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**If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.**

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

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# **ORCHARD FUNDS**

## **PUBLIC LIMITED COMPANY**

*(An open-ended investment company with variable capital and having segregated liability between its funds structured as an umbrella fund incorporated with limited liability in Ireland under registration number 365198)*

## **PROSPECTUS**

## **INVESTMENT MANAGER**

## **ORCHARD WEALTH MANAGEMENT LIMITED**

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The date of this Prospectus is 1 February 2017

This Prospectus replaces the Prospectus dated 3 October 2014.

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## ORCHARD FUNDS PUBLIC LIMITED COMPANY

### IMPORTANT INFORMATION

This Prospectus comprises information relating to Orchard Funds public limited company (the "Company"), an open-ended investment company with variable capital and having segregated liability between its funds structured as an umbrella fund and organised under the laws of Ireland. It qualifies and is authorised in Ireland by the Central Bank as a UCITS for the purposes of the Regulations. The Company is structured as an umbrella fund in that different funds (each a "Fund") may be established with the prior approval of the Central Bank, each Fund representing a single portfolio of assets. In addition, each Fund may have more than one share class allocated to it.

This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Fund. If there is more than one class of shares in any Fund, details relating to the separate classes may be dealt with in the same Supplement or in separate Supplements for each class. The creation of further share classes will be notified in advance to the Central Bank. This Prospectus and the relevant Supplement should be read and constituted as one document. To the extent that there is any inconsistency between this Prospectus and the relevant Supplement, the relevant Supplement shall prevail.

Applications for Shares will only be considered on the basis of this Prospectus (and any relevant Supplement) and the latest published audited report and accounts, and, if published after such report (or if the first such report has not been published) a copy of the latest unaudited semi-annual report. These reports will form part of this Prospectus.

In relation to each class of Shares, issued or to be issued from the date of this Prospectus, an application may be made to The Irish Stock Exchange for those Shares to be admitted to the Official List of The Irish Stock Exchange. This document together with the relevant Supplement, shall constitute listing particulars for the purpose of any application for listing for any such class of Shares in respect of which that Supplement is issued. Neither the admission of the relevant class of Shares to the Official List nor the approval of this Prospectus and the relevant Supplement pursuant to the listing requirements of The Irish Stock Exchange shall constitute a warranty or representation by The Irish Stock Exchange as to the competence of the service providers to or any party connected with the Company, the adequacy of information contained in this Prospectus or in the relevant Supplement or the suitability of the Company for investment purposes. None of the Company's Shares are listed or proposed to be listed on any stock exchange other than The Irish Stock Exchange.

**The Company is both authorised and supervised by the Central Bank. The Central Bank shall not be liable, by virtue of its authorisation of the Company or by reason of its exercise of the functions conferred on it by legislation in relation to the Company, for any default of the Company. The authorisation of the Company by the Central Bank does not constitute a warranty by the Central Bank as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank and the Central Bank is not responsible for the contents of this Prospectus.**

Statements made in this Prospectus are, except where otherwise stated, based on the law and practice currently in force in Ireland, which may be subject to change.

No person has been authorised to give any information or to make any representation in connection with the offering or placing of Shares other than those contained in this Prospectus and the reports referred to above and, if given or made, such information or representation must not be relied upon as having been authorised by the Company. The delivery of this Prospectus (whether or not accompanied by the reports) or any issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date of this Prospectus.

The distribution of this Prospectus and the offering and placing of Shares in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe such restrictions.

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

Potential investors should inform themselves as to:

- A. the legal requirements within the countries of their nationality, residence, ordinary residence or domicile for the acquisition of Shares;
- B. any foreign exchange restrictions or exchange control requirements which they might encounter on the acquisition or sale of Shares; and
- C. the income tax and other taxation consequences which might be relevant to the acquisition, holding or disposal of Shares.

Prospective UK resident investors must rely on their own examination of the legal, taxation, financial and other consequences of any investment in the Company including the risk involved. Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation or other matters and, if in any doubt about the Company, its suitability, or what action should be taken, should consult a person authorised and regulated by the Financial Conduct Authority ("FCA") under the Financial Services and Markets Act 2000 ("FSMA") and qualified to advise on investments in collective investment schemes.

The Company has the status of a recognised scheme under Section 264 of the Financial Services and Markets Act 2000 of the United Kingdom (the "FSMA"). The Company provides the facilities required by the regulations governing such schemes at the offices of the Investment Manager (see "Definitions") in the United Kingdom.

Potential investors in the United Kingdom should be aware that many of the protections afforded by the United Kingdom's regulatory regime will not apply to an investment in the Company, including access to the United Kingdom Financial Ombudsman Service, and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

A recipient of this Prospectus may not reproduce, forward or distribute copies of it to any person except as permitted in accordance with FSMA.

The Shares have not been and will not be registered under the 1933 Act or the securities laws of any of the states of the United States of America.

The Shares have not been and will not be registered under the 1940 Act.

The Shares have not been approved or disapproved by any US Federal or state securities commission or regulatory authority nor has any of the foregoing passed upon the accuracy or adequacy of this memorandum. Any representation to the contrary is a criminal offence.

The Shares may not be offered, sold, delivered, mortgaged, pledged, or otherwise transferred, directly or indirectly, in the United States of America, its territories or possessions or any area subject to its jurisdiction, including the commonwealth of Puerto Rico, or to any citizen or resident thereof (including any corporation, partnership, or other entity organised or created under the laws of the United States of America or any political subdivision thereof), or to any estate or trust, the income of which is subject to US Federal income taxation, regardless of its source, or to any person, corporation, partnership, or to an employee plan within the meaning of section 3(3) of the ERISA or other entity qualifying as a "US Person" unless the Company is registered under the 1940

Act and the securities are registered under the 1933 Act and any applicable state securities laws or an exemption from registration is available under such Acts and such laws.

Before investing in the Company, potential investors should consider the risks involved in such investment.

Investors should read and consider the risk discussion under the "Risk Factors" Section of this Prospectus and any Supplement.

**The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Fund. The difference, if any, at any one time between the cost of subscribing for Shares and the amount received on redemption means that any investment in the Company should be viewed as a medium to long-term investment.**

This Prospectus, any Supplement and any KIID 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/Supplement/KIID. To the extent that there is any inconsistency between the English language Prospectus/Supplement/KIID and the Prospectus/Supplement/KIID in another language, the English language Prospectus/Supplement/KIID will prevail, except, to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a prospectus/supplement/KIID in a language other than English, the language of the prospectus/supplement/KIID on which such action is based shall prevail.

The Prospectus has been approved by Orchard Wealth Management Limited (the "Investment Manager). The Investment Manager is authorised to perform the functions of an investment manager by the Jersey Financial Services Commission (JFSC).

Application may be made in certain jurisdictions to enable the Shares of the Company to be marketed in these jurisdictions.

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## DEFINITIONS

As used in this Prospectus, the following words and phrases shall have the meanings set forth below:

*“Act”*, the Companies Act 2014, as same may be amended from time to time.

*“Administrator”*, CACEIS Ireland Limited and/or such other person as may be appointed with the prior approval of the Central Bank, to provide administration services to the Company.

*“Administration Agreement”*, the Agreement dated 20 December 2002 made between the Company and the Administrator.

*“Application Form”*, the form prescribed by Directors from time to time and pursuant to which an application for Shares in a Fund is made.

*“Articles”*, the Articles of Association of the Company, as amended from time to time.

*“Auditors”*, Ernst & Young, Chartered Accountants, Dublin or such other entity as may be appointed auditor of the Company from time to time.

*“Base Currency”*, in respect of any Fund, means the currency in which the Shares are issued.

*“Business Day”*, in relation to a Fund, such day or days as the Directors may from time to time determine and as set out in the relevant Supplement.

*“Central Bank”*, the Central Bank of Ireland, or any successor thereof.

*“Central Bank Requirements”*, the requirements of the Central Bank pursuant to the Regulations, the Central Bank UCITS Regulations and any guidance applicable to UCITS as may be issued by the Central Bank from time to time.

*“Central Bank UCITS Regulations”*, the Central Bank (Supervision and Enforcement Act 2013 Section 48 (i) (Undertakings for Collective Investment in Transferable Securities)) Regulations 2015 as some may be amended, supplemented or replaced from time to time.

*“Constitution”*, the Memorandum and Articles of Association of the Company.

*“Custodian Agreement”*, the agreement dated 20 December 2002 made between the Company and the Depository.

*“Dealing Day”*, in relation to any Fund, such day as the Directors may from time to time determine and as set out in the relevant Supplement, provided that:

- (a) there shall be at least two Dealing Days in every calendar month; and
- (b) the assets of the Company shall be valued for each Dealing Day.

*“Depository”*, CACEIS Bank, Ireland Branch or such other person as may be appointed, with the prior approval of the Central Bank, to act as depository to the Company.

*“Directive”*, Directive 2009/65/EC of the European Parliament and of the European Council of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to UCITS, as the same may be amended or replaced.

*“Directors”*, the directors of the Company or any duly authorised committee thereof.

*"Duties and Charges"*, in relation to any Fund, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, interest, depositary or sub-custodian charges (relating to sales and purchases), transfer fees, registration fees, and other duties and charges whether in connection with the original acquisition, increase or decrease of the assets of the relevant Fund or the creation, issue, sale, conversion or repurchase of Shares or the purchase or sale of Investments or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but shall not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Shares in the relevant Fund.

*"EMIR"*, Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC Derivatives Central Counterparties and Trade Repositories ("*EMIR*") as may be amended, supplemented or re-enacted from time to time.

*"ESMA"*, the European Securities and Markets Authority.

*"Fitness and Probity Standards"*, the fitness and probity code is issued by the Central Bank pursuant to Section 50 of the Central Bank Reform Act 2010, as amended.

*"FCA"*, the Financial Conduct Authority of the United Kingdom.

*"Fund"*, a fund of assets established (in accordance with Central Bank Requirements) for one or more classes of Shares which is invested in accordance with the investment objectives applicable to the relevant Fund.

*"Investment(s)"*, any investment(s) authorised by the Memorandum of Association of the Company and which is permitted by the Regulations and the Articles.

*"Investment Management and Distribution Agreement"*, the investment management and distribution agreement dated 23 December 2009 made between the Company and the Investment Manager.

*"Investment Manager"*, Orchard Wealth Management Limited and/or such other person as may be appointed, in accordance with the Central Bank Requirements, to provide investment management services to the Funds, or any of them.

*"JFSC"*, the Jersey Financial Services Commission.

*"KIID(s)"*, Key Investor Information Document(s).

*"Member State"*, a member state of the European Union.

*"Minimum Holding"*, a holding of Shares of any Share class having an aggregate value of such minimum amount as set out in the relevant Supplement, or as may be determined from time to time by the Directors.

*"Net Asset Value"*, the net asset value of a Fund determined in accordance with the Articles.

*"Net Asset Value Per Share"*, the Net Asset Value divided by the number of Shares of the relevant Fund. Where there is more than one class of Shares per Fund, the Net Asset Value per Share per class will be the Net Asset Value per Share attributable to each class divided by the number of Shares in issue in that class.

*"Prospectus"*, this document as it may be amended from time to time in accordance with the Central Bank Requirements together with, where the context requires or complies, any supplements or addendum.

*“Qualified Holder”*, any person or corporate entity other than (i) a United States Person (except to the extent permitted below), (ii) any person, corporation or entity which cannot acquire or hold shares without violating laws or regulations applicable to it, or (iii) a custodian, nominee or trustee for any person, corporation or entity described in (i) or (ii) above provided further that an offer and sale of shares may be made as part of a private placement to investors who are US persons and who, prior to their purchase of shares, receive supplemental disclosure and deliver to the Company an investor letter or subscription containing certain representations and agreements.

*“Redemption Price”*, in respect of any Fund, the price at which Shares can be redeemed as calculated in the manner set out herein and in the relevant Supplement.

*“Regulated Market”*, in relation to any investment, any stock exchange or other regulated market listed in Appendix I hereto, it being noted that the Central Bank does not issue a list of authorised exchanges or markets.

*“Regulations”*, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011), as may be amended or replaced.

*“Share”* or *“Participating Share”*, a share of no par value in the Company designated as a *“Participating Share”* in the Articles

*“Supplement”*, any document issued by the Company expressed to be a supplement to this Prospectus.

*“Shareholder”*, the registered holder of a Share in the Company.

*“Subscriber Shares”*, shares of €1.00 each in the capital of the Company designated as *“Subscriber Shares”* in the Articles and subscribed by or on behalf of the Investment Manager.

*“Subscription Price”*, the price at which shares in any Fund can be subscribed as calculated in the manner set out on herein and in the relevant Supplement.

*“Taxes Act”*, the Taxes Consolidation Act, 1997 (of Ireland), as may be amended.

*“The Irish Stock Exchange”*, means The Irish Stock Exchange plc.

*“UCITS”*, an Undertaking for Collective Investment in Transferable Securities, established pursuant to the Directive.

*“United Kingdom”*, or *“UK”*, the United Kingdom of Great Britain and Northern Ireland.

*“United States”* or *“US”*, the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the states and the Federal District of Columbia.

*“US Person”*, any US person within the meaning of Regulation S under the 1933 Act as well as:

- (a) a natural person resident in the US;
- (b) an estate with any US Person as executor or administrator;
- (c) a corporation or partnership organised under US law;
- (d) any trust of which any trustee is a US Person;
- (e) any agency or branch of a foreign entity located in the United States;

- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
- (g) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident of the United States; and
- (h) any partnership or corporation if: (i) organised or incorporated under the laws of any foreign jurisdiction; and (ii) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts.

A US Person also includes any entity formed by or on behalf of any of the foregoing for the purpose of investing in the Company.

*“Valuation Point”*, such point in time by reference to which the Net Asset Value of a Fund is calculated, as the Directors (with the consent of the Depositary) may determine in relation to the valuation of the assets and liabilities of the relevant Fund, provided there will be a Valuation Point in respect of each Dealing Day.

*“1933 Act”*, the United States Securities Act of 1933, as amended.

*“1940 Act”*, the United States Investment Company Act of 1940, as may be amended.

## DIRECTORS AND ADVISERS

### Directors

The Directors of the Company, whose business address is at  
1 Custom House Plaza,  
International Financial  
Services Centre  
Dublin 1  
Ireland  
are as follows:

Ian Abrams  
Thomas Finlay  
Richard Harwood  
Claire Southam  
Gary Brennan

### Registered Office

1 Custom House Plaza,  
International Financial  
Services Centre  
Dublin 1  
Ireland

### Investment Manager, Promoter and Distributor

Orchard Wealth Management  
Limited  
Charles Bisson House  
First Floor  
30-32 New Street  
St Helier  
Jersey  
JE2 3TE

### Depository

CACEIS Bank, Ireland Branch  
1 Custom House Plaza  
International Financial  
Services Centre  
Dublin 1  
Ireland

### Company Secretary

Wilton Secretarial Limited  
6<sup>th</sup> Floor  
2 Grand Canal Square  
Dublin 2  
Ireland

### Administrator, Registrar and Transfer Agent

CACEIS Ireland Limited  
1 Custom House Plaza  
International Financial  
Services Centre  
Dublin 1  
Ireland

### Auditors

Ernst & Young  
Registered Auditors  
Ernst & Young Building  
Harcourt Centre  
Harcourt Street  
Dublin 2  
Ireland

### UK Address at which Prospectus may be viewed

City Fund Management Limited  
4<sup>th</sup> Floor,  
Pountney Hill House  
6 Laurence Pountney Hill, London  
EC4R 0BL

### Legal Advisers To the Company as to Irish Law

William Fry  
2 Grand Canal Square  
Dublin 2  
Ireland

### Listing Sponsor at The Irish Stock Exchange

McCann FitzGerald  
Riverside One  
Sir John Rogerson's Quay  
Dublin 2  
Ireland

## ORCHARD FUNDS PUBLIC LIMITED COMPANY

### Introduction

Orchard Funds public limited company is an open-ended investment company with variable capital and having segregated liability between its funds incorporated with limited liability in Ireland.

The Company qualified as a UCITS within the meaning of the Regulations and, pursuant to those Regulations, is authorised by the Central Bank.

The Company is structured as an umbrella fund in that different Funds may be established from time to time by the Directors, with the prior approval of the Central Bank. On the introduction of any new Fund, documentation will be prepared setting out the relevant details of each such Fund. The Shares of each class allocated to a Fund will rank pari passu with each other in all respects except as to all or any of the following or as the Directors may otherwise determine:

- currency of denomination of the class;
- dividend policy;
- the level of fees and expenses to be charged; and
- the minimum subscription and Minimum Holding applicable.

The assets of each Fund will be separate from one another and will be invested in accordance with the investment objectives and policies applicable to each such Fund. A separate pool of asset is not being maintained for each class.

As at the date of this Prospectus, there is one fund – the Orchard Fund.

The share capital of each Fund shall at all times equal its Net Asset Value. The Base Currency of each Fund shall be determined by the Directors and will be set out in the relevant Supplement. Ownership will be evidenced by the entry on the Company's Register of Shareholders and written completion notices confirming ownership will be sent to the Shareholders once the Register has been written up. Share certificates will not be issued.

Full details in respect of each Fund are set out in the relevant Supplement. On the establishment of any Fund or the creation of a new class of Shares in an existing Fund, a Supplement and relevant KIID(s) will be issued in respect thereof.

Investors may deal in the Shares by subscribing for and/or having their Shares redeemed in accordance with the terms of the Prospectus.

### Investment Objectives and Policies

The investment objectives and policies for each Fund will be formulated by the Directors at the time of creation of the Fund and will be set out in the relevant Supplement.

The investment objectives and policies for each Fund will, in the absence of unforeseen circumstances, be adhered to for at least three years following the date of admission of the Fund to listing on the Official List of the Irish Stock Exchange and any change during this period will be subject to the prior approval in writing of a majority of shareholders of the relevant Fund or, if a general meeting of the Shareholders of such Fund is convened, by a majority of the votes cast at such meeting. Any alteration to the investment objectives or material alternations to the investment policies of any Fund at any time will be subject to similar prior approval of the Shareholders of such Fund. Shareholders will be given four weeks' advance notice of the implementation of any alteration in the investment objectives or policies in a Fund to enable them to redeem their shares prior to such implementation.

## **Efficient Portfolio Management**

The Company, on behalf of each Fund, may employ (subject to the conditions and within the limits laid down by the Central Bank) techniques and instruments relating to transferable securities provided that such techniques and instruments are used for efficient portfolio management purposes or to provide protection against exchange risk. Such techniques and instruments are set out in Appendix II. New techniques and instruments may be developed which may be suitable for use by the Company and the Company (subject as aforesaid) may employ such techniques and instruments in accordance with the Central Bank Requirements.

A Fund may utilise currency forward contracts to provide protection against foreign exchange risk.

Further details of the techniques and instruments used for the purposes of efficient portfolio management for any Fund will be set out in the relevant Supplement.

## **Investment Restrictions**

Investments may only be made in accordance with the Regulations. Details of the investment and borrowing restrictions applicable to all Funds are contained in Appendix III. The Directors may impose additional restrictions in respect of any Fund and as may be compatible with or be in the interest of Shareholders in order to comply with the laws and regulations of the countries where the Shareholders of the Company are located or the Shares are marketed. Details will be set out in the relevant Supplement. Additional restrictions relating to the investment and borrowing powers of any Fund may be formulated by the Directors at the time of the creation of such Fund and will be set out in the relevant Supplement.

If the investment limitations (other than those relating to borrowings) set out in the Regulations and Central Bank Requirements are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, the Directors must adopt as a priority objective the remedying of that situation taking due account of the interest of the Shareholders.

The Directors may, in relation to any Fund from time to time impose such further investment restrictions as may be compatible with or be in the interest of the Shareholders in order to comply with the laws and regulations of the countries where Shareholders of the Company are located or the Shares are marketed.

The Company will not take legal or management control over any of its underlying investments.

It is intended that the Company should, subject to compliance with any applicable restrictions which are imposed by the Irish Stock Exchange and subject to the prior approval of the Central Bank, have power to avail itself of any change in the investment restrictions laid down in the Regulations which would permit investment by the Company in securities, derivative instruments or in any other forms of investment which, as at the date of this Prospectus, is restricted or prohibited under the Regulations. The Company will give Shareholders at least four weeks' reasonable prior written notice of its intention to avail itself of any such change which is material in nature. The Prospectus will be updated in any such event.

## **Risk Factors**

Potential investors should consider the following risk factors before investing in the Company. Additional risk factors, if any, for various Funds will be set out in the relevant Supplement. In addition, risk factors relating to the use of techniques and instruments for efficient portfolio management purposes are set out at Appendix II under the heading "Efficient Portfolio Management".

1. There is no assurance that any appreciation in the value of Investments will occur or that the investment objective of any Fund will be achieved. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount

invested. The difference between the cost of subscribing for Shares and the amount received on redemption means that any investment in the Company should be viewed as a medium to long-term investment. An investment should only be made by those who are able to sustain a loss on their investment.

2. Investors are reminded that in certain circumstances, their right to redeem Shares may be suspended or limited (see under the headings “Temporary Suspensions” and “Redemption of Shares”). As there is no secondary market for Shares of the Company, an investment in the Company is considered to be a relatively illiquid investment.
3. In addition to receiving an investment management fee, the Investment Manager may also receive a performance fee based on the appreciation in the Net Asset Value per Share. The performance fee may provide a motive for the Investment Manager to make investments for the Company which may entail more risk than would be the case in the absence of a fee based on the performance of the Company. The performance fee will be based on net realised and unrealised gains and losses as at the end of each calculation period and, as a result, performance fees may be paid on unrealised gains which may subsequently never be realised.
4. Where an investment is made in a currency other than the Base Currency of the relevant Fund, the Company will attempt to minimise the effect of currency fluctuations between that currency and the Base Currency through the use of hedging; however the result cannot be guaranteed.
5. The Company is structured as an umbrella fund with segregated liability between its Funds. As a matter of Irish law, the assets of one Fund will not be available to meet the liability of another. However, the Company is a single entity that may operate or have assets held on its behalf or be subject to claims in other jurisdictions that may not necessarily recognise such segregation.
6. A listing on the Irish Stock Exchange will not necessarily provide liquidity to investors.
7. Any actively managed investment portfolio is subject to the risk that its investment manager will make poor stock selections. The Investment Manager will apply its investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that they will produce the desired results.
8. Each Fund may use derivative instruments subject to the limits and conditions set out in Appendix II. Options and futures contracts tend to have a greater volatility than the securities to which they relate and they bear a corresponding greater degree of risk.

The primary risks associated with the use of financial derivative instruments are (i) failure to predict accurately the direction of the market movements, (ii) market risks, for example, lack of liquidity or lack of correlation between the change in the value of the underlying asset and that of the value of a Fund’s derivatives and (iii) operational risk, for example, the risk of direct or indirect loss resulting from inadequate or failed processes, people and systems or from external events. These techniques may not always be possible or effective in enhancing returns or mitigating risk. A Fund’s investment in derivatives is subject to the risk of counterparty default. In addition, a Fund may have to transact with counterparties on standard terms which it may not be able to negotiate and may bear the risk of loss because a counterparty does not have the legal capacity to enter into a transaction, or because the transaction becomes unenforceable due to relevant legislation and regulation. To the extent that a Fund invest in financial derivative instruments, it may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. Any use of financial derivative instruments will be in accordance with the requirements of the Central Bank and the Company’s risk management process.

9. A Fund, for the purposes of efficient portfolio management, may buy or sell (write) both call options and put options (either exchange-traded or over-the-counter) within the conditions and limits laid down by the Central Bank as set out in Appendix II, and when it writes options it may do so on a "covered" basis. These activities involve risks that can be significant, depending on the circumstances. In general, the principal risks involved in options trading can be described as follows, without taking into account other positions or transactions a Fund may enter into.

When a Fund buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the security in the case of a put, would result in a total loss of a Fund's investment in the option (including commissions). When a Fund sells (writes) an option, the risk can be substantially greater than when it buys an option. If a Fund sells (writes) a covered option, an increase in the market price of the security above the exercise price would cause the Fund to lose the opportunity for gain on the underlying security assuming it bought the security for less than the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss the Fund might suffer as a result of owning the security.

10. The Fund is permitted to use forward foreign exchange contracts within the conditions and limits laid down by the Central Bank as set out in Appendix II. Forward foreign exchange contracts and options thereon, unlike futures contracts, are generally not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward trading (to the extent forward contracts are not traded on exchanges) and "cash" trading are substantially unregulated. The principals who deal in the forward markets are not required to continue to make markets in the currencies they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market used by a Fund due to unusually high trading volume, political intervention or other factors. The imposition of controls by government authorities might also limit such forward trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of a Fund. Market illiquidity or disruption could result in losses to a Fund.
11. Subscription monies delivered by an investor to a Fund prior to the relevant Dealing Day or prior to the end of the Initial Offer Period are required to be sent by bank transfer to the account details in the Application Form for the relevant Fund.

Provided that all documentation required by the Fund and the Administrator for anti-money laundering and customer identification purposes has been received, subscriptions will be processed and Shares in the Fund issued on the relevant Dealing Day. Subscriptions will not be processed and Shares will not issue until all anti-money laundering documentation has been received and cleared funds have been received. Accordingly, subscription monies delivered prior to the Dealing Day will not be subject to the Investor Money Regulations 2015 or any equivalent client asset protection regime and shall not form part of the assets of the relevant Fund until transferred to the Fund's account. Accordingly, Investors should note that prior to transfer to the Fund account, Investors may be exposed to the creditworthiness of the relevant credit institution where subscription monies are held and neither the Directors nor the Fund shall have any fiduciary duties to the investor in respect of such monies.

12. Any change in the Company's tax status or in taxation legislation could affect the value of the investments held by the Company and affect the Company's ability to provide investor returns. Potential investors and Shareholders should note that the statements on taxation which are set out below, are based on advice which has been received by the Directors regarding the law and practice in force in the relevant jurisdiction as at the date of this Prospectus. As is the case with any investment, there can be no guarantee that a tax

position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely. The attention of potential investors is drawn to the taxation risk associated with investing in the Company. See the section headed "Taxation in Ireland".

13. U.S. Foreign Account Tax Compliance Act ("FATCA") Pursuant to FATCA, the Company will be required to comply (or be deemed compliant) with extensive reporting and withholding requirements (known as "FATCA") designed to inform the U.S. Department of the Treasury of U.S.-owned foreign investment accounts. Failure to comply (or be deemed compliant) with these requirements will subject the Company (or each Fund) to U.S. withholding taxes on certain U.S.-sourced income and (effective 1 January 2019) gross proceeds. Pursuant to an intergovernmental agreement between the Irish and US governments, the Company (or each Fund) may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports reportable U.S. account information directly to the Irish government. Shareholders may be requested to provide additional information to the Company to enable the Company (and each Fund) to satisfy these obligations. Failure to provide requested information or (if applicable) satisfy its own FATCA obligations may subject a Shareholder to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory redemption, transfer or other termination of the Shareholder's interest in its Shares. The administrative cost of compliance with FATCA may cause the operating expenses of the Company (and each Fund) to increase, thereby reducing returns to investors. FATCA may also require the Company to provide to the Irish tax authorities, for subsequent disclosure to the U.S. Internal Revenue Service, private and confidential information relating to certain Shareholders. Please see heading "Foreign Account Tax Compliance Act ("FATCA") and the Common Reporting Standards ("CRS")".
14. The Organisation for Economic Co-operation and Development ("OECD") has developed a new global standard for the automatic exchange of financial information between tax authorities (the "Common Reporting Standard" or "the CRS"), which is similar to FATCA. Under the CRS, participating jurisdictions will be required to exchange certain information held by financial institutions regarding their non resident investors. The CRS was effective in Ireland from 1 January 2016. The Company will be required to provide certain information to the Irish Revenue Commissioners about non-Irish tax resident Shareholders (which information will in turn be provided to the relevant tax authorities). It should also be noted the CRS replaces the EU Taxation on Savings Directive. Although the Company will attempt to satisfy any obligations imposed upon it by the CRS, no assurance can be given that it will be able to satisfy such obligations. The CRS requires the Company to conduct additional due diligence and report upon accounts held with it by Shareholders who are reportable persons. The Company (or each Fund) may require certain additional financial information from Shareholders and financial intermediaries acting on behalf of shareholders to comply with its diligence and reporting obligations under the CRS. If the Company (or each Fund) is unable to obtain the necessary information from Shareholders, it may take any steps necessary to avoid resulting sanctions, which may include (but are not limited to) compulsorily redeeming the relevant Shareholder. Please see heading "Foreign Account Tax Compliance Act ("FATCA") and the Common Reporting Standards ("CRS")".
15. Emerging markets tend to have a greater level of risk and volatility associated with them and to be less liquid than more established markets. Investors should consider whether or not investment in the Funds with exposure to emerging markets is either suitable or should constitute a substantial part of the investors' portfolio.
16. The Net Asset Value, the marketability and the returns derived from a particular Fund's investments in emerging markets may be affected by uncertainties such as political or diplomatic developments, social and religious instability, changes in government policies, taxation and interest rates, currency conversion and repatriation and other political and economic developments in law or regulations in emerging markets and, in particular, the risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership. All of these factors may adversely affect the overall investment climate and, in particular, investment opportunities available to a Fund.

17. Companies operating or established in emerging markets may not be subject:
  - a. to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies operating or established in more developed markets;
  - b. to the same level of government supervision and regulation of stock exchanges as might apply in countries with more advanced securities markets.

Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions.

18. The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments.
19. Lack of liquidity and efficiency in certain of the stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the Investment Manager may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market.
20. There may be no obligation on the part of registration and tax authorities in emerging market countries to make official copies of records available to third parties. In addition, there may be no reliable commercial firms who at present could undertake a comprehensive credit analysis or who could search the records of notary publics to determine whether the assets of an enterprise have been pledged or are otherwise subject to a pledge or other security interest. Accordingly, the extent of due diligence of prospective companies in which a Fund may invest must in some cases be significantly limited as compared with the standards for due diligence in more developed markets.
21. The emerging markets in which a Fund may invest are considerably less regulated than many of the world's leading stock markets. In addition, market practices in relation to settlement of securities transactions and custody of assets in such markets can provide a material risk to a Fund. Furthermore, due to the local postal and banking systems, no guarantee can be given that all entitlements attaching to securities acquired by a Fund (including in relation to dividends), can be realised. However, none of the Company, the Depositary, the Investment Manager, the Administrator, or any of their agents makes any representation or warranty about, or any guarantee of the operation, performance or settlement, clearing and registration of transactions dealing in emerging markets.
22. Prospective investors should be aware that safe custody of securities in emerging markets involves risk and considerations which do not normally apply when settling transactions and providing safe custody services in more developed countries. In circumstances such as the insolvency of a sub-custodian or registrar, or retro-active application of legislation, a Fund may not be able to establish title to investments made and may suffer losses as a result. A Fund may find it impossible to enforce its rights against third parties.
23. Custody services are very often undeveloped and, although a Fund will endeavour to put into place control mechanisms, including the selection of agents to register emerging markets securities on behalf of a Fund, there is a significant transaction and custody risk of dealing in securities of emerging markets.
24. As a Fund may invest in markets where custodial and/or settlement systems are not fully developed, assets which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances where the Depositary will have no liability.

25. The value of the assets of the Company will be affected by fluctuations in the value of the currencies in which the Company's portfolio securities are quoted or denominated relative to the US\$. Currency exchange rates in emerging markets may fluctuate significantly over short periods of time, causing together with other factors, the Net Asset Value to fluctuate as well. Currency exchange rates may be affected by market perception of the relative merits of investment in emerging markets, actual and anticipated changes in interest rates, intervention by governments and certain banks or political developments. The Company may incur costs in connection with conversion

The foregoing list of risk factors does not purport to be complete or fully explain the risks involved in an investment in the Company.

### **Dividend Policy**

The Directors are empowered to declare dividends on any class of Shares in respect of any Fund. The dividend policy in respect of each class of Shares of any Fund shall be set out in the relevant Supplement.

If dividends are declared, any dividend in respect of any Participating Share will be paid by telegraphic transfer (less expenses) or cheque to the bank account indicated on the Shareholder's most recent form for application for Participating Shares or other written instructions to the Company or its authorised agents.

If no such instructions have been given, dividends will be sent by cheque, by post (at the Shareholder's risk) to the relevant Shareholder's address as set out in the Shareholders' Register and, in the case of joint holders, the joint holder whose name stands first in the Shareholders' Register. Every such cheque shall be made payable to the order of the person to whom it is sent and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a Participating Share as aforesaid may give receipts for any dividend or other moneys payable in respect of the Participating Share.

The distribution date shall be within four months of the date of declaration of dividends.

Any failure to supply the Fund or the Administrator with any documentation requested by them for anti-money laundering or client identification purposes, as described below, will result in a delay in the settlement of dividend payments. In such circumstances, any sums payable by way of dividend to Shareholders shall remain an asset of the relevant Fund until such time as the Administrator is satisfied that its anti-money-laundering and client identification purposes have been fully complied with, following which such dividend will be paid. Shareholders entitled to a dividend will from the dividend date be unsecured creditors of the Fund. In the event of the insolvency of the relevant Fund before such monies are transferred to the Shareholder there is no guarantee that the relevant Fund will have sufficient funds to pay its unsecured creditors in full. Investors who are due dividend proceeds which are held in the relevant Fund's account will rank equally with other unsecured creditors of the Fund and will be entitled to pro-rata share of any monies made available to all unsecured creditors by the insolvency practitioner.

Unclaimed dividends must be paid back into the relevant Fund (6 years is the minimum time limit allowed before entitlement passes). Any change to the dividend policy of a Fund will be notified in advance to Shareholders.

## **Currency Hedging Policy**

The Company may employ strategies aimed at hedging against currency risk at Fund level and at Share class level.

However, there can be no assurance that such hedging transactions will be effective. Such transactions will primarily include currency forward transactions but may also include currency options, futures and other over-the-counter contracts.

Each Fund may enter into foreign exchange (including FX Forwards) transactions for the purpose of hedging the currency exposure of any class which is denominated in a currency other than the Base Currency of the relevant Fund. To the extent that hedging is successful, the performance of the class is likely to move in line with the performance of the underlying assets and investors in a hedged class will not benefit if the class currency falls against the base currency and/or the currency in which the assets of the Fund are denominated. The extent to which the Fund may hedge against currency fluctuations shall not exceed 105% of the Net Asset Value of the relevant class so that a class will not be leveraged as a result of these transactions. Hedged positions will be kept under review by the Investment Manager to ensure that they do not exceed this level and to ensure that positions materially in excess of 100% of the Net Asset Value will not be carried forward from month to month. All such transactions will be clearly attributable to the specific class and currency exposures of different classes will not be combined or offset. The costs and gains/losses of the hedging transactions will accrue solely to the relevant class.

## **Dealing Arrangements**

The Investment Manager may make use of arrangements to enable it to obtain execution and research services which are beneficial to the Company, both from counterparties and third parties. All transactions undertaken and the services provided under these arrangements in respect of the Company will comply with FCA rules, in addition to the conditions set down by the Central Bank, and to the fundamental rule of providing best execution to the Company under the Central Bank Requirements. The benefits provided under any such arrangements must be those which assist in the provision of investment services to the Company. Details of any such arrangements, if any, will be disclosed in the semi annual and annual financial reports of the Company and a copy of the Investment Manager's policy on dealing arrangements and the commissions allocated separately to execution and research services will be made available on request.

## MANAGEMENT AND ADMINISTRATION

The Directors control the affairs of the Company and are responsible for the overall investment policy, which will be determined by them from time to time. The Directors have delegated certain of their duties to the Investment Manager and the Administrator.

The Company has established policies and procedures in relation to remuneration which, in the Company's opinion, are proportionate and consistent with sound and effective risk management in accordance with applicable UCITS requirements. The Company's policy on remuneration is intended to discourage specified categories of personnel/staff within the Company from taking risks deemed to be inconsistent with the Company's risk profile or which might impair the Company in complying with the duty to act in the Company's best interests.

Details of the Company's up-to-date policy in respect of remuneration, including a description of how remuneration and benefits are calculated and the identities of the persons responsible for awarding such remuneration/benefits can be accessed from the following website: <http://www.owmfunds.com/>. A paper copy of the remuneration policy is also available free of charge from the Company upon request.

### The Directors

The Company shall be managed and its affairs supervised by the Directors whose details are set out below and whose address is at the registered office of the Company. The Directors are all non-executive directors of the Company.

***Ian Abrams (United Kingdom).*** Mr Ian Abrams is a Fellow of the Institute of Actuaries and a Fellow of the Chartered Securities and Investment Institute. More than 45 years working in Financial Service he has held a number of senior positions, including being a partner at Hoare Govett Stockbrokers, Managing Director of the European Debt Division at Nomura International PLC, and Chief Executive of ABN Amro Securities Ltd and Mizuho International PLC. He has held non-executive director roles at The Pension Protection Fund and Mizuho International PLC and has been the Chairman of Orchard Wealth Management Limited (the "Promoter" and the "Investment Manager") since its inception. He is currently an independent director of the LCH.Clearnet Group of Companies and Chairman of its Audit Committees. Mr Abrams also serves as a member of The Financial Services and Markets Tribunal, The UK Tax Tribunal and the Pensions Regulator Tribunal. He is a graduate of The London School of Economics.

***Thomas Finlay (Irish).*** Mr Tom Finlay is a barrister by profession who worked for 26 years (February 1975 to May 2001) for Bank of Ireland Asset Management (the Fund Management division of the Bank of Ireland Group). His most recent role was head of Bank of Ireland Asset Management's Irish Business. In the early 1990's, Mr Finlay had a direct involvement in setting up Bank of Ireland Group's fund administration and custodial services to international clients. Over the last 15 years, Mr Finlay's main professional activity has been acting as an independent director on a number of Funds' Boards. He also operates as an executive coach. Mr Finlay has a long-standing involvement with the Irish Association of Pension Funds (IAPF) being a Council Member from 1981-1986 and again from 1990-2001. He was Chairman of the Association from 1999-2001. Between 2001 and 2005, Mr Finlay was a member of the Irish Pension Board, which is the regulator for Occupational Pension Funds in Ireland. In addition, he chaired their key Policy Committee.

***Richard Harwood (Jersey, Channel Islands).*** Mr Harwood is the Chief Executive Officer of the Promoter. He developed the Orchard strategy together with Mr. Abrams and has been the manager of the Orchard Fund since its inception in 2003. Prior to founding the Promoter, he was a Director for various companies within the GNI Group of Companies where he spoke internationally on the use of derivatives in portfolio management before moving to head up the investment management division of SG Hambros Bank and Trust (Jersey). In 2001 he started his first company, which was sold in a management buy out in 2007. Mr. Harwood was awarded the CFA Charter in 2007.

**Gary Brennan (Irish).** Mr Gary Brennan (Irish), is a professional Independent Non-Executive Director, serving on a number of Funds Boards in Ireland and abroad, and is approved by the Central Bank of Ireland (CBI), The CSSF (Luxembourg) and the Cayman Islands Monetary Authority (CIMA) to act as a Director of regulated entities. He has extensive experience with UCITS and Alternative Investment Funds in addition to acting as Director to non-Funds businesses. Prior to this, Mr Brennan spent five years as Head of Group Strategy with Friends First Life Assurance Group. From 1997 to 2005 he worked in a number of senior management positions in the Bank of Ireland Group, including as Head of Derivatives, Germany.

Mr Brennan has over 20 years' experience in the Financial Services Industry in Ireland and abroad, he holds a BA from Trinity College Dublin and a Diploma in Company Direction from the Institute of Directors. He is also a Certified Investment Fund Director.

**Claire Southam (Jersey, Channel Islands).** Ms Claire Southam ACIS, MCSI, Prince2® Practitioner based in Jersey, has responsibility for Compliance within the Investment Manager, also based in Jersey. Claire sits on the Investment Manager's Compliance and Risk Committee and reports directly to the Board through the Chairman, Mr Ian Abrams. Ms Southam has worked in the finance industry for over 23 years having worked for AIB Bank PLC and Capita Fiduciary Group. Over 15 of those years have been spent working in Compliance and Operations at a managerial level. She is also a committee member of the Institute of Chartered Secretaries and Administrators, Jersey Branch. Claire is the Compliance Officer, MLRO, MLCO and Company Secretary of the Investment Manager.

### **The Investment Manager**

Orchard Wealth Management Limited is the investment manager to the Company pursuant to the Investment Management and Distribution Agreement. The Investment Manager is authorised to conduct investment business and to perform the function of investment manager of Orchard Funds plc by the Jersey Financial Services Commission.

Under the terms of the Investment Management and Distribution Agreement, the Investment Manager has responsibility for the management and investment of the assets and Investments of the Company in accordance with the investment objectives, policies and strategies described in this Prospectus, subject always to the supervision and direction of the Directors. The Investment Manager (in accordance with the Central Bank Requirements) also has discretion to appoint and replace advisers to the different Funds from time to time and may also delegate the investment decision making to such investment advisers provided such investments are made in accordance with the investment objectives and policies described in the Prospectus and any relevant Supplement. The Company has also appointed the Investment Manager as distributor of the Shares pursuant to the Investment Management and Distribution Agreement, under which the Investment Manager may appoint sub-distributors and agents.

Details of the Investment Manager's fees will be set out in the relevant Supplement.

The Investment Management and Distribution Agreement provides for the provision of investment management services and advice by the Investment Manager. This Agreement provides that the appointment of the Investment Manager will continue in force for an initial term of one year after which it shall continue from year to year unless and until terminated by either party giving to the other not less than 3 months' written notice although in certain circumstances (e.g. the insolvency of any party, unremedied breach after notice, etc.) this Agreement may be terminated forthwith by notice in writing by either party to the other. The Investment Management and Distribution Agreement contains indemnities in favour of the Investment Manager other than in relation to matters arising by reason of its fraud, bad faith, wilful default or negligence in the performance of its duties and obligations and provisions regarding the Investment Manager's legal responsibilities.

## **The Administrator, Registrar and Transfer Agent**

The Company has appointed CACEIS Ireland Limited (formerly known as CACEIS Fastnet Ireland Limited) as administrator, registrar and transfer agent of the Company pursuant to the Administration Agreement. The Administrator will have the responsibility for the administration of the Company's affairs including the calculation of the Net Asset Value and the preparation of the accounts, subject to the overall supervision of the Directors.

The Administrator is a limited liability company and was incorporated in Ireland on 26 May 2000 and is registered under company number 327980.

The Administration Agreement provides that the appointment of the Administrator will continue in force unless and until it may be terminated by either party giving to the other not less than 3 months' written notice although in certain circumstances (e.g. the insolvency of any 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 excluding matters arising by reason of its negligence, fraud or wilful default in the performance of its duties and obligations, and provisions regarding the Administrator's legal responsibilities.

## **The Depositary**

The Company has appointed CACEIS Bank, Ireland Branch (formerly known as CACEIS Bank Luxembourg - Dublin Branch) as depositary of its assets pursuant to the Custodian Agreement. The Depositary provides safe custody for all of the Company's assets, which will be held under its control.

CACEIS Bank acting through its Ireland branch (CACEIS Bank, Ireland Branch) is a public limited liability company (société anonyme) incorporated under the laws of France, having its registered office located at 1-3, place Valhubert, 75013 Paris, France, registered with the French Register of Trade and Companies. It is an authorised credit institution supervised by the European Central Bank (ECB) and the Autorité de contrôle prudentiel et de résolution (ACPR). It is further authorised to carry out banking activities in Ireland through its Ireland Branch. The principal activity of the Depositary is to act as depositary and trustee of collective investment schemes.

The Depositary has been charged with safekeeping the assets of the Funds. The Depositary may delegate its safekeeping duties only in accordance with the Regulations and, amongst other matters, it must exercise all due, skill, care and diligence in the selection and appointment of any third party to whom it proposes to delegate its safekeeping duties, either wholly or in part. The Depositary must continue to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any such third party delegate and of the arrangements of such third party in respect of the matters delegated to it. Any third party to whom the Depositary delegates its safekeeping functions in accordance with the Regulations may, in turn, sub-delegate those functions but only in accordance with the Regulations. The liability of the Depositary under the Regulations will not be affected by any delegation of its safekeeping functions.

The entities to whom safekeeping of the Company's assets have been sub-delegated as at the date of this Prospectus are set out at Appendix IV. The use of any particular sub-custodian(s) to safe-keep assets of the Funds will depend on the markets in which the Funds invest.

In addition to safekeeping the assets of the Funds, the Depositary has the following main duties pursuant to the Regulations, which may not be delegated:

- it must ensure that the sale, issue, repurchase, redemption and cancellation of Shares is carried out in accordance with the Regulations and the Articles;
- it must ensure that the value of the Shares is calculated in accordance with the Regulations and the Articles;

- it must carry out the instructions of the Company unless such instructions conflict with the Regulations or the Articles;
- it must ensure that in transactions involving the Company’s assets that any payment in respect of such transactions is remitted to the relevant Fund(s) within the usual time limits;
- it must ensure that the income of the Company is applied in accordance with the Regulations and the Articles;
- it must enquire into the conduct of the Company in each accounting period and report thereon to Shareholders; and
- it must ensure that the Company’s cash flows are properly monitored in accordance with the Regulations.

In accordance with the Regulations, the Depositary must not carry out activities with regard to the Company that may create conflicts of interest between itself and (i) the Company and/or (ii) the Shareholders unless it has separated the performance of its depositary tasks from its other potentially conflicting tasks in accordance with the Regulations and the potential conflicts are identified, managed, monitored and disclosed to Shareholders. Please refer to sub-section below entitled “Conflicts of Interest” for details of potential conflicts that may arise involving the Depositary.

Up-to-date information in relation to the Depositary, its duties, the safe-keeping functions delegated by the Depositary, the list of delegates and sub-delegates to whom safe-keeping functions have been delegated and any relevant conflicts of interest that may arise will be made available to Shareholders upon request to the Company.

The Custodian Agreement provides that the appointment of the Depositary will continue in force unless and until terminated by either party giving to the other not less than 3 months’ written notice although in certain circumstances, (e.g. the insolvency of any party, unremedied breach after notice, etc.) the Agreement may be terminated forthwith by notice in writing by either party to the other. In no event however will the Depositary’s appointment terminate until either a new Depositary, approved by the Central Bank, is appointed or until authorisation of the Company by the Central Bank has been revoked. The Custodian Agreement contains indemnities in favour of the Depositary excluding matters arising as a result of the Depositary’s failure to perform its obligations.

As at the date of this Prospectus, the Custodian is subject to the standard of liability pursuant to the Regulations. In order to reflect the standard of liability set out in the Regulations, the Company and the Custodian intend to enter into a new depositary agreement (the “Depositary Agreement”), which will reflect the standard of liability pursuant to the Regulations and which will replace the existing Custodian Agreement. For the avoidance of doubt, the Custodian is subject to the provisions of the Regulations, notwithstanding that the Depositary Agreement will be entered into at a future date.

### **The Secretary**

The Secretary of the Company is Wilton Secretarial Limited, 6<sup>th</sup> Floor, 2 Grand Canal Square, Dublin 2, Ireland.

### **The Legal Advisers**

The Company has appointed SJ Berwin, London as its legal advisers as to English law and William Fry, Dublin as its legal advisers as to Irish law.

### **The Independent Auditors**

The Company has appointed Ernst & Young, Chartered Accountants, Dublin, as its independent auditors.

### **Conflicts of Interest**

The Directors, the Investment Manager, Promoter and Distributor, the Depositary and the Administrator and their holding companies, subsidiaries, affiliates, employees, officers and directors (each a "Connected Party") are or may be involved in other financial investment and professional activities which may on occasion cause conflict of interest with the management of the Company. These include management of other funds, purchases and sales of securities, investment and management counselling, provision of administration and trustee/custodial services, brokerage services and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which the Company may invest. Each Connected Party are or may be involved in advising other investment funds which have similar or overlapping investment objectives to the Company. Each of the Connected Parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they may have and that any conflicts which may arise will be resolved fairly. If any of the assets of the Company are invested in any such investment funds, each Connected Party involved in providing such management or other advisory services to such other investment funds will waive the preliminary or initial charges which it may otherwise be entitled to charge for its own account. In relation to such investment of the Company's assets, if any commission or fees are or would be received by a Connected Party by virtue of an investment of the assets of the Company in such investment fund, such commission will be paid to the Company for its own account.

Due to the widespread operations undertaken by each of the Connected Parties conflicts of interest may arise. A Connected Party may acquire or dispose of any investment notwithstanding that the same or similar investments may be owned by or for the account of or otherwise connected with the Company. Furthermore, a Connected Party may acquire, hold or dispose of investments notwithstanding that such investments had been acquired or disposed of by or on behalf of the Company by virtue of a transaction effected by the Company in which the Party was concerned provided that the acquisition by a Connected Party of such investments is effected on normal commercial terms negotiated on an arm's length basis and the investments held by the Company are acquired on the best terms reasonably obtainable having regard to the interests of the Company. A Connected Party may deal with the Company as principal or as agent, provided that any such dealings are in the best interests of Shareholders (as at the date of the transaction) and are conducted at arm's length such that:

- (a) the value of the transaction is certified by a person approved by the Depositary (or in the case of a transaction involving the Depositary, or an affiliate of the Depositary, by the Directors) as independent and competent; or
- (b) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of the relevant exchange; or
- (c) where (a) and (b) are not practical, execution is on terms which the Depositary is satisfied (or in the case of a transaction involving the Depositary or an affiliate of the Depositary, by the Directors) conforms with the principle that such a transaction be conducted at arm's length and in the best interest of shareholders.

The Depositary (or the Directors in the case of a transaction involving the Depositary or an affiliate of the Depositary), shall document how it complied with the principles set out in paragraph (a), (b) or (c) above. Where transactions are conducted in accordance with paragraph (c) above, the Depositary (or the Directors in the case of a transaction involving the Depositary or an affiliate of the Depositary) shall document its/their rationale for being satisfied that the transaction conformed to the requirement that such transactions be conducted at arm's length and in the best interests of Shareholders as at the date of the transaction.

In the event that a conflict of interest does arise, the Directors will endeavour, so far as they are reasonably able, to ensure that it is resolved fairly and that investment opportunities are allocated on a fair and equitable basis.

Certain of the Directors of the Company are or may in the future be connected with Orchard Wealth Management Limited and its affiliates. However, in their capacity as Directors of the Company they will function as persons with independent fiduciary duties and will not be subject to the control of the Investment Manager. For the avoidance of doubt, the Directors shall not be liable to account to the Company in respect of such conflict, for example, as a result of receiving remuneration as directors or employees of the Company or Investment Manager.

The Investment Manager's fee is based on a percentage of the Net Asset Value of each Fund. The Investment Manager may provide valuation services to the Administrator (to assist in calculating the Net Asset Value of a Fund) in relation to Investments which are not listed or traded on a Regulated Market.

The Company may invest in other collective investment schemes (which may be operated and/or managed by a Connected Party). Where commission is received by the Company by virtue of an investment in the units/shares of any collective investment scheme, such commission will be paid into the property of the relevant Fund.

The Company may purchase or hold an investment the issuer of which is a Connected Party or where an Connected Party is its adviser or banker.

The managers of the UCITS or other collective investment undertakings in which the Company invests may have an equity stake in their own UCITS or other collective investment undertakings. Conflicts of interest may therefore arise at the level of the UCITS and other collective investment undertakings.

### **Meetings**

Shareholders in the Company will be entitled to attend and vote at general meetings of the Company. The annual general meeting of the Company will be held in Ireland, normally within six months of the end of each financial year of the Company. Notices convening each annual general meeting will be sent to Shareholders not less than 21 days before the date fixed for the meeting. The annual report and audited annual accounts will be made available to Shareholders in accordance with the section of the Prospectus (immediately below) entitled "Accounts and Information".

### **Accounts and Information**

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

The Company will prepare an annual report and audited annual accounts which will be published within four months of the end of the financial period to which they relate i.e. normally in April of each year. The Company will also produce unaudited semi-annual reports (made up to 30 June), which will also be published within two months of the end of the half year period to which they relate. Both of these reports will be sent to the Central Bank and the Companies Announcements Office of The Irish Stock Exchange within the relevant time periods and the reports will be circulated to Shareholders.

Copies of this Prospectus, Supplements, KIIDs, annual and semi-annual reports and Memorandum and Articles of Association of the Company may be obtained free of charge from the Administrator at the address given under "Directors and Advisers" above.

## **VALUATIONS, SUBSCRIPTIONS AND REDEMPTIONS**

### **Subscriptions**

Under the Articles, the Directors are given authority to effect the issue of Shares of any class and, in accordance with the Central Bank Requirements, to create new classes of Shares and have absolute discretion to accept or reject in whole or in part any application for Shares.

No Shares of any Fund will be issued or allotted during a period when the determination of the Net Asset Value of that Fund is suspended. The latest Net Asset Value per Share shall be made public at the offices of the Administrator during normal business hours and will be published in the Financial Times. The Net Asset Value of each Class, which is listed on the Irish Stock Exchange will, upon calculation, be notified without delay by the Administrator to the Irish Stock Exchange.

The Subscription Price per Share in each of the Funds shall be ascertained by:

- (a) determining the Net Asset Value of the Shares within a Fund attributable to a class calculated as at the Valuation Point for the Dealing Day on which the subscription is to be made and adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges;
- (b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Fund in issue at the relevant Valuation Point; and
- (c) adding thereto such amount as may be necessary to round the resulting total to two decimal places.

### **Procedure for Applications**

All applicants whether applying in writing or by facsimile must complete Application Form in relation to any Fund subscription ("Application Form"). Application Forms shall (save as determined by the Directors) be irrevocable and may be sent by facsimile at the risk of the applicant. The originals of the Application Forms should be sent by post to arrive with the Administrator within 5 Business Days after the time for receipt of such application.

Failure to provide the original Application Form by such time may, at the discretion of the Directors and/or the Administrator result in the compulsory redemption of the relevant Participating Shares in respect of such application. Under the Articles, the Directors are given authority to effect the issue of Participating Shares and have absolute discretion to accept or reject in whole or in part any application for Participating Shares without assigning any reason therefor. The Directors have power to impose such restrictions as they think necessary to ensure that no Participating Shares are acquired by any person which might result in the legal and beneficial ownership of Participating Shares by persons who are not Qualified Holders or expose the Company to adverse tax or regulatory consequences.

All new Participating Shares will rank *pari passu* with existing Participating Shares in the relevant Fund.

Applicants subscribing for Shares in the Company are advised that the Shares are issued subject to the provisions of the Company's Memorandum and Articles of Association, a summary of which are contained in the section headed "Statutory and General Information".

Measures aimed towards prevention of money laundering within Ireland, may require a detailed verification of the applicant's identity. Depending on the circumstances of each application, a detailed verification might not be required where (i) the applicant makes the payment from an account held in the applicant's name at a recognised financial institution or (ii) the application is made through a recognised intermediary. These exceptions will only apply if the financial

institution or intermediary referred to above are within a country recognised by Ireland as having equivalent anti-money laundering regulations.

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

The Administrator reserves the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes the Administrator of the Company may refuse to accept the application and all subscription monies. If an application is rejected, any monies received will only be returned to the applicant if such return is permissible under applicable anti-money laundering regulations. Return amounts will be reduced by any handling charge incurred and returned as soon as possible by electronic wire transfer (but without interest or compensation).

Provided that all documentation required by the Company and the Administrator for anti-money laundering and customer identification purposes has been received, subscriptions will be processed and Shares in the Fund issued on the relevant Dealing Day. Subscriptions will not be processed and Shares will not issue until all anti-money laundering documentation has been received and cleared funds have been received. Accordingly, subscription monies received prior to the Dealing Day will not be subject to the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers or any equivalent client asset protection regime and shall not form part of the assets of the relevant Fund until transferred to the Fund's account. Accordingly, investors should note that prior to transfer to the Fund account, investors may be exposed to the creditworthiness of the relevant credit institution where subscription monies are held and neither the Directors nor the Company shall have any fiduciary duties to the investor in respect of such monies.

Specific application and subscription procedures for each Fund will be set out in the relevant Supplement. The Company may amend the application and subscription procedures for any Fund from time to time.

### **Payment of Subscription Monies**

Subscription monies delivered by an investor to the Fund prior to the relevant Dealing Day or prior to the end of the Initial Offer Period are required to be sent by bank transfer to the account details in the Application Form.

Details relating to payment of subscription monies are set out in the relevant Supplement.

### **Subscription In Specie**

Subject to the Regulations and conditions imposed by the Central Bank under the Regulations, the Company may issue Shares of any Fund on terms providing for settlement to be made by the vesting in the Company of any Investments provided that:

- (a) in the case of a person who is not an existing Shareholder no Shares shall be issued until the person concerned shall have completed and delivered to the Administrator an Application Form as required under this Prospectus and satisfied all the requirements of the Administrator as to the application;
- (b) the nature of the Investments transferred into the Fund are such as would qualify as Investments of such Fund in accordance with the investment objectives, policies and restrictions of such Fund;

- (c) no Shares shall be issued until the Investments shall have been vested in the Depositary or any sub-custodian to the Depositary's satisfaction and the Depositary shall be satisfied that the terms of such settlement will not be such as are likely to result in any prejudice to the existing Shareholders of the Fund; and
- (d) any exchange shall be effected upon the terms (including provision for paying any expenses of exchange and any preliminary charge as would have been payable for Shares issued for cash) that the number of Shares issued shall not exceed the number which would have been issued for cash against payment of a sum equal to the value of the Investments concerned calculated in accordance with the procedures for the valuation of the assets of the relevant Fund. Such sum may be increased by such amount as the Manager may consider represents an appropriate provision for Duties and Charges which would have been incurred by the Company in the acquisition of the Investments by purchase for cash or decreased by such amount as the Directors may consider represents any Duties and Charges to be paid to the Company as a result of the direct acquisition of the relevant Fund of the Investments.

### **Redemption of Shares**

Shareholders may redeem some or all of their Shares on any Dealing Day in accordance with the procedures set out in the relevant Supplement. The Redemption Price will be denominated in the relevant Base Currency for the relevant Fund and will be calculated by reference to the Net Asset Value per Share on the Dealing Day.

The Redemption Price per Share shall be ascertained by:

- (a) determining the Net Asset Value of the Shares attributable to a class calculated as at the Valuation Point for the Dealing Day on which the redemption is to be made and deducting therefrom such sums as the Directors may consider represents an appropriate provision for Duties and Charges;
- (b) dividing the amount calculated under (a) above by the number of Shares of the relevant class of the Company in issue at the relevant Valuation Point; and
- (c) deducting therefrom such amount as may be necessary to round the resulting total to four decimal places.

The Directors do not currently intend to charge a redemption fee.

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in a Class:

- (a) fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the redemption price for one Share, provided however that fractions shall not be less than 0.01 of a Share; and
- (b) redemption monies, representing less than .01 of a Share will not be returned to a Shareholder but will be retained by the Administrator in order to defray administration costs.

The Company shall have the right to redeem compulsorily any Share at the Redemption Price if:

- such Share is held by a non-Qualified Holder; or
- in its opinion, redemption would eliminate or reduce the exposure of the Company or the Shareholders as a whole to adverse tax or regulatory consequences; or

- a holding of Shares falls below the Minimum Holding.

If total requests for redemption on any Dealing Day for any Fund exceed 10% of the Net Asset Value of that Fund outstanding, each redemption request in respect of Shares in such Fund may, if in their sole discretion the Directors acting in good faith believe it shall be necessary or desirable in order not to prejudice the interests of the Shareholders not requesting redemption or on grounds of liquidity or other like reason, be reduced "pro rata" so that the total number of Shares of each Fund for redemption on that Dealing Day shall not exceed 10% of the Net Asset Value of such Fund. Any redemption request so reduced shall be carried forward and dealt with in accordance with the terms of the Articles on the next Dealing Day and on each subsequent Dealing Day as the Directors may determine to be necessary until the request has been satisfied in full. If redemption requests are so carried forward, the Directors shall ensure that the Shareholders affected thereby are promptly informed.

The Articles provide that redemption proceeds may be satisfied by making distributions in specie. Although the Directors do not intend to utilise this provision, the Company may make such distributions subject to the approval of Shareholders of that Fund at a meeting of shareholders convened for that purpose and shall notify the Depositary accordingly. Where a distribution in specie is approved, Shareholders making a redemption request shall be entitled to require the Company to sell the assets of the Company being transferred and to remit the net proceeds to that Shareholder. Any redemptions by way of distributions in specie will not materially prejudice the interests of remaining shareholders.

Any failure to supply the Fund or the Administrator with any documentation requested by them for anti-money laundering or client identification purposes will result in a delay in the settlement of redemption proceeds. In such circumstances, the Administrator will process any redemption request received by a Shareholder.

Upon redemption, the Shares of the redeemed Shareholder will be cancelled and the Shareholder will be treated as an unsecured creditor of the Fund. However the proceeds of that redemption shall remain an asset of the Fund and the redeeming investor will rank as an unsecured creditor of the Fund until such time as the Administrator is satisfied that its anti-money-laundering and anti-fraud procedures have been fully complied with, following which redemption proceeds will be released. In the event of the insolvency of the Fund before such monies are transferred from the Fund's account to the redeeming investor, there is no guarantee that the Fund will have sufficient funds to pay its unsecured creditors in full. Investors who are due redemption proceeds which are held in the Fund's account will rank equally with other unsecured creditors of the relevant Fund and will be entitled to pro rata share of any monies made available to all unsecured creditors by the insolvency practitioner.

Accordingly, Shareholders and investors should ensure that all documentation required by the Company or Administrator to comply with anti-money laundering and anti-fraud procedures are submitted promptly to the Company/Administrator when subscribing for Shares.

### **Total Redemption**

All the Shares of the Company or of any Fund may be redeemed at the request of the Directors:

- (a) where they deem it appropriate because of changes in the economic or political situation affecting the Fund;
- (b) where the Shares of the Fund are de-listed from a stock exchange and as a result are not listed or re-listed within three months on another recognised stock exchange in Europe;
- (c) where a service provider resigns or is removed, and no suitable successor is appointed;

- (d) where Shareholders, by way of an ordinary resolution resolve to close a Fund;
- (e) where all the Shares of a Fund are redeemed.

Any such compulsory termination of a Fund will require at least 30 days' prior notice to holders of Shares of the relevant Fund. As an alternative, but subject to prior approval of the Central Bank and of the Shareholders of the Fund affected, the Directors may arrange for a Fund to be merged with another Fund of the Company or with another UCITS.

A Fund may be closed in circumstances other than those mentioned above with the consent of a simple majority of the Shareholders present or represented at a meeting of Shareholders of that Fund. Any closure determined on by the above provisions will be binding on all the holders of the Shares of the relevant Fund. Where a Fund is terminated the redemption price payable on termination will be calculated on a basis reflecting the realisation and liquidation costs on closing the Fund.

The Directors have the power to suspend dealings in the Shares of any Fund where it is to be terminated in accordance with the above provisions. Such suspension may take effect at any time after the notice has been given by the Directors as mentioned above or, where the termination requires the approval of a meeting of Shareholders, after the passing of the relevant resolution. Where Shares of such Fund are not suspended, the prices of Shares may be adjusted to reflect the anticipated realisation and liquidation costs mentioned above.

### **Redemption in Specie**

In addition to any other procedures relating to redemption as set out in this Prospectus or the relevant Supplement, the Company may also redeem Shares of a Fund by way of exchange for Investments provided that:

- (a) a Redemption Form is completed and delivered to the Administrator as required by this Prospectus and the redemption request otherwise satisfies all the requirements of the Administrator as to such request and the Shareholder seeking redemption of Participating Shares agrees to such course of action;
- (b) the Directors being satisfied that the terms of any exchange would not be such as would be likely to result in any prejudice to the remaining Shareholders and the redeeming Shareholder elects that instead of the Shares being redeemed in cash, the redemption shall be satisfied in specie by the transfer to the Shareholder of Investments provided that the value thereof shall not exceed the amount which otherwise would have been payable on a cash redemption and provided that the transfer of Investments is approved by the Depositary. Such value may be reduced by such amount as the Directors may consider represents any Duties and Charges to be paid to the Fund as a result of the direct transfer by the Fund of the Investments or increased by such amount as the Administrator considers represents any appropriate provision for Duties and Charges which would have been incurred by the Fund in the disposition of the Investments to be transferred.

If Shares are redeemed in this way, the Administrator shall notify the Depositary and shall supply to the Depositary particulars of the Investments to be transferred and any amount of cash to be paid to the redeeming Shareholders.

At the request and expense of the redeeming Shareholders, the Investment Manager can arrange for the sale of any Investments to which the Shareholder becomes entitled on "in specie" redemption. The redeeming Shareholders will be paid the proceeds. Following redemption, the Investments used to satisfy "in specie" redemption will not be part of the Company.

## **Transfer of Shares**

Shares are (save as hereinafter specified) freely transferable and may be transferred by instrument in writing in a form approved by the Directors provided always that the transferee completes an Application Form to the satisfaction of the Administrator and furnishes the Administrator with any documents required by the Administrator (e.g. as to identity). In addition, the Directors may decline to register any transfer of a Share where:

- (a) they are aware or believe that such transfer would or might result in the beneficial ownership of such Share by a person who is not a Qualified Holder or expose the Company or the Shareholders as a whole to adverse tax or regulatory consequences; or
- (b) where the transfer would result in either the transferor or transferee holding Shares with a value of less than the Minimum Holding.

## **Temporary Suspensions**

The Company may temporarily suspend the determination of the Net Asset Value of any Fund and the issue and repurchase of Shares of any Fund:

- (a) during the whole or any part of any period when any of the principal markets or stock exchanges on which any significant portion of the Investments of the relevant Fund from time to time are quoted, listed, traded or dealt in is closed (other than for customary weekend or ordinary holidays) or during which dealings therein are restricted or suspended or trading on any relevant futures exchange or market is restricted or suspended;
- (b) during the whole or any part of any period when, as a result of political, economic, military or monetary events or other circumstances outside the control, responsibility and power of the Directors, any disposal or valuation of Investments of the relevant Fund is not in the opinion of the Directors reasonably practicable without this being seriously detrimental to the interests of the owners of Shares in general or the owners of Shares of the relevant Fund or if, in the opinion of the Directors, the repurchase prices cannot fairly be calculated or any such disposal would be materially prejudicial to the owners of Shares in general or the owners of Shares of the relevant Fund;
- (c) when any breakdown occurs in the means of communication normally employed in determining the price of the Investments of the relevant Fund or when for any other reason the value of any of the Investments or other assets of the relevant Fund, cannot reasonably or fairly be ascertained;
- (d) during any period when the Company is unable to repatriate funds for the purposes of making redemption payments or when such payments cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange or during which any transfer of funds involved in the realisation or acquisition of investments or when payments due or redemption cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange or where the Directors envisage that there will be difficulties, in the transfer of monies or assets required for subscriptions, redemptions or trading; or
- (e) when the Company has issued a notice of general meeting of Shareholders at which a resolution to wind up any Fund or the Company is to be considered provided that such suspension shall be in the best interests of Shareholders.

The Company will immediately notify the Central Bank and The Irish Stock Exchange of any event of suspension set out above and notification of the suspension shall be published in the Financial Times for the information of Shareholders. All reasonable steps will be taken, where possible, to bring any period of suspension to an end as soon as possible.

## Switching

Shareholders may switch between Share Classes or Funds to maximise the potential of different market conditions relating to the different Share Classes or Funds. This will be effected by way of conversion of the holding of Shares in one Share Class or Fund to the Shares of another Share Class or Fund. Shareholders will be able to apply to convert on any Dealing Day such minimum amount in value of their holding of Shares in any Share Class or Fund (the "Original Share Class" or the "Original Fund" respectively) as may be specified by the Directors to Shares of another Fund which are being offered at that time (the "New Share Class" or "New Fund" respectively). Such conversion may be effected by giving notice in proper form to the Administrator. The conversion will take place at the next Valuation Point following the receipt of such notice in proper form by the Administrator. The minimum amount (if any) in value of Shares which may be converted from the Share Class or Funds will be such amount as may be set in relation to the Share Class or Fund into which the Shareholder wishes to convert. The Articles permit the Company (or the Administrator on its behalf) to refuse to accept such application in any situation where the Company could refuse an application for Shares or a redemption request. If the application is refused, such refusal shall be without prejudice to the rights of the Shareholder to have his Shares redeemed. No exchanges will be made during any period when the rights of Shareholders to require the redemption of their Shares is suspended. The general provisions on procedures relating to subscription and redemption will apply equally to conversion.

The number of Shares in any New Share Class or New Fund to be issued on an exchange will be calculated in accordance with the following formula:

$$A = B \times \frac{(C \times D)}{E}$$

where:

- A = the number of Shares of the New Share Class or New Fund to be allotted;
- B = the number of Shares of the Original Share Class or Original Fund to be converted;
- C = the Net Asset Value per Share of the Original Share Class or Original Fund as at the relevant Dealing Day;
- D = the currency conversion factor determined by the Administrator as representing the effective rate of exchange of settlement on the relevant Dealing day applicable to the transfer of assets between the relevant Share Classes or Funds where the base currencies of the relevant Share Classes or Funds are different or, where the base currencies of the relevant Share Classes or Funds are the same, D = 1; and
- E = the Net Asset Value per Share for the New Share Class or New Fund on the relevant Dealing Day.

Where there is a conversion of Shares, Shares of the New Share Class or the New Fund will be allotted and issued in respect of and in proportion to the Shares of the Original Share Class or Original Fund in the proportion A to B.

## Anti-Money Laundering

Measures aimed towards the prevention of money laundering may require a detailed verification of the identity of existing Shareholders, applicants for and potential transferees of Shares.

The Administrator is regulated by the Central Bank and must comply with the measures provided for in the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 and 2013 (the "CJA") which aims to prevent money laundering. In order to comply with the requirements of the CJA, the Administrator, on behalf of the Company, will require from any applicant for Shares a detailed verification of their identity, confirmation of the identity of the beneficial owner(s) of the applicant (where applicable), the source of funds used to subscribe for Shares and such other additional information as may be required in order to verify the identity of an applicant and, where applicable, its beneficial owner(s) (as defined in the CJA).

Each applicant for Shares acknowledges that the Administrator, in accordance with its anti-money laundering ("AML") procedures, reserves the right to prohibit the movement of any monies if all due diligence requirements have not been met, or, if for any reason the Administrator believes that the origin of the funds or the party(ies) involved is/are suspicious. In the event that the movement of monies is withheld in accordance with the Administrator's AML procedures, the Administrator will strictly adhere to all applicable laws and shall notify the Company as soon as professional discretion allows or as otherwise permitted by law.

In the event of delay or failure by the applicant to produce any information required for verification purposes, the Directors may take such action as they see fit, including refusing to accept the application and all subscription monies or, if Shares have been issued, compulsorily redeeming such Shares. They may also withhold redemption proceeds and approval of any transfer of Shares, as the circumstances warrant.

Each applicant for Shares acknowledges that the Administrator and the Company shall be indemnified and held harmless against any loss arising as a result of failure to process its application for, or request for the redemption of, Shares if such information and documentation as has been properly requested by the Administrator or Investment Manager has not been provided by the applicant. In addition, if an application is refused, subscription monies will only be returned if such return is permissible under Irish anti-money laundering laws.

## **FEES AND EXPENSES**

### **General**

The Company will pay out of the assets of each Fund:

- (a) the fees and expenses (including transaction charges) payable to the Investment Manager, the Administrator, the Depositary and any sub-custodian appointed in respect of a Fund (such charges will be at normal commercial rates);
- (b) any fees in respect of circulating details of the Net Asset Value of each Fund (including publishing prices) and Net Asset Value per Share of each class;
- (c) stamp duties;
- (d) company secretarial fees;
- (e) the Central Bank's annual levy and any other fees charged by the Central Bank;
- (f) taxes (including Value Added Tax);
- (g) rating fees (if any);
- (h) brokerage or other expenses of acquiring and disposing of Investments;
- (i) fees and expenses of the auditors, tax, legal and other professional advisers of the Company;
- (j) fees connected with listing of Shares on any stock exchange;
- (k) fees and expenses in connection with the distribution of Shares and costs of registration of the Funds in jurisdictions outside Ireland;
- (l) costs of printing and distributing the Prospectus, Supplements, KIIDs, reports, accounts and any explanatory memoranda;
- (m) any necessary translation fees;
- (n) any costs incurred as a result of periodic updates of the Prospectus, any Supplements, KIIDs or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law);
- (o) any other fees and expenses relating to the management and administration of the Company or attributable to the investments of the Company;
- (p) in respect of each financial year of the Company in which expenses are being determined, such proportion (if any) of the establishment expenses as are being amortised in that year.

Where an expense is not considered by the Directors to be attributable to any one class, the expenses will normally be allocated, insofar as practicable to all classes pro rata to their Net Asset Value. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

## **Investment Management**

Details of the fees charged by the Investment Manager will be set forth in the relevant Supplement.

## **Directors' Fees**

Under the Articles each Director shall be entitled to a fee and remuneration for his/her services in respect of the Company at a rate to be determined from time to time by the Directors provided that no Director may be paid in excess of €30,000 in any one financial year without the approval of the Board of Directors and disclosure in the Prospectus. None of the Directors who are employees of the Promoter or Investment Manager will receive a fee for his/her services as a Director of the Company. All Directors will be entitled to reimbursement by the Company of expenses directly incurred in attendance at board meetings or in connection with the business of the Company.

Details of other fees will be set forth in the relevant Supplement.

## TAXATION

### General

***The following information is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax.***

The following is a brief summary of certain aspects of current taxation law and practice relevant to the transactions contemplated in this Prospectus. As is the case with any investment, there can be no guarantee that the tax position prevailing at the time an investment in the Company is made will endure indefinitely as the basis for, and rates of, taxation are subject to change. Prospective investors should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and repurchase of, Shares in the places of their citizenship, residence and domicile.

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

### Irish Taxation

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

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

#### Definitions

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

##### *"Courts Service"*

The Courts Service is responsible for the administration of moneys under the control or subject to the order of the Courts.

##### *"Equivalent Measures"*

apply to an investment undertaking where the Irish Revenue have given the investment undertaking notice of approval in accordance with Section 739D (7B) of the Taxes Act and the approval has not been withdrawn.

##### *"Exempted Irish Investor",*

- an Intermediary;
- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of Section 706 of the Taxes Act;

- an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;
- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a qualifying management company within the meaning of Section 734(1) of the Taxes Act;
- a specified company within the meaning of Section 734(1) of the Taxes Act;
- a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- an Irish Resident company investing in a money market fund being a person referred to in Section 739D(6)(k)(l) of the Taxes Act;
- the National Asset Management Agency being a person referred to in Section 739D(6)(ka) of the Taxes Act;
- the National Pensions Reserve Fund Commission or a Commission investment vehicle;
- the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management Agency;
- an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- an Irish Resident company being a person referred to in section 739D(6)(m) of the Taxes Act; or
- any other Irish Resident or Irish Ordinary Resident who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company,

provided that a Relevant Declaration is in place.

*“Foreign Person”*

means a person who is neither an Irish Resident nor an Irish Ordinary Resident for tax purposes who has provided the Company with the Relevant Declaration under Schedule 2B of the Taxes Act and in respect of whom the Company is not in possession of any information that would reasonably suggest that the Relevant Declaration is incorrect or has at any time been incorrect.

*“Intermediary”* means a person who:

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

*“Ireland”*, means the Republic of Ireland.

*“Irish Ordinary Resident”*

- in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes.
- in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.

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 s/he is not resident.

*“Irish Resident”,*

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

Residence – Individual

An individual will be regarded as being resident in Ireland for a twelve month tax year if s/he:

- spends 183 days or more in Ireland in that twelve month tax year; or
- has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that twelve month tax year together with the number of days spent in Ireland in the preceding twelve month tax year. Presence in a twelve month tax year by an individual of not more than 30 days in Ireland will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at any time during that day.

Residence – Company

It should be noted that the determination of a company’s residence for tax purposes can be complex in certain cases and declarants are referred to the specific legislative provisions that are contained in Section 23A of the Taxes Act.

*Companies incorporated on or after 1 January 2015*

Finance Act 2014 introduced changes to the above residency rules. From 1 January 2015, a company incorporated in Ireland will be automatically considered resident in Ireland for tax purposes, unless it is considered resident in a jurisdiction with which Ireland has a double tax agreement. A company incorporated in a foreign jurisdiction that is centrally managed and controlled in Ireland will continue to be treated as resident in Ireland for tax purposes, unless otherwise resident by virtue of a double tax agreement.

Companies incorporated prior to 1 January 2015 have until 1 January 2021 before the new corporate residency provisions take effect.

*Companies incorporated prior to 1 January 2015*

The Irish tax rules for companies incorporated prior to 1 January 2015 provides that a company incorporated in Ireland will be regarded for all tax purposes as being resident in Ireland. Irrespective of where a company is incorporated a company which has its central management and control in Ireland is resident in Ireland. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where:-

- the company or a related company carried 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 taxation treaty, or the company or a related company are quoted companies on a recognised Stock Exchange in the EU or in a taxation treaty country;

or

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

Residence – Trust

Determining the tax residence of a trust can be complex. A trust will generally be regarded as resident in Ireland for tax purposes if a majority of its trustees are resident for tax purposes in Ireland. Where some, but not all, of the trustees are resident in Ireland, the residency of the trust will depend on where the general administration of the trust is carried on. In addition, the provisions of any relevant double tax agreement would need to be considered. As a result, each trust must be assessed on a case by case basis.

*“Relevant Declaration”*, means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act. The Relevant Declaration for investors who are neither Irish Resident nor Irish Ordinary Resident (or Intermediaries acting for such investors) is set out in the application form accompanying this Prospectus.

*“Relevant Period”*, means a period of 8 years beginning with the acquisition of a Share by a shareholder and each subsequent period of 8 years beginning immediately after the preceding relevant period.

*“Taxable Irish Person”*

means any person, other than

- a Foreign Person; or
- an Exempted Irish Investor.

*“Taxes Act”*, mean the Taxes Consolidation Act, 1997 (as amended).

#### The Company

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

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

However, tax can arise on the happening of a “chargeable event” in the Company. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation or transfer of Shares or appropriation or cancellation of Shares of a Shareholder by the Company for the purposes of meeting the amount of the tax payable on a gain arising on a transfer of an entitlement to a Share. It also includes the ending of a Relevant Period regardless of whether the Shares have been encashed, redeemed, cancelled or transferred. No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who is neither Irish Resident nor Irish Ordinary Resident at the time of the chargeable event provided that a Relevant Declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information contained therein is not or, is no longer materially correct.

A chargeable event will not be deemed to arise if at the time of the chargeable event Equivalent Measures have been formally agreed with the Revenue Commissioners and the approval has not been withdrawn. In the absence of a Relevant Declaration or Equivalent Measures there is a presumption that the investor is Irish Resident or Irish Ordinary Resident.

A chargeable event does not include:

- an exchange by a Shareholder, effected by way of an arm's length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company;
- any transactions (which might otherwise be a chargeable event) in relation to shares held in a recognised clearing system as designated by order of the Irish Revenue Commissioners;
- a transfer by a Shareholder of the entitlement to a Share where the transfer is between spouses, former spouses, civil partners or former civil partners, subject to certain conditions; or
- an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the Company with another investment undertaking.

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

There are anti-avoidance measures in the case of certain investments in investment undertakings (such as the Company). A personal portfolio investment undertaking (PPIU) is defined as an investment undertaking where a shareholder or certain persons connected with him have the right of selection of certain categories of property in which the investment undertaking invests. If the investment undertaking is regarded as a PPIU then any payment to such a shareholder will be taxed at a rate of 60%. It is a matter of fact whether or not the shareholder or a connected person has a right of selection as envisaged in the anti avoidance measures. Further penalties of tax can apply where tax returns in relation to distributions from a PPIU are incorrectly made by a shareholder.

Please see the "Shareholders" section below dealing with the tax consequences for the Company and the Shareholders of chargeable events in respect of: -

- Shareholders who are neither Irish Resident nor Irish Ordinary Resident; and
- Shareholders who are either Irish Resident or Irish Ordinary Resident.

In the case of tax arising on the ending of a Relevant Period, the Company has the option of electing to value the Shares at bi-annual dates (meaning 30 June or 31 December) rather than at the date of the deemed eight year disposal itself. Therefore, the Director will make an irrevocable election to allow the Shares in the calculation of the gain on a deemed disposal for Taxable Irish Persons to be valued at the later of the previous 30 June or 31 December prior to the date of the deemed disposal rather than at the date of the deemed disposal itself.

Where less than 10% of the net asset value of Shares in the Company is held by Taxable Irish Persons, the Director will elect not to apply a withholding tax to a deemed disposal of Shares in the Company arising on the ending of a Relevant Period and will advise the Irish Revenue Commissioners of this election. Shareholders who are Taxable Irish Persons will therefore be required to return any gain and account for appropriate tax on the deemed disposal directly to the Irish Revenue Commissioners. Shareholders should contact the Administrator to ascertain whether the Director has made such an election in order to establish their responsibility to account to the Irish Revenue Commissioners for any relevant tax.

To the extent that tax arises as a result of the ending of a Relevant Period, such tax will be allowed as a credit against tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant shares.

Dividends received by the Company from investment in Irish equities may be subject to Irish dividend withholding tax at the standard rate of income tax (currently 20%). However, the Company can make a declaration to the payer that it is an investment undertaking within the meaning of Section 739B of the Taxes Act beneficially entitled to the dividends which will entitle the Company to receive such dividends without deduction of Irish dividend withholding tax.

#### Shareholders

##### **(i) Shareholders who are neither Irish Residents nor Irish Ordinary Residents**

The Company will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder if (a) the Shareholder is neither Irish Resident nor Irish Ordinary Resident, (b) the Shareholder has made a Relevant Declaration and the Company is not in possession of any information which would reasonably suggest that the information contained therein is not, or is no longer materially correct or (c) the Company has received approval from the Revenue Commissioners to operate Equivalent Measures and such approval has not been withdrawn. In the absence of a Relevant Declaration or approval from the Irish Revenue Commissioners to operate Equivalent Measures, tax will arise on the happening of a chargeable event in the Company regardless of the fact that a Shareholder is neither Irish Resident nor Irish Ordinary Resident. The appropriate tax that will be deducted is as described in paragraph (ii) below.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Residents nor Irish Ordinary Residents, no tax will have to be deducted by the Company on the occasion of a chargeable event provided that the Intermediary has made a Relevant Declaration that they are acting on behalf of such persons and the Company is not in possession of any information which would reasonably suggest that the information contained therein is not, or is no longer materially correct or if the Company has received approval from the Irish Revenue Commissioners to operate Equivalent Measures and this approval has not been withdrawn.

Shareholders who are neither Irish Residents nor Irish Ordinary Residents and who have made Relevant Declarations in respect of which the Company is not in possession of any information which would reasonably suggest that the information contained therein is not, or is no longer materially correct or if the Company has received approval from the Irish Revenue Commissioners to operate Equivalent Measures and this approval has not been withdrawn will not be liable to Irish tax in respect of income from their Shares and gains made on the disposal of their Shares. However, any corporate Shareholder which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from the Shares or gains made on disposal of its Shares.

#### *Refunds of Tax*

Where tax is withheld by the Company on the basis that no Relevant Declaration has been filed with the Company by the Shareholder, Irish legislation provides for a refund of tax only to companies within the charge to Irish corporation tax, to certain incapacitated persons and in other limited circumstances.

##### **(ii) Shareholders who are Irish Resident or Irish Ordinary Resident**

Unless a Shareholder is an Exempted Irish Investor, makes a Relevant Declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained therein is not, or is no longer materially correct, or unless the Shares are purchased by the Courts Service, tax at the rate of 41% will be required to be deducted by the

Company from distributions or gains arising to a Shareholder on an encashment, redemption, cancellation or transfer of Shares by the Shareholder (other than a Shareholder which is a company that has made the necessary declaration). Tax at a rate of 41% will also be required to be deducted by the Company on the ending of a Relevant Period at which time there is a deemed disposal of Shares by the Shareholder. Tax at a rate of 25% will be deducted on distributions and other chargeable events for Shareholders that are companies provided the necessary declaration is in place.

There are a number of Irish Residents and Irish Ordinary Residents who are exempted from the provisions of the above regime once Relevant Declarations are in place. These are Exempted Irish Investors. Additionally, where Shares are held by the Courts Service no tax is deducted by the Company on payments made to the Courts Service. The Courts Service will be required to operate tax on payments to it by the Company when they allocate those payments to the beneficial owners.

Irish Resident corporate Shareholders who receive distributions (where payments are made annually or at more frequent intervals) from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D of the Taxes Act from which tax at 25% has been deducted. In general, such Shareholders will not be subject to further Irish tax on any other payments received in respect of their shareholding from which tax has been deducted. An Irish Resident corporate Shareholder whose Shares are held in connection with a trade will be taxable on any income or gains as part of that trade with a set-off against corporation tax payable for any tax deducted by the Company. In general, non-corporate Shareholders who are Irish Resident or Irish Ordinary Resident will not be subject to further Irish tax on income from their Shares or gains made on disposal of the Shares where tax has been deducted by the Company on payments received.

Where a currency gain is made by the Shareholder on the disposal of his/her Shares, such Shareholder may be liable to capital gains tax in the year of assessment in which the Shares are disposed of.

Any Shareholder who is Irish Resident or Irish Ordinary Resident and receives a distribution or receives a gain on an encashment, redemption, cancellation or transfer of Shares from which tax has not been deducted by the Company, may be liable to income tax or corporation tax on the amount of such distribution or gain. Whether any further tax is payable by such Shareholders will depend on whether their tax returns are correctly filed before the specified return date.

There is an obligation on the Company to provide an annual report to the Irish Revenue Commissioners in relation to certain Shareholders and the value of their investments in the Company. The obligation arises only in relation to Shareholders who are either Irish Resident or Irish Ordinary Resident.

## **Other Tax Considerations**

### Stamp Duty

Generally, no stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. Where any subscription for or redemption of Shares is satisfied by the in specie transfer of Irish securities or other Irish property, Irish stamp duty may arise on the transfer of such securities or property.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an

investment undertaking within the meaning of Section 739B of the Taxes Act) which is registered in Ireland.

No Stamp Duty will arise on reconstructions or amalgamations of investment undertakings under Section 739H of the Taxes Act, provided the reconstructions or amalgamations are undertaken for bona fide commercial purposes and not for the avoidance of tax.

#### Capital Acquisitions Tax

The disposal of Shares will not be subject to Irish gift or inheritance tax (Capital Acquisitions Tax), provided that the Company falls within the definition of an investment undertaking (within the meaning of Section 739B of the Taxes Act) and that:

- (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor ordinarily resident in Ireland;
- (b) at the date of the disposition, either the Shareholder disposing of the Shares is neither domiciled nor ordinarily resident in Ireland; and
- (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the “valuation date” (as defined for Irish Capital Acquisitions Tax Purposes).

## **TAXATION IN THE UK**

### **General**

The statements on taxation below are intended to be a general summary of United Kingdom tax consequences that may result to the Fund and Investors. The statements relate to Investors holding Shares as an investment (as opposed to an acquisition by a dealer) and are based on current law and Inland Revenue practice. The law and Inland Revenue practice (including taxation levels, bases and reliefs) can change, but the summary is believed to be correct at the date hereof.

Prospective Investors should seek their own advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and realisation of, Shares in the places of their citizenship, residence and domicile. The tax consequences for each Investor of acquiring, holding, redeeming or disposing of Shares will depend upon the relevant laws of any jurisdiction to which the Investor is subject. Prospective Investors should seek their own professional advice as to this, as well as to any relevant exchange control or other laws and regulations.

### **The Company**

The Directors intend to conduct the affairs of the Company so that it does not become resident in the UK for tax purposes. As a result, provided the Company does not trade in the UK, the Company will not be subject to UK tax on income or gains. Investment income arising from UK sources may, however, be subject to UK withholding tax.

### **Shareholders**

#### **Taxation of Dividends (where relevant)**

Shareholders resident in the UK for tax purposes will be liable to income tax or corporation tax on dividends paid to them in respect of a Share Class in the Company, according to their personal circumstances. Gross investors, such as registered pension schemes, will be exempt from tax on the income.

Individual taxpayers, other than higher rate taxpayers, will be liable to income tax on their dividend at the rate of 10%, while higher rate taxpayers will be liable to income tax on the dividend at the rate of 37.5%. UK resident individuals who are not liable to income tax on their income and Shareholders who hold their Shares through an ISA will not be subject to UK tax on the dividends. Corporate shareholders subject to corporation tax will be liable to corporation tax on the income.

Shareholders who are individuals resident but not domiciled in the United Kingdom may be liable to tax on a remittance basis rather than as income and gains arise, dependant on their personal circumstances and payment of an annual charge to HM Revenue & Customs. Such individuals should consult their own advisors for further details.

### **Capital Gains - Distributing Classes**

The Directors of the Company intend to manage the affairs of the following share classes: Class S GBP, Class G GBP and Class B GBP; each sterling distributing share classes ("Distributing Classes") in such a way that they qualify for reporting fund status for UK tax purposes.

### **Capital Gains - Accumulating Class**

The Directors have to date applied for the Class A GBP share class to be certified as a "reporting fund", and intend to continue to do so for future accounting periods.

### **Capital Gains - Change to Offshore Funds Tax Regime**

Shareholders should note the UK government introduced a new tax regime for offshore funds with effect from December 2009, replacing the former "distributing" status with the new "reporting fund" regime.

Each Share Class is treated as a separate offshore fund for the purposes of UK taxation, under both regimes. The Directors have managed affairs for each class as regards the offshore funds rules as described below.

Part 2 of The Offshore Funds (Tax) Regulations 2009 ("Regulations 2009") provides that if a Shareholder who is resident in the United Kingdom for taxation purposes holds an interest in an overseas company that constitutes an offshore fund and that fund does not qualify as a "reporting fund" (and if applicable previously also a "distributing fund") throughout the period during which the Shareholder holds that interest, any gain accruing to the Shareholder upon the sale, redemption or other disposal or part disposal of that interest (which may include redemption by the Fund) will be taxed at the time of such sale, redemption or disposal as income ("offshore income gain") and not as a capital gain unless the Shareholder makes an election under section 48 of the Regulations 2009 for a deemed disposal at the date of conversion of the fund from a non-reporting fund to a reporting fund. Where such gains are taxed as income no relief will be available for capital gains tax exemptions or other reliefs.

Where an offshore fund has been certified as a reporting fund for each accounting period during which the Shareholder has held his interest in the offshore fund, any gain arising will be calculated and taxed as a capital gain rather than an offshore income gain.

Under the reporting fund regime, United Kingdom Shareholders will be subject to tax on any sums distributed by the Company together with a deemed distribution of any excess of reported income over the sums distributed. Reported income is calculated after specified adjustments have been made to the net revenue/expense after taxation disclosed in the accounts for the Company and reported income may be more or less than the net revenue/expense so disclosed.

### **Capital Gains - Gross Investors**

Gross investors, such as registered pension schemes, are exempt from tax on capital gains, regardless of whether the relevant Share Class has been certified as a distributing fund by HM Revenue & Customs.

### **Capital Gains - Corporate investors**

Corporate investors within the charge to corporation tax are liable to corporation tax on capital gains (with the benefit of indexation relief). Gains realised on the disposal of Shares in any of the reporting fund Share Classes will be capital gains provided that the Share Class in question has qualified under the offshore funds regime as described above. Corporate investors within the charge to corporation tax which invest in Shares in the Accumulating Class will also be subject to corporation tax on any gains they realise on their disposal, but without the benefit of indexation relief.

Chapter 3 of Part 6 of the Corporation Tax Act 2009 provides that if the Company has more than 60% by market value of its investments in debt securities, money placed at interest (other than cash awaiting investment), building society shares or holdings in a fund with, broadly, more than 60% of its investments similarly invested, and related derivatives, then corporate investors will be subject to an alternative charge under the rules for the taxation of loan relationships rules. Shareholders who are within the charge to corporation tax in the UK will be subject to tax as income on all profits and gains arising from the Shares (calculated at the end of each accounting period of the investor and the date of disposal of its interest), on a fair value accounting basis. These rules will apply to investors if the 60% limit is exceeded by the Company at any time during the investor's accounting period, even if it was not holding Shares at that time. The Directors do not anticipate that the 60% limit will be breached.

### **Stamp duty and stamp duty reserve tax**

Neither UK stamp duty nor stamp duty reserve tax will be payable on the issue of the Shares. Agreements to transfer Shares will not be subject to stamp duty reserve tax, nor to stamp duty provided the instrument of transfer remains outside the UK.

### **Other UK Tax Considerations - Income - Distributing Classes**

As it is intended that the Distributing Classes will distribute substantially all of their income each year, the UK anti-avoidance provisions which attribute income accruing to an offshore company to UK resident companies and ordinarily resident individuals are not expected to apply to holders of Shares in the Distributing Classes.

### **Other UK Tax Considerations - Income - Accumulating Class**

The attention of individuals ordinarily resident in the UK is drawn to Part 13 Income Tax Act 2007. These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons, including companies, resident or domiciled abroad. The provisions may render those individuals liable to tax in respect of relevant undistributed income of the Company on an annual basis.

UK tax law (TIOPA 2010) also contains provisions which subject certain UK resident companies to corporation tax on profits of non-UK resident companies in which they have an interest. The provisions affect UK resident companies which, either alone or together with associates, have an interest in at least 25% of the profits of the non-resident company and the non-resident company is controlled by UK residents, does not distribute substantially all of its income and is resident in a low tax jurisdiction. As the Company will not make distributions, this legislation may be relevant to corporate Shareholders. The legislation is not directed towards the taxation of capital gains.

HM Revenue & Customs may seek to cancel tax advantages from certain transactions in securities for UK resident companies under Part 15 of Corporation Tax Act 2010.. The Directors

do not believe that a relevant tax advantage will arise but no clearance has been sought from HM Revenue & Customs.

### **Other UK Tax Considerations - Capital Gains**

In addition, it is anticipated that the shareholdings in the Company will be sufficiently widely held to ensure that the Company would not be a close company if it were resident in the UK. If, however, this is not the case, then capital gains accruing to it will be apportioned to UK resident or ordinarily resident Shareholders who hold over 10% of the Company and they will be subject to capital gains tax on the gains apportioned to them (except in the case of gross investors). Where capital gains tax is paid by an investor under these provisions, it may be possible for that investor to claim relief subsequently for all or part of it.

### **Other Tax Considerations**

Dividends and interest may suffer withholding tax imposed by the country where the payments originate. Capital gains realised when Investments are sold by the Company may also be subject to local withholding tax in certain countries. The Company will not be eligible to benefit from Ireland's range of double tax agreements in many cases.

Transfer taxes may be payable on the purchase of investments by the Company.

### **FOREIGN ACCOUNT TAX COMPLIANCE ACT ('FATCA') AND THE COMMON REPORTING STANDARDS ("CRS")**

The Hiring Incentives to Restore Employment Act (the "Hire Act") was signed into US law in March 2010. It includes provisions generally known as FATCA. The intention of these is that details of US investors holding assets outside the US will be reported by financial institutions to the IRS, this as a safeguard against US tax evasion. To discourage non-US financial institutions from staying outside this regime, the Hire Act provides that US securities held by a financial institution that does not enter and comply with the regime will be subject to a US tax withholding of 30% on gross sales proceeds as well as income. The FATCA withholding regime will become effective in phases between 1 July 2014 and 1 January 2019. The basic terms of FATCA currently appear to include the Company as a 'Financial Institution', such that in order to comply the Company may require all investors to provide mandatory documentary evidence of their tax residence.

The US has developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and US Governments signed an intergovernmental agreement ("Irish IGA") on the 21st December 2012.

The Irish IGA is intended to reduce the burden for Irish financial institutions of complying with FATCA by simplifying the compliance process and minimising the risk of withholding tax. Under the Irish IGA, information about relevant US investors will be provided on an annual basis by each Irish financial institution (unless the financial institution is exempted from the FATCA requirements) directly to the Irish Revenue Commissioners, who will then provide such information to the IRS. Registration with the IRS will be necessary in this regard.

Although the Company will use commercially reasonable efforts to comply with any requirements that are necessary to avoid the imposition of withholding taxes on payments to the Company pursuant to FATCA, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as a result of FATCA, the return

The Common Reporting Standard ("CRS") is a new, single global standard on Automatic Exchange Of Information ("AEOI"). It was approved by the Organisation for Economic Co-operation and Development ("OECD") in February 2014 and draws on earlier work of the OECD and the EU, global anti-money laundering standards and, in particular, the Model FATCA Intergovernmental Agreement. Under the CRS, participating jurisdictions will be required to

exchange certain information held by financial institutions regarding their non resident investors. The CRS was effective in Ireland from 1 January 2016. The Company will be required to provide certain information to the Irish Revenue Commissioners about non-Irish tax resident Shareholders (which information will in turn be provided to the relevant tax authorities). It should also be noted the CRS replaces the EU Taxation on Savings Directive.

Each investor agrees to provide the Company with information and documentation prescribed by applicable law and such additional documentation reasonably requested by the Company as may be necessary for the Company to comply with its obligations under FATCA and the CRS. Prospective investors should consult with their tax advisers regarding the possible implications of FATCA and CRS on their investment in the Company.

## STATUTORY AND GENERAL INFORMATION

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

- (a) The Company was incorporated in Ireland on 16 December 2002 as an investment company with variable capital having segregated liability between its funds and with limited liability under registration number 365198 under the name of “Orchard Funds public limited company”.
- (b) The registered office of the Company is presently at 1 Custom House Plaza, International Financial Services Centre, Dublin 1, Ireland.
- (c) On incorporation, the authorised share capital of the Company was €60,000 divided into 60,000 Subscriber Shares of a par value of €1.00 each and 500,000,000,000 shares of no par value initially designated as unclassified shares. The unclassified shares are available for issue as Participating Shares.
- (d) At the date of this Prospectus, no capital of the Company is proposed to be issued or is under option or agreed conditionally or unconditionally to be put under option.
- (e) Neither the Subscriber Shares nor the Participating Shares carry pre-emption rights.
- (f) All Shareholders will receive a confirmation notice confirming the entry of their holding on the Company Register. No bearer certificates will be issued.

### 2. Share Rights

Save as set out in this Prospectus all Shares shall rank *pari passu*.

#### Subscriber Shares

The holders of the Subscriber Shares shall:

- (a) on a poll be entitled to one vote per Subscriber Share;
- (b) not be entitled to any dividends whatsoever in respect of their holding of Subscriber Shares;

in the event of a winding up or dissolution of the Company, be entitled, (after payment to the holders of the Participating Shares of a sum equal to the Net Asset Value of the Participating Shares as at the date of commencement to wind up), to payment in respect of the nominal amount paid up thereon out of the assets of the Company, but shall not be entitled to any further or other amount.

#### Participating Shares

The holders of Participating Shares shall:

- (a) on a poll be entitled to one vote per Participating Share;
- (b) be entitled to such dividends as the Directors may from time to time declare;
- (c) in the event of a winding up or dissolution of the Company, be entitled, in priority to the holders of the Subscriber Shares, firstly to an amount equal to the Net Asset Value of the Participating Shares of each class held at the date of winding up and,

after payment to the holders of the Subscriber Shares of the nominal amount paid up thereon, to participate in surplus assets of the Company (if any).

### **3. Voting Rights**

Subject to any special terms as to voting upon which any Shares may be issued or may for the time being be held, at any general meeting on a show of hands every holder of Shares who is present in person or by proxy shall have one vote. If a Shareholder demands a poll, every such holder present as aforesaid or by proxy shall have one vote for every share held.

To be passed, resolutions of the Company in general meeting will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed.

A majority of not less than 75% of the Shareholders present in person or by proxy and (being entitled to vote) voting in general meetings is required in order to (i) amend the Articles and (ii) wind up the Company.

### **4. Memorandum of Association**

The Memorandum of Association of the Company provides that the sole object for which the Company is established is the collective investment in transferable securities and/or other liquid financial assets referred to in regulation 68 of the Regulations, of capital raised from the public operating on the principle of spreading investment risk in accordance with the Regulations.

### **5. Articles of Association**

The following section is a summary of the principal provisions of the Articles of Association of the Company not previously summarised in this Prospectus.

#### **Alteration of Share Capital**

The Company may from time to time by ordinary resolution increase its capital, consolidate and divide its shares or any of them into shares of a larger amount, sub-divide its shares or any of them into shares of a smaller amount, or cancel any shares not taken or agreed to be taken by any person. The Company may also by special resolution from time to time reduce its share capital in any way.

#### **Issues of Shares**

The Participating Shares shall be at the disposal of the Directors and they may (subject to the provisions of the Act) allot, offer or otherwise deal with or dispose of them to such persons, at such times and on such terms as they may consider in the best interests of the Company.

The Subscription Price at which Participating Shares shall be issued shall be in accordance with the Net Asset Value per Share as determined in accordance with Articles 16 to 19 of the Articles of Association of the Company (as summarised in paragraph 5 below).

#### **Variation of Rights**

Whenever the share capital is divided into different classes of shares, the rights of any class may be varied or abrogated with the consent in writing of the holders of not less than 75% of the issued and outstanding shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of that class of shares and the necessary quorum shall be (other than an adjourned meeting) two persons holding

shares issued in that class (and at the adjourned meeting the necessary quorum shall be one person holding shares of that class or his proxy).

The rights conferred upon the holders of shares of any class shall not (unless the conditions of issue of such class of shares expressly provide otherwise) be deemed to be varied by the creation or issue of other shares ranking *pari passu* therewith.

## **Funds**

The Articles contain the following provisions regarding the operation of the Funds:

- (a) the records and accounts of each Fund shall be maintained separately in the Base Currency of the relevant Fund;
- (b) the liabilities of each Fund shall be attributable exclusively to that Fund;
- (c) the assets of each Fund shall belong exclusively to that Fund, shall be segregated in the records of the Depositary from the assets of other Funds, shall not (save as provided in the Acts) be used to discharge directly or indirectly the liabilities of or claims against any other Fund and shall not be available for any such purpose;
- (d) the proceeds from the issue of each class of Participating Share shall be applied to the relevant Fund established for that class of Participating Share, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Articles;
- (e) where any asset is derived from another asset, the derived asset shall be applied to the same Fund as the assets from which it was derived, and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Fund;
- (f) in the case where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund or Funds, the Directors shall have discretion, subject to the approval of the Auditors, to determine the basis upon which any such asset or liability shall be allocated between relevant Funds and the Directors shall have the power at any time and from time to time, subject to the approval of the Auditors, to vary such basis, provided that the approval of the Auditors shall not be required in any case where the asset or liability is allocated between all Funds pro rata to their Net Asset Values.

## **Transfers of Shares**

- (a) All transfers of shares shall be effected by an instrument in writing in a form approved by the Directors but need not be under seal. No transfer of Subscriber Shares can be effected without the prior written consent of the Company.
- (b) The Directors have power under the Articles to direct that any Subscriber Shares not held by the Investment Manager shall be compulsorily purchased from the holder of such Subscriber Shares.
- (c) The instrument of transfer of a share must be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of such share.
- (d) The Directors may decline to register a transfer of shares unless the instrument of transfer is deposited at the Registered Office together with such evidence as is required by the Directors to show the right of the transferor to make the transfer. The registration of transfers may be suspended for such times and at such periods

as the Directors may determine provided always that such registration may not be suspended for more than thirty days in any one year.

- (e) The Directors may decline to register any transfer of a Share where it appears that such transfer would or might result in the beneficial ownership of such Share by a person who is not a Qualified Holder or expose the Fund to adverse tax or regulatory consequences or to a person who is not already a Shareholder, if as a result to such transfer, the proposed transferee would not be the holder of a Minimum Holding.
- (f) The Directors may decline to register a transfer if it has come to the attention of the Directors that the person to whom the Share is to be transferred would be in breach of any law or requirement of any country or governmental or regulatory authority or is a US Person.

### **Redemption of Participating Shares**

Any certificate as to the Net Asset Value per Share and/or Subscription or Redemption Price per Share given in good faith by or on behalf of the Directors is binding on all parties.

A holder of Participating Shares shall have the right (subject as set out in the Articles) to require the Company to redeem all or any part of his holding.

### **Directors**

- (a) Each Director shall be entitled to a fee and remuneration for his/her services in respect of the Company at a rate to be determined from time to time by the Directors provided that no Director may be paid in excess of the amount set forth in the Prospectus in any one financial year without the approval of the Board of Directors and disclosure in the Prospectus. All Directors will be entitled to reimbursement by the Company of expenses directly incurred in attendance at board meetings or in connection with the business of the Company.
- (b) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director, or may act in a professional capacity to the Company on such terms as the Directors may determine. No Director shall be disqualified by his office from contracting with the Company in any capacity, nor shall any such contract or arrangement entered into by the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office if he shall declare the nature of his interest. However, with certain exceptions, in the case of obligations incurred on behalf of the Company, and of proposals concerning other companies in which he has a beneficial interest of at least 1%, a Director shall not vote and shall not be counted in the quorum in respect of any contract or arrangement in which he is so interested.
- (c) A Director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other Director is appointed to hold any such office or place of profit under the Company or at which the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of terms thereof.
- (d) There is no provision in the Articles requiring a Director to retire by reason of any age limit and no share qualification for Directors.
- (e) The number of Directors shall not be less than two (2).

- (f) The quorum for meetings of Directors may be fixed by the Directors and unless so fixed shall be two (2).
- (g) No board meetings can be held in the UK.
- (h) An English resident Director cannot cast a deciding vote.
- (i) The office of a Director shall be vacated in any of the following circumstances:
  - (i) if he ceases to be a Director by virtue of any provisions of the Act or becomes prohibited by law from being a Director;
  - (ii) if he becomes a bankrupt or makes any arrangement or composition with his creditors generally;
  - (iii) if in the opinion of a majority of the Directors he becomes incapable by reason of mental disorder of discharging his duties as a Director;
  - (iv) if he resigns from his office by notice to the Company;
  - (v) if he is convicted of an indictable offence unless the Directors otherwise determine;
  - (vi) he shall for more than six consecutive months have been absent without permission of the Directors from meetings of the Directors held during that period and the Directors pass a resolution that he has by reason of such absence vacated office.

The Company may also, as a separate power, in accordance with and subject to the provisions of the Act by ordinary resolution of the Shareholders, remove any Director (including a Managing Director or other executive director) before the expiry of his period of office notwithstanding anything to the contrary contained in the Articles or in any agreement between the Company and any such Director.

### **Borrowing and Hedging Powers**

The Directors may exercise all borrowing powers on behalf of the Company and charge its undertaking, property and assets or any part thereof only in accordance with the provisions of the Regulations or as permitted by the Central Bank.

### **Dividends**

No dividends are payable on the Subscriber Shares. Subject to the provisions of the Act, the Directors may declare dividends on a class or classes of Participating Shares as appear to the Directors to be justified by the profits of the relevant Fund and no dividends shall exceed the amount recommended by the Directors. If the Directors so resolve, any dividend which has remained unclaimed for six years shall be forfeited and remitted to the relevant Fund.

### **Distribution of Assets on a Liquidation**

- (a) If the Company shall be wound up, the liquidator shall, subject to the provisions of the Act, apply the assets of each Fund on the basis that any liability incurred or attributable to a Fund shall be discharged solely out of the assets of that Fund.
- (b) The assets available for distribution among the members shall then be applied in the following priority:

- (i) firstly, in the payment to the holders of the Shares of each class of each Fund of a sum in the currency in which that class is designated or in any other currency selected by the liquidator as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value attributable to the Shares of such class held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Fund to enable such payment to be made. In the event that, as regards any class of Shares, there are insufficient assets available in the relevant Fund to enable such payment to be made recourse shall be had to the assets of the Company not comprised within any of the Funds and not (save as provided for by the Act) to the assets comprised within any of the Funds;
  - (ii) secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not comprised within any Funds remaining after any recourse thereto under subparagraph (i) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds;
  - (iii) thirdly, in the payment to the holders of each class of Shares of any balance then remaining in the relevant Fund, such payment being made in proportion to the number of Shares held;
  - (iv) fourthly, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Funds, such payment being made in proportion to the value of each Fund and within each Fund to the value of each class and in proportion and to the number of Shares held in each class;
  - (v) lastly, a Fund may be wound up in accordance with the Acts and, in such event, the provisions of this section and article 124 of the Articles apply mutatis mutandis in respect of the Fund.
- (c) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Acts, divide among the members in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets in respect of which there is liability and any member may instruct the liquidator to sell any assets, to which he is entitled, on his behalf.

### **Restrictions on Shareholders**

The Directors have power to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares in the Company are acquired or held by:

- (a) any person who is not a Qualified Holder;
- (b) any person in breach of the law or requirements of any country, government or authority or any person or persons in circumstances (whether directly or indirectly

affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary, legal or material administrative disadvantage which the Company might not otherwise have incurred or suffered or the Company being required to register under the United States Securities Act of 1933, as amended, or the United States Investment Company Act of 1940, as amended.

If it comes to the notice of the Directors that any Shares are so held by any such non-qualified person as above the Directors may give notice to such person requiring the redemption or transfer of such Shares in accordance with the provisions of the Articles. If any person upon whom such a notice has been served fails to comply with such requirements within 30 days, he shall be deemed to have given a request in writing for the repurchase of all his Participating Shares. A person who becomes aware that he is a non-qualified person is required either to deliver to the Company a written request for redemption of his Shares in accordance with the Articles or to transfer the same to a person who would not thereby be a non-qualified person.

### **Indemnities**

The Directors, Secretary and other officers of the Company shall be indemnified by the Company against losses and expenses which any such person may become liable to by reason of any contract entered into or any act or thing done by him as such officer in discharge of his duties (other than in the case of negligence or wilful default).

## **6. Directors**

No Director:

- (a) has any unspent convictions in relation to indictable offences;
- (b) has become bankrupt or entered into any voluntary arrangement or has had a receiver appointed to any asset of such Director;
- (c) has been a director of any company or a partner of any firm which, at that time or within twelve months after his ceasing to become a director or a partner (as the case may be), had a receiver appointed or went into compulsory liquidation, or creditors' voluntary liquidation or went into administration, or entered into company or partnership voluntary arrangements or made any composition or arrangement with its creditors;
- (d) has been disqualified by a Court from acting as a director or from acting in the management or conduct of affairs of any company;
- (e) has had any public criticism against him by any statutory or regulatory authority (including recognised professional bodies) or has been disqualified by a Court from acting as a director or acting in the management or conduct of the affairs of any company;
- (f) has been a Partner of any Partnership, which while he was Partner or within 12 months after he ceased to be a Partner went into compulsory liquidation, administration or Partnership voluntary arrangement, or had a receiver appointed to any Partnership assets.

Wilton Secretarial Limited has been appointed as Company Secretary.

## **7. Circumstances of a Winding Up**

- (a) The Company shall be wound up in the following circumstances:
- (i) by the passing of a special resolution for a winding up;
  - (ii) where the Company does not commence business within a year of being incorporated or where it suspends its business for a year;
  - (iii) where the number of members falls below the statutory minimum of 7;
  - (iv) where the Company is unable to pay its debts and a liquidator has been appointed;
  - (v) where the court is of the opinion that the Company's affairs and the powers of the Directors have been exercised in a manner oppressive to members;
  - (vi) the court is of the opinion that it is just and equitable that the Company should be wound up.
- (b) The Custodian Agreement provides that where the Depositary has given to the Company notice of its intention to retire from its appointment and no successor custodian shall have been appointed in accordance with the Articles within 3 months from the giving of such notice, the Depositary may require the Directors to convene a general meeting of the Company and propose at the meeting a resolution that the Company be wound up.

## **8. Net Asset Value of the Shares**

### **(a) Calculation**

The calculation of the Net Asset Value of each Fund or of any class within a Fund is the responsibility of the Administrator. The Net Asset Value of each Fund or of any class within a Fund will be determined by the Administrator in accordance with the Articles in the currency in which the Fund or of any class within a Fund is denominated as at the Valuation Point and will be equal to the value of all the assets of the relevant Fund less all of its liabilities.

- (i) The Net Asset Value of a Class of Shares within a Fund shall be calculated as follows:
- I. determining the attributed ratios for each Class of Shares which shall be done by dividing the figure calculated in A below for each Class of Shares by the figure calculated in B below.
    - A. adding the Net Asset Value of each Class of Shares for the previous Valuation Point and the value of shareholder activity (i.e. net subscription/redemptions placed as of the previous Valuation Point) for the current Valuation Point for each Class of Shares;
    - B. adding the total of Net Asset Value for all Classes of Shares for the previous Valuation Point and the value of shareholder activity (i.e. net subscription/redemptions placed as of the previous Valuation Point) for the current Valuation Point for all Classes of Shares;
  - II. attributing the Company's income, expenses and realised and unrealised gains and losses accrued for the current Valuation Point to each class of Shares with the amount to be attributed being calculated

by multiplying the aggregate of such accrued amounts by the ratios determined in (I);

- III. adding the figures from (II) as allocated for each Class of Shares to the expenses accrued, distributions declared and the value of shareholder activity (i.e. net subscriptions/redemptions) for the current Valuation Point which are solely attributed to a specific class of Participating Shares. An expense will be attributed to a specific class of Participating Shares which is specifically attributable to that class; and
  - IV. adding the results of (III) for each Class of Shares to the Net Asset Value of the previous Valuation Point of respective Class of Shares.
- (ii) The costs and related liabilities/benefits arising from instruments entered into (subject to the Articles) for the purposes of hedging the currency exposure for the benefit of any particular Class of a Fund (where the currency of a particular Class is different to the Base Currency of the Fund) shall be attributable exclusively to that class.
  - (iii) The Net Asset Value of a Class of Shares within a Fund shall be expressed in the Base Currency in which the Fund is designated (except, where the currency of a particular Class is different to the Base Currency of the Fund, it shall be expressed in the currency in which that Class is designated) (translated, where necessary at such rate of exchange as the Directors think fit).
  - (iv) The Net Asset Value of a Participating Share within a Class shall be determined by dividing the Net Asset Value of the relevant Class by the number of Shares in that Class in issue and deemed to be in issue.

The Net Asset Value per Share will be notified without delay to the Irish Stock Exchange upon calculation.

**(b) Assets of the Funds**

The assets of each Fund shall be determined to include (a) all cash in hand, on deposit, or on call including any interest accrued thereon and all accounts receivable, (b) all bills, demand notes, certificates of deposit and promissory notes; (c) all bonds, forward currency transactions, time-notes, shares, stock, units of or participation in collective investment schemes/mutual funds, debentures, debenture stock, subscription rights, warrants, futures contracts, options contracts, swap contracts, fixed rate securities, floating rate securities, securities in respect of which the return and/or repurchase amount is calculated by reference to any index, price or rate, financial instruments and other investments and securities owned or contracted for by the Company, other than rights and securities issued by it; (d) all stock and cash dividends and cash distributions to be received in respect of the Fund and not yet received by the Company but declared to stockholders on record on a date on or before the day as of which the net asset value is being determined, (e) all interest accrued on any interest-bearing securities owned by the Fund except to the extent that the same is included or reflected in, the principal value of such security, (f) all other Investments of the Fund, (g) the preliminary expenses attributable to the Fund including the cost of issuing and distributing Shares of the Fund in so far as the same have not been written off and (h) all other assets of the Fund of every kind and nature including prepaid expenses as valued and defined from time to time by the Directors.

**(c) Valuation Principles**

The principal valuation principles to be used in valuing each of Fund's assets are as follows:

If a Fund is a money market fund the valuation principles to be used in valuing the Company's assets are as follows:

- (i) the Directors (or their delegate, the Administrator) shall be entitled to value the Shares of that Fund using the amortised cost method of valuation, whereby the Investments of such Fund are valued at their cost of acquisition adjusted for amortisation of premium or accretion of discount on the Investments rather than at the current market value of the Investments. However, this method of valuation will only be used if the relevant Prospectus so provides and only with respect to securities (including floating rate securities) with a residual term to maturity of 15 months or less.

The Directors (or their delegate, the Administrator) shall cause a weekly review to take place of deviations between the amortised method of valuation and the current market value of the Investments and recommend changes where necessary to ensure that the Investments of the relevant Fund are valued at their true value as determined in good faith with the approval of the Depositary. If, following any such weekly review, discrepancies in excess of 0.3% occur, the Directors (or their delegate, the Administrator) shall cause a daily review to take place until any such deviation is less than 0.3%. If the deviation exceeds 0.5% the Directors (or their delegate, the Administrator) shall take such corrective action as they deem appropriate to eliminate or reduce, any dilution or other unfair results to Shareholders.

- (ii) the value of any Investment (other than any futures or options which if quoted, listed or normally dealt in on a regulated market, shall be valued in accordance with sub-paragraph (ix)) which is quoted, listed or normally dealt in on a regulated market shall be based on the last traded price for such Investment at the relevant Valuation Point provided that:
  - A. if an Investment is quoted, listed or normally dealt in on more than one Regulated Market, the Directors may (with the approval of the Depositary), in their absolute discretion, select any one of such markets for the foregoing purposes (provided that the Directors have determined that such market constitutes the main market for such Investment or provides the fairest criteria for valuing such securities) and once selected a market shall be used for future calculations of the Net Asset Value with respect to that Investment unless the Directors otherwise determine;
  - B. in the case of any Investment which is quoted, listed or normally dealt in on Regulated Market but in respect of which for any reason, prices on that market may not be available at any relevant time, or, in the opinion of the Directors, may not be representative, the value therefor shall be the probable realisation value thereof estimated with care and in good faith by a competent person, firm or association making a market in such Investment (selected for the purpose by the Directors and approved for the purpose by the Depositary) and/or any other competent person, in the opinion of the Directors (and approved for the purpose by the Depositary). For this purpose:
    - (1) the initial value of such Investment shall be the amount expended out of the Fund in the acquisition therefor

(including the amount, the stamp duties, commissions and other expenses in the acquisition thereof and the vesting thereof in the Company); and

- (2) there shall be taken into account interest on interest bearing Investments up to the relevant Valuation Point; and
- (3) the Directors may accept a valuation of such Investment calculated by a person, firm or association qualified in the opinion of the Directors to provide such a calculation;

C. in the case of any Investment which is quoted, listed or normally dealt in on a Regulated Market but acquired or traded at a premium or at a discount outside or off the relevant Regulated Market, the Investment may be valued taking into account the level of premium or discount at the relevant Valuation Point with the approval of the Depositary.

- (iii) the value of any Investment which is not quoted, listed or normally dealt in on a Regulated Market shall (save in the case set out in paragraph (i)) be the probable realisable value estimated with care and in good faith by a competent person, firm or association making a market in such Investment (selected for the purpose by the Directors and approved for the purpose by the Depositary) and/or any other competent person, in the opinion of the Directors (and approved for the purpose by the Depositary);
- (iv) the value of any Investment which is a unit of or participation in an open-ended collective investment scheme/mutual fund shall be the latest available net asset value of such unit/participation;
- (v) the value of any cash in hand, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the nominal/face value thereof plus accrued interest unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors (with the approval of the Depositary) may consider appropriate in such case to reflect the true value thereof;
- (vi) deposits and interest bearing investments shall be valued at their principal amount plus accrued interest from the date on which the same were acquired or made up to the relevant Valuation Point;
- (vii) treasury bills shall be valued at the last traded price on the market on which same are traded or admitted to trading as at the Valuation Point, provided that where such price is not available, same shall be valued at the probable realisation value estimated with care and good faith by a competent person (approved for the purpose by the Depositary);
- (viii) notes, debenture stocks, certificates of deposit, bank acceptances, trade bills and similar assets shall be valued at the last traded price on the market on which these assets are traded or admitted for trading (being the market which is the sole market or in the opinion of the Directors the principal market on which the assets in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired;
- (ix) forward foreign exchange contracts will be valued by reference to the price at the Valuation Point at which a new forward contract of the same size and maturity could be undertaken;

- (x) the value of any futures contracts and options which are dealt in on a Regulated Market shall be the settlement price as determined by the market in question, provided that if such settlement price is not available for any reason or is unrepresentative, same shall be valued at the probable realisation value estimated with care and good faith by a competent person (approved for the purpose by the Depositary);
- (xi) the value of any over the counter (“OTC”) derivatives contracts shall be:
  - A. the quotation from the counterparty provided that such quotation is provided on at least a daily basis and verified at least weekly by a person independent of the counterparty and who is approved for the purpose by the Depositary; or
  - B. the value of any OTC shall be a quotation from the counterparty or an alternative valuation calculated by the Company or an independent pricing vendor (which may be a party related to but independent of the counterparty which does not rely on the same pricing models employed by the counterparty) provided that:
    - a. where a counterparty valuation is used, it must be provided on at least a daily basis and approved or verified at least weekly by a party independent of the counterparty, which may be the Investment Manager (approved for the purpose by the Depositary);
    - b. where an alternative valuation is used (i.e. a valuation is that provided by a competent person appointed by the Directors and approved for that purpose by the Depositary (or a valuation by any other means provided that the value is approved by the Depositary)), the valuation principles employed must follow best international practice established by bodies such as IOSCO (International Organisation of Securities Commissions) and AIMA (the Alternative Investment Management Association) and any such valuation shall be promptly investigated and explained and reconciled to that of the counterparty on a monthly basis;
- (xii) swap agreements shall be marked to market, the value being quoted on a bid basis by each counterparty to the relevant swap agreement. The value of the swap will be certified monthly by a person, firm or association marking to market in such swap agreement approved for the purpose by the Depositary;
- (xiii) the Directors shall be entitled to value the Investments of any Fund using the amortised cost method of valuation whereby the Investments of such Fund are valued at their costs of acquisition adjusted for amortisation of premium or accretion of discount on the Investments rather than at the current market value of the Investments. The Directors will continually monitor any deviation between the value of the assets using this method and the current market value and recommend changes where necessary to ensure that the Investments of any Fund are valued at their fair value as determined in good faith by the Directors with the approval of the Depositary. If a material deviation occurs, the value of the assets will be adjusted. This method will only be used for securities with residual maturity of less than 6 months;
- (xiv) notwithstanding any of the foregoing paragraphs the Directors with the approval of the Depositary may adjust the value of any Investment if having regard to the currency, marketability, dealing costs and/or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof;

- (xv) if in any case a particular value is not ascertained as above provided or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant Investment then in such case the method of valuation of the relevant Investment shall be such as the Directors in their absolute discretion shall decide with the approval of the Depositary;
- (xvi) notwithstanding the foregoing where at any time any valuation of any asset of the Company has been realised or contracted to be realised there shall be included in the assets of the Company in place of such asset the net amount receivable by the Company in respect thereof provided that if such amount is not then known exactly then its value shall be the net amount estimated by the Directors as receivable by the Company provided that such adjustment method is approved by the Depositary and provided that if the net amount receivable is not payable until such future time after the time of any valuation the Directors shall make such allowance as they consider appropriate to reflect the true current value thereof;
- (xvii) any valuations made pursuant to the Articles shall be binding on all persons.

In calculating the Net Asset Value, the Administrator shall not be liable for any loss suffered by the Company or any Shareholder by reason of any error in the calculation of the share prices resulting from any inaccuracy in the information provided by any pricing service. Similarly, in circumstances where the Administrator is directed by the Directors 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 Shareholder by reason of any error in the calculation of the share prices resulting from any inaccuracy in the information provided by such pricing services, brokers, market makers or other intermediaries not appointed or selected by the Administrator. The Administrator shall use reasonable endeavours to verify any pricing information supplied by the Investment Manager, or any connected person thereof (including a connected person which is a broker, market maker or other intermediary). However, the Company acknowledges that 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 for any loss suffered by the Company or any Shareholder by reason of any error in the calculation of the share prices resulting from any inaccuracy in the information provided by any such person.

## **9. Commissions**

The Company and/or the Investment Manager may enter into dealing arrangements with respect to the Company.

## **10. Directors' Interests**

No Director or connected person has any interest in the Shares of the Company but non-Irish resident Directors shall be entitled to acquire such an interest.

There are no existing or proposed service contracts between any of the Directors and the Company.

## **11. Meetings**

The financial year end of the Company is 31 December in each year. Shareholders will be sent copies of the audited accounts prior to the Annual General Meeting in each year.

Annual General Meetings will be held in Ireland. Notices convening each Annual General Meeting will be sent to Shareholders together with the annual accounts and reports not later than twenty-one clear days before the date fixed for the meeting.

## **12. Litigation**

The Company is not engaged in any litigation or arbitration proceedings and the Directors are not aware of any litigation or claim pending or threatened by or against the Company since its incorporation.

## **13. Material Contracts**

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

- (a) the Custodian Agreement;
- (b) the Investment Management and Distribution Agreement;
- (c) the Administration Agreement.

## **14. Miscellaneous**

- (a) The Company does not have at the date of this Prospectus, any loan capital (including term loans) outstanding or created but unissued, or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, obligations under finance leases, hire purchase, commitments, guarantees or other contingent liabilities.
- (b) The Company does not have, nor has it had since its incorporation, any employees.
- (c) Save as disclosed on paragraph 10 above, no Director has any interest direct or indirect in the promotion of the Company or in any assets which have been acquired or disposed of by or leased to the Company or are proposed to be acquired by, disposed of or leased to the Company, nor is there any contract or arrangement subsisting at the date of this document in which a Director is materially interested and which is unusual in its nature and conditions or significant in relation to the business of the Company.
- (d) The Company has not purchased or acquired nor agreed to purchase or acquire any property.

## **15. Inspection of Documents**

Copies of the following documents will be available for inspection at any time during normal business hours on any Business Day and copies may be obtained free of charge at the offices of the Administrator in Dublin:

- (a) the Constitution;
- (b) this Prospectus/Supplements/KIIDs;
- (c) the most recently published annual and half-yearly reports relating to the Company (where issued);
- (d) the Custodian Agreement;
- (e) the Investment Management Agreement;
- (f) the Administration Agreement;

(g) the Regulations; and

(h) the Act.

## APPENDIX I

### Stock Exchanges and Regulated Markets

With the exception of permitted investment in unlisted securities or in units of open-ended collective investment schemes, investment will be restricted to those stock exchanges and markets listed below in this Prospectus or any Supplement thereto or revision thereof. These stock exchanges and markets are listed in accordance with the regulatory criteria set out in the Central Bank UCITS Regulations, it being noted that the Central Bank does not issue a list of approved markets and exchanges:

1. All stock exchanges of the Member States of the European Union, Norway, Australia, Canada, Japan, New Zealand, Switzerland and the United States and the following stock exchanges:

Argentina	Buenos Aires Stock Exchange
Bahrain	Bahrain Stock Exchange
Bangladesh	Dhaka Stock Exchange
Botswana	Botswana Stock Exchange
Brazil	Rio de Janeiro Stock Exchange Sao Paulo Stock Exchange Bolsa de Mercadorias & Futuros
Chile	Bolsa de Comercio de Santiago Bolsa de Electronica Bolsa de Corredores de Valparaiso
China	Shanghai Stock Exchange Schenzhen Stock Exchange
Colombia	Bogota Stock Exchange Medelin Stock Exchange Cali Stock Exchange
Egypt	Cairo Stock Exchange
Ghana	Ghana Stock Exchange
Hong Kong	Hong Kong Stock Exchange
Iceland	Iceland Stock Exchange
India	National Stock Exchange Bombay Stock Exchange Delhi Stock Exchange Madras Stock Exchange
Indonesia	Jakarta Stock Exchange
Israel	Tel Aviv Stock Exchange
Jordan	Amman Financial Market

Kazakhstan	Kazakhstan International Stock Exchange and Central Asian Stock Exchange
Kenya	Nairobi Stock Exchange
Korea (Republic of)	Korean Stock Exchange (KOSDAQ)
Lebanon	Beirut Stock Exchange
Malaysia	Kuala Lumpur Stock Exchange
Mauritius	Mauritius Stock Exchange
Mexico	Bolsa Mexicana de Valores
Oman	Muscat Stock Exchange
Morocco	Casablanca Stock Exchange
Pakistan	Karachi Stock Exchange Lahore Stock Exchange Islamabad Stock Exchange
Peru	Lima Stock Exchange
Philippines	Philippines Stock Exchange
Singapore	Singapore Stock Exchange
South Africa	Johannesburg Stock Exchange
South Korea	Korean Stock Exchange
Sri Lanka	Colombo Stock Exchange
Thailand	Stock Exchange of Thailand
Taiwan	Taiwan Stock Exchange
Turkey	Istanbul Stock Exchange
Venezuela	Caracas Stock Exchange
Zimbabwe	Zimbabwe Stock Exchange

2. The following regulated markets:

- (a) the market organised by the International Capital Markets Association;
- (b) NASDAQ in the United States;
- (c) the market in US Government Securities conducted by primary and secondary dealers regulated by the Federal Reserve Bank of New York;
- (d) the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and the National Association of Securities Dealers (and by banking institutions regulated by

the US Controller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;

- (e) the market in the United Kingdom known previously as the “Grey Book Market” that is conducted through persons governed by Chapter 3 of the FCA’s Market Conduct Sourcebook (inter-professional conduct);
  - (f) AIM - the Alternative Investment Market in the UK, regulated and operated by the London Stock Exchange;
  - (g) the French market for “Titre de Creance Negotiable (over-the-counter market in negotiable debt instruments);
  - (h) the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;
  - (i) Russian Trading Systems RTS I and RTS II; and
  - (j) MICEX in Moscow.
3. For the purposes of investment in FDIs, a Fund will only invest in FDIs dealt in Regulated Markets in the European Economic Area (“EEA”) referred to above or in any of the other non-EEA markets referred to above.

The above markets and exchanges are listed in the Articles and in accordance with the requirements of the Central Bank, it being noted the Central Bank does not issue a list of approved markets or stock exchanges.

## APPENDIX II

### **A. Investment in Financial Derivative Instruments (“FDI”) - Efficient Portfolio Management**

The following provisions apply whenever a Fund proposes to engage in transactions in FDI including, but not limited to, futures, forwards (which may be used to manage currency risk), swaps, options, swaptions (which may be used to manage interest rate risk) and warrants (which may be used against currency risk or interest rate risk) where the transactions are for the purposes of the efficient portfolio management of the Fund and, where the intention is disclosed in the Fund’s investment policy, for investment purposes. Where the Company engages in transactions relation to FDI, the Company shall employ a risk management process to enable it to monitor and measure, on a continuous basis, the risk of all open derivative positions and their contribution to the overall risk profile of a Fund’s portfolio. The Company will, on request, provide supplemental 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.

The Company does not currently engage in either OTC financial derivative transactions or efficient portfolio management techniques pursuant to which collateral is received by the Company.

The conditions and limits for the use of such techniques and instruments in relation to each Fund are as follows:

1. a Fund’s global exposure relating to FDI must not exceed its total Net Asset Value. A Fund’s global exposure may be calculated using the commitment approach;
2. position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank Requirements (although this provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank Requirements);
3. a Fund may invest in FDI 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 (see Section D of this Appendix II); and
4. investments in FDI are subject to the conditions and limits laid down by the Central Bank which include cover requirements, calculation of exposure requirements and stress testing requirements.

### **B. Efficient Portfolio Management/Direct Investment - Other Techniques and Instruments**

In addition to the investments in FDI noted above in Section A of this Appendix II, the Company may employ other techniques and instruments relating to transferable securities which it reasonably believes to be economically appropriate to the efficient portfolio management of each Fund in accordance with the investment objectives of each Fund. Any other such techniques and instruments will be disclosed in the investment policy of the relevant Fund.

1. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management, including FDI which are not used for direct investment purposes, shall be understood as a reference to techniques and instruments which fulfil the following criteria:

- (a) they are economically appropriate in that they are realised in a cost-effective way;
- (b) they are entered into for one or more of the following specific aims:
  - (i) reduction of risk;
  - (ii) reduction of cost;
  - (iii) generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in the Regulations;
- (c) their risks are adequately captured by the risk management process of the Company; and
- (d) they cannot result in a change to the Fund's declared investment objective or add supplementary risks in comparison to the general risk policy as described in the sales documents.

The Investment Managers seek to ensure that the use of techniques and instruments for efficient portfolio management purposes are in accordance with the best interests of the Company.

2. Use of Repurchase/Reverse Repurchase and Securities Lending ("efficient portfolio management techniques").

*For the purposes of this section, "Relevant Institutions" refers to those institutions which are credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.*

**The Company, on behalf of a Fund, does not currently engage in efficient portfolio management techniques.** To the extent that the Company, on behalf of a Fund, does so, the use of such techniques will be subject to the following provisions:

1. Repurchase/reverse repurchase agreements and securities lending may only be effected in accordance with normal market practice.
2. Any counterparty to a repurchase/reverse repurchase agreement or securities lending arrangement shall be subject to an appropriate internal credit assessment carried out by the Company (or its delegate). Where such counterparty (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in (a) this shall result in a new credit assessment being conducted of the counterparty without delay.
3. The Company, on behalf of a Fund, must ensure that it is able at all times to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.
4. Where the Company, on behalf of a Fund, enters into a reverse repurchase agreement, it shall ensure that it is able at all times to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement shall be used for the calculation of the Net Asset Value of the relevant Fund.

5. Where the Company, on behalf of a Fund, enters into a repurchase agreement, it shall ensure that it is able at all times to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.
6. Fixed-term repurchase or reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.
7. Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 respectively of the Regulations.
8. The Company, on behalf of a Fund, does not currently engage in efficient portfolio management techniques. To the extent that it does and to the extent that direct and indirect operational costs/fees arising from efficient portfolio management techniques are deducted from the revenue delivered to the Fund (which costs and fees should not include hidden revenue), the Company will disclose the identity of the entity or entities to which the direct and indirect costs and fees are paid, indicating whether or not these are related parties to the Investment Manager or the Depositary.
9. All the revenues arising from efficient portfolio management techniques, net of direct or indirect operational costs, should be returned to the relevant Fund.
10. Any net exposure to a counterparty generated through a securities lending or repurchase agreement, where net exposure means the amount receivable by a Fund less any collateral provided by the relevant Fund, must be taken into account when calculating a Fund's compliance with relevant restrictions on issuer concentration.

### **C. Collateral Policy**

1. All assets received by the Company, on behalf of a Fund, in the context of efficient portfolio management techniques and/or OTC derivative transactions should be considered as collateral and should comply with the collateral policy set out below:
  - (a) Liquidity: collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the Regulations.
  - (b) Valuation: collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
  - (c) Issuer credit quality: collateral received should be of high quality. The Company (or its delegate) shall ensure that:
    - (i) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company (or its delegate) in the credit assessment process; and
    - (ii) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in subparagraph (i) immediately above this shall result in a new credit assessment being conducted of the issuer by the Company (or its delegate) without delay;
  - (d) Correlation: collateral received should be issued by an entity that is independent from the counterparty. There should be a reasonable ground for the Company (or its delegate) to expect that it would not display a high correlation with the performance of the counterparty; and

- (e) Diversification (asset concentration):
    - (i) subject to subparagraph (ii) immediately below, collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the relevant Fund's Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer;
    - (ii) a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, its local authorities, non-Member States or public international bodies of which one or more Member States are members provided such Fund receives securities from at least 6 different issues and securities from any single issue do not account for more than 30% of the relevant Fund's Net Asset Value. The Member States, local authorities, non-Member States or public international bodies issuing or guaranteeing securities that may be accepted as collateral for more than 20% of a Fund's Net Asset Value are identified in paragraph 2.12 of Appendix III.
  - (f) Immediately available: collateral received should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.
2. Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
  3. Collateral received on a title transfer basis should be held by the Depository. For other types of collateral arrangement, the collateral may be held by a third party depository/custodian provided that this depository/custodian is subject to prudential supervision and is unrelated and unconnected to the provider of the collateral.
  4. Non-cash collateral cannot be sold, pledged or re-invested.
  5. Cash collateral received by a Fund may not be invested other than in the following:
    - (a) deposits with Relevant Institutions (as defined above);
    - (b) high-quality government bonds;
    - (c) reverse repurchase agreements provided the transactions are with Relevant Institutions and the Company on behalf of a Fund is able to recall at any time the full amount of cash on an accrued basis; or
    - (d) short-term money market funds as defined in the ESMA ("European Securities and Markets Authority") Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

Invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the counterparty or with an entity that is related or connected to the counterparty. Exposures created through the reinvestment of collateral must be taken into account when calculating a Fund's compliance with UCITS restrictions on issuer concentration.

#### 6. Permitted types of collateral

Where the Company, on behalf of a Fund, receives collateral as a result of trading in OTC derivatives or as a result of engaging in efficient portfolio management

techniques, the Company intends, subject to the criteria set out at Section C. 1.(a)-(f), above, to accept collateral in the following form:

- (i) cash;
- (ii) government and government agency bonds with fixed interest rate payments with a minimum rating of Aaa/AAA by Moody's, Fitch and Standard & Poor's and a maximum maturity, or remaining maturity, of 30 years.

7. Level of collateral required

The value of any collateral received by the Company, adjusted in light of the haircut policy, must be marked to market daily and must equal or exceed, in value, at all times, the value of the amount invested or securities loaned.

8. Haircut Policy

Where the Company, on behalf of a Fund, receives non-cash collateral as a result of trading in OTC derivatives or as a result of engaging in efficient portfolio management techniques, a haircut will be applied to such collateral. Details of the Company's haircut policy will be set out here and each decision to apply a specific haircut or to refrain from applying a haircut to any specific class of assets will be justified and documented.

9. A Fund receiving collateral for at least 30% of its Net Asset Value should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Company, on behalf of the Fund, to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:

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

10. Reinvested Cash Collateral Risks

Where the Company, on behalf of a Fund, reinvests cash collateral this will generate market exposure in the expectation of generating capital gain. Where the reinvestment does not achieve this aim, and, instead the reinvestment generates a loss, the Fund will bear this loss and will be obliged to return to the counterparty the full value of the cash collateral originally invested (rather than the then current value market value of the cash collateral post reinvestment).

**D. Eligible Counterparties – OTC Derivatives**

1. The counterparty to an OTC derivative transaction must be one of the following:

- (a) a credit institution authorised in the European Economic Area (EEA) (European Union Member States, Norway, Iceland, Liechtenstein);
- (b) a credit institution authorised within a signatory state, other than a Member State of the EEA, to the Basel Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States);

- (c) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;
  - (d) an investment firm, which is authorised in accordance with the Markets in Financial Instruments Directive; or
  - (e) a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve.
2. Where a counterparty within the meaning of paragraph 1(d) or (e) above:
- (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account in the credit assessment process: and
  - (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) immediately above, this shall result in a new credit assessment being conducted of the counterparty without delay.
3. Where an OTC derivative is subject to a novation, the counterparty after the novation must be:
- (a) an entity that falls within any of the categories set out in paragraphs 1(a) – (e) of this Section D; or
  - (b) a central counterparty that is:
    - (i) authorised or recognised under EMIR; or
    - (ii) pending recognition by ESMA under Article 25 of EMIR, an entity classified:
      - A. by the SEC as a clearing agency: or
      - B. by the Commodity Futures Trading Commission of the United States of America as a derivatives clearing organisation.
- 4.
- (a) Risk exposure to the counterparty shall not exceed the limits set out in Regulation 70(1)(c) of the Regulations, assessed in accordance with subparagraph (b) below.
  - (b) In assessing risk exposure to the counterparty to an OTC derivative for the purpose of Regulation 70(1)(c) of the Regulations:
    - (i) the exposure to the counterparty shall be calculated using the positive mark-to-market value of the OTC derivative with the counterparty;
    - (ii) derivative positions with the same counterparty may be netted, provided that the Company, on behalf of the relevant Fund, is able to legally enforce netting arrangements with the counterparty. For this purpose netting is permissible only in respect of OTC derivatives with the same counterparty and not in relation to any other exposures the relevant Fund has with the same counterparty;
    - (iii) collateral received by the relevant Fund may be taken into account in order to reduce the exposure to the counterparty, provided that the collateral meets with relevant Central Bank Requirements (as set out at Section C. above).

## APPENDIX III

### Investment and Borrowing Restrictions

Investment of the assets of the relevant Fund must comply with the Regulations. The Regulations provide:

<b>1</b>	<b>Permitted Investments</b>
<b>1.1</b>	Investments of a Fund are confined to: Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments, as defined in accordance with the Central Bank Requirements, other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of AIFs.
<b>1.6</b>	Deposits with credit institutions as prescribed in the Central Bank's Requirements.
<b>1.7</b>	Financial derivative instruments as prescribed in the Central Bank's Requirements.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	A Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1 and in accordance with the Central Bank's Requirements..
<b>2.2</b>	A Fund may invest no more than 10% of its Net Asset Value in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by the Fund in certain 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 Exchange Commission within one year of issue; and</li> <li>- the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.</li> </ul>
<b>2.3</b>	A Fund may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
<b>2.4</b>	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Fund. <b>This restriction need not be included unless it is intended to avail of this provision and reference must be made to the fact that this requires the prior approval of the Central Bank.</b>

<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.
<b>2.6</b>	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.
<b>2.7</b>	Each Fund may not invest more than 20% of net assets in deposits made with the same credit institution.
	<p>Deposits with any one credit institution, other than</p> <ul style="list-style-type: none"> <li>• a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein);</li> <li>• 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</li> <li>• a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand</li> </ul> <p>held as ancillary liquidity, must not exceed 10% of net assets.</p> <p>This limit may be raised to 20% in the case of deposits made with the trustee/Depositary.</p>
<b>2.8</b>	The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.
	This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand
<b>2.9</b>	<p>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:</p> <ul style="list-style-type: none"> <li>- investments in transferable securities or money market instruments;</li> <li>- deposits, and/or</li> <li>- counterparty risk exposures arising from OTC derivatives transactions.</li> </ul>
<b>2.10</b>	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
<b>2.11</b>	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.
<b>2.12</b>	<p>A Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.</p> <p>The individual issuers 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</p>

	<p>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 and Straight - A Funding LLC.</p> <p>The Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
<b>3</b>	<b>Investment in Collective Investment Schemes (“CIS”)</b>
<b>3.1</b>	A Fund may not invest more than 20% of net assets in any one CIS.
<b>3.2</b>	Investment in AIFs may not, in aggregate, exceed 30% of net assets.
<b>3.3</b>	The CIS are prohibited from investing more than 10% of net assets in other open-ended CIS.
<b>3.4</b>	When a Fund invests in the units of other CIS that are managed, directly or by delegation, by any other company with which the Company is linked by common management or control, or by a substantial direct or indirect holding, that other company may not charge subscription, conversion or redemption fees on account of the Fund’s investment in the units of such other CIS.
<b>3.5</b>	Where a commission (including a rebated commission) is received by the Fund or Investment Manager by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.
<b>4</b>	<b>Index Tracking UCITS</b>
<b>4.1</b>	A Fund 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>	<p>A Fund may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
<b>5.3</b>	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> </ul>

	<p>(iv) shares held by a Fund in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.</p> <p>(v) Shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</p>
<b>5.4</b>	A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
<b>5.5</b>	The Central Bank may allow recently authorised Fund to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of 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 Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its 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 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 Fund may hold ancillary liquid assets.
<b>6</b>	<b>Borrowing Restrictions</b>
<b>6.1</b>	The Company may not borrow, other than borrowings which in the aggregate do not exceed 10% of the Net Asset Value of the Fund and provided that this borrowing is on a temporary basis. The Depositary may give a charge on the assets of the Fund in order to secure borrowings. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding;
<b>6.2</b>	The Company may acquire foreign currency by means of a back-to-back loan. Foreign currency obtained in this manner is not classed as borrowings for the purpose of the borrowing restriction in paragraph (a), provided that the offsetting deposit: (i) is denominated in the base currency of the Fund and (ii) equals or exceeds the value of the foreign currency loan outstanding. However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purposes of paragraph (a) above, and in Regulation 103(1).

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

## APPENDIX IV

### List of Depositary Sub-Delegates

The list of entities appointed by Caceis as sub-custodians (as at the date of this Prospectus) is set out below. The use of any particular sub-custodian(s) to safe-keep assets of the Funds will depend on the markets in which the Funds invest.

<b>CACEIS Sub-Custodians as at 1 October 2016 (including sub-delegates where applicable)</b>	
<b>NAME OF COUNTRY</b>	<b>SUB-CUSTODIAN</b>
<b>EUROPE</b>	
BELGIUM	CACEIS BANK, PARIS
CYPRUS	HSBC SECURITIES SERVICES, HSBC BANK PLC, ATHENS
DENMARK	DANSKE BANK A/S, COPENHAGEN
FINLAND	<b>SKANDINAVISKA ENSKILDA BANKEN, HELSINKI</b>
FRANCE	<b>CACEIS BANK, PARIS</b>
GERMANY	<b>CACEIS BANK DEUTSCHLAND, MUNICH</b>
GREECE	<b>HSBC SECURITIES SERVICES, HSBC BANK PLC, ATHENS</b>
ICELAND	<b>ARION BANK HF, REYKJAVIK</b>
IRELAND	<b>HSBC SECURITIES SERVICES, LONDON</b>
ITALY	INTESA SANPAOLO SPA, MILANO
LUXEMBOURG	CLEARSTREAM BANKING, LUXEMBOURG
THE NETHERLAND	CACEIS BANK, PARIS
NORWAY	<b>DNB BANK, ASA OSLO</b>
PORTUGAL	<b>BANCO SANTANDER TOTTA, LISBOA</b>
SPAIN	<b>SANTANDER SECURITIES SERVICES S.A.</b>
SWEDEN	<b>SE BANKEN, STOCKHOLM</b>
SWITZERLAND	<b>CACEIS BL NYON BRANCH</b>
TURKEY	<b>DEUTSCHE BANK A.S., ISTANBUL</b>
UNITED KINGDOM	<b>HSBC, LONDON</b>
AUSTRIA	<b>RAIFFEISEN BANK INTERNATIONAL AG, VIENNA</b>
POLAND	<b>BANK PEKAO S.A.</b>
<b>EASTERN EUROPEAN STATES</b>	
BALTIC STATES (Estonia, Latvia, Lithuania)	UNICREDIT BANK AUSTRIA (which sub-delegates to SEB Bank, Estonia for all three countries)
BOSNIA	UNICREDIT BANK AUSTRIA (which sub-delegates to UniCredit Bank d.d.)
BULGARIA	UNICREDIT BANK AUSTRIA (which sub-delegates to UniCredit Bulbank, Sofia)
CROATIA	UNICREDIT BANK AUSTRIA (which sub-delegates to Zagrebacka Banka Zagreb)
ROMANIA	UNICREDIT BANK AUSTRIA (which sub-delegates to UniCredit Bank S.A., Bucharest)
SERBIA	UNICREDIT BANK AUSTRIA (which sub-delegates to UniCredit Bank Serbia Belgrade)
UKRAINE	UNICREDIT BANK AUSTRIA (which sub-delegates to

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<b>NAME OF COUNTRY</b>	<b>SUB-CUSTODIAN</b>
	Ukrsozbank, Kiev)
RUSSIA	UNICREDIT BANK
SLOVENIA	UNICREDIT BANK
HUNGARY	UNICREDIT BANK
SLOVAKIA	UNICREDIT BANK
CZECH REPUBLIC	UNICREDIT BANK
<b>AMERICAS</b>	
BRAZIL	ITAU UNIBANCO S.A., SAO PAULO
CANADA	CIBC MELLON, TORONTO
CHILE	BANCO DE CHILE, SANTIAGO DE CHILE
COLOMBIA	CITITRUST COLOMBIA S.A.
MEXICO	BANCO SANTANDER (MEXICO) S.A.
PERU	CITIBANK DEL PERU
USA	BROWN BROTHERS HARRIMAN, NEW YORK
VENEZUELA	CITIBANK CARACAS, VENEZUELA
<b>ASIA</b>	
BANGLADESH	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, DHAKA
CHINA SHANGHAI (USD)	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (CHINA) B SHARES
CHINA SHENZHEN (HKD)	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (CHINA) B SHARES
HONG KONG	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, HONG KONG
HONG KONG (A SHARES)	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, HONG KONG
INDIA	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, INDIA
INDONESIA	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, JAKARTA BRANCH
JAPAN	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, TOKYO
KOREA (SOUTH)	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SEOUL
MALAYSIA	HSBC, KUALA LUMPUR
PAKISTAN	STANDARD CHARTERED BANK, KARACHI
PHILIPPINES	HSBC, MANILLA
SINGAPORE	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE
SRI LANKA	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, COLOMBO
TAIWAN	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, TAIPEI
THAILAND	THE HONGKONG AND SHANGHAI BANKING

<b>CACEIS Sub-Custodians as at 1 October 2016 (including sub-delegates where applicable)</b>	
<b>NAME OF COUNTRY</b>	<b>SUB-CUSTODIAN</b>
	<b>CORPORATION LIMITED, BANGKOK</b>
VIETNAM	<b>HSBC BANK (VIETNAM) LTD</b>
KAZAKHSTAN	<b>BNY MELLON BRUSSELS</b> (which sub-delegates to JSC Citibank Kazakhstan)
<b>AFRICA</b>	
BOTSWANA	<b>STANDARD CHARTERED BANK (BOTSWANA) LIMITED</b>
EGYPT	<b>CITIBANK, CAIRO</b>
GHANA	<b>STANDARD CHARTERED BANK, GHANA</b>
IVORY COAST	<b>STANDARD CHARTERED BANK, CÔTE D'IVOIRE</b>
KENYA	<b>STANDARD CHARTERED BANK (KENYA) LIMITED</b>
MOROCCO	<b>ATTIJARIWafa BANK, CASABLANCA</b>
MAURITIUS	<b>STANDARD CHARTERED BANK (MAURITIUS) LTD</b>
SOUTH AFRICA	<b>JOHANNESBURG STANDARD BANK OF SOUTH AFRICA</b>
ZIMBABWE	<b>STANDARD CHARTERED BANK, HARARE</b>
NIGERIA	<b>JOHANNESBURG STANDARD BANK OF SOUTH AFRICA</b> (which sub-delegates to Stanbic IBTC Bank plc)
ZAMBIA	<b>JOHANNESBURG STANDARD BANK OF SOUTH AFRICA</b> (which sub-delegates to Stanbic Bank Zambia Ltd.)
<b>MIDDLE EAST</b>	
ISRAEL	<b>HAPOALIM BANK, TEL AVIV</b>
JORDAN	<b>STANDARD CHARTERED BANK, JORDAN</b>
BAHRAIN	<b>BNY MELLON, BRUSSELS</b> (which sub-delegates to HSBC Bank Middle East, Manama)
KUWAIT	<b>BNY MELLON, BRUSSELS</b> (which sub-delegates to HSBC Bank Middle East, Kuwait)
LEBANON	<b>BNY MELLON, BRUSSELS</b> (which sub-delegates to HSBC Bank Middle East, Beirut)
OMAN	<b>BNY MELLON, BRUSSELS</b> (which sub-delegates to HSBC Bank Middle East, Ruwi)
QATAR	<b>BNY MELLON, BRUSSELS</b> (which sub-delegates to HSBC Bank Middle East, Doha)
UNITED ARAB EMIRATES	<b>BNY MELLON, BRUSSELS</b> (which sub-delegates to HSBC Bank Middle East, Dubai)
<b>OCEANIA</b>	
AUSTRALIA	<b>HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED</b>
NEW ZEALAND	<b>HSBC NOMINEES (NEW ZEALAND) LIMITED</b>

Up-to-date information regarding the entities to whom safekeeping of the Company's assets have been delegated or sub-delegated shall be made available to investors upon request to the Company