

Prospective investors should review this Prospectus (the “Prospectus”) and the Relevant Supplement(s) carefully and in their entirety and, before making any investment decision with respect to an investment in the Company, should consult a stockbroker, bank manager, lawyer, accountant or other financial adviser for independent advice in relation to: (a) the legal requirements within their own countries for the purchase, holding, exchanging, redeeming or disposing of Shares; (b) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, exchanging, redeeming or disposing of Shares; (c) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Shares; and (d) the provisions of this Prospectus and the Relevant Supplement(s).

## LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC

An investment company with variable capital constituted as an umbrella fund with segregated liability between sub-funds under the laws of Ireland and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations 2011, as amended

### PROSPECTUS

2 October 2015

The Directors of LAM ZyFin Global Markets UCITS ETF plc (the “Company”) whose names appear in the “Directory” of the Prospectus 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 any material information likely to affect the import of such information.

No person has been authorised to give any information or to make any representations other than those contained in this Prospectus in connection with the offer of each Sub-Fund’s Shares and, if given or made, the information or representations must not be relied upon as having been authorised by the Company. Neither the delivery of this Prospectus or any Relevant Supplement nor any sale of Shares shall under any circumstance imply that the information contained herein is correct as of any date after the date of this Prospectus.

The key investor information documents (each a “KIID”) for each of the Sub-Funds provide important information in respect of the Sub-Funds, including the applicable synthetic risk and reward indicator, charges and, where available, the historical performance associated with the Sub-Funds. Before subscribing for Shares, each investor will be required to confirm that they have received the relevant KIID. The KIIDs and the latest annual and any semi-annual reports of the Company are available to download on the Website.

Investors should be aware that the price of Shares may fall as well as rise and investors may not get back any of the amount invested. The difference at any one time between the subscription and redemption price of Shares means that an investment in any Company should be viewed as medium to long term. Risk factors for each investor to consider are set out in the “Risk Information” section.

Authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of the Prospectus. The authorisation of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company.

Shares are not being and may not be, offered, sold or delivered directly or indirectly in the United States of America, its territories or possessions or in any State or the District of Columbia (the “U.S.”) or to or for the account or benefit of any U.S. Person as defined in Schedule I hereto. Shares have not been and will not be

**registered under the U.S. Securities Act of 1933, as amended, or under the securities laws of any of the States of the U.S. and the Company will not be registered under the U.S. Investment Company Act of 1940, as amended. Any re-offer or resale of any of the Shares in the U.S. or to U.S. Persons may constitute a violation of U.S. law.**

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## DIRECTORY

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**LAM ZYFIN GLOBAL MARKETS UCITS ETF PLC  
70 SIR JOHN ROGERSON'S QUAY  
DUBLIN 2  
IRELAND**

**Directors:**

Benjamin Huart  
Feargal Dempsey  
Sanjay Sachdev

**Promoter and Investment Manager:**

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**Administrator & Registrar:**

State Street Fund Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Manager:**

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Dublin 2  
Ireland

**Investment Advisor:**

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George Town  
Grand Cayman, KY1  
9005 Cayman Islands

**Custodian:**

State Street Custodial Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Legal Advisors:**

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Secretary:**

Matsack Trust Limited  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Auditors:**

KPMG  
1 Stokes Place  
St Stephen's Green  
Dublin 2

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## GENERAL INFORMATION

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This section is an introduction to this Prospectus and any decision to invest in the Shares should be based upon consideration of the Prospectus as a whole, including the Relevant Supplements. Capitalised terms used in this Prospectus are defined in Schedule I hereto.

**Corporate Information.** The Company was incorporated in Ireland pursuant to the Companies Act 2014 on 4 August 2015 under registration number 565972 and is authorised by the Central Bank as a UCITS. The object of the Company is the collective investment in transferable securities and/or other liquid financial assets of capital raised from the public, operating on the principle of risk spreading in accordance with the UCITS Regulations. The Company has been structured as an umbrella fund, with segregated liability between Sub-Funds, in that the Directors may from time to time, with the prior approval of the Central Bank, create different series of Shares effected in accordance with the requirements of the Central Bank representing separate portfolios of assets, each such series comprising a Sub-Fund. Each Sub-Fund will bear its own liabilities and, under Irish law, none of the Company, any of the service providers appointed to the Company, the Directors, any receiver, examiner or liquidator, nor any other person will have access to the assets of a Sub-Fund in satisfaction of a liability of any other Sub-Fund. The Company is promoted by Lemanik Asset Management S.A. Details of the promoter may be found under “*The Investment Manager*” in the “*Management*” section.

The Company is incorporated in Ireland and is therefore subject to the Act and is required to comply with the corporate governance requirements of the UCITS Regulations. The Directors have committed to maintain a high standard of corporate governance and will seek to comply with the Act, the UCITS Regulations and the Central Bank’s requirements for UCITS.

**Sub-Funds.** The portfolio of assets maintained for each series of Shares and comprising a Sub-Fund will be invested in accordance with the investment objectives and policies applicable to such Sub-Fund as specified in the Relevant Supplement. Shares may be divided into different Classes to accommodate, amongst other things, different dividend policies, charges, fee arrangements (including different total expense ratios), currencies, or to provide for foreign exchange hedging in accordance with the policies and requirements of the Central Bank from time to time.

Under the Articles, the Directors are required to establish a separate Sub-Fund, with separate records, in the following manner:

- (a) the Company will keep separate books and records of account for each Sub-Fund. The proceeds from the issue of Shares issued in respect of a Sub-Fund will be applied to the Sub-Fund and the assets and liabilities and income and expenditure attributable to that Sub-Fund will be applied to such Sub-Fund;
- (b) any asset derived from another asset in a Sub-Fund will be applied to the same Sub-Fund as the asset from which it was derived and any increase or diminution in value of such an asset will be applied to the relevant Sub-Fund;
- (c) in the case of any asset which the Directors do not consider as readily attributable to a particular Sub-Fund or Sub-Funds, the Directors have the discretion to determine, acting in a fair and equitable manner and with the consent of the Custodian, the basis upon which any such asset will be allocated between Sub-Funds and the Directors may at any time and from time to time vary such basis;
- (d) any liability will be allocated to the Sub-Fund or Sub-Funds to which in the opinion of the Directors it relates or if such liability is not readily attributable to any particular Sub-Fund the Directors will have discretion to determine, acting in a fair and equitable manner and with the consent of the Custodian, the basis upon which any liability will be allocated between Sub-Funds and the Directors may, with the consent of the Custodian, at any time and from time to time vary such basis;
- (e) in the event that assets attributable to a Sub-Fund are taken in execution of a liability not attributable to that Sub-Fund and in so far as such assets or compensation in respect thereof cannot otherwise be restored to that Sub-Fund affected, the Directors, with the consent of the Custodian, shall certify or cause to be certified, the value of the assets lost to the Sub-Fund affected and transfer or pay from the assets of the Sub-Fund or Sub-Funds to

which the liability was attributable, in priority to all other claims against such Sub-Fund or Sub-Funds, assets or sums sufficient to restore to the Sub-Fund affected, the value of the assets or sums lost to it;

- (f) where the assets of the Company (if any) attributable to the Subscriber Shares give rise to any net profit, the Directors may allocate assets representing such net profits to such Sub-Fund or Sub-Funds as they may deem appropriate, acting in a fair and equitable manner; and
- (g) subject as otherwise provided in the Articles, the assets held for the account of each Sub-Fund shall be applied solely in respect of the Shares to which such Sub-Fund appertains and shall belong exclusively to the relevant Sub-Fund and shall not be used to discharge directly or indirectly the liabilities of or claims against any other Sub-Fund and shall not be available for any such purpose.

Each of the Shares (other than the Subscriber Shares) entitles the Shareholder to participate equally on a pro rata basis in the dividends and net assets of the Sub-Fund in respect of which they are issued, save in the case of dividends declared prior to becoming a Shareholder. The Subscriber Shares entitle the Shareholders holding them to attend and vote at all meetings of the Company but do not entitle the holders to participate in the dividends or net assets of any Sub-Fund.

At the date of this Prospectus, the Company comprises one Sub-Fund, the LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF, which is a CSD Sub-Fund.

**Report and Accounts.** The Company's accounting period will end on 31 December in each year. The Company will publish an annual report and audited annual accounts for the Company within four months of the end of the financial period to which they relate, i.e. normally in April of each year and the first annual report and annual accounts will be prepared up to 31 December 2016. The unaudited half-yearly reports of the Company will be made up to 30 June in each year. The unaudited half yearly reports will be published within two months of the end of the half year period to which they relate, i.e. normally in August of each year and the first set of half-yearly reports will be prepared up to 30 June 2016. The annual report and the half-yearly report will be made available on the Website and may be sent to Shareholders by electronic mail or other electronic means of communication, although Shareholders and prospective investors may also, on request, receive hard copy reports by mail.

**Articles of Association.** Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Articles, copies of which are available as described below under "*Further Information*".

**Share Capital.** The authorised share capital of the Company is 500,000,000,002 Shares of no par value divided into 2 Subscriber Shares of no par value and 500,000,000,000 shares of no par value. The Directors are empowered to issue up to all of the Shares of the Company on such terms as they think fit. The Subscriber Shares entitle the holders to attend and vote at any general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding-up. The Shares entitle the holders to attend and vote at general meetings of the Company and (other than the Subscriber Shares) to participate equally in the profits and assets of the Sub-Fund to which the Shares relate, subject to any differences between fees, charges and expenses applicable to different Classes. The Company may from time to time by ordinary resolution increase its capital, consolidate the Shares or any of them into a smaller number of Shares, sub-divide the Shares or any of them into a larger number of Shares or cancel any Shares not taken or agreed to be taken by any person. The Company may by special resolution from time to time reduce its share capital in any way permitted by law. At a meeting of Shareholders, on a show of hands, each Shareholder shall have one vote and, on a poll, each Shareholder shall have one vote for each whole Share held by such Shareholder.

**Distribution and Selling Restrictions.** The distribution of this Prospectus and the offering or purchase of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute and may not be treated as an offer or solicitation by or to anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction.

Shares are offered only on the basis of the information contained in this Prospectus. Any further information or representations given or made by any dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorised to give information or to make any representation in connection with

the offering of Shares other than those contained in this Prospectus for the Company and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors or the Investment Manager. Statements in this Prospectus are in accordance with the law and practice in force in Ireland at the date hereof and are subject to change. Neither the delivery of this Prospectus nor the issue of Shares shall, under any circumstances, create any implication or constitute any representation that the affairs of the Company have not changed since the date hereof.

This Prospectus may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus. To the extent that there is any inconsistency between the English language Prospectus and the Prospectus in another language, this English language Prospectus will prevail, except that where a Prospectus in another language is required by law of any jurisdiction where the Shares are sold and an action is brought that is based upon disclosure in such Prospectus, the language of the Prospectus on which such action is based shall prevail. All disputes as to the contents of this Prospectus shall be governed in accordance with the laws of Ireland.

**Listing on Stock Exchanges.** The Company may list the Shares of its Sub-Funds on one or more stock exchanges to act as an exchange traded fund. It is planned to have the relevant Shares in its Sub-funds admitted to trading on one or several stock exchanges. Such admission to trading also comprises the obligation of one or several members of the relevant stock exchanges to act as market maker and provide prices at which the Shares may be purchased or sold by investors. The bid/offer spread may be monitored and regulated by the relevant stock exchange authority.

Details of the stock exchanges on which the Shares of a Sub-Fund are listed will be set out in the Relevant Supplement. Listing information in respect of each of the Sub-Funds including details of Listing Stock Exchanges is contained on the Website.

**Winding Up.** In accordance with the Act, if the Company is wound up, a liquidator will be appointed to settle outstanding claims and distribute the remaining assets of the Company. The liquidator will use the assets of the Company in order to satisfy claims of creditors. Thereafter, the liquidator will distribute the remaining assets among the Shareholders. The Articles contains provisions that will require, firstly, the distribution of assets to the Shareholders of each Sub-Fund after settlement of the liabilities of that Sub-Fund and, thereafter, distribution to the holders of Subscriber Shares of the nominal amount paid in respect of those Subscriber Shares. Where distributions in specie are effected on a winding up, any Shareholder may request that all or a portion of the assets attributable to his/her shareholding be sold at his/her expense and determine to receive the cash proceeds instead of that sale.

**Further Information.** Copies of the following documents may be inspected online on the Website:

- (a) the material contracts referred to in the “*Management*” section;
- (b) the Articles; and
- (c) the UCITS Regulations and the UCITS Notices issued pursuant thereto.

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

Details of each Sub-Fund’s portfolio and the INAV for each Sub-Fund are available on the Website.

Shareholder and investor enquiries may be directed to the Sub-Funds through the Website or using the following email address: [info@lemanik.lu](mailto:info@lemanik.lu).

**No person has been authorised to give any information or to make any representations other than those contained in this Prospectus in connection with the offer of each Sub-Fund’s Shares and, if given or made, the information or representations must not be relied upon as having been authorised by the Company. Neither the delivery of this Prospectus or any Relevant Supplement nor any sale of Shares shall under any circumstance imply that the information contained herein is correct as of any date after the date of this Prospectus.**

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## INVESTMENT OBJECTIVES AND POLICIES

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**Investment Objective and Strategy of a Sub-Fund.** The Company has been established for the purpose of investing in transferable securities in accordance with the UCITS Regulations. The specific investment objectives, strategies and policies for each Sub-Fund will be set out in the Relevant Supplement.

The assets of each Sub-Fund will be invested in accordance with the investment restrictions contained in the UCITS Regulations which are summarised in the “*Investment Restrictions*” section and such additional investment restrictions, if any, as may be adopted by the Directors for any Sub-Fund and specified in the Relevant Supplement. Information in relation to the investment objectives and types of instruments or securities in which the relevant Sub-Fund will invest will be set out in the Relevant Supplement. Details of each Sub-Fund’s portfolio and INAV will be available on the Website.

The Sub-Funds which 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 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 Funds.** Replicating Funds seek to replicate, to the extent possible, the Index by physically holding all the Index Securities in the exact proportion to their weighting in the Index.
- **Non-Replicating Funds.** In certain situations it may not be in the best interests of investors or practicable for a Sub-Fund to gain exposure to all of the Index Securities of its respective Index in their proportionate weightings or to purchase them at all due to various factors, including the costs and expenses involved and the concentration limits set out in this Prospectus. In these circumstances, the Investment Manager may, in tracking an Index, decide to hold a representative sample of the securities contained in an Index.

The Investment Manager may employ a range of techniques designed to select those Index Securities which will create the representative sample that tracks the performance of the Index as closely as possible. Further details in respect of the replication techniques used by a Sub-Fund will be included in the Relevant Supplement.

In addition, the replication methodology used in respect of a Sub-Fund may vary over time. For example, a newly launched Sub-Fund may not have adequate assets under management to efficiently employ the replication strategy and so may seek to employ either the optimisation or stratified sampling strategy initially, before gradually switching to full replication over time. Similarly a Sub-Fund employing the replication strategy may no longer be able to acquire all of the components of an Index because of changes in the Index or underlying market with the result that it can no longer fully replicate the Index, or can no longer do so efficiently and is obliged to switch to either the optimisation or stratified sampling technique.

Changes to the composition and/or weighting of Index Securities will ordinarily require that Sub-Fund to make corresponding adjustments or rebalancings to its investments in order to seek to track the Index. The Investment Manager will accordingly seek to rebalance the composition and/or weighting of the securities held by a Sub-Fund or to which a Sub-Fund is exposed from time to time to the extent practicable and possible to conform to changes in the composition and/or weighting of the Index. Other rebalancing measures may be taken from time to time to seek to maintain the correspondence between the performance of a Sub-Fund and the performance of the Index. For further details on the factors which may limit the ability of the Sub-Fund to track the performance of an Index exactly, investors should also read the risk warning headed “*Index Tracking Risk*” in the “*Risk Information*” section. Information on the anticipated level of tracking error in respect of a Sub-Fund can be found in the Relevant Supplement and information on the level of tracking error experienced by a Sub-Fund will be contained in the most recent financial statements published by the Company.

There may be circumstances in which the holding of Index Securities may be prohibited by regulation, or may not otherwise be in the interests of investors. These include but are not limited to, where:

- (i) restrictions on the proportion of each Sub-Fund's value which may be held in individual securities arise from compliance with the UCITS Regulations;
- (ii) changes to the Index Securities cause the Investment Manager to determine that it would be preferable to implement different investment strategies to provide similar performance and a similar risk profile to that of the Index;
- (iii) Index Securities are unavailable or no market exists for such security, in which case, a Sub-Fund may instead hold depository receipts relating to such securities (e.g. ADRs and GDRs) or may hold FDI giving exposure to the performance of such securities;
- (iv) corporate actions occur in respect of Index Securities, in which case the Investment Manager has discretion to manage these events in the most efficient manner;
- (v) a Sub-Fund holds ancillary liquid assets and /or has receivables, in which case the Investment Manager may purchase FDI, for direct investment purposes, to produce a return similar to the return on the Index;
- (vi) Index Securities held by a Sub-Fund Index become illiquid or are otherwise unobtainable at fair value, in which circumstances, the Investment Manager may use a number of techniques, including purchasing securities whose returns, individually or collectively, are seen to be well-correlated to desired constituents of the Index or purchasing a sample of stocks in the Index;
- (vii) following consideration of the costs of any proposed portfolio transaction, the Investment Manager believes that that it is not efficient to execute transactions to bring the Sub-Fund perfectly into line with the Index at all times; and
- (viii) a Sub-Fund sells Index Securities in anticipation of their removal from the Index, or purchases securities which are not currently represented in the relevant Index, in anticipation of their becoming Index Securities.

The Investment Manager will rely solely on each Index Provider for information as to the composition and/or weighting of Index Securities. If the Investment Manager is unable to obtain or process such information in relation to any Index on any Business Day, then the most recently published composition and/or weighting of that Index will be used for the purpose of all adjustments.

**Changes of Index.** The Directors may in their absolute discretion decide, if they consider it to be in the interests of any Sub-Fund, to change or substitute the relevant Index for a Sub-Fund. The Directors may, for instance, decide to substitute an Index in the following circumstances:

- (a) the transferable securities or other techniques or instruments described in the "*Investment Restrictions*" section which are necessary for the implementation of the relevant Company's investment objective cease to be sufficiently liquid or otherwise be available for investment in a manner which is regarded as acceptable by the Directors;
- (b) the quality, accuracy and availability of data of a particular Index has deteriorated;
- (c) the components of the applicable Index would cause the Sub-Fund to be in breach of the limits contained in the "*Investment Restrictions*" section and/or materially affect the taxation or fiscal treatment of the Company or any of its investors;
- (d) the particular Index ceases to exist or, in the determination of the Directors, there is, or is expected to be, a material change in the formula for, or the method of, calculating the Index or a component of the Index or there is, or is expected to be, a material modification of the Index or a component of the Index;
- (e) the Index Provider increases its licence fees to a level which the Directors consider excessive;

- (f) there is a change of ownership of the relevant Index Provider to an entity not considered acceptable by the Directors and/or a change of name of the relevant Index; or
- (g) a new index becomes available which is regarded as being of greater benefit to the investors than the existing Index.

The above list is indicative only and cannot be understood as being exhaustive in respect of the ability of the Directors to change the Index in any other circumstances as they consider appropriate. The Prospectus and any of the Relevant Supplements will be updated in the case of substitution or change of the existing Index of a Sub-Fund for another Index.

Any proposal by the Directors to change an Index shall be subject to the prior approval of the Shareholders of the relevant Sub-Fund by ordinary resolution only if it is deemed to be a change of investment objective or a material change of investment policy of the Sub-Fund. Otherwise, in accordance with the requirements of the Central Bank, Shareholders will be notified of the proposed change.

The Directors will change the name of a Sub-Fund if its Index is changed. Any change to the name of a Sub-Fund will be approved in advance by the Central Bank and the relevant documentation will be updated.

**Cash Management.** A Sub-Fund may, for cash management purposes, hold cash, commercial paper (i.e. short term paper issued by credit institutions) and short term government paper (i.e. short term paper issued by governments).

**Investment in other Collective Investment Schemes.** Where so disclosed in the Relevant Supplement, Sub-Funds may invest in other, UCITS eligible collective investment schemes. However, unless otherwise specified in the Relevant Supplement, any such Sub-Fund's investment in such other, UCITS eligible collective investment schemes will be limited to 10% of their Net Asset Value in aggregate.

**Currency Hedging at Portfolio Level.** A Sub-Fund may enter into transactions for the purposes of hedging the currency exposure of the underlying securities into the relevant Base Currency to match the relevant Index exposure. FDI such as currency forwards and interest rate futures may be utilised if the Sub-Fund engages in such hedging. The currency exposure of investments will not be allocated to separate Classes.

**Currency Hedging at Share Class Level.** A Sub-Fund may use FDI on behalf of a specific Class in order to hedge some or all of the foreign exchange risk for such Class. Where Classes denominated in different currencies are created within a Sub-Fund and currency hedging transactions are entered into to hedge any relevant currency exposure, each such transaction will be clearly attributable to the specific Class and any costs shall be for the account of that Class only. Accordingly, all such costs and related liabilities and/or benefits will be reflected in the Net Asset Value per Share of such Class. Over-hedged or under-hedged positions may arise unintentionally due to factors outside the control of the Investment Manager but over-hedged positions will not be permitted to exceed 105% of the Net Asset Value of the Class. The hedged positions will be kept under review to ensure that overhedged positions do not exceed the permitted level and this review will incorporate a procedure to ensure that positions materially in excess of 100% will not be carried forward from month to month. A Sub-Fund that hedges foreign exchange risk for any Class may enter into forward foreign exchange contracts in order to hedge some or all of the foreign exchange risk for the relevant Class. To the extent that hedging is successful, the performance of the relevant Class is likely to move in line with the performance of the underlying assets. The use of hedged currency Classes may substantially limit holders of the relevant classes from benefiting if the currency of each of these Classes falls against the Base Currency and/or the currency in which the assets of the Sub-Fund are denominated.

**Changes to Investment Objective and Policies of a Sub-Fund.** Any change in the investment objectives and any material change in the investment policies of a Sub-Fund will require prior approval by ordinary resolution of the Shareholders in that Sub-Fund. A non-material change in the investment policy will not require Shareholder approval, however a reasonable notification period will be provided by the Sub-Fund to enable Shareholders to redeem their Shares prior to implementation of the change.

**Securities Lending.** Where specified in the Relevant Supplement, a Sub-Fund may enter into securities lending agreements, subject to the conditions and limits set out in the UCITS Notices. Any such securities lending agreements may only be used for efficient portfolio management purposes.

Under a securities lending transaction, the Sub-Fund makes a loan of securities which it holds to a borrower upon terms that require the borrower to return equivalent securities to the Sub-Fund within a specified period and to pay the Sub-Fund a fee for the use of the securities during the period that they are on loan. The Sub-Fund will ensure that it is able, at any time, to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

The Sub-Fund may lend its portfolio securities via a securities lending program through an appointed securities lending agent to brokers, dealers and other financial institutions desiring to borrow securities to complete transactions and for other purposes. Pursuant to the terms of the relevant securities lending agreement, the appointed lending agent will be entitled to retain a portion of the securities lending revenue to cover the fees and costs associated with the securities lending activity, including the delivery of loans, the management of collateral and the provision of any securities lending indemnity and such fees paid will be at normal commercial rates. However, all revenues from securities lending, net of direct and indirect operational costs, will be returned to the Sub-Fund and any securities lending agent appointed will not be an affiliate of the Custodian. Details of the exposures obtained through efficient portfolio management techniques, the counterparties used, the type and amount of collateral received to reduce such exposures and any income and expenses, whether direct or indirect, generated by securities lending will be disclosed in the annual reports of the Company.

The Sub-Fund will only enter into securities lending agreements with counterparties are rated A-2 or equivalent by a Recognised Rating Agency, or are deemed by the Company to have an implied rating of A-2 or equivalent. Alternatively, an unrated counterparty will be acceptable where the Sub-Fund is indemnified or guaranteed against losses suffered as a result of a failure by the counterparty, by an entity which is rated A-2 or equivalent by a Recognised Rating Agency. Investors should also read the “*Securities Lending Risk*” risk warning in the “*Risk Information*” section.

**Use of Financial Derivative Instruments.** The use of FDI by any Sub-Fund for investment purposes or for efficient portfolio management will be described in the Relevant Supplement. In this context, efficient portfolio management means the reduction of risks, including the risk of tracking error between the performance of a Sub-Fund and the performance of the Index tracked by the relevant Sub-Fund, the reduction of costs to the Company, the generation of additional capital or income for the Company and hedging against market movements, currency exchange or interest rate risks, subject to the general restrictions outlined in the “*Investment Restrictions*” section. To the extent that a Sub-Fund uses FDI, there may be a risk that the volatility of the Sub-Fund’s Net Asset Value may increase. Please refer to the “*Risk Information*” section for further details about the risks associated with the use of FDI.

The following is a summary description of each of the types of FDI, which may be used for investment purposes or for efficient portfolio management by a Sub-Fund. More information on the types of FDI used by each Sub-Fund is contained in the Relevant Supplement, as appropriate.

- **Futures.** Futures contracts are agreements to buy or sell a fixed amount of an index, equity, bond or currency at a fixed date in the future. Futures contracts are exchange-traded instruments and their dealing is subject to the rules of the exchanges on which they are dealt.
- **Forward Foreign Exchange Contracts.** Forward foreign exchange contracts are agreements between parties to exchange fixed amounts of different currencies at an agreed exchange rate at an agreed time in the future. Forward foreign exchange contracts are similar to currency futures, except that they are not exchange-traded, but are instead over the counter instruments. Forward foreign exchange contracts may be used to manage currency exposures represented in the Index. Non-deliverable forward foreign exchange contracts may be used for the same reasons. They differ from standard forward foreign exchange contracts in that at least one of the currencies in the transaction is not permitted to be delivered in settlement of any profit or loss resulting from the transaction. Typically, profit or loss in this case will be delivered in US Dollars or Euros
- **Options.** Options are contracts in which the writer (seller) promises that the contract buyer has the right, but not the obligation, to buy or sell a certain index, equity, bond or currency at a certain price (the strike price) on or before a certain expiration date, or exercise date. An option giving the buyer the right to buy at a certain price is called a call, while one that gives him/her the right to sell is called a put. A Sub-Fund may purchase and write call and put options on securities (including straddles), securities indices and currencies and use options on futures contracts (including straddles) and swap agreements and / or hedge against changes in interest rates, currency exchange rates or

securities prices. A Sub-Fund may also use options as a substitute for taking a position in other securities and funds and/or to gain an exposure within the limits laid down by the Central Bank.

- **Warrants.** Warrants grant the right to acquire an underlying security from the issuer (as opposed to an option where a third party grants a right to acquire an underlying security as described above) at a fixed price. A Sub-Fund may hold warrants on securities as a substitute for taking a position in the underlying security and/or to gain an exposure within the limits laid down by the Central Bank.
- **Swaps.** A total return swap is an agreement between two parties whereby one party makes payments to the other based on an agreed rate, while the other party makes payments to the first party based on the return of an underlying asset or assets, such as one or more securities, a currency, an index or an interest rate. Sub-Funds may also invest in structured notes and credit-linked notes which embed total return swaps.

A credit default swap (“CDS”) is a swap used to transfer the risk of default on an underlying security from the holder of the security to the seller of the swap. For example, if a Sub-Fund buys a CDS (which could be to take a short position in respect of the credit of security’s issuer or to hedge an investment in the relevant security), it will be entitled to receive the value of the security from the seller of the CDS, should the security’s issuer default on its payment obligations under the security. Where a Sub-Fund sells a CDS (which is taking a long position in respect of the credit of the security’s issuer) it will receive a fee from the purchaser and hope to profit from that fee in the event that the issuer of the relevant security does not default on its payment obligations.

**Collateral.** All assets received in respect of a Sub-Fund in the context of OTC (over the counter) FDI or securities lending transactions will be considered as collateral for the purposes of the UCITS Notices and will comply with the criteria above. The Company seeks to identify and mitigate risks linked to the management of collateral, including operational and legal risks, by risk management procedures employed by the Company. Any collateral received by a Sub-Fund will meet, at all times, the following criteria:

- **Liquidity.** Collateral (other than cash) should be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral should comply with the provisions of Regulation 74 of the UCITS Regulations and shall be used in accordance with the requirements of this Prospectus and the UCITS Regulations.
- **Valuation.** Collateral should be valued on a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- **Issuer Credit Quality.** Collateral should be of high quality. A Sub-Fund must ensure that where one or more credit rating agencies registered and supervised by the European Securities and Markets Authority (“ESMA”) have provided a rating of the issuer, the credit quality assessment process employed on behalf of the Sub-Fund has regard inter alia to those ratings. While there will be no mechanistic reliance on such external ratings, a downgrade below the two highest short-term credit ratings by any agency registered and supervised by ESMA that has rated the issuer must lead to a new assessment of the credit quality of the issuer to ensure the collateral continues to be of high quality.
- **Correlation.** Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- **Diversification.** Collateral should be sufficiently diversified in terms of country, markets and issuers. Non-cash collateral will be considered to be sufficiently diversified if the relevant Sub-Fund receives from a counterparty a basket of collateral with a maximum exposure to any one issuer of 20% of the Sub-Fund’s Net Asset Value. When the Sub-Fund is exposed to a variety of different counterparties, the various baskets of collateral are aggregated to ensure exposure to a single issuer does not exceed 20% of Net Asset Value.
- **Immediately Available.** Collateral must be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.

It is proposed that each Sub-Fund may only accept the following types of collateral:

- cash;
- government or other public securities;
- certificates of deposit issued by Relevant Institutions;
- letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by Relevant Institutions; and
- equity securities traded on a stock exchange in the EEA, Switzerland, Canada, Japan, the United States, Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

The Company has implemented a haircut policy in respect of each class of assets to be received as collateral. This policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the stress testing policy. Collateral obtained under such agreement: (a) must be marked to market daily; and (b) must equal or exceed, in value, at all times the value of the exposure to the relevant counterparty, taking into the account the relevant counterparty exposure limits under the UCITS Regulations.

Collateral must be held by the Custodian, or its agent (where there is title transfer). This is not applicable in the event that there is no title transfer, in which case the collateral can be held by a third party custodian which is subject to prudential supervision and unrelated to the provider of the collateral.

Any Sub-Fund receiving collateral for at least 30% of its assets will undergo regular stress testing in accordance with the Company's liquidity stress-testing policy to assess the liquidity risk attached to the collateral it has received.

**Reinvestment of Collateral.** Non-cash collateral received cannot be sold, pledged or reinvested by the Company. Cash received as collateral may not be invested or used other than as set out below:

- placed on deposit, or invested in certificates of deposit issued by Relevant Institutions;
- invested in high-quality government bonds; or
- invested in a Short Term Money Market Company, as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref: CESR/10-049).

Re-invested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with, or invested in securities issued by, the counterparty or a related entity.

**Risk Management.** The use of the other efficient portfolio management techniques described above to the risk profile of a Sub-Fund will be disclosed in its investment policies. Any use of efficient portfolio management techniques by a Sub-Fund shall not result in a change to the Company's investment objective nor substantially increase the risk profile of the Sub-Fund.

Unless otherwise stated in the Relevant Supplement, each Sub-Fund's global exposure and leverage will be calculated using the commitment approach and the Sub-Funds' global exposure will not exceed 100% of Net Asset Value. The commitment approach converts each Sub-Fund's FDI positions into the equivalent positions in the underlying assets and seeks to ensure that the FDI risk is monitored in terms of any future "commitments" to which it is (or may be) obligated.

The Manager has a risk management process in respect of each Sub-Fund which enables it to accurately measure, monitor and manage the various risks associated with FDI, the use of efficient portfolio management techniques and the management of collateral. The Investment Manager will only employ FDI that are covered by the risk management process, as amended from time to time. A statement of this risk management process has been submitted to and cleared by the Central Bank. In the event of a Sub-Fund proposing to use additional types of FDI, the risk management process and the Relevant Supplement will be amended to reflect this intention. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

**Borrowing Money.** Each Sub-Fund may borrow money from a bank up to a limit of 10% of its Net Asset Value, but only on a temporary basis. A Sub-Fund may acquire foreign currency by means of a back-to-back loan agreement. Foreign currency obtained in this way is not classified as borrowing for the purposes of Regulation 103(1) of the UCITS Regulations provided that the offsetting deposit (a) is denominated in the Base Currency of the Sub-Fund and (b) equals or exceeds the value of the foreign currency loan outstanding.

## INVESTMENT RESTRICTIONS

The assets of each Sub-Fund will be invested in accordance with the investment restrictions contained in the UCITS Regulations which are summarised below and such additional investment restrictions, if any, as may be adopted by the Directors, the details of such additional investment restrictions will be set out below and/or in the Relevant Supplement.

|            |  |
|------------|--|
| <b>1</b>   | <b>Permitted Investments</b>   |
|            | Investments of a UCITS are confined to:  |
| <b>1.1</b> | Transferable securities and money market instruments, as prescribed in the UCITS Notices, 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, as defined in the UCITS Notices, other than those dealt on a regulated market.   |
| <b>1.4</b> | Units of UCITS.  |
| <b>1.5</b> | Units of non-UCITS as set out in the Central Bank's Guidance Note 2/03.  |
| <b>1.6</b> | Deposits with credit institutions as prescribed in the UCITS Notices.  |
| <b>1.7</b> | Financial derivative instruments as prescribed in the UCITS Notices.   |
| <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> | A UCITS may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by the UCITS in certain US securities known as Rule 144A securities provided that: <ul style="list-style-type: none"> <li>- the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and</li> <li>- the securities are not illiquid securities i.e. they may be realised by the UCITS within seven days at the price, or approximately at the price, at which they are valued by the UCITS.</li> </ul> |
| <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> | Subject to the prior approval of the Central Bank, the limit of 10% (in 2.3) may be 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 Sub-Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments across all issuers may not exceed 80% of the Net Asset Value of the Company.   |
| <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 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 may not invest more than 20% of net assets in deposits made with the same credit institution.

Deposits with any one credit institution, other than

- a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein);
- a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or
- a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand

held as ancillary liquidity, must not exceed 10% of net assets.

This limit may be raised to 20% in the case of deposits made with the trustee/custodian.

**2.8** The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.

This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

**2.9** Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:

- investments in transferable securities or money market instruments;
- deposits, and/or
- counterparty risk exposures arising from OTC derivatives transactions.

**2.10** The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined and consequently exposure to a single body shall not exceed 35% of net assets.

**2.11** Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.

**2.12** A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.

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

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

The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

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|------------|---|
| <b>3</b>   | <b>Investment in Collective Investment Schemes (“CIS”)</b>  |
| <b>3.1</b> | A UCITS may not invest more than 20% of net assets in any one CIS.  |
| <b>3.2</b> | Investment in non-UCITS may not, in aggregate, exceed 30% of net assets.  |
| <b>3.3</b> | The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.  |
| <b>3.4</b> | When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.   |
| <b>3.5</b> | Where a commission (including a rebated commission) is received by the UCITS manager/investment manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the UCITS.   |
| <b>4</b>   | <b>Index Tracking UCITS</b>   |
| <b>4.1</b> | A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the UCITS Notices and is recognised by the Central Bank   |
| <b>4.2</b> | The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.  |
| <b>5</b>   | <b>General Provisions</b>   |
| <b>5.1</b> | An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.   |
| <b>5.2</b> | 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>   |
| <b>5.3</b> | 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 down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2,</li> </ul> |

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|            | 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.   |
| (v)        | Shares held by an investment company or investment companies 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.   |
| <b>5.4</b> | UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.   |
| <b>5.5</b> | The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.   |
| <b>5.6</b> | If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.  |
| <b>5.7</b> | Neither an investment company, 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 short sales of: <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- money market instruments*;</li> <li>- units of CIS; or</li> <li>- financial derivative instruments.</li> </ul>   |
| <b>5.8</b> | A UCITS may hold ancillary liquid assets.   |
| <b>6</b>   | <b>Financial Derivative Instruments ('FDIs')</b>  |
| <b>6.1</b> | A UCITS' global exposure (as prescribed in the UCITS Notices) relating to FDI must not exceed its total net asset value.  |
| <b>6.2</b> | Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the UCITS Notices. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the UCITS Notices.) |
| <b>6.3</b> | UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.  |
| <b>6.4</b> | Investment in FDIs are subject to the conditions and limits laid down by the Central Bank   |

The Company may acquire real and personal property that is required for the purpose of its business. The Company shall not acquire either precious metals or certificates representing them.

The Directors may at their absolute discretion from time to time impose such further investment restrictions as shall be compatible with or in the interests of investors, in order to comply with the laws and regulations of the countries where investors are located.

The investment restrictions referred to above are deemed to apply at the time of purchase of the investments. If such limits are exceeded for reasons beyond the control of the Company, or as a result of the exercise of subscription rights,

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

the Company must adopt, as a priority objective, the remedying of the situation, taking due account of the interests of Shareholders.

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## RISK INFORMATION

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This section provides information regarding some of the general risks applicable to an investment in the Sub-Funds. Additional risk information specific to individual Sub-Funds is specified in the Relevant Supplement. This section is not intended to be a complete explanation and other risks may be relevant from time to time. In particular, the Company's and each Sub-Fund's performance may be affected by changes in market, economic and political conditions and in legal, regulatory and tax requirements.

**Investors should be aware that an investment in a Sub-Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme.**

**Before making an investment decision with respect to an investment in any Sub-Fund, prospective investors should carefully consider all of the information set out in this Prospectus and the Relevant Supplement, as well as their own personal circumstances and should consult their own stockbroker, bank manager, lawyer, accountant and/or financial adviser. An investment in Shares is only suitable for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.**

**The price of the Shares can go down as well as up and their value is not guaranteed. Investors may not receive, at redemption or liquidation, the amount that they originally invested in a Company or any amount at all. The primary risk for portfolio management is tracking error. Portfolio optimisation and trading activity can both contribute to tracking error.**

### PRINCIPAL RISKS

**Cash Position Risk.** A Sub-Fund may hold a significant portion of its assets in cash or cash equivalents at the Investment Manager's discretion. If a Sub-Fund holds a significant cash position for an extended period of time, its investment returns may be adversely affected and it may not achieve its investment objective.

**Concentration Risk.** A Sub-Fund may invest a relatively large percentage of its assets in issuers located in a single country, a small number of countries, or a particular geographic region. In these cases, the Sub-Fund's performance will be closely tied to the market, currency, economic, political, or regulatory conditions and developments in that country or region or those countries and could be more volatile than the performance of more geographically-diversified funds.

In addition, a Sub-Fund may concentrate its investments in companies or issuers in a particular industry, market or economic sector. When a Company concentrates its investments in a particular industry, market or economic sector, financial, economic, business and other developments affecting issuers in that industry, market or economic sector will have a greater effect on the Sub-Fund and may potentially increase the Sub-Fund's volatility levels, than if it had not concentrated its assets in that industry, market or sector. The Sub-Fund's liquidity may also be affected by such concentration of investment.

Further, investors may buy or sell substantial amounts of a Sub-Fund's shares in response to factors affecting or expected to affect a particular country, industry, market or economic sector in which the Sub-Fund concentrates its investments, resulting in abnormal inflows or outflows of cash into or out of the Sub-Fund. These abnormal inflows or outflows may cause the Sub-Fund's cash position or cash requirements to exceed normal levels and consequently, adversely affect the management of the Company and the Sub-Fund's performance.

**Conflicts Of Interest Risk.** Conflicts of interest may arise in connection with an investment in the Company. Subject to applicable law, the Company may engage in transactions that may trigger or result in a potential conflict of interest. These transactions include (but are not limited to):

- The Manager or its affiliates may provide services to the Company, such as bookkeeping and accounting services and shareholder servicing.
- The Company may enter into derivatives transactions with or through the Manager, the Investment Manager or one of its affiliates.

- The Company may invest in other pooled investment vehicles sponsored, managed, or otherwise affiliated with the Manager or the Investment Manager in which event the Company may not be charged subscription or redemption fees on account of such investment but will bear a share of the expenses of those other pooled investment vehicles; those investment vehicles may pay fees and other amounts to the Investment Manager or its affiliates, which might have the effect of increasing the expenses of the Company.
- It is possible that other clients of the Manager or the Investment Manager will purchase or sell interests in such other pooled investments at prices and at times more favourable than those at which the Company does so.

There is no assurance that the rates at which the Company pays fees or expenses to the Manager or its affiliates, or the terms on which it enters into transactions with the Manager or the Investment Manager or its affiliates or on which it invests in any such other investment vehicles will be the most favourable available in the market generally or as favourable as the rates the Manager or the Investment Manager makes available to other clients. There will be no independent oversight of fees or expenses paid to, or services provided by, those entities. Because of their respective financial interests, the Manager and the Investment Manager may have an incentive to enter into transactions or arrangements on behalf of the Company with themselves or with their affiliates in circumstances where it might not have done so in the absence of that interest. Transactions and services with or through the Manager or the Investment Manager or its affiliates will, however, be effected in accordance with the applicable regulatory requirements.

The relationship between the Manager, the Investment Manager and the Company is as described in the Management Agreement. Neither that relationship, nor the services the Manager or Investment Manager provides nor any other matter, will give rise to any fiduciary or equitable duties on the Manager or Investment Manager's part or on the part of the Manager or Investment Manager's affiliates which would prevent or hinder the Manager, the Investment Manager, or any of their affiliates in doing business under those agreements, acting as both market maker and broker, principal and agent or in doing business with or for affiliates, connected customers or other customers or investors and generally acting as provided in the agreements.

The Manager, the Investment Manager and their affiliates serve as investment advisers to other clients and may make investment decisions for their own accounts and for the accounts of others, including other funds that may be different from those that will be made by the Manager or the Investment Manager on behalf of the Company. In particular, the Investment Manager may provide asset allocation advice to some clients that may include a recommendation to invest or redeem from a fund while not providing that same recommendation to all clients invested in the same or similar funds.

When making investment decisions where a conflict of interest may arise, the Investment Manager will endeavour to act in a fair and equitable manner, in accordance with its conflicts of interest policy, as between the relevant Sub-Fund and other clients. Subject to the foregoing, (i) the Investment Manager and its affiliates may invest for their own accounts and for the accounts of clients in various securities that are senior, pari passu or junior to, or have interests different from or adverse to, the securities that are owned by the Company; and (ii) the Investment Manager may at certain times (subject to applicable law) be simultaneously seeking to purchase (or sell) investments for the Company and to sell (or purchase) the same investment for accounts, funds or structured products for which it serves as asset manager now or in the future, or for its clients or affiliates and may enter into cross trades in such circumstances. In addition, the Investment Manager and its affiliates may buy securities from or sell securities to the Company, if permitted by applicable law. These other relationships may also result in securities laws restrictions on transactions in these instruments by the Company and otherwise create potential conflicts of interest for the Investment Manager.

The Manager and the Investment Manager, in connection with their other business activities, may acquire material non-public confidential information that may restrict the Investment Manager from purchasing securities or selling securities for itself or its clients (including the Company) or otherwise using such information for the benefit of its clients or itself.

There is no prohibition on dealing in assets of the Company by the Custodian, Manager or Investment Manager, or by any entities related to such parties, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arms' length and are in the best interests of Shareholders. Permitted transactions between the Company and such parties are subject to (i) a certified valuation by a person approved by the Custodian (or the Directors in the case of a transaction involving the Custodian) as independent and competent; or (ii) execution on best terms on organised

investment exchanges under their rules; or (iii) where (i) and (ii) are not practical, execution on terms the Custodian (or the Directors in the case of a transaction involving the Custodian) is satisfied conform to the principles set out above.

There is no prohibition on the Custodian, the Administrator, the Manager or the Investment Manager or any other party related to the Company acting as a “competent person” for the purposes of determining the probable realisation value of an asset of the Sub-Fund in accordance with the valuation provisions outlined in the “*Determination of Net Asset Value*” section below. Investors should note however, that in circumstances where fees payable by the Company to such parties are calculated based on the Net Asset Value, a conflict of interest may arise as such fees will increase if the Net Asset Value increases. Any such party will endeavour to ensure that such conflicts are resolved fairly and in the best interests of the Shareholders.

It is the normal policy of the Investment Manager to use full service brokerage houses, which will, in addition to routine order execution, provide a range of other services the nature of which is such that the benefits provided under the arrangement must be those which assist in the provision of investment services to the Company and may contribute to an improvement in a Sub-Fund’s performance. In any event, the execution of transactions will be consistent with best execution standards and brokerage rates will not be in excess of customary institutional full-service brokerage rates. Details of such arrangements shall be disclosed in the periodic reports of the Company. The precise services will vary, but where the Investment Manager executes orders on behalf of the Company through such a broker or other person, passes on that person’s charges to the Company and receives in return goods or services additional to that execution service, it will satisfy itself on reasonable grounds that such additional goods and services (i) are related to the execution of trades on behalf of its customers or comprise the provision of research; (ii) will reasonably assist the Investment Manager in the provision of its services to the Company and (iii) do not, and are not likely to, impair the Investment Manager’s compliance with its duty to act in the best interests of the Company. Such goods and services might include, by way of example, research in the form of periodic and one-off newsletters, reports and market analyses and execution facilities such as access to particular markets or trading forums, execution software, market-making, block trading and stock-lending facilities, trade confirmation and settlement services and execution-related information and advice.

The reasons for selecting of individual brokers will vary but will include factors such as the quality of research, financial security, quality and range of execution services, charges, and reliability and responsiveness to client demands. In some cases the value of the services provided may depend upon a minimum threshold of broker commissions or a percentage of such commissions. The receipt of these benefits assists the Investment Manager in providing a better service to its clients but also assists it in containing its costs and ultimately its charges to clients, including the Company. The Investment Manager is able to enter into such arrangements and obtain such benefits, inter alia, due to its ability to deal collectively and aggregate transactions on behalf of clients and obtain benefits which would not be available to an individual investor.

The Investment Manager will provide the Company with periodic disclosure in accordance with applicable regulatory rules of the arrangements entered into, including details of the goods and services relating to execution and to research respectively.

A Director may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is interested, provided that he has disclosed to the Directors prior to the conclusion of any such transaction or arrangement the nature and extent of any material interest of his therein. Unless the Directors determine otherwise, a Director may vote in respect of any contract or arrangement or any proposal whatsoever in which he has a material interest, having first disclosed such interest. At the date of this Prospectus, other than as disclosed in the “*Management*” section, no Director or connected person of any Director has any interest, beneficial or non-beneficial, in the share capital of the Company or any material interest in the Company or in any agreement or arrangement with the Company. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

The foregoing does not purport to be a comprehensive list or complete explanation of all potential conflicts of interests which may affect the Company. The Company may encounter circumstances, or enter into transactions, in which conflicts of interest that are not listed or discussed here may arise.

**Costs Of Buying Or Selling Shares Risk.** Investors buying or selling Shares in the secondary market will 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 trading volume and market liquidity and is generally lower if a Company’s Shares have more trading volume and market liquidity and higher if a 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.** The Sub-Funds will be subject to credit risk with respect to the counterparties with which the Company on behalf of a Sub-Fund enters into transactions such as derivatives contracts, foreign exchange and currency forward contracts. If a counterparty becomes insolvent or otherwise fails to perform its obligations, a Sub-Fund may experience significant delays in obtaining any recovery in an insolvency, bankruptcy, or other reorganisation proceeding (including recovery of any collateral posted by it) and may obtain only a limited recovery or may obtain no recovery in such circumstances. In addition, if the credit rating of a derivatives counterparty or potential derivatives counterparty declines, the Company may determine not to enter into transactions on behalf of a Sub-Fund with that counterparty in the future and/or may terminate any transactions currently outstanding between the Sub-Fund and that counterparty; alternatively, the Company may in its discretion determine on behalf of the Sub-Fund to enter into new transactions with that counterparty and/or to keep existing transactions in place, in which event the Sub-Fund would be subject to any increased credit risk associated with that counterparty. Regulatory changes adopted or proposed to be adopted by regulators in the U.S. and outside the U.S. may have the effect of increasing certain counterparty risks in connection with over-the-counter transactions entered into by a Sub-Fund.

**Currency Risk.** A Sub-Fund may invest in securities that are denominated in currencies that differ from the Sub-Fund’s base currency. Changes in the values of those currencies relative to a Sub-Fund’s base currency may have a positive or negative effect on the values of the Sub-Fund’s investments denominated in those currencies. A Sub-Fund may, but will not necessarily, invest in currency exchange contracts to help reduce exposure to different currencies, however there is no guarantee that these contracts will successfully do so. Also, these contracts may reduce or eliminate some or all of the benefit that a Sub-Fund may experience from favourable currency fluctuations.

The values of other currencies relative to a Sub-Fund’s base currency may fluctuate in response to, among other factors, interest rate changes, intervention (or failure to intervene) by national governments, central banks, or supranational entities such as the International Monetary Company, the imposition of currency controls and other political or regulatory developments. Currency values can decrease significantly both in the short term and over the long term in response to these and other developments. Continuing uncertainty as to the status of the Euro and the European Monetary Union (the “EMU”) has created significant volatility in currency and financial markets generally. Any partial or complete dissolution of the EMU, or any continued uncertainty as to its status, could have significant adverse effects on currency and financial markets and on the values of a Sub-Fund’s portfolio investments.

**Custodial Risk.** There are risks involved in dealing with the custodians or brokers who hold or settle a Sub-Fund’s trades. It is possible that, in the event of the insolvency or bankruptcy of a custodian or broker, a Sub-Fund would be delayed or prevented from recovering its assets from the custodian or broker, or its estate and may have only a general unsecured claim against the custodian or broker for those assets. The Custodian will hold assets in compliance with applicable laws and such specific provisions as agreed in the Custody Agreement. These requirements are designed to protect the assets against the insolvency in bankruptcy of the Custodian but there is no guarantee they will successfully do so. In addition, as the Company may invest in markets where custodial and/or settlement systems and regulations are not fully developed, including emerging markets, the assets of the Company which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of sub-custodians is necessary, may be exposed to risk in circumstances where the Custodian will have no liability. Please also refer to “*International Investment Risk*” in this section.

**Derivatives Risk.** The Sub-Funds may use derivative instruments for both efficient portfolio management and for investment purposes. Each Sub-Fund’s Relevant Supplement will indicate how the Sub-Fund intends to use derivative instruments. A Sub-Fund’s use of derivative instruments involves risks different from and possibly greater than, the risks associated with investing directly in securities. These risks include:

- Potential changes in value in response to interest rate changes or other market developments or as a result of the counterparty’s credit quality;

- The potential for the derivative transaction to not have the effect the Investment Manager anticipated;
- The failure of the counterparty to the derivative transaction to perform its obligations under the transaction or to settle a trade (see also “**Counterparty Risk**”);
- Possible mispricing or improper valuation of the derivative instrument;
- Imperfect correlation in the value of a derivative with the asset, rate, or index underlying the derivative;
- The risks specific to the asset underlying the derivative instrument;
- Possible increase in the amount and timing of taxes payable by investors;
- Lack of liquidity for a derivative instrument if a secondary trading market does not exist;
- The potential for reduced returns to a Sub-Fund due to losses on the transaction and an increase in volatility; and
- Legal risks arising from the form of contract used to document derivative trading.

When a Sub-Fund invests in certain derivative instruments, it could lose more than the stated amount of the instrument. In addition, some derivative transactions can create investment leverage and may be highly volatile and speculative in nature.

Further, when a Sub-Fund invests in a derivative instrument, it may not be required to post collateral equal to the amount of the derivative investment. Consequently, the cash held by the Sub-Fund (generally equal to the unfunded amount of the derivative) will typically be invested in money market instruments and therefore, the performance of the Sub-Fund will be affected by the returns achieved from these investments. It is possible that returns on the investment of this cash may have a negative impact on the performance and/or returns of the Sub-Fund.

**Fees and Expenses Risk.** Whether or not a Sub-Fund is profitable it is required to pay fees and expenses, including organisation and offering expenses, brokerage commissions, management, administrative and operating expenses and custodian fees. A portion of these expenses may be offset by interest income.

**Fluctuation of Net Asset Value and Market Pricing Risk.** The Net Asset Value per Share will generally fluctuate with changes in the market value of a Sub-Fund’s securities holdings. The market prices of Shares will generally fluctuate in accordance with changes in a Sub-Fund’s Net Asset Value and supply and demand of Shares on the Listing Stock Exchange. It cannot be predicted whether Shares will trade below, at or above the Net Asset Value per Share. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for Shares will be closely related to, but not identical to, the same forces influencing the prices of the securities of an Index trading individually or in the aggregate at any point in time. The market prices of Shares may deviate significantly from the Net Asset Value per Share during periods of market volatility. However, given that Shares can be created and redeemed in large volumes, large discounts or premiums to the Net Asset Value per Share should not be sustained. While the creation/redemption feature is designed to help make it likely that Shares normally will trade close to the Net Asset Value per Share, disruptions or suspensions to creations and redemptions may result in trading prices that differ significantly from the Net Asset Value per Share. Losses may be incurred, or profits reduced, if Shares are purchased at a time when the market price is at a premium to the Net Asset Value per Share or sold at a time when the market price is at a discount to the Net Asset Value per Share.

**Foreign Exchange Risk.** The Company on behalf of a Sub-Fund may enter into a variety of different foreign currency transactions, including, by way of example, currency forward transactions, spot transactions, futures contracts, swaps, or options. Most of these transactions are entered into “over the counter,” and the Sub-Fund assumes the risk that the counterparty may be unable or unwilling to perform its obligations, in addition to the risk of unfavourable or unanticipated changes in the values of the currencies underlying the transactions. Over-the-counter currency transactions are typically uncollateralised and a Sub-Fund may not be able to recover all or any of the assets owed to it under such transactions if the counterparty should default. Many types of currency transactions are expected to continue to be traded over the counter even after implementation of the clearing requirements by recent US and EU legislation. In some markets or in

respect of certain currencies, a Sub-Fund may be required, or agree, in the Company's discretion, to enter into foreign currency transactions via the Custodian's relevant sub-custodian. The Company may be subject to a conflict of interest in agreeing to any such arrangements on behalf of a Sub-Fund. Such transactions executed directly with the sub-custodian are executed at a rate determined solely by such sub-custodian. Accordingly, a Sub-Fund may not receive the best pricing of such currency transactions. Recent regulatory changes in a number of jurisdictions will require in the future, that certain currency transactions be subject to central clearing, or be subject to new or increased collateral requirements. These changes could increase the costs of currency transactions to a Sub-Fund and may make certain transactions unavailable; they may also increase the credit risk of such transactions to a Sub-Fund.

**Futures Contracts and Other Exchange Traded Derivatives Risks.** Certain Sub-Funds may purchase futures contracts and other exchange-traded derivatives. The ability to establish and close out positions in futures contracts and other exchange-traded derivatives will be subject to the development and maintenance of a liquid secondary market. There is no assurance that a liquid secondary market on an exchange will exist for any particular futures contract or other exchange-traded derivative or at any particular time. In the event no such market exists for a particular derivative, it might not be possible to effect closing transactions and a Sub-Fund will be unable to terminate its exposure to the derivative. If a Sub-Fund uses futures contracts or other exchange-traded derivatives for hedging purposes, there is a risk of imperfect correlation between movements in the prices of the derivatives and movements in the securities or index underlying the derivatives or movements in the prices of the Sub-Fund's securities that are the subject of a hedge. The prices of futures and other exchange-traded derivatives, for a number of reasons, may not correlate perfectly with movements in the securities or index underlying them. A Sub-Fund will incur brokerage fees in connection with its exchange-traded derivatives transactions. A Sub-Fund will typically be required to post margin with its applicable counterparty in connection with its transactions in futures contracts and other exchange-traded derivatives. In the event of an insolvency of the counterparty, the Sub-Fund may not be able to recover all (or any) of the margin it has posted with the counterparty, or to realise the value of any increase in the price of its positions.

**Index Licence Risk.** If in respect of an Index, at any time, the licence granted (if required) to the Company or the Investment Manager (or its affiliates) to replicate or otherwise use the Index for the purposes of a Sub-Fund terminates, or such a licence is otherwise disputed, impaired or ceases (for any reason), the Directors 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 Directors are unable to identify a suitable replacement for the relevant index, they may be forced to terminate the Sub-Fund.

**Index Risk.** The ability of a Sub-Fund to achieve significant correlation between the performance of the Sub-Fund and the Index it tracks may be affected by changes in securities markets, changes in the composition of the Index, cash flows into and out of the Sub-Fund and the fees and expenses of the Sub-Fund. The Sub-Fund will seek to track Index returns regardless of the current or projected performance of the Index or of the actual securities comprising the Index. Further, the Sub-Fund generally will not sell a security included in an Index as long as such security is part of the Index regardless of any sudden or material decline in value or foreseeable material decline in value of such security, even though the Investment Manager may make a different investment decision for other accounts or portfolios that hold such security. As a result, the Sub-Fund's performance may be less favourable than that of a portfolio managed using an active investment strategy. The structure and composition of the Index will affect the performance, volatility and risk of the Index (in absolute terms and by comparison with other indices) and consequently, the performance, volatility and risk of the Sub-Fund. The Company may not be successful in selecting a portfolio of investments that will provide a return that correlates closely with that of the Index. As will be disclosed in the Relevant Supplement, the Company may also apply one or more "screens" or investment techniques to refine or limit the number or types of issuers included in the Index in which each of the Sub-Funds may invest. Application of such screens or techniques may result in investment performance below that of the Index and may not produce results expected by the Company.

**Index Tracking Risk.** There is no guarantee that the investment objective of any Sub-Fund will be achieved. In particular, no financial instrument enables the returns of any index to be reproduced or tracked exactly. Changes in the investments of any Sub-Fund and re-weightings of the relevant index may give rise to various transaction costs (including in relation to the settlement of foreign currency transactions), operating expenses or inefficiencies which may adversely impact a Sub-Fund's tracking of an Index. Furthermore, the total return on investment in the Shares of a Sub-Fund will be reduced by certain costs and expenses which are not taken into account in the calculation of the applicable Index. Moreover, in the event of the temporary suspension or interruption of trading in the Investments comprising the index, or of market disruptions, rebalancing a Sub-Fund's investment portfolio may not be possible and may result in deviations from the return of the Index. Deviations may occur due to many reasons including, higher cash held by the Sub-Fund for

expenses and due to quotas/limits on investments in a local market, costs of quotas/limits, if any, local trading and settlement constraints, local regulatory issues, rebalancing costs of the portfolio, inability to buy the underlying securities in the same proportion as in the underlying index and disproportionate changes in market values of the underlying securities.

**International Investment Risk; Emerging Markets Risk.** Investments in securities of companies from multiple countries and/or securities of companies with significant exposure to multiple countries can involve additional risks. Political, social and economic instability, the imposition of currency or capital controls or the expropriation or nationalisation of assets in a particular country can cause dramatic declines in that country's economy. Less stringent regulatory, accounting and disclosure requirements for issuers and markets are common in certain countries. Enforcing legal rights can be difficult, costly and slow in some countries and can be particularly difficult against governments. Additional risks of investing in various countries include trading, settlement, custodial and other operational risks due to different systems, procedures and requirements in a particular country and varying laws regarding withholding and other taxes. These factors can make investments in multiple countries, especially investments in emerging or less developed markets, more volatile and less liquid than investments in a single country and could potentially result in an adverse effect on a Company's performance.

Further, investment in emerging markets subjects a Sub-Fund to a greater risk of loss than investments in developed markets. This is due to, among other things:

- greater market volatility;
- lower trading volume and liquidity issues;
- limited securities markets;
- restrictions on purchases of securities by foreign investors;
- political and economic instability;
- economic dependence on a few industries or on international trade or revenue from particular commodities;
- high levels of inflation, deflation or currency devaluation;
- regulatory, financial reporting, accounting and disclosure standards that may be less stringent than those of developed markets;
- settlement and custodial systems that are not as well-developed as those in developed markets that may cause delays in settlement and possible "failed settlements";
- precarious financial stability of issuers (including governments);
- greater risk of market shut down; and
- more governmental limitations on foreign investment policy than those typically found in a developed market.

The foregoing factors may cause a Sub-Fund's investments to be more volatile than if the Sub-Fund invested in more developed markets and may cause a Sub-Fund to realise losses. This risk of increased volatility and losses may be magnified by currency fluctuations relative to the base currency of the Sub-Fund.

**Investment Risk.** Investors may lose the entire principal amount invested in a Company. The value of the securities held in a Sub-Fund may increase or decrease, at times rapidly and unexpectedly. An investment in a Sub-Fund may at any point in the future be worth less than the original amount invested.

**Issuer Risk.** The values of securities purchased by a Sub-Fund may decline for a number of reasons which directly relate to the issuers of those securities, such as, for example, management performance, financial leverage and reduced demand for the issuer's goods and services.

**Leveraging Risk.** Certain transactions, including, for example, when-issued, delayed-delivery and forward commitment purchases and the use of some derivatives, can result in leverage. Leverage generally has the effect of increasing the amounts of loss or gain a Sub-Fund might realise and creates the likelihood of greater volatility of the value of a Sub-Fund's portfolio. In transactions involving leverage, a relatively small market movement or change in other underlying indicator can lead to significantly larger losses to the Sub-Fund because leverage generally magnifies the effect of any

increase or decrease in the value of a Sub-Fund's underlying assets or creates investment risk with respect to a larger base of assets than a Sub-Fund would otherwise have.

**Limited Investment Program Risk.** An investment in any Sub-Fund, or even in a combination of Sub-Funds, is not intended to be a complete investment program but rather is intended for investment as part of a diversified investment portfolio. Investors should consult their own advisors as to the role of an investment in any of the Sub-Funds in their overall investment program.

**Liquidity Risk.** Certain investments and types of investments are subject to restrictions on resale, may trade in the over-the-counter market or in limited volume, or may not have an active trading market. Illiquid securities may trade at a discount from comparable, more liquid investments and may be subject to wide fluctuations in market value. It may be difficult for a Sub-Fund to value illiquid securities accurately. Also, a Sub-Fund may not be able to dispose of illiquid securities or execute or close out a derivatives transaction readily at a favourable time or price or at prices approximating those at which the Sub-Fund currently values them. Illiquid securities also may entail registration expenses and other transaction costs that are higher than those for liquid securities. Any use of the efficient portfolio management techniques described in the "*Investment Objectives and Strategy*" section may also adversely affect the liquidity of a Sub-Fund's portfolio and will be considered by the Investment Manager in managing the Sub-Fund's liquidity risk.

From time to time, the counterparties with which a Sub-Fund effects transactions might cease making markets or quoting prices in certain of the instruments in which a Sub-Fund has invested. In such instances, a Sub-Fund might be unable to enter into a desired transaction or to enter into any offsetting transaction with respect to an open position, which might adversely affect its performance.

The Company employs an appropriate liquidity risk management process, which takes into account efficient portfolio management transactions employed by the Sub-Funds, in order to ensure that each Sub-Fund is able to comply with its stated redemption obligations. However, it is possible that in the type of circumstances described above, a Sub-Fund may not be able to realise sufficient assets to meet all redemption requests that it receives or the Company may determine that the circumstances are such that meeting some or all of such requests is not in the best interests of the Shareholders in a Sub-Fund as a whole. In such circumstances, the Company may take the decision to apply the redemption gate provisions described under "*Redemption Limits*" in the "*Purchase and Sale Information*" section or suspend dealings in the relevant Sub-Fund as described under "*Temporary Suspension of Dealings*" in the "*Determination of Net Asset Value*" section.

**Management Risk.** Each Sub-Fund is subject to management risk. The Investment Manager's judgments about the selection and application of indexing models and the most effective ways to minimise tracking error (i.e. the difference between the Sub-Fund's returns and the relevant Index returns) may prove to be incorrect and there can be no assurance that they will produce the desired results. Each Sub-Fund will be dependent to a substantial degree on the continued service of members of the Investment Manager. In the event of the death, disability or departure of any such individuals, the performance of the applicable Sub-Fund may be adversely impacted.

**Market Disruption and Geopolitical Risk.** The Sub-Funds are subject to the risk that geopolitical events will disrupt securities markets and adversely affect global economies and markets. War, terrorism and related geopolitical events have led and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on US and world economies and markets generally. Likewise, systemic market dislocations may be highly disruptive to economies and markets. Those events as well as other changes in foreign and domestic economic and political conditions also could adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the value of a Sub-Fund's investments. Continued uncertainty over the stability of the Euro and the EMU has created significant volatility in currency and financial markets generally. Concerns over the stability of the Euro could also have a broad effect on contractual arrangements denominated in, or otherwise tied to, the Euro. Any partial or complete dissolution of the EMU, or any continued uncertainty as to its status, could have significant adverse effects on currency and financial markets and on the values of a Sub-Fund's portfolio investments.

**Market Risk.** The investments of a Sub-Fund are subject to changes in general economic conditions, normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation in value will occur. Investment markets can be volatile and securities prices can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. Even if general economic conditions do not change, the value of an investment in a Sub-Fund could decline if the particular industries, sectors or companies in which the Sub-

Fund invests do not perform well or are adversely affected by events. In the case of debt securities, the magnitude of these price fluctuations will be greater when the maturity of the outstanding securities is longer. Since investment in securities may involve currencies other than the base currency of a Sub-Fund, the value of a Sub-Fund's assets may also be affected by changes in currency rates and exchange control regulations, including currency blockage. Further, legal, political, regulatory and tax changes also may cause fluctuations in markets and securities prices.

The performance of a Sub-Fund will therefore depend in part on the ability of the Investment Manager to respond to such fluctuations in stock prices, market interest rates and currency rates and to utilise appropriate strategies to maximise returns, while attempting to reduce the associated risks to investment capital.

**No Prior Operating History Risk.** Upon launch, each Sub-Fund is a newly formed entity with no operating history and there can be no assurance that it will be successful. Prior performance is no guarantee of future results.

**Outperformance Risk.** There is no guarantee that the investment objective of any Sub-Fund will be achieved. In particular, no financial instrument enables the returns of any index to be reproduced or tracked exactly or guarantees an outperformance target will be reached. Changes in the investments of any Sub-Fund and re-weightings of the relevant index may give rise to various transaction costs (including in relation to the settlement of foreign currency transactions), operating expenses or inefficiencies which may adversely impact a Sub-Fund's target of outperformance of an index. Furthermore, the total return on an investment in Shares will be reduced by certain costs and expenses which are not taken into account in the calculation of the applicable index. Please also refer to "*Index Tracking Risk*" in this section.

**Portfolio Turnover Risk.** Portfolio turnover generally involves a number of direct and indirect costs and expenses to the relevant Sub-Fund, including, for example, brokerage commissions, dealer mark-ups and bid/offer spreads and transaction costs on the sale of securities and reinvestment in other securities. Nonetheless, a Sub-Fund may engage in frequent trading of investments in furtherance of its investment objective. The costs related to increased portfolio turnover have the effect of reducing a Sub-Fund's investment return and the sale of securities by a Sub-Fund may result in the realisation of taxable capital gains, including short-term capital gains.

**Regulatory Risk.** The Company is regulated by the Central Bank in accordance with the UCITS Regulations. There can be no guarantee that the Company will continue to be able to operate in its present manner and future regulatory changes may adversely affect the performance of the Sub-Funds and/or their ability to deliver their investment objectives.

**Securities Lending Risk.** Where a Sub-Fund engages in securities lending, there is a risk that borrowers of securities from the Sub-Fund may become insolvent or otherwise become unable to meet, or refuse to honour, their obligations to return equivalent securities to the loaned securities. In this event, the Sub-Fund could experience delays in recovering the securities and may incur a capital loss. There is also the risk that, as a result of portfolio securities being lent, they may not be available to the Sub-Fund on a timely basis and the Sub-Fund may, therefore, lose an opportunity to sell the securities at a desirable price.

If a counterparty to the securities lending transactions defaults and fails to return equivalent securities to those loaned, the Sub-Fund may suffer a loss equal to the shortfall between the value of the realised collateral and the market value of the replacement securities. To the extent that any securities lending is not fully collateralised (for example, due to timing lags associated with the posting of collateral), the Sub-Fund will have a credit risk exposure to the counterparty of a securities lending contract. The Sub-Fund could also lose money if the value of collateral falls. These events could trigger adverse tax consequences for the Sub-Fund.

The use of securities lending as a technique for efficient portfolio management may also adversely affect the liquidity of the Sub-Fund and will be considered by the Investment Manager in managing the Sub-Fund's liquidity risk, as described under "*Liquidity Risk*" in this section.

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

Where cleared funds are not received in a timely fashion in respect of a subscription, overdraft interest may be incurred. Losses could be incurred where the Investment Manager has entered into a contract to purchase securities in anticipation of subscription monies which subsequently do not settle, due to subsequent declines in the value of the portfolio security upon disposal.

**Share Class Risk.** As there is no segregation of liabilities between Classes, there is a risk that, under certain limited circumstances, the liabilities of a particular Class might affect the Net Asset Value of other Classes. In particular, while the Investment Manager will seek to ensure that gains/losses on and the costs of the relevant FDI associated with any currency hedging strategy used for the benefit of a particular Class will accrue solely to this Class and will not be combined with or offset with that of any other Class, there can be no guarantee that the Investment Manager will be successful in this.

**Tax Risk.** The tax information provided in the “*Tax Information*” section is based on the best knowledge of the Directors of tax law and practice as at the date of this Prospectus and is subject to change from time to time. Any change in the taxation legislation in Ireland or in any jurisdiction where a Sub-Fund is registered, listed, marketed or invested could affect the tax status of the Company and any Sub-Fund, affect the value of the relevant Sub-Fund’s investments in the affected jurisdiction, affect the relevant Sub-Fund’s ability to achieve its investment objective and/or alter the after-tax returns to investors. Where a Sub-Fund invests in derivative contracts, these considerations may also extend to the jurisdiction of the governing law of the derivative contract and/or the relevant counterparty and/or to the markets to which the derivative contract provides exposure. The availability and value of any tax reliefs available to investors depend on the individual circumstances of each investor. The information in the “*Tax Information*” section is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their tax advisors with respect to their particular tax situations and the tax effects of an investment in a Sub-Fund. Where a Sub-Fund invests in a jurisdiction where the tax regime is not fully developed or is not sufficiently certain, the Company, the relevant Sub-Fund, the Investment Manager, the Custodian and the Administrator shall not be liable to account to any investor for any payment made or suffered by the Company or the relevant Sub-Fund in good faith to a fiscal authority for taxes or other charges of the Company or the relevant Sub-Fund notwithstanding that it is later found that such payments need not or ought not have been made or suffered.

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

Investors should be aware that the performance of Sub-Funds, as compared to an Index, may be adversely affected in circumstances where the assumptions about tax made by the relevant Index Provider in their index calculation methodology differ to the actual tax treatment of the underlying securities in the Index held within Sub-Funds.

**Trading Issues Risk.** Although the Shares of a Sub-Fund will be listed for trading on the relevant Listing Stock Exchange(s), there can be no assurance that an active trading market for such Shares will develop or be maintained. Trading in Shares on a Listing Stock Exchange may be halted due to market conditions or for reasons that, in the view of the relevant Listing Stock Exchange, make trading in Shares inadvisable. In addition, trading in Shares on a Listing Stock Exchange is subject to trading halts caused by extraordinary market volatility pursuant to stock exchange “circuit breaker” rules. There can be no assurance that the requirements of a Listing Stock Exchange necessary to maintain the listing of a Company will continue to be met or will remain unchanged or that the Shares will trade with any volume, or at all, on any stock exchange. Furthermore, any securities that are listed and traded on stock exchanges can also be bought or sold by members of those exchanges to and from each other and other third parties on terms and prices that are agreed on an “over-the-counter” basis and may also be bought or sold on other multi-lateral trading facilities or platforms. The Company has no control over the terms on which any such trades may take place.

**Shares purchased on the secondary market cannot usually be sold directly back to the Company. Secondary market investors must buy and sell Shares with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value per Share when buying Shares and may receive less than the current Net Asset Value per Share when selling them.** In exceptional circumstances, whether as a result of disruptions in the secondary market or otherwise, investors who have acquired

Shares on the secondary market are entitled to apply to the Company in writing to have the Shares in question registered in their own name, to enable them to access the redemption facilities described under “*Primary Market*” in the “*Purchase and Sale Information*” section.

**Valuation Risk.** A Sub-Fund’s investments will typically be valued at the relevant market value, in accordance with the Articles and applicable law. In certain circumstances, a portion of a Sub-Fund’s assets may be valued by the Company at fair value using prices provided by a pricing service or, alternatively, a broker-dealer or other market intermediary (sometimes just one broker-dealer or other market intermediary) when other reliable pricing sources may not be available. If no relevant information is available from those sources or the Company considers available information unreliable, the Company may value a Sub-Fund’s assets based on such other information as the Company may in its discretion consider appropriate. There can be no assurance that such prices will accurately reflect the price a Sub-Fund would receive upon sale of a security and to the extent a Sub-Fund sells a security at a price lower than the price it has been using to value the security, its net asset value will be adversely affected. When a Sub-Fund invests in other funds or investment pools, it will generally value its investments in those funds or pools based on the valuations determined by the funds or pools, which may not be the same as if the net assets of the funds or pools had been valued using the procedures employed by the Sub-Fund to value its own assets.

## **RISKS ASSOCIATED WITH INVESTMENT IN DEBT SECURITIES**

**Debt Securities Risk.** Fixed-income securities and other income-producing securities are obligations of their issuers to make payments of principal and/or interest on future dates. As interest rates rise, the values of debt securities or other income-producing investments are likely to fall. This risk is generally greater for obligations with longer maturities. Debt securities and other income-producing securities also carry the risk that the issuer or the guarantor of a security will be unable or unwilling to make timely principal and/or interest payments or otherwise to honour its obligations. This risk is particularly pronounced for lower-quality, high-yielding debt securities.

Additional general risks that may be part of debt securities include the following:

- **Credit Risk.** The ability, or perceived ability, of the issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of an issuer to meet its obligations will decline substantially during the period when a Sub-Fund owns securities of that issuer or that the issuer will default on its obligations. Please also refer to “*Issuer Risk*” in this section. An actual or perceived deterioration of the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer’s securities. With certain exceptions, credit risk is generally greater for investments issued at less than their face values and that require the payment of interest only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer’s historical financial condition and the rating agencies’ investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer’s current financial condition and does not reflect an assessment of an investment’s volatility or liquidity. Although investment-grade securities generally have lower credit risk than securities rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default. Consequently, there can be no assurance that investment grade securities will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities. If a security held by a Sub-Fund loses its rating or its rating is downgraded, the Sub-Fund may nonetheless continue to hold the security in the discretion of the Investment Manager.
- **Extension Risk.** During periods of rising interest rates, the average life of certain types of securities may be extended because of slower-than-expected principal payments. This may lock in a below-market interest rate, increase the security’s duration and reduce the value of the security. Extension risk may be heightened during periods of adverse economic conditions generally, as payment rates decline due to higher unemployment levels and other factors.
- **Income Risk.** To the extent a Sub-Fund’s income is based on short-term interest rates, which may fluctuate over short periods of time, income received by the Company may decrease as a result of a decline in interest rates.
- **Interest Rate Risk.** The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments and rising interest

rates generally reduce the values of existing debt instruments. Interest rate risk is generally greater for investments with longer durations or maturities and may also be greater for certain types of debt securities such as zero coupon and deferred interest bonds. Interest rate risk also is relevant in situations where an issuer calls or redeems an investment before its maturity date. Please also refer to “Prepayment Risk” in this section. Adjustable rate instruments also generally react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors).

- **Prepayment Risk.** A debt security held by a Sub-Fund could be repaid or “called” before the money is due and the Sub-Fund may be required to reinvest the proceeds of the prepayment at lower interest rates and therefore might not benefit from any increase in value as a result of declining interest rates. Intermediate-term and long-term bonds commonly provide protection against this possibility, but mortgage-backed securities do not. Mortgage-backed securities are more sensitive to the risks of prepayment because they can be prepaid whenever their underlying collateral is prepaid.

**Sovereign Risk.** A Sub-Fund may invest in debt securities issued by governments or by agencies, instrumentalities and sponsored enterprises of governments. The value of these securities may be affected by the creditworthiness of the relevant government, including any default or potential default by the relevant government. In addition, issuer payment obligations relating to securities issued by government agencies, instrumentalities and sponsored enterprises of governments may have limited or no support of the relevant government.

**Variable And Floating Rate Securities.** In addition to traditional fixed-rate securities, a Sub-Fund may invest in debt securities with variable or floating interest rates or dividend payments. Variable or floating rate securities bear rates of interest that are adjusted periodically according to formulae intended to reflect market rates of interest. These securities allow the Sub-Fund to participate in increases in interest rates through upward adjustments of the coupon rates on such securities. However, during periods of increasing interest rates, changes in the coupon rates may lag behind the change in market rates or may have limits on the maximum increase in coupon rates. Alternatively, during periods of declining interest rates, the coupon rates on such securities readjust downward and this may result in a lower yield.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in purchasing Shares of any Sub-Fund. Prospective investors should read this entire Prospectus and the Relevant Supplements and consult with their own advisers before deciding whether to purchase Shares of any Sub-Fund.**

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## PURCHASE AND SALE INFORMATION

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### PRIMARY MARKET

**Subscriptions.** The provisions set out in this section apply to subscriptions for Shares directly to the Company only and not to the purchase of Shares on Secondary Markets. Applications for subscriptions directly to the Company in respect of Shares may only be made by Authorised Participants, through a Shareholder as their nominee. All other investors may purchase Shares through the Authorised Participants or other investors on the Secondary Market, as described below under “*Secondary Market Purchases and Sales*” in the “*Secondary Market*” section.

Except as disclosed in this Prospectus, the Sub-Funds do not impose any restrictions on the frequency of subscriptions and redemptions. However, the Directors may, in their absolute discretion, refuse to accept any subscription for Shares, in whole or in part.

Shares may be subscribed for initially during the Offer Period for the relevant Sub-Fund at the Initial Offer Price and such Shares will be issued following the Offer Period for the relevant Sub-Fund. Thereafter, Shares will be issued at the Net Asset Value per Share plus an amount in respect of Duties and Charges, where applicable, in respect of each Dealing Day (which shall be calculated on the relevant Calculation Day). All Shares issued will be in registered form and a written trade confirmation will be sent to Shareholders. Shares may only be issued as fully paid in whole units.

Initial subscriptions for Shares will be considered on receipt of signed original subscription application forms and supporting anti-money laundering documentation should be sent by post to the Administrator in accordance with the details set out in the subscription application form. Thereafter, Shareholders may submit subsequent applications for Shares to the Administrator either by fax or electronically in such format or method as shall be agreed in advance in writing with the Administrator in accordance with the requirements of the Central Bank, without a requirement to submit original documentation. Amendments to a Shareholder’s registration details and payment instructions will only be effected upon receipt of original documentation.

Investors may subscribe for Shares on each Dealing Day by making an application before the dealing deadline specified for each Sub-Fund in the Relevant Supplement. Subscription monies in the currency in which the relevant Shares are denominated should be sent by wire transfer to the relevant account specified in the subscription application form no later than the time specified in the Relevant Supplement. If cleared funds representing the subscription monies (including all Duties and Charges) are not received by the Company by the time and date specified in the Relevant Supplement, the Directors reserve the right to cancel any provisional allotment of Shares.

Investors must subscribe for an amount that is at least equal to the Minimum Subscription Amount. Where specified in the Relevant Supplement, the Minimum Subscription Amount may differ for initial subscriptions and subsequent subscriptions and may be waived by the Directors in their absolute discretion.

Any properly made application received by the Administrator after the time specified in the Relevant Supplement will not be deemed to have been accepted until the following Dealing Day, provided always that the Directors may decide, in exceptional circumstances, to accept subscriptions after the relevant dealing deadline provided that they are received before the relevant Valuation Point.

Investors will not be entitled to withdraw subscription applications unless otherwise agreed by the Directors in consultation with the Administrator.

**CSD Sub-Funds.** Generally, in the case of CSD Sub-Funds, Shares will be issued in dematerialised non-certificated form in one or more recognised clearing and settlement systems, subject to the issue of one or more global certificates, where required by the clearing systems in which Shares are held. No individual certificates for Shares will be issued by the Company. The global certificates, if any, will be registered in the name of the relevant clearing system and the relevant clearing system (or its nominee) will appear as a Shareholder on the Register in respect of such Shares. Where a global certificate is issued in respect of Shares, subsequent purchasers of such Shares in the CSD Sub-Funds will not generally be recorded as Shareholders on the Register but will hold a beneficial interest in such Shares and the rights of such investors will be governed by their agreement with their nominee, broker or clearing system as appropriate.

**ICSD Sub-Funds.** Generally, in the case of ICSD Sub-Funds, Shares will be issued in dematerialised non-certificated form in the International Central Securities Depositories, subject to the issue of one or more global share certificates, where required by the International Central Securities Depositories in which the Shares are held. There is currently only one International Central Securities Depository for the ICSD Sub-Funds, which is Euroclear Bank S.A./N.V. and any successor entity thereto. No individual certificates for Shares will be issued by the Company. The global share certificate will be deposited with the relevant common depository (being the entity nominated by the relevant International Central Securities Depository to hold the global share certificate) and registered in the name of the relevant common depository (or its nominee). The common depository (or its nominee) will appear as a Shareholder on the Register in respect of such Shares. As a result, subsequent purchasers of Shares in the ICSD Sub-Funds such as Authorised Participants, will not generally be recorded as Shareholders on the Register but will hold a beneficial interest in such Shares and the rights of such investors will be governed by their agreement with their nominee, broker or central securities depository as appropriate.

**Redemptions.** The provisions set out in this section apply to redemptions of Shares directly to the Company only and not to the sale of Shares on the Secondary Market. Applications for redemptions directly to the Company in respect of Shares may generally only be made by Authorised Participants, through a Shareholder as their nominee. All other investors may sell Shares through the Authorised Participants or other investors on the secondary market, as described below under “*Secondary Market Purchases and Sales*” in the “*Secondary Market*” section. In addition, in certain exceptional circumstances, investors who have acquired Shares on the secondary market may be entitled to redeem their Shares directly with the Company as described below under “*Secondary Market Purchases and Sales*” in the “*Secondary Market*” section.

Except as disclosed in this Prospectus, the Sub-Funds do not impose any restrictions on the frequency of redemptions.

Shareholders may request the Company to redeem their Shares on any Dealing Day at the Net Asset Value per Share in respect of the relevant Dealing Day (which shall be calculated on the relevant Calculation Day), subject to an appropriate provision for Duties and Charges, in accordance with the following redemption procedures and as specified in the Relevant Supplement. The Administrator, the Manager or the Directors may refuse to process a redemption request until proper information, such as the original Application Form and all requested supporting anti-money laundering documentation, has been provided.

Redemption requests must be received by the Administrator before the dealing deadline on the relevant Dealing Day specified in the Relevant Supplement and redemption instructions received after the relevant deadlines will be held over and dealt with on the following Dealing Day. However, the Directors may decide to accept, in exceptional circumstances, redemption requests after the relevant dealing deadline provided that they are received before the relevant Valuation Point. A properly completed redemption instruction must be received by the Administrator by fax or, if agreed with the Administrator, by electronic means, provided that, in the case of faxed redemption requests, payment of redemption proceeds will be made only to the account of record. Any amendments to a Shareholder’s registration details or payment instructions will only be effected upon receipt of original documentation by the Administrator. The Directors may, in their absolute discretion, reject a request to redeem Shares, in whole or in part, where the Directors have reason to believe that the request is being made fraudulently.

Shareholders who wish to redeem Shares may only redeem Shares with a value that is at least equal to the Minimum Redemption Amount and in multiples thereof. The Minimum Redemption Amount may be waived by the Directors in their absolute discretion. The Minimum Redemption Amount for any Sub-Fund will be specified in the Relevant Supplement.

Shareholders will not be entitled to withdraw redemption requests unless otherwise agreed by the Directors in consultation with the Administrator.

**Redemption Proceeds.** Redemptions proceeds will only be released where the Administrator has received the original Application Form and all requested supporting anti-money laundering documentation.

Payment for Shares redeemed will be effected no later than 10 Business Days after the relevant dealing deadline. Redemption proceeds will be paid in the class currency of the relevant Class by wire transfer to the appropriate bank account as notified by the redeeming Shareholder and the cost of any transfer of proceeds by wire transfer will be deducted from such proceeds.

Where Shares are issued in dematerialised form in one or more recognised clearing and settlement systems, redemption of these Shares can only be completed by the delivery of those Shares back through that recognised clearing and settlement system.

**Redemption Limits.** If redemption requests received in respect of Shares of a particular Sub-Fund in respect of any Dealing Day total, in aggregate, more than 10% of all of the issued Shares of that Sub-Fund on that Dealing Day, the Directors shall be entitled, at their absolute discretion, to refuse to redeem such number of Shares of that Company on that Dealing Day, in excess of 10% of the issued Shares of the Sub-Fund, in respect of which redemption requests have been received, as the Directors shall determine. If the Company refuses to redeem Shares for this reason, the requests for redemption on such date shall be reduced rateably and the redemption requests shall be treated as if they were received on each subsequent Dealing Day until all the Shares to which the original request related have been redeemed, provided that the Company shall not be obliged to redeem more than 10% of the number of Shares of a particular Sub-Fund outstanding on any Dealing Day, until all the Shares of the Sub-Fund to which the original request related have been redeemed.

**Compulsory Redemptions Of Shares.** Sub-Funds are established for an unlimited period and may have unlimited assets. However, the Company may (but is not obliged to) redeem all of the Shares of any series or Class in issue if:

- (a) the Shareholders of the relevant Sub-Fund or Class pass a special resolution providing for such redemption at a general meeting of the holders of the Shares of that Sub-Fund or Class or in writing;
- (b) the Directors deem it appropriate because of adverse political, economic, fiscal or regulatory changes affecting the relevant Sub-Fund in any way;
- (c) the Net Asset Value of the relevant Sub-Fund or Class falls below USD 12,500,000 or the prevailing currency equivalent in the currency in which Shares of the relevant Sub-Fund or Class are denominated;
- (d) the Shares in the relevant Sub-Fund or Class cease to be listed on a Listing Stock Exchange; or
- (e) the Directors deem it appropriate for any other reason.

In each such case, the Shares of such Sub-Fund or Class shall be redeemed after giving not less than one (1) month's but not more than three (3) months' prior notice to all relevant Shareholders. The Shares will be redeemed at the Net Asset Value per Share on the relevant Dealing Day, less such sums as the Directors in their discretion may from time to time determine as an appropriate provision for estimated realisation costs of the assets of such Sub-Fund or Class.

If the Custodian has given notice of its intention to retire and no new custodian acceptable to the Company and the Central Bank has been appointed within 90 days of such notice, the Company shall apply to the Central Bank for revocation of its authorisation and shall redeem all of the Shares in issue.

**Conversions.** A transfer from one Sub-Fund to another is executed by the redemption of the Shares of the original Sub-Fund and the subscription of Shares in the Sub-Fund. On this basis and unless otherwise stated in the Relevant Supplement, Shareholders will be entitled on any Dealing Day to convert any or all of their Shares of any Class in any Sub-Fund into Shares of any Class in any other Sub-Fund, provided that they meet all of the normal criteria for subscriptions into that Sub-Fund, except where dealings in the relevant Shares have been temporarily suspended in the circumstances described in this Prospectus. Shareholders should consider the terms of the Relevant Supplement for further details. Conversions will be subject to an appropriate provision for Duties and Charges.

## **SECONDARY MARKET**

**Secondary Market Purchases and Sales of Shares.** The Shares are listed for secondary trading on each Listing Stock Exchange and individual Shares may be purchased and sold by investors on Listing Stock Exchanges through a broker-dealer. The opening and closing days for the Listing Stock Exchanges will be specified on the Website. If an investor buys or sells Shares in the secondary market, such investor will pay the secondary market price for Shares. In addition, an investor may incur customary brokerage commissions and charges and may pay some or all of the spread between the bid and the offered price in the secondary market on each leg of a round trip (purchase and sale) transaction.

Investors should also refer to “*Costs Of Buying And Selling Shares Risk*” and “*Trading Issues Risk*” in the “*Risk Information*” section.

Shares purchased on the secondary market cannot usually be sold directly back to the Company. In exceptional circumstances, as determined by the Directors, whether as a result of disruptions in the secondary market or otherwise, investors who have acquired Shares on the secondary market may be entitled to apply to the Company in writing to have the Shares in question registered in their own name, to enable them to access the redemption facilities described above in the “*Primary Market*” section. Investors wishing to do so should contact the Administrator to provide such proper information, including original application forms and anti-money laundering documentation, as the Administrator shall require in order to register the investor as a Shareholder. A charge, which shall be at normal market rates, may apply for this process.

**Secondary Market Prices.** The trading prices of a Sub-Fund’s Shares will fluctuate continuously throughout trading hours based on market supply and demand rather than the Net Asset Value per Share, which is only calculated at the end of each business day. The Shares will trade on the Listing Stock Exchange at prices that may be above (i.e. at a premium) or below (i.e. at a discount), to varying degrees, the Net Asset Value per Share. The trading prices of a Company’s Shares may deviate significantly from the Net Asset Value per Share during periods of market volatility and may be subject to brokerage commissions and/or transfer taxes associated with the trading and settlement through the relevant stock exchange. There can be no guarantee that once the Shares are listed on a stock exchange they will remain listed. Investors should also refer to “*Fluctuation of Net Asset Value*” in the “*Risk Information*” section.

An INAV, which is an estimate of the Net Asset Value per Share calculated using market data, will be disseminated at regular intervals throughout the day. The INAV is based on quotes and last sale prices from the securities’ local market and may not reflect events that occur subsequent to the local market’s close. Premiums and discounts between the INAV and the market price may occur and the INAV should not be viewed as a “real-time” update of the Net Asset Value per Share, which is calculated only once a day. None of the Company, the Investment Manager, any of its affiliates or any third party calculation agents involved in, or responsible for, the calculation or publication of such INAVs makes any warranty as to their accuracy. Details of the INAV for each Sub-Fund are available on the Website.

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## DETERMINATION OF NET ASSET VALUE

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The Company has delegated the calculation of the Net Asset Value of each Sub-Fund and the Net Asset Value per Share to the Administrator.

The Net Asset Value of a Sub-Fund shall be calculated by ascertaining the value of the assets of the relevant Sub-Fund and deducting from such amount the liabilities of the Sub-Fund, which shall include all fees and expenses payable and/or accrued and/or estimated to be payable out of the assets of the Sub-Fund.

The Net Asset Value per Share in each Sub-Fund shall be calculated to the nearest four decimal places in the base currency of the relevant Sub-Fund at the Valuation Point on each Business Day in accordance with the valuation provisions set out in the Articles and summarised below. The Net Asset Value per Share of a Sub-Fund shall be calculated by dividing the Net Asset Value of the relevant Sub-Fund by the total number of Shares issued in respect of that Sub-Fund or deemed to be in issue as at the relevant Valuation Point.

In the event that the Shares of any Company are divided into different Classes, the amount of the Net Asset Value of the Company attributable to a Class shall be determined by establishing the number of Shares issued in the Class at the relevant Valuation Point and by allocating the relevant fees and Class expenses to the Class, making appropriate adjustments to take account of distributions, subscriptions, redemptions, gains and expenses of that Class and apportioning the Net Asset Value of the Company accordingly. The Net Asset Value per Share in respect of a Class will be calculated by dividing the Net Asset Value of the relevant Class by the number of Shares of the relevant Class in issue. The Net Asset Value of the Company attributable to a Class and the Net Asset Value per Share in respect of a Class will be expressed in the class currency of such Class if it is different to the Base Currency.

Each asset which is quoted, listed or traded on or under the rules of any Recognised Market shall be valued using the index method of valuations. Accordingly, depending on the terms of the relevant index, such assets will be valued at (a) closing bid price, (b) last bid price, (c) last traded price, (d) closing mid-market price or (e) last mid-market price on the relevant Recognised Market at the close of business on such Recognised Market on each Business Day. Prices will be obtained for this purpose by the Administrator from independent sources, such as recognised pricing services or brokers specialising in the relevant markets. If the investment is normally quoted, listed or traded on or under the rules of more than one Recognised Market, the relevant Recognised Market shall be either (a) that which is the main market for the investment or (b) the market which the Directors determine provides the fairest criteria in a value for the security, as the Directors may determine. If prices for an investment quoted, listed or traded on the relevant Recognised Market are not available at the relevant time, or are unrepresentative in the opinion of the Directors, such investment shall be valued at such value as shall be estimated with care and in good faith as the probable realisation value of the investment by a competent professional person, firm or corporation appointed for such purpose by the Directors and approved for the purpose by the Custodian. If the investment is quoted, listed or traded on a Recognised Market but acquired or traded at a premium or discount outside of or off the Recognised Market, the investment shall be valued taking into account the level of premium or discount as of the date of valuation of the instrument and the Custodian must ensure the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security. Neither the Directors or their delegates nor the Custodian shall be under any liability if a price reasonably believed by them to be the (a) closing bid price, (b) last bid price, (c) last traded price, (d) closing mid-market price or (e) last mid-market price for the time being, may be found not to be such.

The value of any investment which is not normally quoted, listed or traded on or under the rules of a Recognised Market, will be valued at its probable realisation value estimated with care and in good faith by the Directors in consultation with the Administrator or by a competent person, firm or corporation appointed by the Directors and approved for such purpose by the Custodian.

Cash in hand or on deposit shall be valued at face value together with accrued interest where applicable, unless in the opinion of the Directors (in consultation with the Administrator and the Custodian) any adjustment should be made to reflect the fair value thereof.

Derivative instruments including swaps, interest rate futures contracts, exchange traded futures, index futures and other financial futures contracts which are traded on a Recognised Market shall be valued at the settlement price as determined by the relevant Recognised Market at the close of business on such Recognised Market, provided that where it is not the

practice of the relevant Recognised Market to quote a settlement price, or if a settlement price is not available for any reason, such instruments shall be valued at their probable realisation value estimated with care and in good faith by the Directors, who shall be approved for the purpose by the Custodian, in consultation with the Administrator.

OTC derivatives will be valued either using the counterparty's valuation or an alternative valuation provided by the Company or by an independent pricing vendor appointed by the Directors and approved for this purpose by the Custodian. OTC derivatives shall be valued at least daily. If using the counterparty's valuation, such valuation must be approved or verified by a party independent of the counterparty and approved by the Custodian (which may include the Company or a party related to the OTC counterparty provided that it is an independent unit within the same group and which does not rely on the same pricing models employed by the counterparty) on a weekly basis. If using an alternative valuation, the Company will follow international best practice and adhere to the principles on valuation of OTC derivatives established by bodies such as International Organisation of Securities Commissions and Alternative Investment Management Association. In the event that the Company opts to use an alternative valuation, the Company will use a competent person appointed by the Directors, approved for this purpose by the Custodian, or will use a valuation by any other means provided that the value is approved by the Custodian. All alternative valuations will be reconciled with the counterparty's valuation on at least a monthly basis. Any significant differences to the counterparty valuation will be promptly investigated and explained.

Forward foreign exchange and interest rate swap contracts may be valued by reference to freely available market quotations or, if such quotations are not available, in accordance with the provisions in respect of OTC Derivatives.

Certificates of deposit shall be valued by reference to the latest available sale price for certificates of deposit of like maturity, amount and credit risk on each Business Day or, if such price is not available, at the latest bid price or, if such price is not available or is unrepresentative of the value of such certificate of deposit in the opinion of the Directors, at probable realisation value estimated with care and in good faith by a competent person appointed by the Directors and approved for the purpose by the Custodian. Treasury bills and bills of exchange shall be valued with reference to prices ruling in the relevant markets for such instruments of like maturity, amount and credit risk at close of business on such markets on the relevant Business Day.

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

Notwithstanding the above provisions the Directors may, with the approval of the Custodian (a) adjust the valuation of any listed investment where such 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; or (b) in relation to a specific asset permit an alternative method of valuation approved by the Custodian to be used if they deem it necessary.

In determining the Company's Net Asset Value per Share, all assets and liabilities initially expressed in foreign currencies will be converted into the Base Currency of the Company at market rates. If such quotations are not available, the rate of exchange will be determined to be the probable realisation value estimated with care and in good faith by the Directors.

In calculating the Net Asset Value of each Sub-Fund and the Net Asset Value per Share in each Sub-Fund, the Administrator may rely on such automatic pricing services as it shall determine and the Administrator shall not be liable (in the absence of fraud, negligence or wilful default) for any loss suffered by the Company or any investor by reason of any error in calculation of the Net Asset Value resulting from any inaccuracy in the information provided by any pricing service. The Administrator shall use reasonable endeavours to verify any pricing information supplied by the Investment Manager or any connected person including a connected person who is a broker or market maker or other intermediary, however in certain circumstances it may not be possible or practicable for the Administrator to verify such information and in such circumstances the Administrator shall not be liable (in the absence of fraud, negligence or wilful default) for any loss suffered by the Company or any investor by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by the Investment Manager or its delegates provided that the use of such information in the circumstances was reasonable.

In circumstances where the Administrator is directed by the Investment Manager or its delegates to use particular pricing services, brokers, market makers or other intermediaries, the Administrator shall not be liable for any loss suffered by the Company or any investor by reason of any error in the calculation of the Net Asset Value of the Sub-Fund and the Net Asset Value per Share in each Sub-Fund resulting from any inaccuracy in the information provided by such pricing services, brokers, market makers or other intermediaries.

Save where the determination of the Net Asset Value per Share in respect of any Sub-Fund has been temporarily suspended in the circumstances described under “*Temporary Suspension of Dealings*” in this section, the up to date Net Asset Value per Share shall be made public as soon as possible after the Valuation Point on the Website. The Net Asset Value per Share may also be available at the office of the Administrator and published by the Administrator in various publications if required and will be notified to any Listing Stock Exchange in accordance with the rules of the relevant Listing Stock Exchange.

**Temporary Suspension of Dealings.** The Directors may at any time, with prior notification to the Custodian, temporarily suspend the issue, valuation, sale, purchase, redemption or conversion of Shares of any Sub-Fund, or the payment of redemption proceeds, during any period when:

- (a) any Recognised Market on which a substantial portion of the investments for the time being comprised in the Company are quoted, listed or dealt in is closed otherwise than for ordinary holidays, or during which dealings on any such Recognised Market are restricted or suspended;
- (b) as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the Directors, the disposal or valuation of investments for the time being comprised in the Company cannot, in the opinion of the Directors, be effected or completed normally or without prejudicing the interests of Shareholders or other investors;
- (c) the means of communication normally employed in determining the value of any investments for the time being comprised in the Company have broken down or, for any other reason, the value of investments for the time being comprised in the Company cannot, in the opinion of the Directors, be promptly or accurately ascertained;
- (d) the Company is unable to repatriate funds for the purposes of making redemption payments or during which the realisation of investments for the time being comprised in the Company, or the transfer or payment of funds involved in connection therewith cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange;
- (e) as a result of adverse market conditions, the payment of redemption proceeds may, in the opinion of the Directors, have an adverse impact on the Company or the remaining Shareholders or other investors in the Company; and
- (f) the Directors determine that it is in the best interests of the investors to do so.

Notice of any such suspension shall be published by the Company at its registered office and through such other media as the Directors may from time to time determine and shall be transmitted without delay to the Central Bank and the Shareholders. Applications for subscriptions, conversion and redemption of Shares received following any suspension will be dealt with on the first Dealing Day after the suspension has been lifted unless applications or redemption requests have been withdrawn prior to the lifting of the suspension. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

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## DISTRIBUTIONS

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Investors in a Sub-Fund are entitled to their share of the relevant Sub-Fund's income and net realised gains on its investments. Each Sub-Fund typically earns income in the form of dividends from stocks, interest from debt securities and, if any, securities lending income. Each Sub-Fund realises capital gains or losses whenever it sells securities. Depending on the underlying market, if there are capital gains, the Sub-Fund may be subject to a capital gains tax in that underlying market.

Each Sub-Fund may have either Accumulating Classes or Distributing Classes or both.

With respect to the Accumulating Classes in all Sub-Funds, the Directors have determined to accumulate all net investment income and net realised capital gains attributable to such Accumulating Classes and therefore do not intend to declare dividends in respect of Shares in such classes.

Pursuant to the Articles, the Directors may declare dividends, in respect of Shares in any Distributing Class out of net income (including dividend and interest income) and/or the excess of realised and unrealised capital gains over realised and unrealised losses in respect of investments of the Company (collectively "Net Income"). In the event that Distributing Classes are established in any Sub-Fund, details of the distribution policy will be included in an updated Prospectus and/or the Relevant Supplement at that time.

The distribution policy of any Sub-Fund or of any Class may be changed by the Directors upon reasonable notice to Shareholders of that Sub-Fund or Class as the case may be and, in such circumstances, the distribution policies will be disclosed in an updated Prospectus and/or the Relevant Supplement.

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## FEES AND EXPENSES

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All of the fees and expenses payable in respect of a Sub-Fund are paid as one single fee. This is referred to as the total expense ratio or “TER”. The fees and expenses of the Manager, the Investment Manager, Custodian, Administrator, the Auditor and Secretary will be paid out of the TER. Subject to applicable law and regulation, the Manager or the Investment Manager may pay part or all of its fees to any person that invests in or provides services to the Company or in respect of any Sub-Fund.

The following fees and expenses will also be paid out of the TER:

- the cost of listing and maintaining a listing of Shares on any Listing Stock Exchange;
- the cost of convening and holding Directors’ meetings, the fees payable to the Directors and expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the Company.
- professional fees and expenses for legal and other consulting services;
- the costs and expenses of preparing, printing, publishing and distributing prospectuses, supplements, annual and semi-annual reports and other documents to current and prospective investors;
- the costs and expenses arising from any licensing or other fees payable to any Index Provider or other licensor of intellectual property, trademarks or service marks used by the Company;
- the costs and expenses of any investment adviser appointed by the Investment Manager
- the costs and expenses of calculating and publishing any INAVs;
- any ratings fees;
- subscriptions to professional associations and other organisations (including the European Fund and Asset Management Association (the “**EFAMA**”), the Association of Financial Markets in Europe (the “**AFME**”) and the European Long Term Investors Association (the “**ELTI**”)), which the Company will decide to join in its own interest and in that of its Shareholders; and
- such other costs and expenses (excluding non-recurring and extraordinary costs and expenses) as may arise from time to time and which have been approved by the Directors as necessary or appropriate for the continued operation of the Company or of any Sub-Fund.

For the avoidance of doubt, the TER does not include brokerage or other fees, charges, interest, taxes (of any kind or nature including but not limited to, income, excise, transfer, withholding taxes, stamp and government duties), levies incurred in connection with acquiring or disposing of Investments or arising from investment in collective investment schemes (including, without limitation, any fees, charges, taxes, levies or expenses related to the purchase or sale of an amount of any currency, or the patriation or repatriation of any security or other asset, or related to the execution of portfolio transactions or any creation or redemption transactions); the annual funding levy or any taxes or other fees payable to the supervisory authorities and costs relating to the distribution of dividends; extraordinary expenses, including fees in connection with any arbitration, any applicable insurance requirements, if any; litigation or pending or threatened arbitration or litigation, including any settlements in connection therewith; costs and expenses incurred in connection with the exercise of voting rights; fees connected with the winding up of the Company and/or the Fund itself; and expenses of Shareholders meetings. Such fees and expenses shall be paid by the Sub-Fund, out of its assets.

Costs related to the establishment of the Company and any new Sub-Fund, will be borne by such new Sub-Fund and amortised over a period of one year from the date of establishment of such Sub-Fund or over any other period as the Directors may determine, with a maximum of three years starting on the date of the Sub-Fund’s establishment. In the

event, if the accounting treatment becomes material in the future and there is a requirement to write off any unamortised balance of establishment expenses in the financial statement, the Directors will reconsider this policy.

When a Sub-Fund is liquidated, any setting-up costs that have not yet been amortised will be charged to the Sub-Fund being liquidated.

All expenses will be accrued in respective Sub-Fund at each Net Asset Value calculation

The TER is calculated and accrued daily from the Net Asset Value of each Sub-Fund and payable monthly in arrears. The TER of each Sub-Fund may not exceed 2.50%.

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## TAX INFORMATION

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### 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.*

**Whilst, in general, Shareholders who are not resident in Ireland for Irish tax purposes will have no liability to Irish tax in respect of their Shares, investors should be aware that, depending on the laws and practices of the country where the Shares are purchased, sold, held or redeemed and subject to the country of tax residence or nationality of the investor, they may suffer income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or any other kind of tax on distributions or deemed distributions of the Sub-Fund, capital gains within the Sub-Fund whether realised or unrealised, income received or accrued or deemed received within the Sub-Fund.**

**In addition, while taxes may be calculated based on income received and/or deemed to be received and/or accrued in the Sub-Fund in relation to the assets of a Sub-Fund; 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 a reference index or reference asset.**

#### **Taxation of the Company**

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

Provided the Shares remain held in a recognised clearing system (which includes CREST, Euroclear and Clearstream Banking), the Company will not be obliged to account for any Irish tax in respect of the Shares. However, if the Shares cease to be held in a recognised clearing system, the Company would be obliged to account for Irish tax to the Irish 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.

### **Reporting of Information under the Savings Directive**

Ireland has transposed the EU Directive on the taxation of savings income in the form of interest payments (Directive 2003/48/EC) into Irish law. In certain circumstances, the Company (or an Irish paying agent) may be obliged to report information to the Irish Revenue Commissioners relating to Shareholders who are individuals resident in the EU (other than in Ireland) or in certain other territories. A reporting obligation may also arise with respect to Shareholders established in these jurisdictions who are not legal persons, persons subject to corporate taxation or UCITS. Any information reported to the Irish Revenue Commissioners would be communicated to the authorities in the jurisdiction of residence (or establishment) of the relevant Shareholders. However, no reporting obligation should arise in Ireland once (broadly) the Company, or the relevant Sub-Fund, invests less than 15% of its total assets (directly or indirectly) in debt claims or other specified assets.

The Council of the EU has adopted a Directive (the "Amending Directive") which, if implemented, will amend and broaden the scope of the Savings Directive. For the Amending Directive to be implemented in Ireland, further steps must be undertaken in Ireland. However, it remains uncertain if the Amending Directive will be implemented into national law. In particular, discussions are currently ongoing at an EU level to replace the Savings Directive (and the Amending Directive) with an automatic exchange of information regime in compliance with the regime known as the "Common Reporting Standard" proposed by the Organisation for Economic Co-operation and Development. See section below entitled "OECD Common Reporting Standard". If these proposals are carried out, it would result in the abolishment of the Savings Directive. It is currently proposed that the Savings Directive would be abolished from 1 January 2017.

### **OECD Common Reporting Standard**

The Council of the EU has recently adopted Directive 2014/107/EU, which amends Directive 2011/16/EU on administrative cooperation in the field of taxation. This 2014 Directive provides for the adoption of the regime known as the "Common Reporting Standard" proposed by the Organisation for Economic Co-operation and Development and will, once implemented into national law, generalise the automatic exchange of information within the European Union as of 1 January 2016. Under these measures, the Company may be required to report information relating to Shareholders, including the identity and residence of Shareholders, and income, sale or redemption proceeds received by Shareholders in respect of the Shares. This information may be shared with tax authorities in other EU member states and jurisdictions which implement the OECD Common Reporting Standard.

### **Meaning of Terms**

*Meaning of 'Residence' for Companies*

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

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

1. the company (or a related company) carries on a trade in Ireland and either the company is ultimately controlled by persons resident in EU member states or in countries with which Ireland has a double tax treaty, or the company (or a related company) are quoted companies on a recognised stock exchange in the EU or in a tax treaty country; or
2. the company is regarded as not resident in Ireland under a double tax treaty between Ireland and another country.

Finally, a company that was incorporated in Ireland before 1 January 2015 will 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 2015 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2018.

#### *Meaning of "Intermediary"*

An "intermediary" means a person who:

- (c) 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
- (d) 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.

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## MANAGEMENT

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**Directors.** The Directors of the Company are listed below with their principal occupations.

**Benjamin Huart** (Resident in Ireland). Mr Huart began his career as an external auditor in Luxembourg and joined the Investment Manager in 2011 as an internal auditor. Since then he has taken charge of the operations and the supervision of the delegated functions of the Investment Manager's management company. Since March 2015, Mr Huart has been the branch manager of the Manager.

Mr Huart is a graduate of the EDHEC Business School in France.

**Feargal Dempsey** (Resident in Ireland). Mr. Dempsey is an independent director and consultant to the ETF industry. He has held senior positions at Barclays Global Investors/BlackRock including Head of Product Strategy iShares EMEA and Head of Product Structuring iShares EMEA (between November 2008 and June 2012) and Head /Deputy Head of Product Management (between January 2004 and June 2007). He also served as Head of Legal to ETF Securities (between June 2007 and June 2008) and, previously as a vice president and legal manager in Pioneer Investments between March 2001 and January 2004.

Mr Dempsey holds a BA(Hons) and an LLB(Hons) from University College Galway and was admitted to the Roll of Solicitors in Ireland in 1996 and to the England and Wales Law Society in 2005. He has served on the legal and regulatory committee of Irish Funds and the ETF Working Group at EFAMA.

**Sanjay Sachdev** (Resident in the United States of America). Sanjay Sachdev has spent over 26 years' experience in the global financial services industry in various leadership positions, building asset management businesses. As Chairman of ZyFin Holdings since March 2013, Sanjay is currently involved in establishing and leading a unique asset management business and a macro-economic research firm focused on India, ASEAN and GCC/MENA regions. He is also a senior advisor to a number of private institutions including a reputed family office and private equity institution.

Prior to establishing ZyFin, Mr Sachdev drove the creation of several multi-billion dollar asset management businesses across public and private markets investing in different asset classes. Between December 2010 and November 2012, he was President & CEO of Tata Asset Management, managing US\$5 billion of assets and developed a partnership with Mizuho Bank of Japan. Prior to that, Mr Sachdev worked as the Managing Director of Shinsei Bank Group for S.E. Asia and India between June 2006 and September 2010. Before joining Shinsei Bank, Mr Sachdev was associated with the Principal Financial Group for over 12 years as Global Manager based out of the US with a focus on emerging markets. He was Managing Director of Principal Pnb Asset Management during its acquisition of three other asset management businesses and managed assets of over US\$3 billion and launch of a wealth management business in India. He is credited with launching Asia's first BRICS fund in Malaysia with CIMB, India's first Nifty index fund and establishing a historic partnership with the Indian government to open the post office network for financial services product distribution all over the country. He has recently been appointed as a global Board Member of the Financial Planning Standards Board that issues the Certified Financial Planner designation globally. Mr Sachdev holds a Certificate in Corporate Governance from the Wharton School of Management, a Master's Degree in International Management from the American Graduate School of International Management and a Degree in Law from the Government Law College, University of Bombay, India.

The Directors are responsible for managing the business affairs of the Company.

The Directors have delegated (a) the safe-keeping of the Company's assets to the Custodian; and (b) the administration of the Company's affairs and responsibility for the investment management, distribution and marketing of the Company to the Manager. The Articles does not stipulate a retirement age for Directors and does not provide for retirement of Directors by rotation. The Articles provides that a Director may be a party to any transaction or arrangement with the Company or in which the Company is interested provided that he has disclosed to the Directors the nature and extent of any material interest which he may have. The Company has granted indemnities to the Directors in respect of any loss or damages that they may suffer, save where this results from the Directors' negligence, default, breach of duty or breach of trust in relation to the Company.

The Directors' address is the registered office of the Company.

**Custodian.** The Company has appointed State Street Custodial Services (Ireland) Limited as custodian of its assets pursuant to an agreement dated 2 October 2015 (the "**Custody Agreement**"). The Custodian provides safe custody for the Company's assets.

The Custodian is a limited liability company incorporated in Ireland on 22nd May 1991 and is, like the Administrator, ultimately owned by the State Street Corporation. Its authorised share capital is Stg£5,000,000 and its issued and paid up capital is Stg£200,000. As of 1 April 2015, the Custodian held funds under custody in excess of US\$589 billion. The Custodian's principal business is the provision of custodial and trustee services for collective investment schemes and other portfolios.

Under the terms of the Custody Agreement, the Custodian has full power to delegate the whole or any part of its custodial functions but the liability of the Custodian will not be affected by the fact that it has entrusted to a third party some or all of the investments in its safe-keeping.

The Custodian must exercise due care and diligence in the discharge of its duties and shall be liable to the Company and its Shareholders for any loss suffered by them as a result of its unjustifiable failure to perform its obligations or its improper performance of them. The Company has agreed to hold harmless and indemnify the Custodian against all actions, proceedings, losses, claims, costs, demands and expenses which may be brought against or suffered or incurred by the Custodian by reason of its performance or non-performance of its obligations or functions pursuant to the Agreement provided that this indemnity shall not extend to any loss arising as a result of the unjustifiable failure of the Custodian to perform its obligations or its improper performance of them.

The Custody Agreement provides that the appointment of the Custodian will continue in force unless and until terminated by either party giving to the other not less than ninety days' written notice although in certain circumstances (e.g. the insolvency of either party, unremedied breach after notice, etc.) the Agreement may be terminated forthwith by notice in writing by either party to the other.

**Manager.** The Company has appointed Lemanik Asset Management S.A., Dublin Branch. as its management company pursuant to the agreement signed on 2 October 2015 between the Company and the Manager (the "**Management Agreement**").

The Manager is a company incorporated under Luxembourg law with registered office situated at 106 route d'Arlon, L-8210 Mamer, Luxembourg. The Manager was incorporated for an indeterminate period in Luxembourg on 1 September 1993 in the form of a joint stock company (i.e. a société anonyme), in accordance with the 1915 Law, is capitalised to the amount of €2,000,000 and is a member of the Lemanik group ("**Lemanik**"). The holding Company of Lemanik is Zenin S.A., a company regulated by FINMA.

Lemanik, founded in Geneva in 1971, provides dedicated financial solutions to both private and institutional investors and operates in Switzerland, Luxembourg and Dublin. Lemanik works with institutional and private investors in over 20 countries around the globe. Lemanik comprises two different companies: the Investment Manager, of which the Manager is a branch and Lemanik S.A., a Swiss Private Banking business which is regulated by the Swiss regulatory authority FINMA.

The directors of the Manager are:

**Gianluigi Sagramoso.** Mr Sagramoso has spent some time early in his career working with major UK and Italian brokerage house before starting to work for Lemanik in 1987. He has since worked across many different sectors of Lemanik's operations, including brokerage, portfolio management, private banking and managing Lemanik's business directly and has been chairman of the Investment Manager since 2011, as well as holding other executive positions within Lemanik

**Philippe Meloni.** Mr Meloni began his career as an external auditor before joining the banking sector more than 15 years ago. He joined Lemanik in 2007 to establish its management company business, to assist with the management of

Lemanik's investment funds and to develop Lemanik's business in respect of third-party funds. Mr Meloni is the currently the managing director of the Investment Manager.

**Carlo Sagramoso.** Mr Sagramoso began his carrier with Lemanik in 1998 as head of a trading desk. He has held senior positions with Lemanik including vice-chairman with responsibility for client relationships in the private banking business (between April 2001 and July 2004) and head of the private banking business (between August 2004 and June 2009). Mr Sagramoso has served as a member of the board of Investment Manager since 2004 and has been vice-chairman of the board of the Investment Manager since 2011, as well as holding other executive positions within Lemanik. Mr Sagramoso holds a political science and economics degree from the State University of Milan, Italy.

The Management Agreement provides that the appointment of the Manager will continue in force unless and until terminated by either party on three (3) months' prior written notice or otherwise in accordance with the terms of the Management Agreement. The Management Agreement contains provisions regarding the Manager's legal responsibilities. The Manager is not liable for losses, liabilities, damages or expenses caused to the Company unless resulting from its negligence, wilful default, bad faith or fraud.

The Manager has the discretion to delegate all the powers, duties and discretions exercisable in respect of its obligations under the Management Agreement as the Manager and any delegate may from time to time agree. Any such appointment will be in accordance with the requirements of the Central Bank. Fees payable to any delegate appointed by the Manager shall be paid out of the TER.

The Manager has delegated the administration of the Company's affairs, including responsibility for the preparation and maintenance of the Company's records and accounts and related fund accounting matters, the calculation of the Net Asset Value per Share and the provision of registration services in respect of the Sub-Funds to the Administrator.

**Investment Manager and Promoter.** Lemanik Asset Management S.A. serves as the investment manager to each Sub-Fund and is responsible for the investment management of the Sub-Funds pursuant to the Management Agreement. The Investment Manager provides an investment management program for each Sub-Fund and manages the investment of the Sub-Funds' assets.

The Investment Manager is a company incorporated under Luxembourg law with registered office situated at 106 route d'Arlon, L-8210 Mamer, Luxembourg. The Investment Manager was incorporated for an indeterminate period in Luxembourg on 1st September 1993 in the form of a joint stock company (i.e. a *société anonyme*), in accordance with the 1915 Law and is capitalised to the amount of €2,000,000. For a business description of the Investment Manager please refer to the detail provided in the 'Manager' section above.

The Management Agreement provides that the appointment of the Investment Manager will continue in force unless and until terminated by either party; provided that the Company is not subject to a notice requirement and the Investment Manager must provide three (3) months' prior written notice (although such prior notice is not required if the Investment Manager is required to terminate the agreement by a competent regulatory authority). The Management Agreement contains provisions regarding the Investment Manager's legal responsibilities. The Investment Manager is not liable for losses, liabilities, damages or expenses caused to the Company unless resulting from its negligence, wilful default, bad faith or fraud.

The Investment Manager has the discretion to delegate all the powers, duties and discretions exercisable in respect of its obligations under the Management Agreement as the Investment Manager and any delegate may from time to time agree. Any such appointment will be in accordance with the requirements of the Central Bank. Details of any sub-investment managers appointed to any Sub-Fund will be available to Shareholders on request and will be disclosed either in the Relevant Supplement or in the periodic reports of the Company. Fees payable to any delegate appointed by the Investment Manager shall be paid by the Investment Manager out of its fees received from the Company. The Investment Manager has responsibility for the investment management, including the acquisition and disposal of the assets of the Company, and distribution and marketing of the Company.

**Administrator.** The Manager has entered into an Administration Agreement with State Street Fund Services (Ireland) Limited dated 2 October 2015 (the "**Administration Agreement**") to provide administration services to the Company.

The Administrator is a limited liability company incorporated in Ireland on 23 March 1992 and is ultimately a wholly-owned subsidiary of the State Street Corporation. The authorised share capital of State Street Fund Services (Ireland) Limited is Stg£5,000,000 with an issued and paid up capital of Stg£350,000. State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street Corporation is headquartered in Boston, Massachusetts, U.S.A. and trades on the New York Stock Exchange under the symbol "STT".

The Administration Agreement provides that the appointment of the Administrator will continue in force unless and until terminated by either party giving to the other not less than ninety days' written notice although in certain circumstances (e.g. the insolvency of either party, unremedied breach after notice, etc.) the Agreement may be terminated forthwith by notice in writing by either party to the other. The Administration Agreement contains indemnities in favour of the Administrator other than matters arising by reason of its negligence, fraud, bad faith, wilful default or recklessness in the performance of its duties and obligations.

The Administrator shall also establish, maintain and update on a timely basis the Register in respect of the Sub-Funds, which shall remain the property of the Company and hold the same open for inspection by persons entitled to inspect the Register. The Administrator shall keep or cause to be kept the Register in respect of the Sub-Funds and all other books and records to give a complete record of all activities carried out by it in relation to the Shares of the Sub-Funds and such other books, records and statements as may be required by law at its premises in Ireland.

**Investment Advisor.** Pursuant to an investment advisory agreement dated 2 October 2015, ZyFin Capital Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1 9005, Cayman Islands (the "**Investment Advisor**") has been appointed by the Investment Manager as an investment advisor in respect of each Sub-Fund of the Company.

The Investment Adviser, an exempted company incorporated in the Cayman Islands with Limited Liability under registration number 283038 on 25 November 2013, is registered as Excluded person under Section 5(2) & schedule 4 of Securities Investment Business Law (2011 revision).

The Investment Adviser will provide investment advice to the Investment Manager on a daily basis in accordance with the investment advisory agreement and the Investment Manager may, where it deems it appropriate, in its absolute discretion, implement the advice provided by the Investment Adviser. For the avoidance of doubt, the Investment Adviser will not have any discretionary power to invest or otherwise manage any Sub-Fund's assets.

**Distributor.** The Manager has entered into a distribution agreement dated 2 October 2015 (the "**Distribution Agreement**") with Sun Global Investments Limited 105-106, New Bond Street, Mayfair, London W1S 1BN United Kingdom (the "**Distributor**") to provide distribution services to the Company, in respect of the LAM Sun Global ZyFin India Sovereign Enterprise Bond UCITS ETF. The Distributor is a financial services firm providing a full scope of services to institutional investors, family offices, corporate clients and high net worth individuals and is regulated by the FCA in the UK.

The Distribution Agreement provides that the appointment of the Distributor will continue in force unless and until terminated by either party giving to the other not less than ninety days' written notice although in certain circumstances (e.g. the insolvency of either party, unremedied breach after notice, etc.) the Agreement may be terminated forthwith by notice in writing by either party to the other. The Distribution Agreement contains indemnities in favour of the Administrator other than matters arising by reason of its negligence, fraud, bad faith, wilful default or recklessness in the performance of its duties and obligations.

**Paying Agents.** Local laws/regulations in certain EEA member states may require (i) the Manager to appoint facilities agents/paying agents/representatives/sub-distributors/correspondent banks (any such appointee is hereafter referred to as a "**Paying Agent**" and provided further that any such appointment may be made notwithstanding that it is not a legal or regulatory requirement) and (ii) the maintenance of accounts by such Paying Agents through which subscription and redemption monies or dividends may be paid. Shareholders who choose or who are obliged under local regulations to pay subscription monies, or receive redemption monies or dividends, through a Paying Agent are subject to the credit risk of the Paying Agent with respect to (a) the subscription monies for investment in a Sub-Fund held by the Paying Agent prior to the transmission of such monies to the Administrator for the account of the relevant Sub-Fund and (b) the redemption monies and dividend payments held by the Paying Agent (after transmission by the Company) prior to

payment to the relevant Shareholder. Fees and expenses of the Paying Agents appointed by the Manager, which will be at normal commercial rates, will be borne by the Sub-Fund in respect of which a Paying Agent has been appointed. All Shareholders of the relevant Sub-Fund on whose behalf a Paying Agent is appointed may use the services provided by Paying Agents appointed by the Manager on behalf of the Company.

**Secretary.** The secretary of the Company is Matsack Trust Limited

**Auditors.** KPMG serve as auditors to the Company.

**Legal Counsel.** Matheson serve as legal counsel to the Company.

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## SCHEDULE I – DEFINITIONS

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|--------------------------------|--|
| <b>Accumulating Classes</b>    | any Class in respect of which the Directors have determined to accumulate all net investment income and net realised capital gains attributable to such classes and in respect of which it is not intended to declare dividends, as specified in the Relevant Supplement;  |
| <b>Act</b>                     | the Irish Companies Act 2014 and all applicable Central Bank regulations made or conditions imposed;   |
| <b>Administrator</b>           | State Street Fund Services (Ireland) Limited, or such other company as may from time to time be appointed to provide administration and accounting services to the Company in accordance with the requirements of the Central Bank;  |
| <b>Articles of Association</b> | means the Articles of Association of the Company;  |
| <b>Authorised Participant</b>  | a market maker or a broker-dealer entity, which has entered into a participating dealer agreement for the purposes of directly subscribing and/or redeeming Shares with the Company (i.e. primary market);   |
| <b>Base Currency</b>           | the currency in which the Net Asset Value of each Sub-Fund is calculated or in which any Class of Shares is denominated;   |
| <b>Business Day</b>            | a day when banks and Recognised Markets are open for business in the United Kingdom, Ireland and in countries where the Sub-Fund is investing and/or such other day or days as the Directors may determine and notify in advance to Shareholders. For the avoidance of doubt, half-closed Business Days in the United Kingdom, Ireland and in countries where the Sub-Fund is investing are considered as being closed for business. A calendar of business days and non-business days will be available, taking account of the countries where the Sub-Fund is investing, from the Website; |
| <b>Calculation Day</b>         | a Business Day on which the Net Asset Value per Share is calculated and declared in respect of subscriptions and redemptions received in respect of the previous Dealing Day, unless specified otherwise in the Relevant Supplement for any Sub-Fund.  |
| <b>Central Bank</b>            | the Central Bank of Ireland or any successor entity;   |
| <b>Class</b>                   | Shares of a particular Sub-Fund representing an interest in the Sub-Fund but designated as a class of Shares within such Sub-Fund for the purposes of attributing different proportions of the Net Asset Value of the relevant Company to such Shares to accommodate different subscription, conversion and redemption charges, dividend arrangements, base currencies, currency hedging policies and/or fee arrangements specific to such Shares;   |
| <b>Company</b>                 | LAM ZyFin Global Markets UCITS ETF plc;  |
| <b>CSD Sub-Funds</b>           | the Sub-Funds, as listed in the “ <i>General</i> ” section, which settle through a central securities depository;  |
| <b>Custodian</b>               | State Street Custodial Services (Ireland) Limited or such other company as may from time to time be appointed to provide custodian services to the Company in accordance with the requirements of the Central Bank;  |
| <b>Dealing Day</b>             | Such Business Day or Days as may be specified in the Relevant Supplement for any Sub-Fund and as published for each Sub-Fund on the Website and/or such other day or days as the   |

Directors may determine and notify to the Administrator and to Shareholders in advance, provided there shall be at least one Dealing Day per fortnight;

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| <b>Directors</b>              | the directors of the Company for the time being and any duly constituted committee thereof;  |
| <b>Distributing Class</b>     | any Class in respect of which the Directors intend to declare dividends in accordance with the Articles, as specified in the “ <i>Distribution Policy</i> ” section and in the Relevant Supplement;  |
| <b>Duties and Charges</b>     | all stamp duties and other duties, taxes, governmental charges, imposts, levies, exchange costs and commissions (including foreign exchange spreads), custodian and sub-custodian charges, transfer fees and expenses, agents’ fees, brokerage fees, commissions, bank charges, registration fees and other duties and charges, including any provision for the spread or difference between the price at which any asset was valued for the purpose of calculation of the Net Asset Value per Share of any Sub-Fund and the estimated or actual price at which any such asset is purchased or expected to be purchased, in the case of subscriptions to the relevant Sub-Fund, or sold or expected to be sold, in the case of redemptions from the relevant Sub-Fund, including, for the avoidance of doubt, any charges or costs arising from any adjustment to any swap or other derivative contract required as a result of a subscription or redemption, whether paid, payable or incurred or expected to be paid, payable or incurred in respect of the constitution, increase or reduction of all of the cash and other assets of the Company or the creation, acquisition, issue, conversion, exchange, purchase, holding, repurchase, redemption, sale or transfer of Shares (including, if relevant the issue or cancellation of certificates for Shares) or investments by or on behalf of the Company; |
| <b>EEA</b>                    | European Economic Area;  |
| <b>EU</b>                     | European Union;  |
| <b>€ or Euro</b>              | the single currency of participating member states of the European Monetary Union introduced on 1 January 1999;  |
| <b>ICSD Sub-Funds</b>         | the Sub-Funds, as listed in the “ <i>General</i> ” section, which settle through an international central securities depository;   |
| <b>INAV</b>                   | an indicative net asset value per Share calculated and published on behalf of the Company;   |
| <b>Index</b>                  | any financial index which a Sub-Fund will aim to track, pursuant to its investment objective and/or in accordance with its investment policies, as specified in the Relevant Supplement;   |
| <b>Index Provider</b>         | in relation to a Sub-Fund, the entity or person who, by itself or through a designated agent, compiles, calculates and publishes information on an Index as specified in the Relevant Supplement;  |
| <b>Index Securities</b>       | the securities that constitute each Index;   |
| <b>Initial Issue Price</b>    | the price at which Shares may be subscribed for in the Primary Market during the Offer Period  |
| <b>Investment Manager</b>     | Lemanik Asset Management S.A. or such other entity as may from time to time be appointed to provide investment management services to the Company in accordance with the requirements of the Central Bank. For the avoidance of doubt, the term “Investment Manager” shall include, where the context permits, any sub-investment manager appointed from time to time by the Investment Manager pursuant to its authority under the Management Agreement;  |
| <b>Listing Stock Exchange</b> | such selected exchanges as the Directors may determine from time to time in respect of each Sub-Fund and which are specified on the Website;   |

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| <b>Manager</b>                     | Lemanik Asset Management S.A., Dublin Branch or such other entity as may from time to time be appointed to provide management services to the Company in accordance with the requirements of the Central Bank;   |
| <b>Member State</b>                | a member state of the European Union;  |
| <b>Minimum Subscription Amount</b> | the minimum amount to be subscribed for Shares on any Dealing Day, as determined by the Directors in respect of each Sub-Fund and specified in the Relevant Supplement, which may be expressed as a monetary amount or as a number of Shares;  |
| <b>Minimum Redemption Amount</b>   | the minimum amount that may be redeemed from any Sub-Fund on any Dealing Day, as determined by the Directors in respect of each Sub-Fund and specified in the relevant Supplement, which may be expressed as a monetary amount or as a number of Shares;   |
| <b>Net Asset Value</b>             | the net asset value of a Sub-Fund calculated as described in the “ <i>Determination of Net Asset Value</i> ” section;  |
| <b>Net Asset Value per Share</b>   | the net asset value of a Share in any Sub-Fund, including a Share of any Class, calculated as described in the “ <i>Determination of Net Asset Value</i> ” section;  |
| <b>OECD</b>                        | the Organisation for Economic Co-Operation and Development;  |
| <b>Offer Period</b>                | the period during which Shares in a Sub-Fund may be subscribed for at the Initial Issue Price, as specified in the Relevant Supplement;  |
| <b>Primary Market</b>              | the off-exchange market where Shares may be subscribed for and redeemed directly with the Company;   |
| <b>Redemption Price</b>            | the price at which Shares may be redeemed in the Primary Market, as described in the Prospectus;   |
| <b>Prospectus</b>                  | this document, the Relevant Supplement for any Sub-Fund and any other supplement or addendum designed to be read and construed together with and to form part of this document;  |
| <b>Recognised Market</b>           | any recognised exchange or market listed or referred to in Schedule II to this Prospectus and such other markets as Directors may from time to time determine in accordance with the UCITS Regulations and specify in Schedule II to this Prospectus;  |
| <b>Recognised Rating Agency</b>    | Standard & Poor’s Rating Group (“S&P”), Moody’s Investors Services (“Moody’s”), Fitch IBCA or an equivalent rating agency;   |
| <b>Register</b>                    | the register of Shareholders maintained on behalf of the Company;  |
| <b>Relevant Institution</b>        | (a) a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein); (b) a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or (c) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand; |
| <b>Relevant Supplement</b>         | a document supplemental to the Prospectus containing information relating to each Sub-Fund;  |
| <b>Secondary Market</b>            | the market on which Shares can be purchased and/or sold directly on the Listing Stock Exchanges;   |
| <b>Share or Shares</b>             | a Share or Shares of whatsoever Class in the capital of the Company (other than Subscriber   |

Shares) entitling the holders to participate in the profits of the Company attributable to the relevant Sub-Fund as described in this Prospectus;

|                              |  |
|------------------------------|--|
| <b>Shareholder</b>           | a person registered in the Register as a holder of Shares;   |
| <b>Sub-Fund</b>              | a portfolio of assets established by the Directors (with the prior approval of the Custodian and the Central Bank) and constituting a separate fund represented by a separate series of Shares and invested in accordance with the investment objective and policies applicable to such Sub-Fund;  |
| <b>Subscriber Shares</b>     | the subscriber shares of no par value issued for €1.00 each which are held by the Investment Manager and/or its nominees;  |
| <b>UCITS</b>                 | an undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations;   |
| <b>UCITS Notices</b>         | the notices issued by the Central Bank from time to time pursuant to the UCITS Regulations;  |
| <b>UCITS Regulations</b>     | the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. 352 of 2011), as amended, and all applicable Central Bank notices issued or conditions imposed or derogations granted thereunder;  |
| <b>Underlying Fund</b>       | a collective investment undertaking or a sub-fund of an umbrella collective investment undertaking which is authorised in the European Union under the UCITS Directive or a non-UCITS which is eligible for investment by the portfolio in accordance with the requirements of the Central Bank. Such eligible non-UCITS will be, as provided in Guidance Note 2/03 issued by the Central Bank, (i) schemes established in Guernsey and authorised as Class A Schemes; (ii) schemes established in Jersey as Recognised Funds; (iii) schemes established in the Isle of Man as Authorised Schemes; (iv) regulated non-UCITS retail CIS authorised by the Central Bank provided such CIS comply in all material respects with the provisions of the UCITS Notices; and (v) regulated non-UCITS CIS authorised in a Member State of the EEA, the US, Jersey, Guernsey or the Isle of Man and which comply, in all material respects, with the provisions of the UCITS Notices. The consideration of "all material respects" will include, inter alia, consideration of the following: (a) the existence of an independent trustee/custodian with similar duties and responsibilities in relation to both safekeeping and supervision; (b) requirements for the spreading of investment risk including concentration limits, ownership restrictions, leverage and borrowing restrictions, etc.; (c) availability of pricing information and reporting requirements; (d) redemption facilities and frequency; and (e) restrictions in relation to dealings by related parties; |
| <b>U.S. or United States</b> | the United States of America, its territories and possessions including the States and the District of Columbia;   |
| <b>U.S. Person</b>           | a " <i>U.S. Person</i> " as defined under Regulation S of the Securities Act of 1933, as amended and a person excluded from the definition of a "Non-United States person" as used in Commodity Futures Trading Commission ("CFTC") Rule 4.7;  |
| <b>Valuation Point</b>       | <p>the time specified for each Sub-Fund in the Relevant Supplement or such other time as the Directors may determine from time to time and notify to Shareholders.</p> <p>For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after such time as the Directors shall determine as the dealing deadline;</p>   |
| <b>Website</b>               | www.lemanikgroup.com, on which the Net Asset Value per Share, the portfolio holdings and any other relevant information relating to any Sub-Fund will be published and on which this Prospectus and any other information in respect of the Company, including various   |

Shareholder and investor communications, may be published. Should this website become unavailable for any reason, an alternative website will be notified to Shareholders on which the Net Asset Value per Share, the portfolio holdings and any other relevant information relating to any Sub-Fund will be published and on which this Prospectus and any other information in respect of the Company, including various Shareholder and investor communications, may be published .

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**SCHEDULE II – RECOGNISED MARKETS**

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(i) Any stock exchange or market in any EU or EEA Member State or in any of the following countries: Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland and the United States of America.

(ii) Any of the following markets or exchanges:

|            |  |             |  |
|------------|--|-------------|--|
| Argentina  | Buenos Aires Stock Exchange<br>Cordoba Stock Exchange<br>La Plata Stock Exchange<br>Mendoza Stock Exchange<br>Rosario Stock Exchange   |             | Magadh Stock Exchange<br>Pune Stock Exchange<br>Hyderabad Stock Exchange<br>Ludhiana Stock Exchange<br>Uttar Pradesh Stock Exchange<br>Calcutta Stock Exchange |
| Brazil     | Bahia-Sergipe-Alagoas Stock Exchange<br>Brasilia Stock Exchange<br>Extremo Sul Porto Alegre Stock Exchange<br>Minas Esperito Santo Stock Exchange<br>Parana Curitiba Stock Exchange<br>Pernambuco e Paraiba Recife Stock Exchange<br>Regional Fortaleza Stock Exchange<br>Rio de Janeiro Stock Exchange<br>Santos Stock Exchange<br>Sao Paulo Stock Exchange | Indonesia   | Jakarta Stock Exchange<br>Surabaya Stock Exchange  |
|            |  | Israel      | Tel Aviv Stock Exchange (TASE)   |
|            |  | Kazakhstan  | Kazakhstan Stock Exchange  |
|            |  | Malaysia    | Kuala Lumpur Stock Exchange<br>Bumiputra Stock Exchange  |
| Chile      | Santiago Stock Exchange<br>Valparaiso Stock Exchange   | Mexico      | Bolsa Mexicana de Valores  |
|            |  | Namibia     | Namibian Stock Exchange  |
| China      | Shanghai Securities Exchange<br>Shenzhen Stock Exchange  | New Zealand | New Zealand Stock Exchange   |
| Colombia   | Colombian Stock Exchange   | Nigeria     | Nigerian Stock Exchange  |
| Costa Rica | Bolsa Nacional de Valores S.A.   | Pakistan    | Karachi Stock Exchange<br>Lahore Stock Exchange  |
| Egypt      | Cairo and Alexandria Stock Exchange  | Peru        | Lima Stock Exchange  |
| Ghana      | Ghana Stock Exchange   | Philippines | Philippines Stock Exchange   |
| India      | Bombay Stock Exchange<br>National Stock Exchange<br>Madras Stock Exchange<br>Delhi Stock Exchange<br>Ahmedabad Stock Exchange<br>Bangalore Stock Exchange<br>Cochin Stock Exchange<br>Gauhati Stock Exchange   | Qatar       | Doha Securities Market   |
|            |  | Russia      | St. Petersburg Stock Exchange<br>Moscow International Stock Exchange<br>Moscow Interbank Currency Exchange<br>(equity securities only)                         |
|            |  | Serbia      | Belgrade Stock Exchange  |

|              |  |                      |  |
|--------------|--|----------------------|--|
| Singapore    | Singapore Stock Exchange<br>SESDAQ   | Thailand             | Thailand Stock Exchange  |
|              |  | Turkey               | Istanbul Stock Exchange  |
| South Africa | Johannesburg Stock Exchange  | United Arab Emirates | Dubai Financial Market<br>Dubai International Financial Exchange |
| South Korea  | Korea Exchange, Inc. (KRX)<br>KRX Stock Market Division (KRX KOSPI Market)<br>KRX Futures Market Division (KRX Derivatives Market)<br>KRX Korea Securities Dealers Association Automated Quotation (KOSDAQ) Division | Ukraine              | Ukrainian Stock Exchange   |
|              |  | Uruguay              | Rospide Sociedad de Bolsa S.A.                                   |
|              |  | Venezuela            | Bolsa de Valores de Caracas                                      |
| Sri Lanka    | Colombo Stock Exchange   | Vietnam              | Vietnam Stock Exchange   |
| Taiwan       | Taiwan Stock Exchange  | Zambia               | Lusaka Stock Exchange  |

(iii)

The following markets:

- the market organised by the International Capital Markets Association;
- the UK market (i) conducted by banks and other institutions regulated by the Financial Conduct Authority (FCA) and subject to the Inter-Professional Conduct provisions of the FCA’s Market Conduct Sourcebook and (ii) in non-investment products which are subject to the guidance contained in the "Non-Investment Product Code" drawn up by the participants in the London market, including the FCA and the Bank of England (formerly known as "The Grey Paper");
- (a) NASDAQ in the United States, (b) the market in the US government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York; (c) the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and the National Association of Securities Dealers and by banking institutions regulated by the US Controller of Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;
- (a) NASDAQ Japan, (b) the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan and (c) Market of the High-Growth and Emerging Stocks (“MOTHERS”)
- the alternative investment markets in the United Kingdom regulated and operated by the London Stock Exchange;
- the Hong Kong Growth Enterprise Market (“GEM”);
- TAISDAQ
- the Stock Exchange of Singapore Dealing and Automated Quotation (SESDAQ)
- the Taiwan Innovative Growing Entrepreneurs Exchange (“TIGER”)
- the Korean Securities Dealers Automated Quotation (“KOSDAQ”)
- the French Market for Titres de Créances Négociables (over the counter market in negotiable debt instruments)
- the over the counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada
- EASDAQ (European Association of Securities Dealers Automated Quotation)

These exchanges and markets are listed above in accordance with the requirements of the Central Bank which does not issue a list of approved markets.