is/are available from the Administrator on request. The Net Asset Value per Share may also be published in such other publications as the Directors may determine in the jurisdictions in which the Shares are offered for sale and updated following each calculation of the Net Asset Value per Share.

The Net Asset Value of the relevant Sub-Fund, the Net Asset Value per Share, together with details of the historical performance of the relevant Sub-Fund, will be sent to Shareholders by the Administrator on request.

#### Notification of change of investor status

Shareholders are required to notify the Fund and the Administrator immediately in writing if at any time they become US Persons, hold Shares for the account or benefit of US Persons or if they become a Benefit Plan Investor as defined under ERISA or an Ineligible Applicant.

Any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer or, where possible, redeem his Shares shall indemnify and hold harmless each of the Directors, the Fund, the Manager, the relevant Investment Manager, the Administrator, the Depositary and the Shareholders (each an "Indemnified Party") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

#### Retirement of Directors

There is no provision for the retirement of Directors on their attaining a certain age and the Instrument does not provide for retirement of Directors by rotation.

#### Meetings

The Directors may convene meetings of the Fund at such time and in such manner and place as the Directors consider necessary or desirable, and they shall convene such a meeting upon the written request of Shareholders holding 10 per cent or more of the issued Shares carrying the right to vote on the relevant matter. At least 14 clear days' notice specifying the place, day and time of the meeting and the general nature of the business to be transacted shall be given. No business shall be transacted at any meeting of Shareholders unless a quorum is present. A quorum shall (if the Fund has more than one Shareholder) consist of at least two Shareholders (present in person, by proxy or authorised corporate representative, as the case may be) entitled to attend and vote at the meeting, provided always that if the Fund has one such Shareholder of record the quorum shall be that one Shareholder present in person, by proxy or authorised corporate representative, as the case may be. If within 30 minutes from the time appointed for the meeting a quorum is not present, or if during such a meeting a quorum ceases to be present, the meeting, if convened upon the request of the Shareholders, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week. If at such adjourned meeting a quorum is not present within thirty minutes from the time appointed for the meeting, the Shareholders present shall be a quorum.

Shares carry voting rights. The vote of the person first named in the register of members shall be accepted as the vote of joint Shareholders, to the exclusion of the votes of the other joint holders. Votes may be cast in person or by proxy.

#### Indemnity

The Directors and other officers of the Fund are entitled to be indemnified by the Fund from the assets of the relevant Sub-Fund against all expenses (including legal fees), losses or liabilities which they sustain or incur in or about the execution of their duties, provided that such Director or other officer acted honestly and in good faith with a view to the best interests of the Fund and had no reasonable cause to believe that his conduct was unlawful. The determination of

the Directors in this respect is, in the absence of fraud, negligence or wilful default, conclusive unless a question of law is involved. The Directors and other officers of the Fund are entitled to be indemnified by the Fund on the same basis against expenses, losses or liabilities sustained or incurred by them in or about the execution of their duties.

### Other Service Providers

#### *Auditor*

The Fund has entered into an engagement letter with EY, the Fund's statutory auditors, whereby the Auditor agrees to provide annual audit services to the Fund and to audit the Fund's annual financial statements.

#### *Legal Advisers*

Simmons & Simmons LLP is legal adviser to the Fund and as to matters of Irish law. In connection with the offering of Shares and subsequent advice to the Fund and, where applicable, an Investment Manager, none of Simmons & Simmons LLP has been representing or will represent investors in the Fund in that capacity.

#### *Secretary*

Simmons & Simmons Corporate Services Limited is secretary to the Fund.

#### *Counterparties, Brokers and Execution and Settlement Agents*

A list of each Sub-Fund's trading counterparties, brokers and execution and settlement agents is available from the relevant Investment Manager. When selecting trading counterparties, the Fund may take into account such criteria as it determines to be appropriate, including but not limited to legal status, country of origin and credit rating. None of the Fund's trading counterparties is a related party to any Investment Manager or its affiliates.

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

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

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

Investors who do not themselves wish to be registered as Shareholders may use the services of a nominee. Where Shares are held through a nominee, those underlying investors who avail

of the services of such nominee may be obliged to pay a fee directly to it in relation to the subscription, repurchase or conversion of Shares, details of which should be provided by the nominee.

### Material contracts

The following contracts, details of which are set out in this Prospectus, have been entered into by the Fund and are, or may be, material:

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

The Manager 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 Manager shall not be liable for any decline in the value of the Investments of the Fund or any Sub-Fund or any part thereof to the extent that such decline results from any investment decision made by the Manager in good faith unless such decision was made negligently, fraudulently, in bad faith or with wilful default.

Neither the Manager 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 Manager 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 of or by the Manager in the performance of its duties under the Management Agreement.

The Fund shall be liable and shall indemnify and keep indemnified and hold harmless the Manager (and each of its directors, officers, employees, delegates and agents) 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 Manager (or any of its directors, officers, employees, delegates 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 Manager in the performance of its duties under the Management Agreement or as otherwise may be required by law.

The Manager 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 Manager under the Management Agreement to any person approved by the Directors and the Central Bank on such terms and conditions as agreed between the Fund and the Manager, provided that any such delegation or sub-contract shall terminate automatically on the termination of the Management Agreement. The Manager's liability to the Fund shall not be affected by the fact that the Manager has delegated all or any part of its function set out in the UCITS Rules 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 Agreement or commits persistent breaches of the 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 Agreement; (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); (vii) is the subject of a court order for its winding up or liquidation; or (viii) ceases to be appropriately regulated in the jurisdiction of its registered office for the proper performance of the Management Agreement. 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.

2. An Administration Agreement dated 1 May 2024 between the Fund, the Manager and the Administrator under which the latter was appointed as administrator to administer the affairs of the Fund subject to the overall supervision of the Directors. The Administration Agreement provides that the appointment of the Administrator will continue in force for an initial term of 3 years unless terminated by either party, with or without cause, after the expiration of the Initial Term by giving at least one hundred and eighty (180) consecutive calendar days' written notice. Either party may terminate the Administration Agreement with cause on at least thirty (30) days' written notice to the other party if the other party has materially breached any of its obligations under the Administration Agreement. In certain circumstances the agreement may be terminated immediately by either party; the Administration Agreement contains certain indemnities in favour of the Administrator but which exclude matters arising by reason of the fraud, wilful default or negligence of the Administrator in the performance of its obligations and duties.
3. A Depositary Agreement dated 1 May 2024 among the Fund, the Manager and the Depositary under which the Depositary was appointed as depositary of the Fund's assets subject to the overall supervision of the Directors. The Depositary Agreement provides that the appointment of the Depositary will continue in force unless terminated by either party giving at least one hundred and eighty (180) prior written notice although in certain circumstances the Depositary Agreement may be terminated immediately by the Fund or the Depositary provided that the appointment of the Depositary shall continue in force until a replacement Depositary approved by the Central Bank has been appointed and provided further that if within a period of one hundred and eighty (180) days from the date on which the Depositary notifies the Fund of its desire to retire or from the date on which the Fund notifies the Depositary of its intention to remove the Depositary, no replacement Depositary shall have been appointed, the Fund shall convene in an extraordinary general meeting of the Shareholders at which there shall be proposed an ordinary resolution to wind up the Fund. The Depositary Agreement contains certain indemnities in favour of the Depositary but which exclude matters arising by reason of the negligent or intentional failure of the Depositary in the performance of its duties.

Under the terms of the Depositary Agreement, the Fund has agreed to indemnify the Depositary (including its officers, servants and delegates) against all actions, proceedings and claims (including claims of any person purporting to be the beneficial owner of any part of the investments) and against all costs, demands and expenses (including legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Depositary by reason of the performance or non-performance of the Depositary's duties under the terms of the Depositary Agreement or from the fact that the investments are registered in the name of or held by the Depositary or its nominees or agents, save where and to the extent that any such actions, proceedings, claims, costs, demands or expenses arise as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations or any loss for which the Depositary is liable in accordance with the Depositary Agreement.

#### Winding Up

The Fund may voluntarily commence to wind up and dissolve by special resolution.

#### Documents available

Copies of the Prospectus, the Instrument and the most recent financial statements of the Fund may be obtained, free of charge, upon request at the registered office of the Fund.

#### List of Sub-Funds

As at the date of this Prospectus, the Fund has one Sub-Fund, the CO Eurizon SLJ EM Bond Strategic Income UCITS ETF.

Additional Sub-Funds may be established with the prior approval of the Central Bank.

## DEFINITIONS

<u>“1933 Act”</u>	the United States Securities Act of 1933, as amended.
<u>“1940 Act”</u>	the United States Investment Company Act of 1940, as amended.
<u>“Administrator”</u>	Citibank Europe plc, or any other person from time to time appointed as the administrator of the Fund.
<u>“Anti-Money Laundering and Counter Terrorist Financing Legislation”</u>	the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 to 2018, as may be further amended, supplemented, consolidated or replaced from time to time together with any guidance notes issued pursuant thereto.
<u>“Application Form”</u>	the application form to be completed by each prospective investor for the subscription for Shares in a Sub-Fund as prescribed by the Fund from time to time.
<u>“Auditor”</u>	EY, or any other person or firm from time to time appointed as the auditor of the Fund.
<u>“Authorised Participant”</u>	an entity or person authorised by the Fund for the purposes of subscribing for and redeeming Creation Units in an ETF Sub-Fund or an ETF Class.
<u>“Benefit Plan Investors”</u>	pension and profit-sharing plans maintained by US corporations and/or unions, US individual retirement accounts and Keogh plans, entities that invest the assets of such accounts or plans and other entities investing US benefit plan assets.
<u>“Bond Connect”</u>	means the initiative for mutual bond market access between Hong Kong and the PRC.
<u>“Business Day”</u>	such day or days as the Directors may from time to time determine in respect of a Sub-Fund as outlined in the relevant Supplement or as otherwise notified to Shareholders in advance.
<u>“Cash Component”</u>	means in relation to any ETF Sub-Fund or ETF Class the amount of cash required to equalize any differences between the value of the securities set out in the Portfolio Composition File and the Net Asset Value for each Creation Unit (being the Net Asset Value per Share multiplied by the number of Shares in a Creation Unit). Ordinarily the Cash Component will be the same for subscriptions and redemptions; however it may be different in cases in which the Portfolio Composition File is different for subscriptions and redemptions on a given day for one or more Sub-Funds.
<u>“Cash Transaction Fee”</u>	the fee payable by an Authorised Participant where Shares are subscribed or redeemed for cash, as disclosed in the Portfolio Composition File, in the currency specified in the relevant Supplement.

<u>“Central Bank”</u>	the Central Bank of Ireland or any successor regulatory authority with responsibility for authorisation and supervision of the Fund.
<u>“Central Securities Depository”</u>	means the operator of a Securities Settlement System.
<u>“China Interbank Bond Market”</u>	the Mainland China interbank bond markets.
<u>“CIBM Initiative”</u>	the regime for foreign institutional investors to invest in the China Interbank Bond Market.
<u>“CIS”</u>	a UCITS or other collective investment undertaking which is prohibited from investing more than 10% of its assets in other such collective investment schemes.
<u>“CFTC”</u>	the Commodity Futures Trading Commission of the United States.
<u>“Class”</u>	the class or classes of Shares relating to a Sub-Fund where specific features with respect to preliminary, exchange or redemption, minimum subscription amount, distribution policy, investor eligibility criteria, voting rights or other specific features may be applicable. The details applicable to each Class will be described in the relevant Supplement.
<u>“CMU”</u>	the Central Moneymarkets Unit, an organisation established by the Hong Kong Monetary Authority to provide CMU members with securities transfer services.
<u>“Code”</u>	the United States Internal Revenue Code of 1986, as amended.
<u>“Creation Unit”</u>	for each Sub-Fund and as specified in the relevant Supplement, the pre-determined number of Shares which must be subscribed for or redeemed when subscribing or redeeming in specie or in cash.
<u>“Data Protection Legislation”</u>	the EU data protection regime introduced by the General Data Protection Regulation (Regulation 2016/679).
<u>“Dealing Day”</u>	such day or days as the Directors may from time to time determine in respect of a Sub-Fund as outlined in the relevant Supplement or as otherwise notified to Shareholders in advance provided there is at least two Dealing Days per month at regular intervals in respect of each Sub-Fund.
<u>“Dealing Deadline”</u>	in relation to applications for subscription, redemption or exchange of Shares in a Sub-Fund, the day and time as specified in the Supplement for the relevant Sub-Fund.

<u>“Dematerialised Form”</u>	Shares the title to which is recorded as being in uncertificated form and which may be transferred by means of a computer based settlement system in accordance with the Companies Act 1990 (Uncertificated Securities) Regulations, 1996 (of Ireland).
<u>“Depositary”</u>	Citi Depositary Services Ireland Designated Activity Company, or any other person from time to time appointed as a depositary of the Fund.
<u>“Depositary Receipts”</u>	means an equity-related security which evidences ownership of underlying securities. Depositary Receipts may include American Depositary Receipts (ADRs), European Depositary Receipts (EDRs), Global Depositary Receipts (GDRs) or Non-Voting Depositary Receipts (NVDRs), which are receipts issued in Thailand that evidence a similar arrangement.
<u>“Directors”</u>	the members of the board of directors of the Fund for the time being and any duly constituted committee thereof and any successors to such members as may be appointed from time to time.
<u>“EEA”</u>	the European Economic Area.
<u>“EEA Member State”</u>	a member state of the EEA.
<u>“Eligible Counterparty”</u>	a counterparty to over the counter derivatives with which a Sub-Fund may trade and belonging to one of the categories approved by the Central Bank which, at the date of this Prospectus, comprise the following: <ol style="list-style-type: none"> <li>1. a Relevant Institution;</li> <li>2. an investment firm, authorised in accordance with MiFID; or</li> <li>3. a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States where that group company is subject to bank holding company consolidated supervision by the Federal Reserve of the United States.</li> </ol>
<u>“Eligible Market”</u>	means any recognised exchange or market listed or referred to in Appendix 3 or such other markets as the Directors may from time to time determine in accordance with the regulatory criteria as defined in the UCITS Rules.
<u>“ERISA”</u>	the United States Employee Retirement Income Security Act of 1974, as amended.
<u>“ETF Class”</u>	an exchange traded Class of an ETF.

<u>“ETF Sub-Funds”</u>	any Sub-Fund at least one Share Class of which is traded throughout the day on at least one regulated market or multilateral trading facility with at least one market maker which takes action to ensure that the stock exchange value of its units does not vary significantly from its Net Asset Value and, where applicable, from its indicative Net Asset Value.
<u>“EU”</u>	the European Union.
<u>“Euronext Dublin”</u>	means The Irish Stock Exchange plc trading as Euronext Dublin.
<u>“FATCA”</u>	(a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance; (b) any intergovernmental agreement, treaty, regulation, guidance or other agreement between the government of Ireland (or any Irish government body) and the U.S., UK or any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement, implement or give effect to the legislation, regulations or guidance described in paragraph (a) above; and (c) any legislation, regulations or guidance in Ireland that give effect to the matters outlined in the preceding paragraphs.
<u>“Founder Shares”</u>	founder shares of no par value in the Fund.
<u>“Framework Regulation”</u>	the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment as may be further amended, consolidated or substituted from time to time.
<u>“Fund”</u>	Connect ETFs ICAV.
<u>“Green Bonds”</u>	any bond issued in line with Green Bond Principles and whose issuers have publicly disclosed their external review reports, or who have completed the relevant templates or forms, in accordance with the recommendations of the Green Bond Principles.
<u>“Green Bond Principles”</u>	the framework developed and published by the International Capital Markets Association as voluntary guidance to bond market participants for the issuance of Green Bonds. The Green Bond Principles seek to support issuers in financing environmentally sound and sustainable projects that foster a net-zero emissions economy and protect the environment. The Green Bond Principles are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond market by clarifying the approach for issuance of a Green Bond. Further detail regarding the Green Bond Principles may be found at: <a href="https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles_June-2022-280622.pdf">https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles_June-2022-280622.pdf</a> .
<u>“ICAV”</u>	an Irish Collective Asset-management Vehicle established pursuant to the ICAV Act.

<u>“ICAV Act”</u>	the Irish Collective Asset-management Vehicles Act 2015, as may be amended, supplemented or replaced from time to time, including any regulations made by ministerial order thereunder and any conditions imposed thereunder by the Central Bank.
<u>“Index”</u>	an index of securities or other assets which a Sub-Fund may aim to track, replicate or outperform, pursuant to its investment objective and in accordance with its investment policies, as specified in the relevant Supplement.
<u>“Index Securities”</u>	the securities that constitute each Index.
<u>“Initial Offer Period”</u>	the period as set out in the section of this Prospectus entitled “Subscriptions”.
<u>“In Specie Transaction Fee”</u>	the fee amount payable by an Authorised Participant in the currency specified in the relevant Supplement for subscriptions or redemptions in specie.
<u>“Instrument”</u>	the instrument of incorporation of the Fund as may be amended from time to time in accordance with the requirements of the Central Bank.
<u>“Investment Management Fee”</u>	the investment management fee payable out of the assets of the relevant Sub-Fund to the relevant Investment Manager.
<u>“Legal Adviser”</u>	as to Irish law, Simmons & Simmons LLP as well as any other person or firm from time to time appointed as a legal adviser of the Fund.
<u>“Listing Stock Exchange”</u>	means any or all of Euronext Dublin, the London Stock Exchange, Xetra, SIX Swiss Exchange, Borsa Italiana, Euronext Amsterdam, Euronext Paris, Stock Exchange of Hong Kong, Singapore Exchange Limited, and any further exchanges determined by the Directors from time to time.
<u>“Mainland China”</u>	means all customs territory of the PRC.
<u>“Manager”</u>	Carne Global Fund Managers (Ireland) Limited or any other person or firm from time to time appointed as the manager of the Fund.
<u>“Management Agreement”</u>	the management agreement between the Fund and the Manager.
<u>“Management Fee”</u>	the management fee payable by the Fund to the Manager.
<u>“MiFID”</u>	the Markets in Financial Instruments Directive (Directive 2004/39/EC) as may be amended, modified or replaced from time to time.
<u>“Minimum Additional Investment”</u>	such minimum cash amount or minimum number of Shares as the case may be (if any) as the Directors may from time to time require to be invested in any Sub-Fund by each Shareholder (after investing the Minimum Initial Investment) as specified in the Supplement.

<u>“Minimum Holding”</u>	such minimum number or minimum value of Shares of any Class as the case may be (if any) which must be held at any time by a Shareholder as specified in the relevant Supplement.
<u>“Minimum Initial Investment”</u>	such minimum initial cash amount or minimum number of Shares as the case may be (if any) as the Directors may from time to time require to be invested by each Shareholder as its initial investment in any Sub-Fund as specified in the relevant Supplement for the relevant Sub-Fund, or such lower amount as may be determined by the Directors from time to time.
<u>“Minimum Redemption Amount”</u>	such minimum cash amount or minimum number of Shares of any Class as the case may be (if any) as the Directors may from time to time prescribe as permitted to be redeemed by a Shareholder and as set out in the relevant Supplement.
<u>“Net Asset Value”</u>	the net asset value of a Sub-Fund, as the case may be, as determined in accordance with the Instrument.
<u>“Net Asset Value per Share”</u>	in respect of a Class, the Net Asset Value of the relevant Class divided by the number of Shares of the relevant Class in issue or deemed to be in issue.
<u>“Non-ETF Class”</u>	a Class of an ETF which is not exchange traded.
<u>“Non-United States Person”</u>	(i) a natural person who is not a resident of the United States, (ii) a partnership, corporation or other entity other than an entity organised principally for passive investment (in respect of which clause (iv) applies), organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction, (iii) an estate or trust, the income of which is not subject to United States income tax regardless of source, (iv) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by persons who do not qualify as Non-United States Persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity and that such entity was not formed principally for the purpose of facilitating investment by persons which do not qualify as Non-United States Persons in a commodity pool with respect to which the commodity pool operator is exempt from certain requirements of Part 4 of the CFTC’s regulations by virtue of its participants being Non-United States Persons, and (v) a pension plan for employees, officers or principals of an entity organised and with its principal place of business outside the United States.
<u>“Performance Fee”</u>	any performance fee payable from a Sub-Fund to the relevant Investment Manager.
<u>“Portfolio Composition File”</u>	means the schedule prepared by the Administrator and made available on each Dealing Day for each Sub-Fund via one or more market data suppliers identifying each of the securities and the quantities thereof and, where relevant, the Cash Transaction Fee, and Cash Component which the Sub-Fund will expect to be delivered to it when one Creation Unit is subscribed for in specie, or delivered by it when one Creation Unit is redeemed in specie. Such schedule will also be available at the office of

the Administrator. Ordinarily the Portfolio Composition File will be the same for subscriptions and redemptions; however, in certain circumstances, it may be different for subscriptions and redemptions on a given day for one or more Sub-Funds. The Portfolio Composition File will comprise securities in which the Sub-Fund may invest in accordance with its investment objective, policies and restrictions.

<u>“Portfolio Deposit”</u>	the portfolio of securities, plus or minus (as the case may be) the Cash Component, to be delivered to the Sub-Fund in subscribing for one Creation Unit in specie or to be delivered by the Sub-Fund in redeeming one Creation Unit in specie.
<u>“Primary Market”</u>	the off-exchange market whereon Shares are created and redeemed directly with the Fund.
<u>“Recognised Clearing and Settlement System”</u>	any clearing system for the settlement of transactions designated by the Revenue Commissioners of Ireland as a recognised clearing system for the purposes of Chapter 1A of Part 27 of the Taxes Consolidation Act, 1997 which at the date hereof include Clearstream Banking SA, Clearstream Banking AG, Euroclear, CREST, National Securities Clearing System, Sicovam SA, SIS Segma Intersecttle AG and NECIGEF (Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.-the Dutch central institute for giro transferred securities).
<u>“Redemption Fee”</u>	the charge, if any, payable on the redemption of Shares as outlined in the relevant Supplement.
<u>“Redemption Price”</u>	the price per Share at which Shares of a Class are redeemed, as defined in the relevant Supplement.
<u>“Relevant Institutions”</u>	credit institutions authorised in an EEA Member State or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (which includes the United Kingdom), or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
<u>“Revenue Commissioners”</u>	means the Revenue Commissioners of Ireland.
<u>“SEC”</u>	the Securities and Exchange Commission of the United States and any successor body from time to time carrying out all or any part of the relevant functions thereof.
<u>“Secondary Market”</u>	a market on which ETF Classes of the Sub-Funds are traded between investors rather than with the Fund itself, which may take place on Euronext Dublin.
<u>“Securities Financing Transactions”</u>	repurchase agreements, reverse repurchase agreements, securities lending agreements and any other transactions within the scope of SFTR that a Sub-Fund is permitted to engage in.
<u>“Securities Settlement System”</u>	a system whose activity consists of the execution of orders to transfer the title to, or interest in, a security.

<u>“SFTR”</u>	regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time.
<u>“Service Providers”</u>	an Investment Manager, the Manager, the Administrator, the Depositary, the Auditor, the Legal Advisers, the Secretary and any other person from time to time appointed to provide services to the Fund and/or a Sub-Fund.
<u>“Shareholder”</u>	a person recorded as a holder of Shares in the Fund’s register of Shareholders.
<u>“Shares”</u>	shares in a Sub-Fund and/or shares of a Class in each case as set out in the relevant Supplement.
<u>“SHCH”</u>	means the Shanghai Clearing House, a financial market infrastructure approved and directed by the PBoC, is a Qualified Central Counterparty accepted by PBoC and also one of the central securities depositories in China.
<u>“Sub-Fund”</u>	means a sub-fund of the Fund the proceeds of issue of which are pooled separately in a segregated portfolio of assets and invested in accordance with the Investment Objective and Investment Policies applicable to such sub-fund as set out in the relevant Supplement and which is established by the Fund from time to time with the prior approval of the Central Bank.
<u>“Subscription Fee”</u>	the charge, if any, payable on the subscription of Shares as outlined in the relevant Supplement.
<u>“Subscription Price”</u>	the price per Share at which Shares of a Class are issued, as outlined in the relevant Supplement.
<u>“Supplement”</u>	any supplement to the Prospectus issued on behalf of the Fund in relation to a Sub-Fund from time to time.
<u>“Total Return Swap”</u>	a derivative (and a transaction within the scope of SFTR) whereby the total economic performance of a reference obligation is transferred from one counterparty to another counterparty.

<u>“Transferable Securities”</u>	<ul style="list-style-type: none"> <li>(i) shares in companies and other securities equivalent to shares in companies which fulfil the applicable criteria specified in Part 1 of Schedule 2 of the UCITS Regulations;</li> <li>(ii) bonds and other forms of securitised debt which fulfil the applicable criteria specified in Part 1 of Schedule 2 of the UCITS Regulations;</li> <li>(iii) other negotiable securities which carry the right to acquire any securities within (i) or (ii) above by subscription or exchange which fulfil the criteria specified in Part 1 of Schedule 2 of the UCITS Regulations; and</li> <li>(iv) securities specified for this purpose in Part 2 of Schedule 2 of the UCITS Regulations.</li> </ul>
<u>“Transfer Taxes”</u>	all stamp, transfer and other duties and taxes for which the Fund may be liable in relation to a Sub-Fund for receiving the requisite securities on a subscription for Creation Units or delivering the requisite securities on redemption of one or more Creation Units.
<u>“UCITS”</u>	an undertaking for collective investment in transferable securities.
<u>“UCITS Regulations”</u>	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2012 (S.I. No. 352 of 2011) of Ireland.
<u>“UCITS Rules”</u>	(i) the UCITS Regulations; (ii) the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 of Ireland and (iii) any Central Bank rules, guidance, principles, requirements and codes in respect of the Fund.
<u>“United States”</u> or <u>“US”</u>	the United States of America, its states, territories or possessions or an enclave of the United States government, its agencies or instrumentalities.
<u>“US Person”</u>	a person who is a “US person” within the meaning of the Code and within the meaning of Regulation S under the 1933 Act, and who is not a Non-United States Person.
<u>“US Tax-Exempt Investor”</u>	a “US person” within the meaning of the Code that is subject to ERISA or is otherwise exempt from payment of US federal income tax.
<u>“Valuation Point”</u>	the time with respect to which the Net Asset Value of a Sub-Fund is calculated as outlined in the relevant Supplement.
<u>“Valuation Policy”</u>	the valuation policy for each Sub-Fund.

In this Prospectus, all references to “Euro” and “€” are to the unit of the European single currency, all references to “Sterling” and “£” are to the currency of the UK, all references to “US Dollars” and “US\$” are to the currency of the United States and all references to CHF are to the currency of Switzerland.

In this Prospectus and each Supplement, unless otherwise defined, a reference to a named Class of Shares refers to a Class of Shares in the Fund or relevant Sub-Fund issued as Shares of the named Class.

## APPENDIX 1 – INVESTMENT RESTRICTIONS

<b>1</b>	<b>Permitted Investments</b>
<b>1.1</b>	Investments of a UCITS are confined to: Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of AIFs
<b>1.6</b>	Deposits with credit institutions
<b>1.7</b>	Financial derivative instruments
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
<b>2.2</b>	<p>Recently Issued Transferable Securities</p> <p>(1) Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply.</p> <p>(2) Paragraph (1) does not apply to an investment by a responsible person in US Securities known as “ Rule 144 A securities” provided that;</p> <p>(a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and</p> <p style="padding-left: 40px;">(b) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the UCITS.</p>
<b>2.3</b>	A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
<b>2.4</b>	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the UCITS.
<b>2.5</b>	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 a public international body of which one or more Member States are members.

2.6	The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
2.7	A UCITS shall not invest more than 20% of its assets in deposits made with the same body.
2.8	The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.
	This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand
2.9	Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
	<ul style="list-style-type: none"> <li>- investments in transferable securities or money market instruments;</li> <li>- deposits, and/or</li> <li>- counterparty risk exposures arising from OTC derivatives transactions.</li> </ul>
2.10	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
2.11	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
2.12	A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or any public international body of which one or more Member States are members.
	<p>The individual issuers must be listed in the prospectus and may be drawn from the following list: OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and 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.</p>
	The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.
<b>3</b>	<b>Investment in Collective Investment Schemes ("CIS")</b>
3.1	A UCITS may not invest more than 20% of net assets in any one CIS.

3.2	Investment in AIFs may not, in aggregate, exceed 30% of net assets.
3.3	The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
3.4	When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.
3.5	Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.
<b>4</b>	<b>Index Tracking UCITS</b>
4.1	A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank 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.
<b>5</b>	<b>General Provisions</b>
5.1	An investment company, ICAV or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
5.2	A UCITS may acquire no more than: <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
5.3	5.1 and 5.2 shall not be applicable to: <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> <li>(iv) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid</li> </ul>

	<p>down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.</p> <p>(v) Shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</p>
5.4	UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
5.5	The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
5.6	If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
5.7	<p>Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:</p> <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- money market instruments*;</li> <li>- units of investment funds; or</li> <li>- financial derivative instruments.</li> </ul>
5.8	A UCITS may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments ('FDIs')</b>
6.1	The UCITS 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/Guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Central Bank UCITS Regulations.)
6.3	<p>UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that</p> <ul style="list-style-type: none"> <li>- The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.</li> </ul>
6.4	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank

\* Any short selling of money market instruments by UCITS is prohibited

## APPENDIX 2 – RISK FACTORS

**The nature of each Sub-Fund’s investments involves certain risks and each Sub-Fund may utilise investment techniques (such as leverage and the use of derivatives) which may carry additional risks. An investment in Shares therefore carries substantial risk and is suitable only for persons which can assume the risk of losing their entire investment. Prospective investors should consider, among others, the following factors before subscribing for Shares:**

### *General*

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

An investment in the Shares involves risks. These risks may include or relate to, among others, equity market, bond market, foreign exchange, interest rate, credit, market volatility and political risks and any combination of these and other risks. Some of these risk factors are briefly discussed below. Prospective investors should be experienced with respect to transactions in instruments such as the Shares. Investors should understand the risks associated with an investment in the Shares and should only reach an investment decision after careful consideration with their legal, tax, accounting, financial and other advisors of: (i) the suitability of an investment in the Shares in the light of their own particular financial, fiscal and other circumstances; (ii) the information set out in this Prospectus and the relevant Supplement; (iii) the nature of any underlying investment (if applicable); (iv) the risks associated with the use by a Sub-Fund of derivative techniques (if applicable); (v) the nature of the assets of the Sub-Fund; and (vi) information set out in the relevant Supplement.

There is no assurance that the investment objective of any Sub-Fund shall actually be achieved. Investors in the Shares should recognise that the Shares may decline in value and should be prepared to sustain a total loss of their investment in the Shares. Even where the Shares contain some form of capital protection feature via the investment in the relevant Sub-Fund assets (such form of capital protection feature - if any - being described in the relevant Supplement), the protection feature may not be fully applicable to the initial investment made by an investor in the Shares, especially: (i) when the purchase, sale or subscription of the Shares does not take place during the Initial Offer Period; or (ii) when the Sub-Fund assets or the techniques used to link the Sub-Fund assets to an underlying investment fail to deliver the expected returns. An investment in the Shares should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the underlying investment and the relevant Sub-Fund assets, as the return of any such investment will be dependent, *inter alia*, upon such changes.

Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of the Shares. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Shares.

### **ETF-specific risks**

### *Exchange-Traded Funds*

Exchange-traded funds (“ETFs”) are open-ended funds traded on stock exchanges. ETFs generally provide exposure to indices or to complex portfolios of securities and often carry higher risks than other equity securities. Whilst most ETFs can achieve their objectives by purchasing a diversified pool of assets, some achieve their objectives through the use of derivatives, typically swaps, which carry counterparty risk. If the counterparty does not pay the sums due, the Sub-Fund will see a reduced return regardless of the performance of the underlying assets. ETFs can also have unique compounding, daily reset and leverage features that may significantly amplify risk, particularly in periods of high market volatility. The value of an ETF may be affected by market values, interest rates, exchange rates, volatility, dividend yields and issuer credit ratings. These factors are interrelated in complex ways, and as a result, any losses or gains achieved by the Sub-Fund could be magnified.

### *Costs of Buying or Selling Shares Risk*

Investors buying or selling Shares in the Secondary Market may pay brokerage commissions or other charges determined and imposed by the applicable broker. Brokerage commissions are often a fixed amount and may be a significant proportional cost for investors seeking to buy or sell relatively small amounts of Shares. In addition, Secondary Market investors will incur the cost of the difference between the price that an investor is willing to pay for Shares (the “bid” price) and the price at which an investor is willing to sell Shares (the “ask” price). This difference in bid and ask prices is often referred to as the “spread” or “bid/ask spread.” The bid/ask spread varies over time for Shares based on the underlying securities, trading volume and market liquidity and is generally lower if a relevant Sub-Fund’s Shares have more trading volume and market liquidity and higher if a relevant Sub-Fund’s Shares have little trading volume and market liquidity. Further, increased market volatility may cause increased bid/ask spreads. Due to the costs of buying or selling Shares, including bid/ask spreads, frequent trading of Shares may significantly reduce investment results and an investment in Shares may not be advisable for investors who wish to trade regularly in relatively small amounts.

### *Counterparty risk to the Paying Agent – dividend monies*

Any paying agent for the Sub-Funds is responsible for making dividend payments to Authorised Participants on the relevant dividend payment date. Shortly before the dividend payment date, monies for distribution to Authorised Participants as dividends will be transferred from the Fund’s cash accounts with the Depository to the paying agent. During the interim period, dividend monies are held with the paying agent (or its associated depository bank) in the form of cash and the relevant Sub-Fund will have credit risk exposure, in respect of such cash, to the paying agent and its associated depository bank. Cash held by the paying agent will not be segregated in practice but will be a debt owing from the paying agent (or its associated depository bank) to the relevant Sub-Fund as a depositor. In the event of the insolvency of the paying agent (or its associated depository bank) during the interim period, the relevant Sub-Fund will be treated as a general and unsecured creditor of the paying agent (or its associated depository bank) in relation to the cash. The Fund may face difficulties and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Fund may lose some or all of the dividend monies being distributed by the paying agent resulting in a reduction to the value of the relevant Sub-Fund(s).

### *Inaction by the Common Depositary and/or an International Central Securities Depositary*

Investors that settle or clear through an International Central Securities Depositary (“ICSD”) will not be a registered Shareholder in a Sub-Fund, they will hold an indirect beneficial interest in such Shares and the rights of such investors, where Participants, shall be governed by their agreement with the applicable ICSD and otherwise by the arrangement with a Participant of the ICSD (for example, their nominee, broker or Central Securities Depositaries, as appropriate). The Fund will issue any notices and associated documentation to the registered holder of the global share certificate issued by the Fund (as further described below under the section titled “Global Clearing and Settlement” (the “Global Share Certificate”)), being the nominee of the depositary appointed by the ICSD (the “Common Depositary”), with such notice as is given by the Fund in the ordinary course when convening general meetings. The Directors understand that the Common Depositary’s nominee has a contractual obligation to relay any such notices received by it to the applicable ICSD, pursuant to the terms of its appointment by the relevant ICSD. The applicable ICSD will in turn relay notices received from the Common Depositary to its Participants in accordance with its rules and procedures. The Directors understand that the Common Depositary is contractually bound to collate all votes received from the applicable ICSD (which reflects votes received by the applicable ICSD from Participants) and that the Common Depositary’s nominee should vote in accordance with such instructions. The Fund has no power to ensure the Common Depositary relays notices of votes in accordance with their instructions. The Fund cannot accept voting instructions from any persons, other than the Common Depositary’s nominee.

Upon instruction of the Common Depositary’s nominee, redemption proceeds and any dividends declared are paid by the Fund or its authorised agent to the applicable ICSD. Investors, where Participants, must look solely to the applicable ICSD for their redemption proceeds or their share of each dividend payment made by a Sub-Fund or otherwise to the relevant Participant of the ICSD (including, without limitation, their nominee, broker or Central Securities Depositary, as appropriate) for any redemption proceeds or any share of each dividend payment made by a Sub-Fund that relates to their investment. Investors shall have no claim directly against the Fund in respect of redemption proceeds or dividend payments due on Shares represented by the Global Share Certificate and the obligations of the Fund will be discharged by payment to the applicable ICSD upon the instruction of the Common Depositary’s nominee.

### *Payments*

Upon instruction of the Common Depositary’s nominee, redemption proceeds and any dividends declared are paid by the Fund or its authorised agent to the applicable International Central Securities Depositary. Investors, where participants, must look solely to the applicable International Central Securities Depositary for their redemption proceeds or their share of each dividend payment made by the Fund or otherwise to the relevant participant of the ICSD (including, without limitation, their nominee, broker or Central Securities Depositary, as appropriate) for any redemption proceeds or any share of each dividend payment made by the Fund in respect of a Sub-Fund that relates to their investment.

Investors shall have no claim directly against the Fund in respect of redemption proceeds or dividend payments due on Shares represented by the Global Share Certificate and the obligations of the Fund will be discharged by payment to the applicable ICSD upon the instruction of the Common Depositary’s nominee.

### *Failure to Settle Risk*

If an Authorised Participant submits a dealing request and subsequently fails or is unable to settle and complete that dealing request (including, for example, where the Authorised Participant no longer has the monies to fund the settlement), as the Authorised Participant is not a registered Shareholder of the Fund, the Fund will have no or limited recourse to the Authorised Participant other than its contractual right to recover such costs. In the event that no or limited recovery can be made from the Authorised Participant any costs incurred as a result of the failure to settle will be borne by the relevant Sub-Fund and its investors.

### *Fluctuation of Net Asset Value and Trading Prices on Secondary Market*

The Net Asset Value per Share will fluctuate with changes in the market value of the securities which the relevant Sub-Fund holds, and with changes in the exchange rate between the currency(ies) in which the securities which the relevant Sub-Fund holds are denominated and the Base Currency(ies). Investors are reminded that, even though the Net Asset Value per Share may be converted and reported in a currency denomination other than the Base Currency, there is no assurance that such converted amount can actually be achieved. Depending on an investor's currency of reference, currency fluctuations may adversely affect the value of an investment in one or more of the Sub-Funds.

The Secondary Market price of the Shares is likely to fluctuate with changes in the Net Asset Value per Share, with changes in the exchange rate between the currency(ies) in which the securities held by the relevant Sub-Fund are denominated and the currency in which the Shares are traded and with supply and demand factors on the stock exchange on which the Shares are traded. The Fund cannot predict whether the Shares will trade below, at, or above their Net Asset Value per Share when converted to the currency in which the Shares are traded. Price differences may be due in large part to the fact that supply and demand forces in the Secondary Market for Shares will be closely related, but not identical, to the same forces influencing the prices of the Index Securities of that Sub-Fund's Index trading individually or in the aggregate at any point in time.

The Net Asset Value per Share and the Secondary Market price of Shares are expected to track each other through arbitrage. An Authorised Participant or other professional investor in calculating the price at which it would be willing on the Secondary Market to sell the Shares of the Sub-Fund (known as the offer price), or to buy such Shares (known as the bid price), will take account of the notional price at which it could purchase (when selling Shares), or sell (when buying Shares), the requisite amounts of Index Securities of the Index in respect of one or more Creation Unit(s) including associated transaction costs and taxes (if applicable). Where the notional price of purchasing the Index Securities corresponding to a subscription for a Creation Unit is less, or the notional price of selling Index Securities corresponding to a redemption of a Creation Unit is more, than the Secondary Market price of Shares in a Creation Unit, as the case may be, then an Authorised Participant may choose to arbitrage the Sub-Fund by subscribing for or redeeming Creation Units. The Directors believe such arbitrage will help to ensure that the deviation of the trading bid and offer price per Share from the Net Asset Value per Share (after currency conversion) is generally minimised. Authorised Participants and other investors are reminded that if the calculation of the Net Asset Value of a Sub-Fund is suspended, then their right to redeem Shares in that Sub-Fund would ordinarily also be suspended. In the event that the Fund has to suspend the subscription and/or redemption of Shares of a Sub-Fund, or if a stock exchange on which a Sub-Fund's underlying investments are traded is closed, it is expected that larger discounts or premiums could arise. Whilst the Sub-Funds will seek to track an Index, there can be no guarantee of this.

### *Secondary Market Trading Risk*

Even though the Shares are to be listed on one or more stock exchanges, there can be no certainty that there will be liquidity in the Shares on any stock exchange or that the market price at which the Shares may be traded on a stock exchange will be the same as or approximately equal to the Net Asset Value per Share. As the Shares may be dealt in by means of subscription and redemption, the Directors consider that large discounts or premiums in the Net Asset Value of a Sub-Fund would not be sustainable. There can be no guarantee that once the Shares are listed on a stock exchange they will remain listed or that the conditions of listing will not change.

Trading in Shares on a stock exchange may be halted or suspended due to market conditions or for the reason that, in the stock exchange's view, trading in the Shares is inadvisable, or otherwise pursuant to the stock exchange's rules. If trading on a stock exchange is halted, investors in Shares may not be able to sell their Shares until trading resumes however such investors should be able to apply to the Fund to redeem Shares in accordance with the provisions set out below.

### *Dealing Day Risk*

As foreign exchanges can be open on days which are not Dealing Days or days when a Sub-Fund may have suspended calculation of its Net Asset Value and the subscription and redemption of Shares and, therefore, Shares in the Sub-Fund are not priced, the value of securities in the Sub-Fund's portfolio may change on days when a Sub-Fund's Shares will not be able to be purchased or sold.

## **Derivatives**

### *Derivatives – General Risks*

A Sub-Fund may invest extensively in derivatives for investment purposes. The use of derivatives may result in greater returns but may entail greater risk. Derivatives may be used as a means of gaining indirect exposure to a specific asset, rate or index and/or as part of a strategy designed to reduce exposure to other risks, such as interest rate or currency risk.

Use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other investments. They also involve the risk of mispricing or improper valuation, settlement risks, the risk that changes in the value of the derivatives may not correlate perfectly with the underlying asset, rate or index.

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

The prices of derivatives are highly volatile. Price movements of derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, national and international political and economic events, changes in local laws and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors,

cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

The use of derivatives also involves certain special risks, including: (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates; (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged; (3) the fact that skills needed to use these instruments are different from those needed to select a Sub-Fund's securities; and (4) the possible absence of a liquid market for any particular instrument at any particular time.

#### *Use of Derivatives and Securities Financing Transactions*

As a Sub-Fund whose performance is linked to an underlying investment will often be invested in securities which will differ from the underlying investment or a funded swap, derivative techniques will be used to link the value of the Shares to the performance of the underlying investment. While the prudent use of such derivatives can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. The following is a general discussion of important risk factors and issues concerning the use of derivatives that investors should understand before investing in Shares of a Sub-Fund.

Securities Financing Transactions create several risks for the Fund and its investors, including counterparty risk if the counterparty to a Securities Financing Transaction defaults on its obligation to return assets equivalent to the ones provided to it by the relevant Sub-Fund and liquidity risk if the Fund is unable to liquidate collateral provided to it to cover a counterparty default. The Fund must comply with regulatory constraints or changes in the laws affecting it, the Shares, or the Investment Restrictions, which might require a change in the investment policy and objectives followed by a Sub-Fund. This is a general risk that applies to all investments meaning that the value of a particular derivative may change in a way which may be detrimental to a Sub-Fund's interests.

Some of the markets in which a Sub-Fund may effect derivative transactions are over the counter or "interdealer" markets, which may be illiquid and are sometimes subject to larger spreads than exchange-traded derivative transactions. The participants in such markets are typically not subject to credit evaluation and regulatory oversight, which would be the case with members of "exchange-based" markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a credit or liquidity problem with the counterparty. Delays in settlement may also result from disputes over the terms of the contract (whether or not bona fide) since such markets may lack the established rules and procedures for swift settlement of disputes among market participants found in "exchange-based" markets. These factors may cause a Sub-Fund to suffer a loss due to adverse market movements while replacement transactions are executed or otherwise.

Derivative products are highly specialised instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities. The use of derivative techniques requires an understanding not only of the underlying investment but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Sub-Fund and the ability to forecast the relative price, interest rate or currency rate movements correctly.

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

A Sub-Fund may enter into transactions in over the counter markets, which will expose the Sub-Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, a Sub-Fund may enter into repurchase agreements, forward contracts, options and swap arrangements or other derivative techniques, each of which expose the Sub-Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred. Derivatives entered into by a Sub-Fund involve credit risk that could result in a loss of the Sub-Fund's entire investment as the Sub-Fund may be fully exposed to the credit worthiness of a single counterparty.

#### *Derivatives - Absence of Regulation; Counterparty Risk*

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

The counterparty for an over the counter derivative will be the specific firm involved in the transaction rather than a recognised exchange and accordingly the bankruptcy or default of a counterparty with which a Sub-Fund trades over the counter derivatives could result in substantial losses to that Sub-Fund. In addition, a counterparty may refrain from settling a transaction in accordance with its terms and conditions because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Sub-Fund to suffer a loss. To the extent that a counterparty defaults on its obligation and the Sub-Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Sub-Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses on the transactions as a result. Counterparty exposure will be in accordance with the Sub-Fund's investment restrictions.

### *Derivatives - Credit Risk and Counterparty Risk*

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

### *Derivatives - Correlation Risk*

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

### *Derivatives - Collateral Risk*

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

### *Derivatives – Forwards*

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised. Rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated.

There is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Sub-Fund.

### *Derivatives - Foreign Exchange Transactions*

Where a Sub-Fund utilises derivatives which alter the currency exposure characteristics of securities held by, the performance of the Sub-Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Sub-Fund may not correspond with the securities positions held.

### *Futures and Options Trading is Speculative and Volatile*

Substantial risks are involved in trading futures, forward and option contracts and various other instruments in which a Sub-Fund may trade. Certain of the instruments in which a Sub-Fund may invest are sensitive to interest rates and foreign exchange rates, which means that their value and, consequently, the Net Asset Value, will fluctuate as interest and/or foreign exchange rates fluctuate. The Sub-Fund’s performance, therefore, will depend in part on its

ability to anticipate and respond to such fluctuations in market interest rates and foreign exchange rates, and to utilise appropriate strategies to maximise returns to the Sub-Fund, while attempting to minimise the associated risks to its investment capital. Variance in the degree of volatility of the market from the Sub-Fund's expectations may produce significant losses to the Sub-Fund.

The low initial margin deposits normally required to establish a futures position permit a high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited.

Further, when used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. Transactions in over the counter derivatives may involve additional risk as there is no exchange or market on which to close out an open position. It may be impossible to liquidate an existing position, to assess or value a position or to assess the exposure to risk. Warrants give the right to subscribe to or purchase securities in which a Sub-Fund may invest. The underlying security may be subject to market volatility thus rendering an investment in a warrant a higher risk than an investment in an equity security.

#### *Derivatives - Legal Risk*

The use of over the counter derivatives, such as forward contracts, credit derivatives and swap agreements, will expose a Sub-Fund to the risk that the legal documentation of the relevant over the counter contract may not accurately reflect the intention of the parties.

#### *Derivatives - Margin Risk*

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

#### *Derivatives - Liquidity Risk*

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

#### *Liquidity of Futures Contracts*

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

#### *Necessity for Counterparty Trading Relationships*

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

#### *Leverage Component Risk*

Since many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain derivatives have the potential for unlimited loss regardless of the size of the initial investment. If there is default by the other party to any such transaction, there will be contractual remedies; however, exercising such contractual rights may involve delays or costs which could result in the value of the total assets of the related portfolio being less than if the transaction had not been entered.

#### *Risks Associated with swaps (including Total Return Swaps)*

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

Shareholders should be aware that a Sub-Fund may seek to enter into Total Return Swap contracts on a rolling maturity basis. However, there can be no assurance that upon maturity, further Total Return Swap contracts will be available to the Sub-Fund or, if available, that such Total Return Swap contracts will have terms similar to those previously entered into.

#### *Credit Default Swap Risk*

If a Sub-Fund is the buyer of a credit default swap, it would be entitled to receive the agreed-upon value (or par) of a referenced debt obligation from the counterparty to the swap on the occurrence of certain credit events in relation to the relevant reference entity. As consideration, the Sub-Fund would pay to the counterparty a periodic stream of fixed payments during the life of the swap if no credit event has occurred, in which case the Sub-Fund would receive no benefits under the swap. In circumstances in which a Sub-Fund is the

seller of a credit default swap and does not own the debt securities that are deliverable under the relevant credit default swap, the Sub-Fund is exposed to the risk that deliverable securities will not be available in the market, or will be available only at unfavourable prices and therefore the Sub-Fund may incur a loss. In certain instances of issuer defaults or restructurings, it has been unclear under the standard industry documentation for credit default swaps whether or not a “credit event” triggering the seller’s payment obligation had occurred. In either of these cases, the Sub-Fund would not be able to realise the full value of the credit default swap upon a default by the reference entity. As a seller of credit default swaps, a Sub-Fund would incur exposure to the credit of the reference entity and is subject to many of the same risks it would incur if it were holding debt securities issued by the reference entity. However, the Sub-Fund will not have any legal recourse against the reference entity and will not benefit from any collateral securing the reference entity’s debt obligations.

#### *Collateral Risk*

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

#### *Reinvestment of Cash Collateral*

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

#### *Counterparty Rating Downgrade Risk*

A Sub-Fund will enter into over the counter derivative transactions and Securities Financing Transactions only with those counterparties that it believes to be sufficiently creditworthy.

If a counterparty (which is not a Relevant Institution) engaged in respect of a Sub-Fund, is subject to a credit rating downgrade, this could potentially have significant implications for the relevant Sub-Fund both from a commercial perspective and a regulatory perspective. Pursuant to the UCITS Rules, a rating downgrade for a counterparty to an over the counter derivative transaction or a Securities Financing Transaction to A-2 or below by Standard & Poors (or a comparable rating) shall require the relevant Sub-Fund without delay to conduct a new credit assessment of that counterparty. Regardless of the measures implemented to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the relevant Sub-Fund will not sustain losses on the transactions as a result.

#### *Other Derivatives Risks*

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular over the counter derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to a Sub-Fund. Derivatives do not always perfectly or even highly correlate or replicate the value of the securities, rates or indices they

are designed to replicate. Consequently, a Sub-Fund's use of derivative techniques may not always be an effective means of, and sometimes could be counterproductive to, following such Sub-Fund's investment objective.

Investors should note that derivatives may be terminated in accordance with their specific terms upon the occurrence of certain events, including but not limited to, disruption in any hedging (which for example may occur, including but not limited to circumstances where the counterparty is unable, after using commercially reasonable efforts, to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transactions or assets it deems necessary to hedge the price risk of entering into and performing its obligations with respect to the relevant transaction, or to realize, recover or remit the proceeds of any such transactions or assets), in relation to a counterparty or the relevant Sub-Fund, or failure to pay, insolvency and the imposition of withholding tax on the payments due by either party. Upon such termination, the relevant Sub-Fund (except in the case of fully funded swaps) or the counterparty (as appropriate) may be liable to make a termination payment (regardless of which party may have caused such termination) based on the mark to market value of the derivative at such time.

## **General Investment and Market Risks**

### *General*

There can be no guarantee of the success of the Investment Manager's investment strategy and a Sub-Fund's activities may be significantly and adversely affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Sub-Fund's investments. Unexpected volatility or illiquidity could impair a Sub-Fund's profitability or result in losses.

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

An investment in the Shares involves risks. These risks may include or relate to, among others, equity market, bond market, foreign exchange, interest rate, credit, market volatility and political risks and any combination of these and other risks. Some of these risk factors are briefly discussed below. Prospective investors should be experienced with respect to transactions in instruments such as the Shares. Investors should understand the risks associated with an investment in the Shares and should only reach an investment decision after careful consideration with their legal, tax, accounting, financial and other advisors of (i) the suitability of an investment in the Shares in the light of their own particular financial, fiscal and other circumstances, (ii) the information set out in this Prospectus and the relevant Supplement, (iii) the nature of any underlying investment (if applicable), (iv) the risks associated with the use by a Sub-Fund of derivative techniques (if applicable), (v) the nature of the assets of the Sub-Fund, and (vi) information set out in the relevant Supplement.

There is no assurance that the Investment Objective of any Sub-Fund shall actually be achieved. Investors in the Shares should recognise that the Shares may decline in value and

should be prepared to sustain a total loss of their investment in the Shares. Even where the Shares contain some form of capital protection feature via the investment in the Sub-Fund assets (such form of capital protection feature - if any - being described in the relevant Supplement), the protection feature may not be fully applicable to the initial investment made by an investor in the Shares, especially (i) when the purchase, sale or subscription of the Shares does not take place during the Initial Offer Period, or (ii) when the Sub-Fund assets or the techniques used to link the Sub-Fund assets to an underlying investment fail to deliver the expected returns. An investment in the Shares should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the underlying investment and the Sub-Fund assets, as the return of any such investment will be dependent, *inter alia*, upon such changes.

Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of the Shares. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Shares.

#### *Active Management Risk*

The relevant Sub-Fund's assets will be actively managed by the relevant Investment Manager who will have discretion (subject to the Sub-Fund's investment restrictions) to invest the Sub-Fund's assets in investments that it considers will enable the Sub-Fund to achieve its investment objective. There is no guarantee that the Sub-Fund's investment objective will be achieved based on the investments selected by the Investment Manager. The performance of the Sub-Fund will reflect, in part, the ability of the Investment Manager to select investments and to make investment decisions that are suited to achieving the Sub-Fund's investment objective. The Investment Manager's assessment of a particular investment, company, sector or country and/or assessment of broader economic, financial or other macro views, may prove incorrect, including because of factors that were not adequately foreseen, and the selection of investments may not perform as well as expected when those investments were purchased or as well as the markets generally, resulting in losses or underperformance. There can be no guarantee that these strategies and processes will produce the intended results and no guarantee that the Sub-Fund will achieve its investment objective or outperform other investment strategies over the short-term or long-term market cycles. This risk is exacerbated when an investment or multiple investments made as a result of such decisions are significant relative to the Sub-Fund's net assets.

#### *Index Risk*

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

#### *Investment in CIS and ETF*

A Sub-Fund may invest in CIS and ETFs managed by other investment advisers (the "Advisers") unaffiliated with the Investment Manager. A Sub-Fund has little control over the activities of the CIS or ETFs in which it invests. Advisers may take undesirable tax positions, employ excessive leverage, impose redemption or other fees, or otherwise manage their respective CIS/ETF in a manner not anticipated by the Investment Manager, and they may be subject to investment and other restrictions that could adversely affect the Sub-Fund's

performance. Some CIS and ETFs will own foreign securities that are subject to local rules, regulations, market conditions and currency exposure. The operations of the CIS and ETFs will be heavily dependent upon their respective Advisers and if the Adviser dies, resigns, becomes legally incompetent or insolvent, or experiences a significant change in staffing, the operations of the associated CIS or ETF may be adversely affected. While the use of CIS and ETFs can provide diversified investment techniques, no assurance can be given that such diversification will occur, or that if it does, it will increase, and not reduce, the potential net profits to the relevant Sub-Fund. Also, the use of CIS and ETFs may cause the relevant Sub-Fund to hold opposite positions in an investment, thereby decreasing or eliminating the possibility of positive returns from such investment.

The Sub-Funds and the CIS and ETFs in which a Sub-Fund invests have expenses and management fees and costs that are borne by the relevant Sub-Fund. The expenses of the relevant Sub-Fund (including the Sub-Fund's pro rata share of expenses of any CIS or ETF in which the Sub-Fund invests) may be a higher percentage of net assets than those incurred by other investment funds or accounts.

#### *Index Licence Risk*

If in respect of any Index tracked by a Sub-Fund, at any time, the licence granted (if required) to the Fund or the Manager (or its affiliates) to replicate or otherwise use an Index for the purposes of a Sub-fund terminates, or such a licence is otherwise disputed, impaired or ceases (for any reason) the Manager in conjunction with the Investment Manager may be forced to replace the Index with another index which they determine to track substantially the same market as the Index in question and which they consider to be an appropriate index for the relevant Sub-Fund to track and such a substitution or any delay in such a substitution may have an adverse impact on the Sub-Fund. In the event that the Manager in conjunction with the Investment Manager is unable to identify a suitable replacement for the relevant index, the Directors may be forced to terminate the Sub-Fund.

#### *Index Tracking Risk*

A Sub-Fund is not expected to track its respective Index at all times with perfect accuracy. There is no guarantee that the Sub-Fund will achieve perfect tracking and the Sub-Fund may potentially be subject to tracking error risk, which is the risk that their returns may not track exactly those of their respective Index, from time to time. This tracking error may result from an inability to hold the exact constituents of the Index, for example where there are local market trading restrictions, small illiquid components and/or where the UCITS Rules limit exposure to the constituents of the Index. Each Sub-Fund is, however, expected to provide investment results that, before expenses, generally correspond to the price and yield performance of its respective Index.

#### *Currency Risks*

Each Sub-Fund has a Base Currency and may issue Shares are issued and redeemed in currencies other than the Sub-Fund Base Currency. Certain assets of a Sub-Fund may, however, be invested in investments that are denominated in currencies other than the Base Currency and the denomination of each Class in the Sub-Fund and the profit and loss of the Sub-Fund may be in currencies other than the Base Currency and the denomination of each Class in the Sub-Fund. Accordingly, the value of those assets and any profits or losses may be affected favourably or unfavourably by fluctuations in currency rates. The Investment Manager may, at its discretion, manage the foreign exchange position of the relevant Sub-Fund to hedge the foreign exchange exposure.

In addition, investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between the Base Currency of the relevant Sub-Fund and the denomination of each Class in the Sub-Fund and such other currencies.

#### *No Independent Counsel*

No independent legal counsel has been retained to represent the interests of the investors. The Fund, nor the Manager, nor the Investment Manager have arranged for this Prospectus, any Supplement, the Instrument or any of the material agreements of the Fund to be reviewed by any attorney on behalf of the investors. Each prospective investor is therefore urged to consult its own counsel as to the terms and provisions of the Shares and with regard to all other related documents.

#### *Exchange Rates*

Investors in the Shares should be aware that an investment in the Shares may involve exchange rate risks. For example (i) an underlying investment may directly or indirectly provide exposure to a number of different currencies of emerging market or developed countries; (ii) the underlying investment and/or the Sub-Fund assets may be denominated in a currency other than the Base Currency; (iii) the Shares may be denominated in a currency other than the currency of the investor's home jurisdiction; and/or (iv) the Shares may be denominated in a currency other than the currency in which an investor wishes to receive his monies. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets, which are influenced by macro-economic factors (such as the economic development in the different currency areas, interest rates and international capital movements), speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Shares.

As the Net Asset Value of each Sub-Fund is calculated in its Base Currency, the performance of investments denominated in a currency other than the Base Currency shall depend on the strength of such currency against the Base Currency and on the interest rate environment in the country issuing the currency.

#### *Interest Rate Risk*

Investors in the Shares should be aware that an investment in the Shares may involve interest rate risk in that there may be fluctuations in the currency of denomination of the underlying investment and/or the Sub-Fund assets (if applicable) and/or the Shares.

Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macro-economic factors, speculation and central bank and government intervention. Fluctuations in short term and/or long term interest rates may affect the value of the Shares. Fluctuations in interest rates of the currency in which the Shares are denominated and/or fluctuations in interest rates of the currency or currencies in which the assets of a Sub-Fund or any underlying investment are denominated may affect the value of the Shares.

#### *No Guarantee*

Unless the Supplement of a particular Sub-Fund provides for a capital protection or guarantee, there is no guarantee in any form or manner whatsoever with respect to the development of

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

### *Segregation of Liability*

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

Due to the lack of asset segregation between Classes, the derivatives used in the currency hedging of a given Class become part of the common pool of assets which introduces potential counterparty and operational risk for all investors in the Fund. This could lead to a risk of contagion (also known as spill-over) to other Classes, some of which might not have any currency hedging in place. Whilst all measures will be taken to mitigate this contagion risk, it cannot be fully eliminated i.e. through the default of a derivative counterparty or through the losses relating to Class-specific assets exceeding the value of the respective Class.

### *Market Volatility*

Market volatility reflects the degree of instability and expected instability of the performance of the Shares, the assets of a Sub-Fund and any underlying investments, and/or the techniques to link the assets of a Sub-Fund to any underlying investment, where applicable. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices for instruments which offer investors protection against such market volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivatives markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, macro-economic factors and speculation.

The securities of small-to-medium-sized (by market capitalisation) companies, or financial instruments related to such securities, may have a more limited market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports.

### *Credit Risk*

Investors in the Shares should be aware that such an investment may involve credit risk. Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are

generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. In the event that any issuer of bonds or other debt securities experiences financial or economic difficulties, this may affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero). This may in turn affect the Net Asset Value per Share. Investors in any Sub-Fund whose performance is linked to an underlying investment should be aware that the assets of any such Sub-Fund will generally include bonds or other debt instruments that involve credit risk. Moreover, where such Sub-Fund provides for a capital protection feature, the functioning of such feature will often be dependent on the due payment of the interest and principal amounts on the bonds or other debt instruments in which the Sub-Fund is invested.

### *Debt Securities Risk*

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

Investments in securities which are Sub-Investment Grade are considered to have a higher risk exposure than securities which are Investment Grade with respect to payment of interest and the return of principal. Investors should therefore assess the risks associated with an investment in such a Sub-Fund. Low rated debt securities generally offer a higher current yield than higher grade issues. However, low rated debt securities involve higher risks and are more sensitive to adverse changes in general economic conditions and in the industries in which the issuers are engaged, as well as to changes in the financial condition of the issuers and changes in interest rates. Additionally, the market for lower rated debt securities generally is less active than that for higher quality securities and a Sub-Fund's ability to liquidate its holdings in response to changes in the economy or the financial markets may be further limited by such factors as adverse publicity and investor perceptions. The value of lower-rated or unrated corporate bonds and notes is also affected by investors' perceptions. When economic conditions appear to be deteriorating, lower rated or unrated corporate bonds and notes may decline in market value due to investors' heightened concerns and perceptions over credit quality.

### *Sovereign Debt Risk*

Investment in debt obligations issued or guaranteed by governments of certain developed and developing countries or their agencies and instrumentalities ("Governmental Entities") involves a degree of risk. The Governmental Entities that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. Governmental Entities may default on their sovereign debt. Holders of sovereign debt, including the relevant Sub-Fund, may be requested to participate in the rescheduling of such debt and to extend further loans to Governmental Entities. The above circumstances may adversely affect Net Asset Value of the relevant Sub-Fund.

### *Valuation of underlying investments*

Investors in the Shares should be aware that such an investment involves assessing the risk of an investment linked to an underlying investment and, where applicable, the techniques used to link the Sub-Fund to the underlying investment. Investors should be experienced with respect to transactions involving the purchase of Shares the value of which derives from an underlying investment. The value of underlying investments and the Sub-Fund assets and the value of the techniques used to link them may vary over time and may increase or decrease by reference to a variety of factors which may include, amongst others, corporate actions, macro-economic factors and speculation. Where an underlying investment is a basket of securities or one or more indices, the changes in the value of any one security or index may be offset or intensified by fluctuations in the value of other securities or indices which comprise such constituents of the underlying investment or by changes in the value of the Sub-Fund assets.

### *Credit Derivatives*

Credit risk refers to the risk that a company (referred to as the “reference entity”) may fail to perform its payment obligations under a transaction when they are due to be performed as a result of a deterioration in its financial condition. This is a risk for the other companies or parties which enter into transactions with the reference entity or in some other way have exposure to the credit of the reference entity. The term transactions is used widely. It can include loan agreements entered into by the reference entity and also securities issued by the reference entity.

The parties which bear credit risk of a reference entity may seek to pass on this risk through a “credit derivative transaction” with other companies. A derivative is a financial instrument which derives its value from an underlying investment or variable. In the case of a credit derivative transaction the credit risk of the reference entity defaulting is the relevant variable. Many financial institutions or banks will regularly quote prices for entering into or selling a credit derivative transaction. For a financial institution or bank credit derivatives transactions may be a large part of its business. Prices are quoted on the basis of an analysis of the credit risk of the relevant reference entity. If participants in the credit derivatives market think that a credit event (as described in the following paragraph) is likely to occur in relation to a particular reference entity, then the cost of buying credit protection through a credit derivative transaction will increase. This is regardless of whether or not there has been an actual default by the reference entity. The party to the credit derivative transaction which purchases credit protection is referred to as the “credit protection buyer” and the party which sells the credit protection is referred to as the “credit protection seller”.

The credit protection buyer and credit protection seller will agree between them the types of event which may constitute a “credit event” in relation to the relevant reference entity. Typical credit events include (i) the insolvency of the reference entity (ii) its failure to pay a specified amount (iii) a restructuring of the debt owed or guaranteed by the reference entity due to a deterioration in its financial condition (iv) a repudiation or moratorium where the reference entity announces that it will no longer make certain payments or agrees with its lenders a delay or deferral in making payments or (v) a requirement that the reference entity accelerate payment of its obligation. To a large extent the credit events are determined by reference to specified obligations of the reference entity or obligations guaranteed by the reference entity, as selected by the credit protection buyer. These are referred to as “reference obligations”.

If a specified credit event occurs in respect of the relevant reference entity, or in respect of a reference obligation, the credit protection seller may be obliged to purchase the reference obligation at par (typically 100% of its face amount) from the credit protection buyer. The credit protection seller can then sell the obligation in the market at the market price which is expected

to be lower than par (because the reference entity has suffered a credit event, its obligations are less likely to be met and therefore are worth less in the market). The proceeds of sale are called “recoveries”. The loss that the credit protection seller incurs (par value minus recoveries) is assumed to be the same as the loss that a holder of such obligation would incur following the occurrence of a credit event. This type of credit derivative transaction is referred to as a “physically settled credit derivative transaction”.

Often credit derivative transactions are drafted such that there is no physical delivery of the relevant obligation against the payment of the par value. Instead, the recovery value is determined by obtaining quotations for the reference obligation from other credit derivatives market participants. Following market practice, a credit protection buyer is likely to select a reference obligation with the lowest market value. Consequently the recovery value will be less than would otherwise be the case. The credit protection seller must then make a payment (sometimes referred to as a loss amount) to the credit protection buyer equal to the difference between par value and recovery value. This is referred to as a “cash settled credit derivative transaction. If no specified credit event occurs, the credit protection seller receives periodic payments from the credit protection buyer for the credit protection it provides but does not have to make any payments to the credit protection buyer. These are referred to as credit premiums. Typically the credit protection buyer acts as calculation agent and makes all determinations in relation to the credit derivative transaction.

### *Credit linked securities*

Credit linked securities are structured so that amounts payable under the securities are determined in whole or in part by reference to a credit derivative transaction. Credit linked securities may relate to a credit derivative transaction on a single reference entity or on a portfolio of reference entities. Many credit linked securities are issued by companies resident in an offshore jurisdiction (also known as special purpose vehicles). These issuers typically use the issue proceeds of the securities to purchase other securities issued by a third party issuer, which is referred to as collateral. At the same time the issuer enters into a credit derivative transaction with a swap counterparty, also sometimes known as a “hedging counterparty”. The issuer acts as the credit protection seller and the hedging counterparty is the credit protection buyer. In economic terms it might also be said the securityholders act as credit protection sellers. In exchange for the credit protection, the hedging counterparty will pay certain credit premiums to the issuer which it may pass on to securityholders in the form of interest payments. The issuer may also enter into other hedging arrangements such as an asset hedging agreement under which the issuer may swap all payment flows of the collateral for all amounts owing to the securityholders. Where a credit event occurs under the credit derivative transaction requiring the issuer to make a payment under the credit derivative transaction, the issuer will realise an amount of the collateral to satisfy that obligation. In relation to a credit portfolio transaction this obligation will only arise where the credit protection provided by lower tranche(s) of the credit portfolio has already been used up. Where collateral is realised, the outstanding nominal amount or other relevant value of the securities will be reduced. To the extent that all the collateral is fully applied in this way, then the securities will be worthless and will be terminated early at zero. If the securities remain outstanding at maturity then the amount of collateral remaining, if any, will be applied to paying redemption amounts to securityholders.

### *Credit Ratings*

The ratings of fixed-income securities by Moody's and Standard & Poor's are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint. The rating on an issuer or a security is heavily weighted by past performance and does not necessarily reflect probable future conditions. There is frequently

a lag between the time the rating is assigned and the time it is updated. In addition, there may be varying degrees of difference in credit risk of securities within each rating category. In the event of a down-grading of the credit rating of a security or an issuer relating to a security, the value of a Sub-Fund investing in such security may be adversely affected.

#### *Liquidity Risk*

Certain types of assets or securities may be difficult to buy or sell, particularly during adverse market conditions. This may affect the ability to obtain prices for the components of the underlying investment and may therefore affect the value of the underlying investment. This may in turn affect the Net Asset Value per Share.

#### *Additional risks associated with an underlying investment linked to specific types of securities or assets*

There are special risk considerations associated with an underlying investment of which the performance is linked directly or indirectly to the following types of securities or assets. The degree of exposure to such factors will depend on the precise way in which the underlying investment is linked to such assets.

#### *Equity Risk*

The risks associated with investments in equity (and equity type) securities include significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity in relation to the debt paper issued by the same company.

The companies in which shares are purchased are generally subject to different accounting, auditing and financial reporting standards in the different countries of the world. The volume of trading, volatility of prices and liquidity of issuers may differ between the markets of different countries. In addition the level of government supervision and regulation of security exchanges, securities dealers and listed and unlisted companies is different throughout the world. The laws of some countries may limit the ability to invest in certain issuers located in those countries.

Different markets also have different clearance and settlement procedures. Delays in settlement could result in a portion of the assets of a Sub-Fund remaining temporarily uninvested and in attractive investment opportunities being missed. Inability to dispose of portfolio securities due to settlement problems could also result in losses.

#### *Market Disruption Events & Settlement Disruption Events*

A determination of a market disruption event or a settlement disruption event may have an effect on the value of the Shares and, may delay settlement in respect of a Sub-Fund and/or the Shares.

#### *Potential Conflicts of Interest*

The Directors, the Manager, the Investment Manager, the Depositary, the Administrator, any investment adviser and/or associated or group companies (for the purposes hereof, "Connected Persons" and each a "Connected Person") may (i) contract or enter into any financial, banking or other transactions or arrangements with one another or with the Fund including, without limitation, investment by the Fund in securities or investment by any Connected Persons in any company or body any of whose investments form part of the assets of the Fund or be interested in any such contracts or transactions; (ii) invest in and deal with Shares, securities, assets or any property of the kind included in the property of the Fund for

their respective individual accounts or for the account of a third party; and (iii) deal as agent or principal in the sale or purchase of securities and other investments to or from the Fund through or with any Connected Person. Any assets of a Sub-Fund in the form of cash or securities may be deposited with any Connected Person. Any assets of a Sub-Fund in the form of cash may be invested in certificates of deposit or banking investments issued by any Connected Person. Banking or similar transactions may also be undertaken with or through a Connected Person.

#### *Material, Non-Public Information*

From time to time, the Investment Manager or an affiliate of the Investment Manager may come into possession of confidential or material, non-public information that would limit the ability of a Sub-Fund to buy and sell certain investments. A Sub-Fund's investment flexibility may be constrained as a consequence of the inability of the Investment Manager to use such information for investment purposes.

#### *High Yield Risk*

A Sub-Fund may, where set out in its investment policy, invest in high yield and/or sub-investment grade securities and unrated securities of similar credit quality (commonly known as "junk bonds"), it may be subject to greater levels of interest rate, credit and liquidity risk than Sub-Funds that do not invest in such securities. These securities are considered predominantly speculative with respect to the issuer's continuing ability to make principal and interest payments. While offering a greater potential opportunity for capital appreciation and higher yields, high yield securities typically entail greater potential price volatility and may be less liquid than higher-rated securities. An economic downturn or period of rising interest rates could adversely affect the market for high yield securities and reduce such a Sub-Fund's ability to sell its high yield securities. If the issuer of a security is in default with respect to interest or principal payments, the Fund may lose its entire investment.

#### *Change of Law*

The Fund must comply with regulatory constraints, such as a change in the laws affecting the Investment Restrictions, which might require a change in the investment policy and objectives followed by a Sub-Fund.

#### *Political Factors*

The performance of the Shares or the possibility to purchase, sell, or redeem may be affected by changes in general economic conditions and uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and changes in regulatory requirements.

#### *Depositary Risk*

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

If a Sub-Fund invests in assets that are not financial instruments that can be held in custody ("Non-Custody Assets"), the Depository is only required to verify the Sub-Fund's ownership of such assets and to maintain a record of those assets which the Depository is satisfied that the Sub-Fund holds ownership of. In the event of any loss of such assets, the Depository will only be liable to the extent the loss has occurred due to its negligent or intentional failure to properly fulfil its obligations pursuant to the Depository Agreement. As it is possible that the Sub-Funds may each invest in both Custody Assets and Non-Custody Assets, it should be noted that the safekeeping functions of the Depository in relation to the respective categories of assets and the corresponding standard of liability of the Depository applicable to such functions differs significantly. The Sub-Funds enjoy a strong level of protection in terms of Depository liability for the safekeeping of Custody Assets. However, the level of protection for Non-Custody Assets is significantly lower. Accordingly, the greater the proportion of a Sub-Fund invested in categories of Non-Custody Assets, the greater the risk that any loss of such assets that may occur may not be recoverable. While it will be determined on a case-by-case whether a specific investment by a Sub-Fund is a Custody Asset or a Non-Custody Asset, generally it should be noted that over the counter derivatives traded by a Sub-Fund will be Non-Custody Assets. There may also be other asset types that a Sub-Fund invests in from time to time that would be treated similarly. Given the framework of depository liability, these Non-Custody Assets, from a safekeeping perspective, expose the Fund to a greater degree of risk than Custody Assets, such as publicly-traded equities and bonds.

#### *Operational Risk*

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

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

#### *Capital Erosion Risk*

Certain Sub-Funds shall have the ability to charge fees and expenses to capital. In addition, certain Sub-Funds may have as a priority objective the generation of income. Investors should note that a focus on income and/or the charging of fees and expenses including management fees, to capital may lead to a greater risk of capital erosion given the lack of potential for capital growth. Should such capital erosion occur, the value of future returns would also be diminished. In this regard, distributions made during the life of a Sub-Fund or an applicable Class that charges fees and expenses to capital should be understood as a type of capital reimbursement.

### *Operation of Cash Accounts*

The Fund has established subscription cash accounts designated in different currencies at umbrella level in the name of the Fund. The Fund has also established separate redemption cash accounts designated in different currencies at umbrella level in the name of the Fund. Pending payment to the relevant Shareholders, dividend payments shall also be paid into separate dividend cash accounts designated in different currencies at umbrella level in the name of the Fund. All subscriptions, redemptions or dividends payable to or from the relevant Sub-Fund will be channelled and managed through such umbrella cash accounts.

In the event of the insolvency of a Sub-Fund, recovery of any amounts to which a relevant Sub-Fund is entitled, but which may have transferred to such other insolvent Sub-Fund as a result of the operation of the umbrella cash account(s) will be subject to the principles of Irish trust law and the terms of the operational procedures for the umbrella cash accounts. There may be delays in effecting and/or disputes as to the recovery of such amounts, and the insolvent Sub-Fund may have insufficient funds to repay the amounts due to the relevant Sub-Fund.

### *Specific Restrictions in Connection with the Shares*

Investors should note that there may be restrictions in connection with the subscription, holding and redemption of and trading in the Shares. Such restrictions may have the effect of preventing the investor from freely subscribing, holding, trading and/or redeeming the Shares. In addition to the features described below, such restrictions may also be caused by specific requirements such as the Minimum Initial Investment, the Minimum Additional Investment and the Minimum Holding.

### *Maximum Redemption Amount*

The Fund will have the option to limit the number of Shares of any Sub-Fund redeemed on any Dealing Day to 10% of the total Net Asset Value of that Sub-Fund and, in conjunction with such limitation, to pro rata limit the number of Shares redeemed by any Shareholder on such Dealing Day so that all Shareholders wishing to have Shares of that Sub-Fund redeemed on that Dealing Day realise the same proportion of such Shares. In the event the Fund elects to limit the number of Shares redeemed on such date to 10% of the Net Asset Value of the Sub-Fund, a Shareholder may not be able to redeem on such Dealing Day all the Shares that it desires to redeem. Investors should review this Prospectus and the relevant Supplement to ascertain whether and how such provisions apply.

### *Redemption Notice and Certifications*

If a redemption notice is received by the Administrator after the prescribed time for receipt, the redemption notice will not be process until the next following Dealing Day. Such delay may increase or decrease the Redemption Price from what it would have been but for such late delivery of the redemption notice. The failure to deliver any redemption documentation required could result in the loss or inability to receive amounts or deliveries otherwise due under the Shares.

### *Cross Liability between Classes*

The right of holders of any Class is limited to the assets (if any) of the relevant Sub-Fund and all the assets comprising a Sub-Fund will be available to meet all of the liabilities of the Sub-Fund, regardless of the different amounts stated to be payable on the separate Classes.

For example, if on a winding-up of the Fund, the amounts received by the Fund in respect of

a Sub-Fund (after payment of all fees, expenses and other liabilities which are to be borne by the relevant Sub-Fund) are insufficient to pay the full redemption proceeds payable in respect of all Classes of that Sub-Fund, each Class of the Fund will rank *pari passu* with each other Class of that Sub-Fund, and the proceeds of that Sub-Fund will be distributed equally amongst each Shareholder of that Sub-Fund *pro rata* to the amount paid up on the Shares held by each Shareholder. The relevant Shareholders will have no further right of payment in respect of their Shares or any claim against any other Sub-Fund or any other assets of the Fund.

This may mean that the overall return (taking account of any distributions already paid) to Shareholders who hold Shares paying distributions quarterly or more frequently may be higher than the overall return to Shareholders who hold Shares paying distributions annually and that the overall return to Shareholders who hold Shares paying distributions may be higher than the overall return to Shareholders who hold Shares paying no distributions.

In practice, cross liability between Classes is only likely to arise where the aggregate amounts payable in respect of any Class exceed the assets of the Fund notionally allocated to that Class, that is, those amounts (if any) received by the Fund in respect of a Sub-Fund (after payment of all fees, expenses and other liabilities which are to be borne by a Sub-Fund) that are intended to fund payments in respect of such Class or are otherwise attributable to that Class. In these circumstances, the remaining assets of a Sub-Fund notionally allocated to any other Class of the same Sub-Fund may be available to meet such payments and may accordingly not be available to meet any amounts that otherwise would have been payable on such other Class.

#### *Consequences of winding-up proceedings*

If the Fund fails for any reason to meet its obligations or liabilities, or is unable to pay its debts, a creditor may be entitled to make an application for the winding-up of the Fund. The commencement of such proceedings may entitle creditors to terminate contracts with the Fund and claim damages for any loss arising from such early termination. The commencement of such proceedings may result in the Fund being dissolved at a time and its assets (including the assets of all Sub-Funds) being realised and applied to pay the fees and expenses of the appointed liquidator or other insolvency officer, then in satisfaction of debts preferred by law and then in payment of the Fund's liabilities, before any surplus is distributed to the shareholders of the Fund. In the event of proceedings being commenced, the Fund may not be able to pay, in full or at all, the amounts anticipated in respect of any Class or Sub-Fund.

#### *Investing in Russia*

Since 1985, Russia has been undergoing a substantial political transformation from a centrally controlled command economy under communist rule to a pluralist market-oriented democracy. A significant number of changes were undertaken during these years but there is still no assurance that the political and economic reforms necessary to complete such a transformation will continue or will be successful.

Russia is a federation composed of republics, regions, areas, cities of federal importance, autonomous districts and one autonomous region. The delineation of authority among the constituent entities of the Russian Federation and federal governmental authorities is subject to change from time to time. This process exists alongside the structure of Presidential representatives in the regions. The lack of consensus between local and regional authorities and the federal governmental authorities often result in the enactment of conflicting legislation at various levels, and may result in political instability and legal uncertainty. It may lead to negative economic effects on a Sub-Fund, which could have a material adverse effect on its business, financial conditions or ability to fulfil its investment objective.

In addition, ethnic, religious, and other social divisions periodically give rise to tensions and,

in certain cases armed conflicts. In Chechnya, Russian armed forces have conducted anti-terrorist operations for a number of years, and some of them still remain there to keep law and order. Any escalation of violence may entail grave political consequences, which may adversely impact the investment climate in the Russian Federation.

Simultaneously with the enactment of political reforms, the Russian Government has been attempting to implement policies of economic reform and stabilisation. These policies have involved liberalising prices, reducing defence expenditures and subsidies, privatising state-owned enterprises, reforming the tax and bankruptcy systems and introducing legal structures designed to facilitate private, market-based activities, foreign trade and investment.

The Russian economy has been subject to abrupt downturns. The events and aftermath of 17 August 1998 (the date of the Russian government's default on its short-term Rouble denominated treasury bills and other Rouble- denominated securities, the abandonment by the Central Bank of Russia of its efforts to maintain the Rouble/U.S. Dollar rate within the Rouble currency band and the temporary moratorium on certain hard- currency payments to foreign counterparties) led to a severe devaluation of the Rouble, a sharp increase in the rate of inflation, a significant decrease in the credibility of the country's banking system with Western financial institutions, significant defaults on hard currency obligations, a significant decline in the prices of Russian debt and equity securities and an inability to raise funds on international capital markets. While the condition of the Russian economy has improved in a number of respects since 1998, there can be no assurance that this improvement will continue or that it will not be reversed. The Rouble is not convertible outside Russia. A market exists within Russia for the conversion of Roubles into other currencies, but it is limited in size and is subject to rules limiting the purposes for which conversion may be effected. There can be no assurance that such a market will continue indefinitely.

On 22 February 2022, the United States and several European nations announced sanctions against Russia in response to Russia's actions, and governments around the world may impose additional sanctions on Russia in response to its continued escalation of this conflict. On 24 February 2022, President Putin commenced a full-scale invasion of Russia's pre-positioned forces into Ukraine, which has affected the economy and business activity globally (including in the countries in which a Sub-Fund may invest), and therefore could adversely affect the performance of the relevant Sub-Fund's investments. Furthermore, uncertainties regarding the conflict between the two nations and the varying involvement of the United States and other NATO countries preclude prediction as to the ultimate impact on global economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the Fund and the performance of its investments or operations, and the ability of the Fund to achieve its investment objectives. Additionally, to the extent that third parties, investors, or related customer bases have material operations or assets in Russia or Ukraine, they may have adverse consequences related to the ongoing conflict

### *Legal Risks*

Risks associated with the Russian legal system include (i) the untested nature of the independence of the judiciary and its immunity from economic, political or nationalistic influences; (ii) inconsistencies among laws, Presidential decrees and Government and ministerial orders and resolutions; (iii) the lack of judicial and administrative guidance on interpreting applicable laws; (iv) a high degree of discretion on the part of government authorities; (v) conflicting local, regional and federal laws and regulations; (vi) the relative inexperience of judges and courts in interpreting new legal norms and (vii) the unpredictability of enforcement of foreign judgements and foreign arbitration awards.

There is no guarantee that further judicial reform aimed at balancing the rights of private and governmental authorities in courts and reducing grounds for re-litigation of decided cases will be implemented and succeed in building a reliable and independent judicial system.

Whilst fundamental reforms relating to securities investments and regulations have been initiated in recent years there may still be certain ambiguities in interpretation and inconsistencies in their application. Monitoring and enforcement of applicable regulations remains uncertain.

Equity securities in Russia are dematerialised and the only evidence of ownership is entry of the shareholder's name on the Share register of the issues. The concept of fiduciary duty is not well established and shareholders may, therefore, suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy.

Rules regulating corporate governance are undeveloped and therefore may offer little protection to shareholders.

### *Investing through Bond Connect*

A Sub-Fund can invest in the China Interbank Bond Market via the CIBM Initiative, Bond Connect and subject to any other rules and regulations and administrative procedures as promulgated by the Mainland Chinese authorities ("Foreign Access Regime").

Under the prevailing regulations in the People's Republic of China ("PRC"), foreign institutional investors who wish to invest directly in the China Interbank Bond Market may do so via an onshore settlement agent (such as the CIBM Initiative) or offshore custody agent (as in Bond Connect), and such agent will carry out the relevant filings and account opening with the relevant authorities. There is no quota limitation. As such, relevant Sub-Funds may be subject to the risks of default or errors on the part of such agents.

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the China Interbank Bond Market may result in the prices of such securities fluctuating significantly. A Sub-Fund investing in such securities is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and a Sub-Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such securities.

To the extent that a Sub-Fund transacts in the China Interbank Bond Market, a Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with a Sub-Fund may default on its obligation to settle the transaction by delivery of the relevant security or by payment for value.

Investment in the PRC bond market may also be subject to credit rating risks. The PRC domestic credit rating regime has yet to be reconciled with international standards. Other than certain bonds issued by the governmental entities, large banks and enterprises which are rated by international credit standards, most bond credit evaluations are still based on ratings given by domestic credit rating agencies. This may create difficulties for a Sub-Fund to correctly assess the credit quality and credit risk of its bond investment. Domestic Chinese bonds invested in by a Sub-Fund may be rated below investment grade or may not be rated by any rating agency of an international standard. Such securities are generally subject to a higher degree of credit risk and a lower degree of liquidity, which may result in greater fluctuations in value. The value of these securities may also be more difficult to ascertain and thus the Net Asset Value of a Sub-Fund which invests in such securities may be more volatile. Investors should therefore be aware that an investment in such a Sub-Fund is subject to higher volatility, price fluctuations and risks than an investment in bond products in more developed markets.

Investing in domestic Chinese bonds via the CIBM Initiative and/or Bond Connect is also subject to regulatory risks. The relevant rules and regulations of these regimes are subject to

change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the China Interbank Bond Market, or recall any types of bond products from the scope of investable bonds, a Sub-Fund's ability to invest in domestic Chinese bonds will be adversely affected. In such event, a Sub-Fund's ability to achieve its investment objective will be negatively affected and, after exhausting other trading alternatives, such Sub-Fund may suffer substantial losses as a result.

Moreover although there is no quota restriction under the China Interbank Bond Market investment regulations, relevant information about a Sub-Fund's investments, such as the investment term, needs to be filed with the People's Bank of China ("PBoC") and an update filing will be required if there is any significant change to the filed information. It cannot be predicted whether the PBoC will make any comments on or require any changes with respect to such information for the purpose of filing. If so required, the relevant Sub-Fund will need to follow PBoC instructions and make the relevant changes accordingly, which may not be in the best interests of the relevant Sub-Fund and the investors from a commercial perspective.

The regulations allow foreign investors to remit investment amounts in Renminbi ("RMB") or foreign currency into the PRC for investing in the China Interbank Bond Market. For repatriation of funds out of the PRC by the relevant Sub-Fund, the ratio of RMB to foreign currency should generally match the original currency ratio when the investment principal was remitted into the PRC, with a maximum permissible deviation of 10%. Such requirements may change in the future, and the nature and extent of such changes, and their impact on the relevant Sub-Fund's investment in the China Interbank Bond Market, are uncertain.

The CIBM Initiatives require a Sub-Fund investing through such initiatives to appoint an onshore custodian/agent bank. In the case where such custodian/agent bank refuses to act in accordance with the instructions of the relevant Sub-Fund or in case the custodian/agent itself becomes insolvent, the enforcement of the trading documents and against the underlying assets may be subject to delay and uncertainty. Under PRC law, in case of liquidation or bankruptcy, although the assets kept in the custody of the PRC custodian banks in favour of the relevant Sub-Fund are ring-fenced from the proprietary assets of the custodian, the retrieval of custodian assets may be subject to various legal procedures that can be lengthy.

In addition, the PBoC will exercise on-going supervision of the onshore settlement agent and the relevant Sub-Fund's trading activities under the China Interbank Bond Market investment regulations. In the event of any non-compliance with these regulations by either the onshore settlement agent or the relevant Sub-Fund, the PBoC may take relevant administrative actions such as suspension of trading or business and mandatory exit against the onshore settlement agent, the relevant Sub-Fund and/or the relevant Investment Manager. The relevant Sub-Fund and the investors may suffer substantial losses due to such suspension or mandatory exit.

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. A Sub-Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where a Sub-Fund invests in the China Interbank Bond Market through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

Under Bond Connect, a trading order can only be executed with onshore market makers approved by the Chinese regulators as the counterparty. As of April 2020, there were a total number of 56 approved market makers with more to be added to the list. The debt securities

purchased through Bond Connect generally may not be sold, purchased or otherwise transferred other than through Bond Connect in accordance with applicable rules. This may expose the relevant Sub-Fund to settlement risks if its counterparty defaults and limit the relevant Sub-Fund's ability to execute trades with different counterparties.

Debt securities purchased via Bond Connect will be held in the name of CMU. The relevant Sub-Fund's ownership in those debt securities may not be reflected directly in record entry with the China Central Depository & Clearing Co., Ltd / SHCH and will instead be reflected on the record of CMU. The relevant Sub-Fund may therefore depend on CMU's ability or willingness as the record holder of debt securities purchased under Bond Connect to enforce the ownership rights on behalf of and for the benefit of the relevant Sub-Fund. If the relevant Sub-Fund wishes to enforce directly its ownership rights or creditor rights against the bond issuers, there lacks judicial precedents in the PRC whether such an action will be recognised and enforced by the Chinese courts.

### *Investing through Stock Connect*

Where disclosed in the relevant Supplement, a Sub-Fund may invest in certain eligible China A Shares (as defined below) through Stock Connect. The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links program developed by Hong Kong Exchanges and Clearing Limited ("HKEx"), Shanghai Stock Exchange ("SSE") and China Securities Depository and Clearing Corporation Limited ("ChinaClear"). The Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links program developed by the HKEx, the Shenzhen Stock Exchange ("SZSE") and ChinaClear. The aim of the Stock Connects is to achieve mutual stock market access between mainland China and Hong Kong.

The Shanghai-Hong Kong Stock Connect comprises a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shanghai Trading Link, Hong Kong and overseas investors, through their Hong Kong brokers, sub-custodians and a securities trading service company established by the Stock Exchange of Hong Kong ("SEHK"), may be able to trade eligible China A Shares listed on the SSE ("SSE securities") by routing orders to SSE. Under the Southbound Hong Kong Trading Link under Shanghai-Hong Kong Stock Connect, investors in the PRC will be able to trade certain stocks listed on the SEHK.

The Shenzhen-Hong Kong Stock Connect comprises a Northbound Shenzhen Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shenzhen Trading Link, Hong Kong and overseas investors, through their Hong Kong brokers, sub-custodians and a securities trading service company established by SEHK, may be able to trade eligible China A Shares listed on the SZSE ("SZSE securities") by routing orders to SZSE. Under the Southbound Hong Kong Trading Link under Shenzhen-Hong Kong Stock Connect, investors in the PRC will be able to trade certain stocks listed on the SEHK.

Under the Shanghai-Hong Kong Stock Connect, a Sub-Fund may trade SSE securities through the Hong Kong brokers. These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on the SEHK, except SSE-listed shares which are not traded in Renminbi ("RMB"), SSE-listed shares that are suspended from listing by the SSE, SSE-listed shares that are under delisting arrangement and SSE-listed shares which are under risk alert. Under the Shenzhen-Hong Kong Stock Connect, a Sub-Fund may trade SZSE securities through the Hong Kong brokers. These include all the constituent stocks of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index which have a market capitalization of not less than RMB 6 billion, and all the SZSE-listed China A shares which have corresponding H-Shares listed on SEHK, except SZSE-listed shares which are not traded in RMB and SZSE-listed shares which are under risk alert, suspended from listing by the SZSE or under delisting arrangement.

Currently, investors eligible to trade shares that are listed on the SSE STAR Market under the Northbound Shanghai Trading Link and the ChiNext Board of SZSE under the Northbound Shenzhen Trading Link are limited to institutional professional investors as defined in the relevant Hong Kong rules and regulations.

It is expected that the list of eligible securities will be subject to review and may change.

The term “China A Shares” means domestic shares in the PRC incorporated companies listed on either the SSE or the SZSE, the prices of which are quoted in RMB and which are available to such investors as approved by the China Securities Regulatory Commission (“CSRC”).

The relevant rules and regulations of Stock Connect are untested and subject to change which may have potential retrospective effect. The programmes are subject to quota limitations which may restrict a Sub-Fund’s ability to invest in China A Shares through the programmes on a timely basis and where a suspension in the trading through the programmes is effected, a Sub-Fund’s ability to access the China A Shares market (and hence to pursue its investment strategy) will be adversely affected. The PRC regulations impose certain restrictions on selling and buying of China A Shares. Hence a Sub-Fund may not be able to dispose of holdings of China A Shares in a timely manner. Also, a stock may be recalled from the scope of eligible stocks for trading via Stock Connect. This may adversely affect the investment portfolio or strategies of a Sub-Fund, for example, when the Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

In addition, there is a limit on the percentage of shares a single foreign investor is permitted to hold in a single PRC-listed company, and also a limit on the percentage of shares held by foreign investors in a single PRC-listed company. Such foreign ownership limits may be applied on an aggregate basis (i.e. across both domestically and overseas issued shares of the same listed company, whether the relevant holdings are through Stock Connect trading or other investment channels). The single foreign investor limit is currently set at 10% of the shares of a PRC-listed company and the aggregate foreign investor limit is currently set at 30% of the shares of a PRC-listed company. Such limits are subject to change.

If the foreign ownership limits are breached, the SSE and SZSE will notify the SEHK and the SEHK, on a last-in, first-out basis, will identify the relevant trades involved and require the relevant SEHK exchange participants to require the investors concerned (which could include a Sub-Fund) to sell the A-shares within the timeframe stipulated by the SEHK. In this event, if a Sub-Fund fails to sell its A-shares within the stipulated timeframe, the SEHK exchange participants are required to force sell the A-shares for the Sub-Fund in accordance with the PRC rules.

Due to the differences in trading days, a Sub-Fund may be subject to a risk of price fluctuations in China A Shares on a day that the PRC market is open for trading but the Hong Kong market is closed.

China A Shares may be subject to trading bands which restrict increases and decreases in the trading price. A Sub-Fund investing through Stock Connect will be prevented from trading underlying China A Shares when it hits the “trading band limit”. If this happens on a particular trading day, a Sub-Fund may be unable to trade China A Shares. As a result, the liquidity of the China A Shares may be adversely affected which in turn may affect the value of a Sub-Fund’s investments.

On 14 November 2014, the Ministry of Finance, the State of Administration of Taxation and the CSRC jointly issued a notice in relation to the taxation rule on the Stock Connects under Caishui 2014 No.81 (“Notice No.81”). Under Notice No.81, corporate income tax and individual income tax will be temporarily exempted on gains derived by Hong Kong and overseas resident investors on the trading of China A Shares through the Stock Connects with effect from 17 November 2014. However, Hong Kong and overseas investors are required to pay tax on dividends and/or bonus shares at the rate of 10% which will be withheld

and paid to the relevant authority by the listed companies, unless an applicable double tax treaty could be applied to reduce the dividend withholding tax rate. As a result of Notice No.81, the uncertainty of providing for tax on gains derived from the disposal of Chinese securities now solely relates to investment in other types of Chinese securities (e.g. China B or H Shares).

Based on the prevailing value added tax (“VAT”) regulations, capital gains derived by investors via Stock Connect are exempted from VAT. However, any of such exemptions is subject to change by the authorities in the PRC and a Sub-Fund Fund may therefore be subject to capital gains tax/VAT at any time in the future.

Hong Kong and overseas investors are required to pay stamp duty arising from the trading of China A Shares and the transfer of China A Shares by way of succession or gift in accordance with the existing taxation rules in the PRC.

Hong Kong law recognises the proprietary interest of investors in shares held for them by their broker or custodian in the Central Clearing and Settlement System CCASS. Such recognition should apply equally to Stock Connect securities held for Hong Kong and overseas investors by the relevant clearing participant through HKSCC. In addition, in the PRC (where Stock Connect securities are registered in a securities account opened with ChinaClear in the name of HKSCC), it is expressly stipulated in the “Several Provisions on the Pilot Program of Shanghai-Hong Kong Stock Market Connect” (as promulgated by CSRC to prescribe the launch and operation of Stock Connect) that HKSCC acts as the nominee holder and overseas investors own the Stock Connect securities. Accordingly, the regulatory intention appears to be that overseas investors (including the Fund) should have proprietary rights over Stock Connect securities under PRC law, although this cannot be guaranteed. However, as Stock Connect is a recent initiative there may be some uncertainty surrounding such arrangements. In addition, while overseas investors (including a Sub-Fund) may have proprietary rights over Stock Connect securities, they must act through HKSCC as nominee in order to enforce such rights in accordance with HKSCC’s rules. In the event HKSCC is insolvent, the Stock Connect securities should not form the bankruptcy estate of HKSCC. Insolvency proceedings will be governed by Hong Kong law, and it is expected (but is not entirely certain) that ChinaClear and PRC courts will recognise the power of the liquidator duly appointed under Hong Kong law in relation to the Stock Connect securities.

### *Emerging Markets Risk*

A Sub-Fund may invest in securities of companies located in, with a significant portion of their assets, investments, production activities, trading or other business interests in, and/or deriving the majority of their revenue from, emerging markets. Investments made in emerging markets involve many risks and uncertainties of an economic, political, and social nature that are not always present (or not present to a similar extent) in developed economies. Among these risks are: (i) macroeconomic instability, including high inflation; (ii) sudden and radical shifts in regulatory policy, including relating to taxes; (iii) strong and erratic government intervention in the economy; (iv) withholding taxes levied on income and capital gains; (v) restrictions to capital mobility or to currency exchange transactions; (vi) high export taxes; (vii) social unrest, guerrilla warfare and significant personal security issues; (viii) further risks as outlined below.

Such investments will be directly and indirectly subject to the consequences of political, economic and social factors, and to other uncertainties, including expropriation, nationalization, restructuring or annulment risks threatening existing contracts, changes to the tax system and policies, restraints on currency exchange and political instability. The risk of these factors is considerably higher in emerging markets than in developed economies.

There can be no assurance that there will be any market for any investments acquired by any

Sub-Fund or, if there is such a local market, that there will exist a secure method of delivery against payment which would, in the event of a sale by or on behalf of the Sub-Fund, avoid exposure to counterparty risk on the buyer. It is possible that even if a market exists for such investment, that market may be highly illiquid. Such lack of liquidity may adversely affect the value or ease of disposal of such investments.

There is a risk that counterparties may not perform their obligations and that settlement of transactions may not occur.

Trading volume on the stock exchanges of most emerging market countries can be substantially less than the stock exchanges of the major markets, so that accumulation and disposal of holdings may be time consuming and may need to be conducted at unfavourable prices. Volatility of prices may be greater than in the major markets and this may result in considerable volatility in the value of a Sub-Fund's underlying investments. In addition, brokerage commissions, custody fees and other costs relating to investments in emerging market countries are generally greater than in the major markets.

There is in some emerging market countries a higher than usual risk of nationalisation, expropriation or confiscatory taxation, any of which might have an adverse effect on the value of investments in those countries. Emerging market countries may also be subject to higher than usual risks of political changes, government regulation, social instability or diplomatic developments (including war) which could adversely affect the economies of the relevant countries and thus the value of investments in those countries.

The economies of many emerging market countries can be heavily dependent on international trade and, accordingly have been and may continue to be adversely affected by trade barriers, managed adjustments in relative currency values, other protectionist measures imposed or negotiated by the countries with which they trade and international economic developments generally.

The assets of a Sub-Fund may be invested in securities of companies in various countries and income would be received by the Fund in a variety of currencies. The value of assets of a Sub-Fund, as measured in the Base Currency of the Sub-Fund, may be affected unfavourably by fluctuations in currency rates. A Sub-Fund could also be adversely effected by exchange control regulations.

A Sub-Fund may become liable to taxes in jurisdictions in which it may make investments. Many emerging markets typically have less well defined tax laws and procedures than those of major markets and such laws may permit retroactive taxation so that the Sub-Fund could in future become subject to a tax liability that had not reasonably been anticipated in the conduct of investment activities or in the valuation of the assets of the Sub-Fund. Furthermore, taxation laws of any emerging market country may change to reflect economic conditions and accordingly there is no guarantee that these will evolve in a manner considered to be favourable to a Sub-Fund. It is possible that treaties, laws, orders, rules, regulations or any other legislation currently regulating taxation in these countries may be altered, in whole or in part, or added to. Changes in any taxation regime would have the potential to adversely affect a Sub-Fund's income from its various investments as well as adversely affecting the value of equity in which a Sub-Fund has invested and also have the potential to negatively alter the value and timing of a Sub-Fund's distributions to investors.

The legislative framework in emerging market countries for the purchase and sale of investments and in relation to beneficial interests in those investments may be relatively new and untested and there can be no assurance regarding how the courts or agencies of emerging market countries will react to questions arising from a Sub-Fund's investment in such countries and arrangements contemplated in relation thereto.

Laws, orders, rules, regulations and other legislation currently regulating the investment arrangements contemplated may be altered, in whole or in part, and a court or other authority

of an emerging market country may interpret any relevant existing legislation in such a way that the investment arrangements contemplated are rendered illegal, null or void, whether retroactively or otherwise, or in such a way that the investment of a Sub-Fund is adversely affected. There may be unpublished legislation in force now or at any future time in any emerging market country which conflicts with or supersedes published legislation and which may substantially affect the investment arrangements contemplated.

There is no guarantee that any arrangements made, or agreement entered into, between the Depositary and any local sub-custodian will be upheld by a court of any emerging market country, or that any judgement obtained by the Depositary or the Fund against any such correspondent in a court of any jurisdiction will be enforced by a court of any emerging market country.

Legislation regarding companies in emerging market countries, specifically those laws in respect of fiduciary responsibility of directors and/or administrators and disclosure may be in a state of evolution and may be of a considerable less stringent nature than corresponding laws in more developed countries.

There can be no guarantee of the accuracy of information available in emerging market countries in relation to investments which may adversely affect the accuracy of the value of Shares in any Sub-Fund. Accounting practices are in many respects less rigorous than those applicable in more developed markets. Similarly, the amount and quality of information required for reporting by companies in emerging market countries is generally of a relatively lower degree than in more developed markets.

In certain cases, decisions taken by a new majority shareholder following the privatisation of an emerging market country company may have unfavourable effects on the value and marketability of that company's shares traded on any stock exchange. There is also the risk that privatisations of majority share interests could be cancelled by the relevant authorities and these companies could revert to state ownership. In such cases, there is no guarantee as to the timing of a new privatisation tender or the decision of authorities to organise a new tender. Such outcomes may also have adverse effects on the value and marketability of a company's shares traded on any stock exchange.

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

There can be no guarantee of the operation or performance of settlement, clearing and registration of transactions in emerging market countries nor can there be any guarantee of the solvency of any securities system or that such securities system properly maintain the registration of the Depositary or the Fund or the relevant Sub-Fund as the holder of securities. Where organised securities markets and banking and telecommunications systems are underdeveloped, concerns inevitably arise in relation to settlement, clearing and registration of transactions in securities where these are acquired other than as direct investments. Furthermore, due to the local postal and banking systems in many emerging market countries, no guarantee can be given that all entitlements attaching to quoted and over the counter traded securities acquired by a Sub-Fund, including those related to dividends, can be realised.

Some emerging markets currently dictate that monies for settlement be received by a local broker a number of days in advance of settlement, and that assets are not transferred until a number of days after settlement. This exposes the assets in question to risks arising from

acts, omissions and solvency of the broker and counterparty risk for that period of time.

Local custody services remain underdeveloped in many emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances a Sub-Fund may not be able to recover some of its assets. Such circumstances may include any acts or omissions or the liquidation, bankruptcy or insolvency of a sub-custodian, retroactive application of legislation and fraud or improper registration of title. The costs borne by a Sub-Fund in investing and holding investments in such markets will generally be higher than in organised securities markets.

In some emerging market countries evidence of legal title to shares is maintained in “book-entry” form. In order to be recognised as the registered owner of the shares of a company, a purchaser or purchasers’ representative must physically travel to a registrar and open an account with the registrar (which, in certain cases, requires the payment of an account opening fee). Thereafter, each time that the purchaser purchases additional shares of the company, the purchasers’ representative must present to the registrar powers of attorney from the purchaser and the seller of such shares, along with evidence of such purchase, at which time the registrar will debit such purchased shares from the seller’s account maintained on the register and credit such purchased shares to the purchaser’s account to be maintained on the register of Shareholders.

The role of the registrar in such custodial and registration processes is crucial. Registrars may not be subject to effective government supervision and it is possible for a Sub-Fund to lose its registration through fraud, negligence or mere oversight on the part of the registrar. Furthermore, while companies in certain emerging market countries may be required to maintain independent registrars that meet certain statutory criteria, in practice, there can be no guarantee that this regulation has been strictly enforced. Because of this possible lack of independence, management of companies in such emerging market countries can potentially exert significant influence over the shareholding in such companies. If the company register were to be destroyed or mutilated, a Sub-Fund’s holding of the relevant shares of the company could be substantially impaired, or in certain cases, deleted. Registrars often do not maintain insurance against such occurrences, nor are they likely to have assets sufficient to compensate the relevant Sub-Fund as a result thereof. While the registrar and the company may be legally obliged to remedy such loss, there is no guarantee that either of them would do so, nor is there any guarantee that the Sub-Fund would be able to successfully bring a claim against them as a result of such loss. Furthermore, the registrar or the relevant company could wilfully refuse to recognise the Fund or the relevant Sub-Fund as the registered holder of shares previously purchased by the Fund due to the destruction of a company’s register.

The ability of a Sub-Fund to make distributions, in the form of dividends or otherwise, and maintain Net Asset Value will be dependent upon the ability and willingness of those whose obligations the relevant Sub-Fund acquires to make payment on such obligations as they become due. In the event that any such obligor were to default on the obligations, not only could distributions from a Sub-Fund be diminished or suspended but the Sub-Fund’s ability to sell, and potentially realise “distressed” obligation or to “salvage” value on, such obligations could be impaired.

Due to certain restrictions on the ability of foreign entities to acquire, with freely transferable funds, certain securities, a Sub-Fund may enter into certain arrangements with one or more financial institutions, pursuant to which the Sub-Fund would acquire such financial institution(s) synthetic instruments which bear interest by reference to such securities. Under these circumstances, the Sub-Fund will bear not only the risk by default by the relevant government but also will be exposed to counterparty risk.

#### *Country and regional risk*

If a Sub-Fund focuses its investment on specific countries or regions, this shall also reduce the risk diversification. Accordingly, the relevant Sub-Fund shall be particularly dependent on the development of individual or mutually interlinking countries and regions, and on companies which are located and/or are active in these countries or regions. The production of some commodities can be concentrated in geographic regions or specific countries, and as such the impact of natural, political or social factors can have a significant effect.

#### *Corruption and Organised Crime*

The economic systems and governments in certain countries suffer from pervasive corruption. The social and economic difficulties resulting from the problems of corruption and organised crime may adversely affect the value of a Sub-Fund's investments or the ability of a Sub-Fund to protect its assets against theft or fraud.

#### *Investment in Unquoted Securities*

A Sub-Fund may invest in unquoted securities provided that any such investment is effected in accordance with the limits set out herein, the Instrument and the UCITS Rules. Such investments may be valued at the probable realisation value estimated with care and good faith by (i) the Directors or (ii) a competent person, firm or corporation (including the Manager and/or the Investment Manager) selected by the Directors and approved for the purpose by the Depositary or (iii) any other means provided that the value is approved by the Depositary. Such probable realisation value may be determined by using the original purchase price, the last traded price or bid quotation from a broker or by any other means set out herein or in the Instrument and in accordance with the UCITS Rules. Estimates of the fair value of such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales prices of the securities, even when such sales occur very shortly after the valuation date. Such investments may be valued at original purchase price for considerable periods of time before further information or quotes become available which may have a substantial effect on the valuation of that date. No adjustment will be made to prior valuations. In addition a Sub-Fund may engage in derivative instruments and there can be no assurance that the valuation thereof reflects the exact amount at which the instrument may be "closed out".

#### *Certain Hedging Considerations*

Investors intending to purchase the Shares for the purpose of hedging their exposure to a particular investment should be aware of the risks of utilising the Shares in such manner. No assurance is or can be given that the value of the Shares will correlate with movements in the value of such investment. This risk is especially prevalent if a Sub-Fund's performance is linked to an underlying investment, as the Sub-Fund will generally not be investing in such underlying investment. Furthermore, it may not be possible to liquidate the Shares at a price which directly reflects the value of the underlying investment. Therefore, it is possible that investors could suffer substantial losses in the Shares notwithstanding losses suffered with respect to direct investments in or direct exposure to the underlying investment. Investors in the Shares should be aware that hedging transactions, in order to limit the risks associated with the Shares, might not be successful.

#### *Securities Lending*

As with any extensions of credit, there are risks of delay and recovery. A stock lending transaction will involve the receipt of collateral. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral

provided in connection with such transaction will be called upon. However there is a risk that the value of the collateral may fall and the relevant Sub-Fund suffer loss as a result.

#### *Repurchase Agreements*

A Sub-Fund may enter into repurchase arrangements. Accordingly, such Sub-Fund would bear the risk of loss in the event that the other party to the transaction defaults on its obligation and the Sub-Fund is delayed or prevented from exercising its rights to dispose of the underlying securities. The relevant Sub-Fund will, in particular, be subject to the risk of a possible decline in the value of the underlying securities during the period in which the Sub-Fund seeks to assert its right to them, the risk of incurring expenses associated with asserting those rights and the risk of losing all or a part of the income from the agreement.

#### *Efficient Portfolio Management Risk*

A Sub-Fund may employ techniques and instruments relating to transferable securities, money market instruments and/or other financial instruments (including derivatives) in which it invests for efficient portfolio management purposes. Many of the risks attendant in utilising derivatives are equally relevant when employing such efficient portfolio management techniques. Investors should also be that from time to time, a Sub-Fund may engage with repurchase/reverse repurchase agreements counterparties and/or stock lending agents that are related parties to the Depositary or other service providers of the Fund. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the Fund. The identity of any such related parties will be specifically identified in the semi-annual and annual reports.

#### *Risks Associated with Collateral Management*

Where a Sub-Fund enters into an over the counter derivative contract or a Securities Financing Transaction, it may be required to pass collateral to the relevant counterparty or broker. Collateral that a Sub-Fund posts to a counterparty or a broker that is not segregated with a third-party custodian may not have the benefit of customer-protected "segregation" of such assets. In the event of the insolvency of a counterparty or a broker, a Sub-Fund may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return if the collateral becomes available to the creditors of the relevant counterparty or broker. In addition, notwithstanding that a Sub-Fund may only accept non-cash collateral which is highly liquid, the relevant Sub-Fund is subject to the risk that it will be unable to liquidate collateral provided to it to cover a counterparty default. A Sub-Fund may also be subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Where cash collateral received by a Sub-Fund is re-invested in accordance with the conditions imposed by the Central Bank, a Sub-Fund will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested.

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

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

### *Tax Risks*

Investors in the Shares should be aware that they may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or any other kind of tax on distributions or deemed distributions of the Fund, capital gains within the Fund, whether or not realised, income received or accrued or deemed received within the Fund and this will be according to the laws and practices of the country where the Shares are purchased, sold, held or redeemed and in the country of residence or nationality of the Shareholder.

Investors should be aware of the fact that they might have to pay taxes on income or deemed income received by or accrued within a Sub-Fund. Taxes might be calculated based on income received and/or deemed to be received by and/or accrued to the relevant Sub-Fund, whereas the performance of the Sub-Fund, and subsequently the return investors receive after redemption of the Shares, might partially or fully depend on the performance of the underlying investment. This can have the effect that the investor has to pay taxes for income or/and a performance which he does not, or does not fully, receive.

Investors who are in any doubt as to their tax position should consult their own independent tax advisors. In addition, investors should be aware that tax regulations and their application or interpretation by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment, which will apply at any given time.

The tax aspects of an investment in a Sub-Fund are complicated and each prospective investor should have them reviewed by professional advisors familiar with such investor's personal tax situation and with the tax laws and regulations applicable to the investor and private investment vehicles. The Fund and each of the Sub-Funds are not intended and should not be expected to provide any tax shelter.

### *Data Protection*

Under the Data Protection Legislation, data controllers are subject to additional obligations including, amongst others, accountability and transparency requirements whereby the data controller is responsible for, and must be able to demonstrate compliance with the rules set down in the Data Protection Legislation relating to data processing and must provide data subjects with more detailed information regarding the processing of their personal data. Other obligations imposed on data controllers include enhanced data consent requirements and the obligation to report any personal data breach to the relevant supervisory authority without undue delay. Under the Data Protection Legislation, data subjects are afforded additional rights, including the right to rectify inaccurate personal information, the right to have personal data held by a data controller erased in certain circumstances and the right to restrict or object to processing in a number of circumstances.

The implementation of the Data Protection Legislation may result in increased operational and compliance costs being borne directly or indirectly by the Fund. Further, there is a risk that due to changes in interpretation or guidance which emerge with respect to the Data Protection Legislation over time, the Fund or its services providers will be required to implement measures in a different manner to how they are currently being implemented. If there are breaches of these measures by the Fund or any of its service providers, the Fund or its service

providers could face significant administrative fines and/or be required to compensate any data subject who has suffered material or non-material damage as a result as well as the Fund suffering reputational damage which may have a material adverse effect on its operations and financial conditions.

#### *Risks Associated With Reliance on the Investment Manager*

The management of the investments of each Sub-Fund is vested exclusively with the Investment Manager. Persons should not invest in a Sub-Fund unless they are willing to entrust all aspects of the management of the Sub-Fund and its investments to the complete discretion of the Investment Manager.

#### *Investment Selection*

The success of each Sub-Fund's investment strategy depends on the management, skill and acumen of the Investment Manager. Investors have no opportunity to select or evaluate in advance any of a Sub-Fund's investments or strategies.

#### *Valuations of Fund Investments*

Each Sub-Fund's investments are valued in accordance with the terms of the Prospectus for purposes of calculating, among other things, the Net Asset Value of relevant Sub-Fund and, thereby, fees of the Manager, the Investment Manager, Administrator and Depositary. The value assigned to an investment at a certain time in accordance with the Fund's valuation procedures may differ from the value that a Sub-Fund is ultimately able to realise. In such a case, any fees paid will not be subject to reversal.

#### *Conflicts of Interest*

Decisions made by the Investment Manager are subject to a number of inherent conflicts of interests.

#### *Effect of Substantial Redemptions*

Substantial redemptions within a short period of time could require a Sub-Fund to liquidate securities positions more rapidly than would otherwise be desirable, possibly reducing the value of the Sub-Fund's assets and/or disrupting the Investment Manager's investment strategy.

#### *Suspension of Redemptions and Distributions*

The Board of Directors, on the recommendation of the Manager or an Investment Manager, may suspend the right of any investor to redeem its Shares in a Sub-Fund if, in the Board of Director's judgment, such a suspension would be in the best interest of the Sub-Fund.

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

### APPENDIX 3 – ELIGIBLE MARKETS

With the exception of permitted investments in unlisted securities and over the counter derivatives, investments will be restricted to the following stock exchanges and markets:

1. Any stock exchange in the European Union and the EEA (with the exception of Liechtenstein), any stock exchange in Australia, Canada, Japan, New Zealand, the United Kingdom, the US or Switzerland which is a stock exchange within the meaning of the law of the country concerned relating to stock exchanges, the market conducted by “listed money market institutions” in the UK as described in the UK Financial Services Authority publications entitled “The Regulation of the wholesale cash and over the counter derivatives markets”: “The Grey Paper” as amended or revised from time to time, AIM - the Alternative Investment Market in the UK regulated and operated by the London Stock Exchange, the market organised by the International Securities Markets Association, NASDAQ in the US, the market in US government securities which is conducted by primary dealers regulated by the Federal Reserve Bank of New York, the over-the-counter market in the US conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation), the French market for “Titres de Créance Négociable” (over-the-counter market in negotiable debt instruments), Euroclear, Clearstream, the market in Irish Government Bonds conducted by primary dealers recognised by the National Treasury Management Agency of Ireland, the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan and the over-the-counter market in Canadian Government Bonds regulated by the Investment Dealers Association of Canada;
2. And the following stock exchanges and markets: Argentina: the Buenos Aires Stock Exchange (MVBA), Cordoba Stock Exchange, Mendoza Stock Exchange, Rosario Stock Exchange, La Plata Stock Exchange, Bahrain: the Bahrain Bourse, Bangladesh: the Chittagong Stock Exchange, the Dhaka Stock Exchange, Botswana: the Botswana Stock Exchange, Brazil: BM&F Bovespa Exchange, the Channel Islands (Jersey and Guernsey): the International Stock Exchange (TISE), Chile: the Santiago Stock Exchange, the Valparaiso Stock Exchange, China: the China Interbank Bond Market, the Hong Kong Stock Exchange, the Shenzhen Stock Exchange (SZSE), the Shanghai Stock Exchange (SSE), Colombia: the Colombian Securities Exchange, the Medellin Stock Exchange, Croatia Zagreb Stock Exchange, Egypt: the Egyptian Exchange, Ghana: the Ghana Stock Exchange, India: BSE Limited, the Calcutta Stock Exchange, the National Stock Exchange of India, Indonesia: the Indonesian Stock Exchange, Israel: the Tel Aviv Stock Exchange, Jordan: the Amman Stock Exchange, Kazakhstan: the Kazakhstan Stock Exchange, Kenya: the Nairobi Securities Exchange, Kuwait: the Kuwait Stock Exchange, Malaysia: the Bursa Malaysia, Mauritius: the Stock Exchange of Mauritius, Mexico: the Bolsa Mexicana de Valores, Morocco: the Casablanca Stock Exchange, Namibia: the Namibian Stock Exchange, Nigeria: the Nigerian Stock Exchange, Oman: the Muscat Securities Market, Pakistan: the Karachi Stock Exchange, the Lahore Stock Exchange, Peru: the Lima Stock Exchange, The Philippines: the Philippine Stock Exchange, Qatar: the Qatar Stock Exchange, Romania: the Bucharest Stock Exchange, Saudi Arabia: the Saudi Stock Exchange (Tadawul), Serbia: the Belgrade Stock Exchange (BELEX), Singapore: the Singapore Exchange, South Africa: the Johannesburg Stock Exchange, South Korea: the Korea Exchange, the KOSDAQ, Sri Lanka: the Colombo Stock Exchange, Taiwan: the Taiwan Stock Exchange, the Taipei Exchange, Thailand: the Stock Exchange of Thailand, Turkey: the Borsa Istanbul,

Ukraine: Ukrainian Exchange, United Arab Emirates: Dubai Financial Market, the Abu Dhabi Securities Exchange, Uruguay: Montevideo Stock Exchange.

3. The investments of any Sub-Fund may comprise in whole or in part derivatives dealt in on the market organised by the International Capital Markets Association; the over-the-counter market in the US conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and by the Financial Industry Regulatory Authority (FINRA) and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation; the American Stock Exchange, Australian Stock Exchange, Bolsa Mexicana de Valores, Chicago Board of Trade, Chicago Board Options Exchange, Chicago Mercantile Exchange, Copenhagen Stock Exchange (including FUTOP), Eurex Deutschland, Euronext Amsterdam, OMX Exchange Helsinki, Hong Kong Stock Exchange, Kansas City Board of Trade, Financial Futures and Options Exchange, Euronext Paris, MEFF Rent Fiji, MEFF Renta Variable, Montreal Stock Exchange, New York Futures Exchange, New York Mercantile Exchange, New York Stock Exchange, New Zealand Futures and Options Exchange, EDX London, OM Stockholm AB, Osaka Securities Exchange, Pacific Stock Exchange, Philadelphia Board of Trade, Philadelphia Stock Exchange, Singapore Stock Exchange, South Africa Futures Exchange (SAFEX), Sydney Futures Exchange, The National Association of Securities Dealers Automated Quotations System (NASDAQ); Tokyo Stock Exchange; Toronto Stock Exchange. Each Sub-Fund may invest in over-the-counter financial derivative instruments and foreign exchange contracts which are listed or traded on derivative markets in the EEA Area.

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

#### APPENDIX 4 – DEPOSITARY SUB-CUSTODIANS

Jurisdiction	Sub-custodian	Relationship type
<b>Argentina</b>	The Branch of Citibank, N.A. in the Republic of Argentina	Branch
<b>Australia</b>	Citigroup Pty. Limited	Subsidiary
<b>Austria</b>	Citibank Europe plc	Subsidiary
<b>Bahrain</b>	Citibank, N.A., Bahrain Branch	Branch
<b>Bangladesh</b>	Citibank, N.A., Bangladesh Branch	Branch
<b>Belgium</b>	Citibank Europe plc	Subsidiary
<b>Bermuda</b>	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Bermuda Limited	Agent
<b>Bosnia-Herzegovina (Sarajevo)</b>	UniCredit Bank d.d.	Agent
<b>Bosnia-Herzegovina: Srpska (Banja Luka)</b>	UniCredit Bank d.d.	Agent
<b>Botswana</b>	Standard Chartered Bank of Botswana Limited	Agent
<b>Brazil</b>	Citibank, N.A., Brazilian Branch	Branch
<b>Bulgaria</b>	Citibank Europe plc Bulgaria Branch	Subsidiary
<b>Canada</b>	Citibank Canada	Subsidiary
<b>Chile</b>	Banco de Chile	Affiliate
<b>China B Shanghai</b>	Citibank, N.A., Hong Kong Branch (For China B shares)	Branch
<b>China B Shenzhen</b>	Citibank, N.A., Hong Kong Branch (For China B shares)	Branch
<b>China A Shares</b>	Citibank (China) Co., Ltd (except for B shares as noted above)	Subsidiary
<b>China Hong Kong Stock Connect</b>	Citibank, N.A., Hong Kong Branch	Branch
<b>Clearstream ICSD</b>	ICSD	ICSD

<b>Jurisdiction</b>	<b>Sub-custodian</b>	<b>Relationship type</b>
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria	Subsidiary
<b>Costa Rica</b>	Banco Nacional de Costa Rica	Agent
<b>Croatia</b>	Privedna Banka Zagreb d.d.	Agent
<b>Cyprus</b>	Citibank Europe plc, Greece Branch	Subsidiary
<b>Czech Republic</b>	Citibank Europe plc, organizacni slozka	Subsidiary
<b>Denmark</b>	Citibank Europe plc	Subsidiary
<b>Egypt</b>	Citibank, N.A., Egypt	Branch
<b>Estonia</b>	Swedbank AS	Agent
<b>Euroclear</b>	Euroclear Bank SA/NV	ICSD
<b>Finland</b>	Citibank Europe plc	Subsidiary
<b>France</b>	Citibank Europe plc	Subsidiary
<b>Georgia</b>	JSC Bank of Georgia	Agent
<b>Germany</b>	Citibank Europe plc	Subsidiary
<b>Ghana</b>	Standard Chartered Bank of Ghana Limited	Agent
<b>Greece</b>	Citibank Europe plc, Greece Branch	Subsidiary
<b>Hong Kong</b>	Citibank N.A., Hong Kong Branch	Branch
<b>Hungary</b>	Citibank Europe plc, Hungarian Branch Office	Subsidiary
<b>Iceland</b>	Islandsbanki hf	Agent
<b>India</b>	Citibank, N.A. Mumbai Branch	Branch
<b>Indonesia</b>	Citibank, N.A., Jakarta Branch	Branch
<b>Ireland</b>	Not Applicable. Citibank is a direct member of Euroclear Bank SA/NV, which is an ICSD.	N/A
<b>Israel</b>	Citibank, N.A., Israel Branch	Branch
<b>Italy</b>	Citibank Europe plc	Subsidiary
<b>Jamaica</b>	Scotia Investments Jamaica Limited	Agent
<b>Japan</b>	Citibank N.A., Tokyo Branch	Branch

<b>Jurisdiction</b>	<b>Sub-custodian</b>	<b>Relationship type</b>
<b>Jordan</b>	Standard Chartered Bank - Dubai DIFC Branch - effective August 3rd	Agent
<b>Kazakhstan</b>	Citibank Kazakhstan JSC	Subsidiary
<b>Kenya</b>	Standard Chartered Bank Kenya Limited	Agent
<b>Korea (South)</b>	Citibank Korea Inc.	Subsidiary
<b>Kuwait</b>	Citibank N.A., Kuwait Branch	Branch
<b>Latvia</b>	Swedbank AS, acting through its agent Swedbank AB	Agent
<b>Lebanon</b>	Bloominvest Bank S.A.L	Agent
<b>Lithuania</b>	Swedbank AS, acting through its agent , Swedbank AB	Agent
<b>Luxembourg</b>	only offered through the ICSDs- Euroclear & Clearstream	
<b>Macedonia (republic of North Macedonia)</b>	Raiffeisen Bank International AG	Agent
<b>Malaysia</b>	Citibank Berhad	Subsidiary
<b>Malta</b>	Citibank is a direct member of Clearstream Banking, which is an ICSD.	N/A
<b>Mauritius</b>	The Hong Kong & Shanghai Banking Corporation Limited	Agent
<b>Mexico</b>	Banco Nacional de Mexico, SA	Citigroup subsidiary
<b>Morocco</b>	Citibank Maghreb S.A	subsidiary
<b>Netherlands</b>	Citibank Europe plc	Subsidiary
<b>New Zealand</b>	Citibank, N.A., New Zealand Branch	Branch
<b>Namibia</b>	Standard Bank of South Africa Limited acting through its agent, Standard Bank Namibia Limited	Agent
<b>Nigeria</b>	Citibank Nigeria Limited	Subsidiary
<b>Norway</b>	Citibank Europe plc	Subsidiary

<b>Jurisdiction</b>	<b>Sub-custodian</b>	<b>Relationship type</b>
<b>Oman</b>	Standard Chartered Bank Oman Branch effective 31 July 2023	Agent
<b>Pakistan</b>	Citibank, N.A., Pakistan Branch	Branch
<b>Panama</b>	Citibank N.A., Panama Branch	Branch
<b>Peru</b>	Citibank del Peru S.A	Subsidiary
<b>Philippines</b>	Citibank, N.A., Philippine Branch	Branch
<b>Poland</b>	Bank Handlowy w Warszawie SA	Subsidiary
<b>Portugal</b>	Citibank Europe plc	Subsidiary
<b>Qatar</b>	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Middle East Limited	Agent
<b>Romania</b>	Citibank Europe - Romania Branch	Subsidiary
<b>Saudi Arabia</b>	Citigroup Saudi Arabia	Citigroup Subsidiary
<b>Serbia</b>	UniCredit Bank Srbija a.d.	Agent
<b>Singapore</b>	Citibank, N.A., Singapore Branch	Branch
<b>Slovak Republic</b>	Citibank Europe plc pobočka zahraničnej banky	Subsidiary
<b>Slovenia</b>	UniCredit Banka Slovenia d.d. Ljubljana	Agent
<b>South Africa</b>	Citibank N.A., South Africa Branch	Branch
<b>Spain</b>	Citibank Europe plc	Subsidiary
<b>Sri Lanka</b>	Citibank, N.A. Sri Lanka Branch	Branch
<b>Sweden</b>	Citibank Europe plc, Sweden Branch	Subsidiary
<b>Switzerland</b>	Citibank N.A., London Branch	Branch
<b>Taiwan</b>	Citibank Taiwan Limited	Subsidiary
<b>Tanzania</b>	Standard Bank of South Africa acting through its affiliate Stanbic Bank Tanzania Ltd	Agent
<b>Thailand</b>	Citibank, N.A., Bangkok Branch	Branch

<b>Jurisdiction</b>	<b>Sub-custodian</b>	<b>Relationship type</b>
<b>Tunisia</b>	Union Internationale de Banques	Agent
<b>Turkiye</b>	Citibank, A.S.	Subsidiary
<b>Uganda</b>	Standard Chartered Bank of Uganda Limited	Agent
<b>Ukraine</b>	JSC Citibank	Subsidiary
<b>UAE- Abu Dhabi Securities Exchange</b>	Citibank N.A., UAE	Branch
<b>United Arab Emirates DFM</b>	Citibank N.A., UAE	Branch
<b>United Arab Emirates NASDAQ Dubai</b>	Citibank N.A., UAE	Branch
<b>United Kingdom</b>	Citibank N.A., London Branch	Branch
<b>United States</b>	Citibank N.A., New York offices	Branch
<b>Uruguay</b>	Banco Itau Uruguay S.A.	Agent
<b>Vietnam</b>	Citibank N.A., Hanoi Branch	Branch