

# PROSPECTUS

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## **Lightrock UCITS ICAV**

(an open-ended Irish Collective Asset-management Vehicle with registered number C511266 and established as an umbrella fund with segregated liability between sub-funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended))

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Dated 14 October 2024

## IMPORTANT INFORMATION

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

### Reliance on Prospectus

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

### Central Bank authorisation

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

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

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

**Where disclosed in the relevant Supplement, a Sub-Fund may charge all or part of its fees and expenses to the capital of the Sub-Fund. This will have the effect of lowering the capital value of an investor's investment, and the capital of the relevant Sub-Fund may be eroded. Thus, on redemptions of holdings, investors may not receive back the full amount invested. Where applicable the rationale will be set out in the Supplement for the relevant Sub-Fund together with appropriate risk disclosure and in particular noting that it will have the effect of lowering the capital value of a Shareholder's investment.**

**Where applicable the rationale will be set out in the Supplement for the relevant Fund together with appropriate risk disclosure and in particular noting that it will have the effect of lowering the capital value of a Shareholder's investment.**

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

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

### Structure

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

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

### Offer

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

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

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

### Restrictions on Distribution

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

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

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

## Distribution in the EEA

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

## Distribution outside the EEA

**Cayman Islands:** The Fund does not intend to establish a place of business or otherwise intend to conduct business in the Cayman Islands. Accordingly, the Fund should not be subject to the supervision of any Cayman Islands authority.

**Hong Kong:** WARNING – The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. Prospective investors are advised to exercise caution in relation to the offer. If a prospective investor is in any doubt about any of the contents of this Prospectus it should obtain independent professional advice. The Fund is a collective investment scheme but is not authorised under Section 104 of the Securities and Futures Ordinance of Hong Kong (the “SFO Ordinance”). Accordingly, the distribution of this Prospectus, and the placement of Shares in Hong Kong, is restricted. This Prospectus may only be distributed, circulated or issued to persons who are “professional investors” as defined in the SFO Ordinance and any rules made under the SFO Ordinance or otherwise permitted by the SFO Ordinance.

**Singapore:** This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor pursuant to Section 304 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) or (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

## Risk Factors

**Investment in a Sub-Fund carries substantial risk. There can be no assurance that a Sub-Fund’s investment objective will be achieved and investment results may vary**

**substantially over time. Investment in a Sub-Fund is not intended to be a complete investment programme for any investor. Prospective investors should carefully consider whether an investment in Shares is suitable for them in light of their circumstances and financial resources (see Appendix 2 – Risk Factors).**

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

**If you are in any doubt about the contents of this Prospectus you should consult your professional advisers.**

### **Forward-Looking Statements**

This Prospectus, including information included or incorporated by reference in this Prospectus, may contain “forward-looking statements” concerning the Fund and each Sub-Fund. Generally, the words “will”, “may”, “should”, “continue”, “believes”, “expects”, “intends”, “anticipates”, “projects” or similar expressions identify forward-looking statements. Such forward-looking statements involve risks, uncertainties and other factors, which may cause the actual results, performance or achievements of, or developments affecting, the Fund, or industry results, to be materially different from any future results, performance, achievements or developments expressed or implied by such forward-looking statements, and as such, no representation or warranty is made as to future performance or such forward-looking statements. Such risks, uncertainties and other factors include, among others, those factors described in Appendix 2 – Risk Factors below such as general economic and business conditions, changes in technology, government policy, the ability to attract and retain personnel and the behaviour of other market participants, as well as, but not limited to, the following:

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

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

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

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## DIRECTORY

### Lightrock UCITS ICAV

**Registered Office**

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Ireland

**Directors**

Fionán Breathnach (Chair)  
Arun Neelamkavil  
Chris Kaashoek

**Secretary**

Simmons & Simmons Corporate Services  
Limited  
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Dublin 2  
Ireland

**Manager**

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3521 AZ Utrecht  
The Netherlands

**Administrator**

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

**Depositary**

Northern Trust Fiduciary Services (Ireland)  
Limited  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

**Legal Advisers as to Irish law**

Simmons & Simmons LLP  
Grand Canal Quay  
Dublin 2  
Ireland

**Auditor**

EY  
Harcourt centre  
EY Building  
Harcourt Street  
Dublin 2  
Ireland

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

### Investment Objective and Policy

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

### Changes to the Investment Objective and Investment Policy

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

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

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

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

### Efficient Portfolio Management

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

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

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

All capital or income received from efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the relevant Sub-Fund by the responsible person.

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



## Securities Financing Transactions

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

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

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

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

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

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

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

While the Fund will conduct appropriate due diligence in the selection of counterparties, including consideration of the legal status, country of origin, credit rating and minimum credit rating (where relevant), it is noted that the UCITS Rules do not prescribe any pre-trade eligibility criteria for counterparties to Securities Financing Transactions.

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

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

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

#### OTC Derivatives and Collateral Policy

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

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

Collateral posted by a counterparty for the benefit of a Sub-Fund may be taken into account as reducing the exposure to such counterparty. Each Sub-Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits are not breached. Counterparty risk may be reduced to the extent that the value of the collateral received corresponds with the value of the amount exposed to counterparty risk at any given time.

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

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

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

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

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

Collateral received must, at all times, meet with the specific criteria outlined in the UCITS Rules, in particular, the Manager, on behalf of each Sub-Fund, shall apply suitably conservative haircuts to assets being received as collateral where appropriate on the basis of an assessment of the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of any stress tests performed as referred to above. The Manager has determined that generally if issuer or issue credit quality of the collateral is not of the necessary quality or the collateral carries a significant level of price volatility with regard to residual maturity or other factors, a conservative haircut must be applied in accordance with more specific guidelines as will be maintained in writing by the Manager on an ongoing basis. To the extent that a Sub-Fund avails of the increased issuer exposure facility permitted by the UCITS Rules, such increased issuer exposure may be to any of the issuers listed in the investment restrictions set out herein.

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

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

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

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

Invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral outlined above. Invested cash collateral may not be placed on deposit with the relevant counterparty or a related entity. Exposure created through the reinvestment of collateral must be taken into account in determining risk exposures to a

counterparty. Re-investment of cash collateral in accordance with the provisions above can still present additional risk for the Sub-Fund.

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

### EU Benchmark Regulation

The EU Benchmark Regulation entered into force in June 2016 and became fully applicable in the EU on 1 January 2018 (save that certain provisions, including those related to 'critical benchmarks', which took effect as at 30 June 2016), subject to certain transitional provisions. The EU Benchmark Regulation applies to 'contributors' to, 'administrators' of, and 'users' of benchmarks in the EU. The EU Benchmark Regulation will, among other things, (a) require EU benchmark administrators to be authorised or registered and to comply with requirements relating to the administration of benchmarks, (b) prohibit the use in the EU of benchmarks provided by EU administrators which are not authorised or registered in accordance with the EU Benchmark Regulation, and (c) prohibit the use in the EU of benchmarks provided by non-EU administrators which are not (i) authorised or registered and subject to supervision in a jurisdiction in respect of which an 'equivalence' decision has been adopted in accordance with the EU Benchmark Regulation, or (ii) where such equivalence decision is pending, 'recognised' by the competent authorities of the applicable Member State(s). An exception to this is that a benchmark provided by a non-EU administrator can itself be endorsed for use in the EU by an EU authorised or registered administrator or an EU-based supervised entity, following authorisation of the endorsement by the relevant competent authority.

The EU Benchmark Regulation requires the Fund to produce and maintain a robust contingency plan setting out the actions that it would take in the event that a benchmark (as defined by the EU Benchmark Regulation) materially changes or ceases to be provided.

The Fund is required under the EU Benchmark Regulation to use only benchmarks which are provided by authorised benchmark administrators that are present in the register of administrators maintained by ESMA, pursuant to Article 36 of the EU Benchmark Regulation.

### Impact of EU Securitisation Rules

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

In such cases, a Sub-Fund may be characterised as an "institutional investor" for the purposes of the Securitisation Regulation and as such shall be directly subject to obligations outlined in the Securitisation Regulation with respect to the relevant Securitisation Positions it holds/proposes to hold. This includes a range of specific due diligence measures that must be considered in respect of the relevant Sub-Fund in advance of holding a Securitisation Position. In particular, the Sub-Fund will be required to verify that the originator, sponsor or original lender of the Securitisation Position that it proposes to hold is complying with the requirement to retain on an ongoing basis a material net economic interest in the relevant securitisation (the "Risk Retention Requirement"). Additionally, where a Sub-Fund is exposed to a Securitisation Position that no longer meets the requirements provided for in the Securitisation Regulation, the Manager shall, in the best interests of the investors in the Sub-Fund, act and take corrective action, if appropriate.

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

#### Reference to Ratings

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

#### Investment Restrictions

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

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

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

## EU Sustainable Finance Disclosure Regulation

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

### Sustainability risks

A policy in respect of the integration of sustainability risks in the Manager's investment decision making process will be adopted as required in respect of a Sub-Fund. Further information on this policy is set out below under "Responsible investing".

### Principal adverse impacts

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

### Sub-Fund categorisation under SFDR

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

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

### Responsible investing

A Sustainability Risks Policy may be implemented in relation to a Sub-Fund, information in respect of which is available in the relevant Supplement.

### Taxonomy

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

## DIRECTORS

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

The Directors will review the operations of the Fund at regular meetings which will take place on at least a quarterly basis and more frequently as required. The Directors will receive periodic reports from the Manager, the Administrator and the Depositary. The Manager will provide such other information as may from time to time be reasonably required by the Directors for the purpose of those meetings.

The Directors are:

### **Fionán Breathnach (Irish Resident) (Chair)**

Fionán Breathnach is a professional independent non-executive director and a qualified solicitor in Ireland. Mr Breathnach established the Irish office of international law firm Simmons & Simmons LLP in 2018 and led that office, and its Asset Management and Investment Funds practice, for five years as Country Head. He began his career in 1992, training with Irish law firm William Fry and working in its Asset Management practice. In 1997, he was appointed General Counsel at Bank of Bermuda's Irish operations and in 2000, he joined the Banking and Financial Services practice of Landwell in Ireland. Mr Breathnach joined Mason Hayes & Curran in 2003, establishing that firm's Investment Funds and Financial Regulation practice, which he led for 14 years before joining Simmons & Simmons LLP. Mr Breathnach has 30 years' experience in the investment funds industry, both in private practice and in industry. He is a law graduate of Trinity College, Dublin, and was awarded a Certified Diploma in Accounting and Finance by the ACCA in 2000.

Mr Breathnach is independent of the Manager.

### **Arun Neelamkavil (Irish Resident)**

Arun Neelamkavil is a professional independent non-executive director and previously Head of Business & Product Development in Juniper Place Investor Intelligence Limited, where he acted as an advisor to investment managers on marketing and asset raising strategies. Mr Neelamkavil has worked in financial services for over 15 years, commencing his career in this area as Director in Prime Services in Credit Suisse Europe Ltd, where he held the position of head of the European Business Consulting team. Mr Neelamkavil then relocated to Citigroup Centre where he became head of the Prime Brokerage Sales & Relationship Management team. Mr Neelamkavil worked as Co-lead Investment Management with Deloitte & Touche Ireland, where he provided investment management and consultancy services. Here he also adopted the role of Brexit management and crisis management lead. Mr Neelamkavil has a Bachelor of Engineering in Computer Engineering from Trinity College Dublin and a Masters of Science in Computer Science from the University of North Carolina.

Mr Neelamkavil is independent of the Manager.

### **Chris Kaashoek**

Chris Kaashoek is a portfolio manager at the Manager. Mr Kaashoek has over 18 years' experience in the financial services industry. Prior to joining Lightrock, Mr Kaashoek worked as a senior portfolio manager within the Global small-cap team at Van Lanschot Kempen. Mr

Kaashoek previously worked at a subsidiary of HAL Investments, managing a private equity portfolio of industrials companies. Mr Kaashoek started his career as an equity analyst within the securities department of Kempen & Co.

Mr Kaashoek holds a Bachelor of Science degree in International Economics and Finance and a Master of Science degree in Investment Analysis from Tilburg University.



## MANAGER

The Fund has appointed Lightrock Netherlands B.V. as the UCITS management company in respect of the Fund pursuant to the Management Agreement.

The Manager will be responsible for the management and general administration of the Fund with power to delegate such functions subject to the overall supervision and control of the Directors. In accordance with the requirements of the Central Bank, the Manager delegates certain of its fund administration duties to the Administrator. The liability of the Manager to the Fund will not be affected by the fact that it has delegated certain of its functions.

The Manager was incorporated on 20 February 2023 and is registered in the Netherlands as a Dutch private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid), having its registered office at Stadsplateau 27, 3521 AZ Utrecht, the Netherlands.

The Manager is part of the Lightrock group of companies (the "Lightrock Group") which employs a diverse team of more than 90 professionals from more than 14 different countries and across four continents with headquarters in London, combining extensive experience in impact investing, a strong track record in leadership, entrepreneurship and impact management, with extensive networks regionally and globally and providing non-correlated and consistent alpha generating investments to those seeking shelter from volatility in global markets.

The Manager is a specialist investment, ESG and impact firm, engaging in such capacity with investment funds with in excess of €2 billion in assets under management. As part of the Lightrock Group, the Manager's very purpose is ESG and impact investing. The Lightrock Group's ESG and impact services has resulted in the backing of impactful companies across the themes of People, Planet, and Productivity from its offices across Europe, Africa, India, and Latin America. The Manager has developed a proprietary impact assessment based on industry best practices, to determine a portfolio company's potential to create positive impact and to assess the risks that could lower the effects of same.

In addition to the impact framework described above, the Manager has developed a proprietary ESG scoring framework. As part of that analysis, sustainability risks and corresponding indicators that are material will be taken into consideration and will be subject to further due diligence. The Manager also employs a proprietary ESG scoring model, with separate scores for Environmental, Social, and Governance risk and risk mitigation.

The directors of the Manager are as follows:

### **Mark Pleaner (United Kingdom Resident)**

Mark Pleaner is the Chief Risk and Compliance Officer at the Manager. Mr Pleaner also serves as the CCO of Lightrock Group, and has over 15 years' experience in the financial services industry. Prior to joining Lightrock, Mr Pleaner worked as Senior Compliance Manager for LeapFrog Investments, Vice President at Goldman Sacs International and Compliance Officer at Investec plc. Mr Pleaner started his career as a financial crime investigator at the Financial Conduct Authority.

Mr Pleaner holds an LLB and Bachelor of Arts with Honours in Applied Psychology from the University of the Witwatersrand and qualified as a solicitor in South Africa.

**Chris Kaashoek (Netherlands Resident)**

Please see biographical information included in “Directors” above.

**Daria Bakatina (United Kingdom Resident)**

Daria Bakatina is the Chief Finance and Operations Officer at the Manager. Ms Bakatina also serves as a CFO of Lightrock Group, and as a Board Director of a few Lightrock Operating companies. Prior to joining Lightrock, Ms Bakatina was the Director of Operations of McKinsey & Company Europe. Ms Bakatina’s prior experiences include being the CFO for McKinsey & Company EEMA, as well as a management consultant in McKinsey & Company Scandinavia office.

Ms Bakatina holds a Master of Science degree in Strategy from the Norwegian School of Economics.

**Maarten Vankan (Netherlands Resident)**

Maarten Vankan is a portfolio manager at the Manager. Mr Vankan has over 20 years’ experience in the financial services industry. Before joining Lightrock, Mr Vankan was a senior portfolio manager within the Global small-cap team at Van Lanschot Kempen. Mr Vankan spent his career mostly as a buy-side portfolio manager and previously worked for Cyrte Investment, ABN AMRO Asset Management and Aegon Asset Management.

Mr Vankan holds Master of Science degree in Econometrics / Quantitative Finance from Tilburg University and a is CFA charter holder.

The Directors meet regularly to review the investment and administrative affairs of the Fund.

## **ADMINISTRATOR**

The Manager has appointed Northern Trust International Fund Administration Services (Ireland) Limited as administrator, registrar, transfer agent of the Fund pursuant to an administration agreement dated 3 April 2024 (the "Administration Agreement") as amended, novated or supplemented from time to time.

The Administrator is a private limited liability company incorporated in Ireland on 15 June 1990 and is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors.

The Administrator is authorised by the Central Bank to provide administration services to collective investment schemes.

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

The Administrator is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Fund and is responsible and liable only for the administration services that it provides pursuant to the Administration Agreement. The Administrator will not participate in any investment decision-making process.

The Administrator is a service provider and is not responsible for the preparation of this document or the activities of the Fund and therefore accepts no responsibility for any information contained in this Prospectus other than the description of the Administrator contained in this section.

## DEPOSITARY

The Fund has appointed Northern Trust Fiduciary Services (Ireland) Limited to act as its depositary pursuant to a depositary agreement dated 3 April 2024 (the “Depositary Agreement”) as amended, novated or supplemented from time to time.

The Depositary is a private limited liability company incorporated in Ireland on 5 July 1990. Its main activity is the provision of custodial services to collective investment schemes. The Depositary is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world’s leading providers of global custody and administration services to institutional and personal investors. As at 30 June 2024 the Northern Trust Group’s assets under custody/administration totalled in excess of US\$16.6 trillion.

The duty of the Depositary is to provide safekeeping/custody, oversight and asset verification services in respect of the assets of the Fund in accordance with the provisions of the UCITS Rules and the Depositary Agreement. The Depositary will also provide cash monitoring services in accordance with the provisions of the UCITS Rules and the Depositary Agreement in respect of the Fund’s cash flows and subscriptions. Assets of the Fund held in custody by the Depositary shall not be reused by the Depositary for its own account.

Under the terms of the Depositary Agreement, the Depositary has power to delegate the whole or any part of its depositary functions subject to and in accordance with the requirements of the UCITS Rules. Save as is summarised below, its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. In summary, in order for the Depositary to discharge its liability for loss of custody investments by a sub-custodian, the Depositary must exercise care and diligence in the selection of a sub-custodian as safekeeping agent so as to ensure that it has and maintains the expertise, competence and standing appropriate to discharge its responsibilities as sub-custodian; the Depositary must maintain an appropriate level of supervision over each sub-custodian and make appropriate enquiries, periodically, to confirm that the obligations of such sub-custodians continue to be competently discharged; and the Depositary must enter into an agreement with the Fund to discharge that liability in accordance with the UCITS Rules. The Depositary may also discharge itself of liability in accordance with UCITS Rules where it is required by the Fund to appoint a local agent in a market where no local agent meets the requirements applicable to the selection and appointment of sub-custodians under the UCITS Rules. In the foregoing circumstances, it may be possible for the Fund to have a claim against the particular local agent. However, there is no guarantee that such claim will be enforceable or successful under local law.

A list of sub-custodians which may be appointed by the Depositary are set out at Appendix 4.

Conflicts of interests may arise as a result of the delegation arrangements where the Depositary has delegated the safekeeping of the assets of the Fund to an entity within the same corporate group as the Depositary. In such a case, the Depositary shall ensure that policies and procedures are in place to identify all conflicts of interests arising and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Depositary will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the Fund and/or the Shareholders.

The Fund will disclose to investors before they invest in the Fund any arrangement made by the Depositary, to contractually discharge itself of liability. In the event that there are any changes to Depositary liability, the Fund will inform Shareholders of such changes without delay. At the date of this Prospectus, no such arrangements have been made.

The Depositary is a service provider to the Fund and is not responsible for the preparation of this document or the activities of the Fund and therefore accepts no responsibility for any information contained in this document. The Depositary will not participate in any investment decision-making process. Up-to-date information regarding the identity of the Depositary, duties of the Depositary, any conflicts of interest that may arise and the safekeeping functions delegated by the Depositary, including a list of delegates and subdelegates and any conflicts of interest that may arise from such delegation will be made available to investors by the Fund on request.

The Fund reserves the right to change the depositary arrangements described above by agreement with the Depositary.

## SUBSCRIPTIONS

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

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

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

### Subscription Price

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

### Procedure

Applicants for Shares, including Shareholders wishing to apply for additional Shares, must send their completed and executed Application Form along with the Anti-Money Laundering supporting documentation to the Administrator so as to be received by the Administrator by such time as is set out in the relevant Supplement (with the original duly completed Application Form mailed to the Administrator immediately thereafter). Cleared funds should be sent to the Administrator so as to be received by the same time unless otherwise provided for in the relevant Supplement.

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

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

Subscription monies must be paid into the bank account, as further detailed in the Application Form, and any interest on subscription monies will accrue to the relevant Sub-Fund. Applications for Shares will not be approved and Shares will not be issued until receipt of notification that an applicant's funds have been cleared in the full amount of the subscription.

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

Before submitting an initial application for Shares in a Sub-Fund, an applicant for Shares should open an account with the Fund by completing an account opening form (the "Account Opening Form") and submitting it by facsimile or electronic means to the Administrator, together with any documentation required to verify the identity of the applicant for Shares for anti-money laundering purposes. The Administrator will review the form on behalf of the Fund and once all anti-money laundering requirements have been met, will issue a confirmation to the applicant for Shares, in the form of an account number, that the account has been opened on their behalf.

A written confirmation in the form of a contract note will be issued to successful applicants confirming acceptance of their application. Once applications have been received they are irrevocable. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of electronic written instructions from the relevant Shareholder.

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

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

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

### Minimum Amounts

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

### Ineligible Applicants

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

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

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

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

- (d) such issue or transfer will not cause any assets of the Fund to be “plan assets” for the purposes of ERISA or Section 4975 of the Code; and
- (e) such issue or transfer will not result in any adverse regulatory or tax consequences to the Fund or its Shareholders.

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

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

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

#### Form of Shares

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

#### In Specie Subscription

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

#### Anti-Money Laundering

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



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

In order to comply with Irish law, the Administrator will require verification of identity, the identity of their beneficial owners/controllers (where applicable) and the source of funds from all subscribers. Depending on the circumstances of each subscription, it may not be necessary under the Anti-Money Laundering and Counter Terrorist Financing Legislation to obtain full documentary evidence of identity in situations where the Anti-Money Laundering and Counter Terrorist Financing Legislation allow simplified due diligence to be applied. Verification documentation may, however, be required before any payment is made back to the applicant; e.g. any dividend or redemption proceeds.

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

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

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

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

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

## REDEMPTIONS

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

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

### Redemption Price

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

### Notice Period and Procedure

To redeem Shares, a Shareholder must send a completed and executed redemption request by facsimile, by electronic means or by such other means as the Directors may (with the consent of the Administrator) prescribe from time to time (where such means are in accordance with the requirements of the Central Bank) and must quote the relevant account number, the relevant Sub-Fund(s), Class and any other information which the Administrator reasonably requires, and be signed by or on behalf of the Shareholder before payment of redemption proceeds can be made.

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

A redemption request, once given, is irrevocable except with the consent of the Directors (which may be withheld in their absolute discretion) or as specified under "Suspension of Net Asset Value".

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

### Suspension

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

### Settlement

Payment of redemption proceeds in respect of a Sub-Fund will generally be made within such number of days from the applicable Redemption Day as outlined in the relevant Supplement subject to a maximum of 10 Business Days between submission of a redemption request and settlement. Cash redemption proceeds will be paid in the currency in which the Shares are redeemed by direct transfer, at the Shareholder's risk and cost, to the account from which the subscription monies for the Shares were originally debited (unless otherwise agreed by the

Fund and the Administrator) and otherwise in accordance with instructions given by the redeeming Shareholder to the Administrator.

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

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

#### Compulsory Redemptions

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

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

#### In Specie Redemptions

Redemptions may, at the discretion of the Directors and with the consent of the redeeming Shareholder where less than 5% of the Net Asset Value of the relevant Sub-Fund, be effected in specie by the transfer to the redeeming Shareholder of assets of the relevant value (which will conclusively be determined by the Directors in good faith) in satisfaction or part satisfaction of the redemption proceeds, provided any such transfer does not materially prejudice the interests of the remaining Shareholders as a whole.

The nature and type of assets to be transferred in specie to each Shareholder will represent a cross-section of the portfolio insofar as possible in the determination of the Directors in consultation with the Manager, each acting reasonably, subject to the approval of the Depositary as to the allocation of assets on such basis as the Directors in their discretion shall otherwise deem equitable.

A redemption in specie may be effected in the discretion of the Fund in the event that a Shareholder requests redemption of a number of Shares representing 5% or more of the Net Asset Value of the relevant Sub-Fund. In this event the Fund will, if requested, sell the assets on behalf of the Shareholder and the cost of the sale will be borne by the Shareholder.

#### Limitations on Redemptions

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

#### Anti-Money Laundering

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

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

## EXCHANGE OF SHARES

A Shareholder may, with the prior consent of the Directors, from time to time exchange all or any portion of Shares of a particular Class (the "Original Shares") having such minimum value at the time of the exchange as may be determined by the Directors from time to time into Shares of another Class (the "New Shares") either existing or agreed to be brought into existence ("Exchange"). The number of New Shares to be issued on Exchange shall be determined by the Directors in accordance (or as nearly as may be in accordance) with the following formula:

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

where:

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

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

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

A Shareholder shall provide instructions to the Administrator with respect to the exchange of Shares by 5.00pm (Irish time) on the Business Day prior to the Subscription Day as defined in the relevant Supplement.

## NET ASSET VALUE

### Determination of Net Asset Value

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

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

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

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

### Valuation of Assets

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

1. Any security which is listed or quoted on any securities exchange or similar electronic system and regularly traded thereon will be valued at the latest mid-market price. If no trades occurred on that day, it will be valued at the average of the closing bid price and the closing offer price as at the relevant Valuation Day, as adjusted in such manner as the Directors, in their sole discretion, think fit having regard to the size of the holding. Where prices are available on more than one exchange or system for a particular security, the price will be the latest mid-market price on the exchange which constitutes the main market for the security or the one which the Directors, in their sole discretion, determine provides the fairest criteria in ascribing a value to the security. Securities listed or traded on any securities exchange, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued by a competent person, firm or corporation (including any Investment Manager) selected by the Directors and approved for the purpose by the Depositary, taking into account the level of premium or discount at the Valuation Point provided that the Depositary shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security

2. Any value of any security which is not quoted, listed or dealt in on a recognised exchange or which is so quoted, listed or dealt but for which no such quotation or value is available or the available quotation or value is not representative of the fair market value shall be the probable realisation value as estimated with care and good faith by:
  - (1) the Directors; or
  - (2) a competent person, firm or corporation (including the Manager) and approved for the purpose by the Depositary.

Where reliable market quotations are not available for fixed income securities the value of such securities may be determined using matrix methodology compiled by the Directors whereby such securities are valued by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics.

3. Forward currency exchange contracts will be valued by reference to the price at which a new forward contract of the same size and maturity could be undertaken.
4. Investments other than securities that are dealt in or traded through a clearing firm, an exchange or a financial institution will be valued by reference to the most recent official settlement price quoted by that clearing house, exchange or financial institution. If there is no such price, then the average will be taken between the lowest offer price and the highest bid price at the close of business on any market on which the relevant investments are or can be dealt in or traded. Where the investment is dealt in or traded on more than one market, the Directors may determine the applicable market in their discretion.
5. Investment other than securities that are not dealt in or traded through a clearing firm, an exchange or a financial institution will be valued on the basis of the latest available valuation provided by the relevant counterparty or an independent valuation agent.
6. Deposits will be valued at their cost plus accrued interest as at the close of business on the relevant Valuation Day.
7. Units in other CIS shall be valued at the latest available net asset value per unit or bid price as published by the relevant CIS or, if listed or traded on a recognised exchange, in accordance with (A) above.
8. Cash in hand or on deposit will be valued at its nominal/face value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.
9. In the event of it being impossible, impractical or incorrect to carry out a valuation of a specific financial instrument in accordance with the valuation rules set out above, or if such valuation is not representative of a financial instrument's fair market value and the Directors deem it necessary to do so, the Directors are entitled to use other generally recognised valuation methods in order to reach a proper valuation of that specific financial instrument, provided that any alternative method of valuation is approved by the Depositary.

The Manager may, at its discretion, permit any other method of valuation to be used if it considers that the other method of valuation better reflects value generally or in particular markets or market conditions and is in accordance with good accounting practice. Such other method of valuation shall be approved by the Depositary.

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

### Responsibility for Net Asset Value

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

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

### Net Asset Value Information

The Net Asset Value of a Sub-Fund and the Net Asset Value per Share of each Class, together with details of the historical performance of a Sub-Fund, will be sent to Shareholders of that Sub-Fund by the Administrator. The most recent Net Asset Value per Share of each Class is also available from the Administrator on request.

### Dilution Adjustment

Investment and/or disinvestment costs may have an adverse effect on the Shareholders' interests in a Sub-Fund. In order to prevent this effect, called "dilution", the Net Asset Value per Share will be adjusted by a swing factor which is determined by taking into account dealing costs such as spreads, market impact, foreign exchange costs, broker-commissions, fiscal charges and any other costs which would be payable on the effective acquisition or disposal of assets in the relevant Sub-Fund. The adjustment will be an addition when the net movement results in an increase of all Shares of the relevant Sub-Fund and a deduction when it results in a decrease. The Fund has implemented a swing pricing mechanism policy, which has been approved by the Directors as well as specific operational procedures governing the day-to-day application of the swing-pricing mechanism. The swing pricing policy may be obtained free of charge during normal office hours at the registered office of the Fund. The Directors have consented to the Fund, acting through the Manager, to approve changes in the swing factors applied. The maximum swing factor that can be applied is 3% (upwards or downwards). In market conditions which are considered to be exceptional by the Manager, the swing factor could be increased to a maximum of 5%. Exceptional market conditions may include those described in the paragraph entitled "General Investment and Market Risks" section of Appendix 2 – Risk Factors section of this Prospectus. The applicable swing factor will be determined by the Fund on the basis of the above described components. Typically all swing factors will be reviewed on a quarterly basis to ensure the appropriate level of protection. In market conditions which are considered to be exceptional by the Manager, such review will take place more frequently, including where required, on a daily basis.

Procedure: If the net capital activity on a given Valuation Day leads to a net inflow or outflow of assets in the relevant Sub-Fund, the Net Asset Value used to process all subscriptions, redemptions or conversions in such a Sub-Fund is adjusted up or downwards by the swing



factor. The swing pricing mechanism is applied on the capital activity at the level of a Sub-Fund and does not address the specific circumstances of each individual investor transaction. The decision to swing is based on the overall net inflow or outflows of assets into the relevant Sub-Fund, and not per Class of Shares. The swing pricing adjustments aim to protect the overall performance of a Sub-Fund, to the benefit of the existing/remaining Shareholders.

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

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

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

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

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

Notice of any suspension and its termination will be given to Shareholders. All reasonable steps will be taken to bring any period of suspension to an end as soon as possible after the conditions for the suspension have ended. The Central Bank will be notified of any such suspension.

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

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

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

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

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

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

costs incurred in the disposal of such investments shall be borne by the investor. The Founder Shares do not entitle the holders to participate in the dividends or net assets of any Sub-Fund.

## **FEES AND EXPENSES**

### Management Fee

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

### Investment Management Fee

An Investment Manager will be entitled to receive an Investment Management Fee in respect of each Sub-Fund as specified in the relevant Supplement. The amount of the Investment Management Fee for each of the various Classes of each Sub-Fund is calculated as a percentage per annum of the Net Asset Value of the relevant Class. The Investment Manager may be paid different Investment Management Fees in respect of individual Classes as disclosed in the relevant Supplement, which may be higher or lower than the Investment Management Fees applicable to other Classes. Unless otherwise specified in the relevant Supplement, the Investment Management Fees are calculated and accrued daily, and payable by the Sub-Fund as soon as possible after month-end.

### Administrator Fees

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

### Depositary Fees

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

### Directors

The Instrument provides that the remuneration of the Directors may be determined from time to time by a resolution of the Directors. The annual remuneration of any one Director shall not exceed €30,000 (exclusive of VAT). Such annual fees may be increased by a resolution of the Directors at any time including, without limitation, to take account of additional board meetings and notified in advance to the Shareholders. Mr Kaashoek has waived his right to receive an annual fee in respect of his role as director of the Fund. The Directors may be paid travel, accommodation and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Fund or in connection with the business of the Fund.

### Establishment Costs

All fees and expenses relating to the establishment of the Fund and the first Sub-Fund, including the fees of the Fund's professional advisers, any establishment fees charged by the Depositary or Administrator amounted to approximately €100,000 and will be paid by the initial Sub-Fund out of the proceeds of the initial issue of Shares. The Directors have resolved to amortise these costs and expenses on a straight line basis over a period of 5 years from the date on which the initial Sub-Fund commences business. The Directors may, in their absolute discretion, shorten the period over which these costs and expenses are amortised.

### Operating Expenses and Fees

Expenses paid by the Fund throughout the duration of the Fund, in addition to fees and expenses payable to the Manager, Administrator, the Depositary, the relevant Investment Manager, the Secretary to the Fund ("Secretary") and any paying agent appointed by or on behalf of the Fund include but are not limited to brokerage and banking commissions and charges, ongoing legal and other professional advisory and consultancy fees, auditing fees (unless disclosed otherwise in the relevant Supplement), dissemination to databases, interest on borrowings, taxes and governmental expenses applicable to the Fund (including levies payable to the Central Bank), Directors' professional indemnity insurance, the costs of any amalgamation or restructuring of the Fund or any Sub-Fund, the costs of winding up the Fund or terminating any Sub-Fund, all other liabilities and contingent liabilities of the Fund of whatsoever kind in each case together with any applicable value added tax.

An estimated accrual for operating expenses of the Fund will be provided for in the calculation of the Net Asset Value of each Sub-Fund. Operating expenses and the fees and expenses of service providers which are payable by the Fund shall be borne by all Sub-Funds in proportion to the Net Asset Value of the relevant Sub-Fund or other methods, which will be fair and equitable to investors, or attributable to the relevant Class provided that fees and expenses directly or indirectly attributable to a particular Sub-Fund or Class shall be borne solely by the relevant Sub-Fund or Class.

Investment research costs, regulatory fees (other than applicable Central Bank levies), translation and accounting expenses, costs and expenses of preparing, translating, printing, updating and distributing the Fund's Prospectus and Supplements, annual and semi-annual reports and other documents furnished to current and prospective Shareholders, stock exchange listing fees, all expenses in connection with registration, listing and distribution of the Fund (which may include any distribution support) and Shares issued or to be issued, all expenses in connection with obtaining and maintaining a credit rating for any Sub-Funds or Classes or Shares, expenses of Shareholders' meetings, will be paid by the Manager from its own resources and not by the Fund.

### Remuneration Policy

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

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

Details of the up-to-date remuneration policy of the Manager (including, but not limited to: (i) a description of how remuneration and benefits are calculated; (ii) the identities of persons responsible for awarding the remuneration and benefits; and (iii) the composition of the remuneration committee, where such a committee exists) will be available by means of a

website <https://smallcap.lightrock.com/#info> and a paper copy will be made available to Shareholders free of charge upon request.

## CONFLICTS OF INTEREST

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

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

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

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

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

No Investment Manager or any of its or their affiliates or any person connected with any of them is under any obligation to offer investment opportunities of which any of them becomes aware to the relevant Sub-Fund or to account to the relevant Sub-Fund in respect of (or share with the relevant Sub-Fund or inform the relevant Sub-Fund of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the relevant Sub-Fund and other clients. Each of the parties will use its reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be



resolved fairly. In relation to co-investment opportunities which arise between the Fund and other clients of the Manager, the Manager will ensure that the Fund participates fairly in such investment opportunities.

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

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

## TAXATION

The following is based on the Fund's understanding of certain aspects of the law and practice currently in force in Ireland. There can be no guarantee that the tax position or proposed tax position at the date of this Prospectus or at the time of an investment will endure indefinitely.

**Investors should consult their professional advisers on the possible tax and other consequences of their subscribing for, purchasing, holding, selling, exchanging or redeeming Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.**

### Ireland

The income and gains (if any) that the relevant Sub-Fund receives from its investments (other than securities of Irish issuers) and assets may be subject to taxes, including withholding taxes in the territory where such income and gains arise, which may not be reclaimable in those territories. The relevant Sub-Fund, in certain circumstances, may not be able to benefit from the applicable reduced rates of withholding tax provided in double taxation agreements between Ireland and such territories. If this position changes in the future and the application of a lower withholding tax rate results in a repayment to the relevant Sub-Fund, the Net Asset Value will not be restated and the benefit will be allocated to the existing investors rateably at the time of repayment.

The Directors have been advised that on the basis that the Fund is Resident in Ireland for taxation purposes and the relevant Sub-Fund is not regarded as an 'IREF' (Irish Real Estate Fund) within the meaning of Section 739K of the Taxes Acts, the taxation position of the Fund and the Shareholders is as set out below.

Under current Irish law and practice, the Fund qualifies as an 'investment undertaking' for the purposes of Section 739B of the Taxes Act. Accordingly, it is generally not chargeable to Irish tax on its income and gains other than gains arising on chargeable events.

A chargeable event includes:

1. any payments of a distribution to a Shareholder;
2. any encashment, repurchase, redemption, cancellation or transfer of Shares;
3. the appropriation or cancellation of Shares for the purposes of meeting the tax arising on certain chargeable events that do not involve the making of a payment to a Shareholder (including but not limited to the transfer by a Shareholder, by way of sale or otherwise of entitlement to a Share); and
4. the ending of a Relevant Period.

Where a chargeable event occurs, the Fund is required to account for the Irish tax thereon, other than in certain limited circumstances. A chargeable event does not include:

1. any exchange by a Shareholder, effected by way of a bargain made at arm's length by the Fund, of the Shares in a relevant Sub-Fund for other Shares in another Sub-Fund;
2. any transaction in relation to Shares which are held in a recognised clearing system as designated by order of the Revenue Commissioners;

3. certain transfers of Shares between spouses/civil partners and former spouses/civil partners;
4. an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the Fund with another investment undertaking;
5. an exchange of Shares arising on a scheme of amalgamation (within the meaning of Section 739D(8C) of the Taxes Act), subject to certain conditions; and
6. an exchange of Shares arising on a scheme of migration and amalgamation (within the meaning of Section 739D(8D) of the Taxes Act), subject to certain conditions.

A gain shall not be treated as arising on the happening of a chargeable event (and thus the Fund will not be obliged to account for tax in relation to that event) in certain limited circumstances including where the chargeable event occurs in respect of a Shareholder who is:

1. an Exempt Non-Resident Investor or
2. an Exempt Irish Investor at the time of the chargeable event.

#### *Tax payable*

Where none of the relieving provisions outlined above have application, the Fund is liable to account for Irish tax on gains arising on chargeable events as follows:

1. where the chargeable event relates to a Share held by a Shareholder that is a company and that company has made a declaration to the Fund that it is a company and that declaration contains the Irish corporation tax reference number with respect to the company, at a rate of 25%;
2. where (A) above does not apply, at a rate of 41%;

Where the chargeable event is as a consequence of the ending of a Relevant Period, if less than 10% of the Shares (by value) in the Fund are held by Irish Resident Shareholders, who are not Exempt Irish Investors, the Fund may elect not to account for Irish tax on this chargeable event. To claim this election, the Fund must:

1. confirm to the Revenue Commissioners, on an annual basis, that this 10% requirement is satisfied and provide the Revenue Commissioners with details of any Irish Resident Shareholders, who are not Exempt Irish Investors, (including the value of their Shares and their Irish tax reference numbers); and
2. notify any Irish Resident Shareholders, who are not Exempt Irish Investors, that the Fund is electing to claim this exemption.

If the exemption is claimed by the Fund, any Irish Resident Shareholders, who are not Exempt Irish Investors, must pay to the Revenue Commissioners on a self-assessment basis the Irish tax which would otherwise have been payable by the Fund on the ending of the Relevant Period (and any subsequent ending of a Relevant Period).

To the extent that any tax is paid on a chargeable event that occurs solely as a consequence of the ending of a Relevant Period, such tax will be allowed a credit or paid by the Fund to the Shareholder on the happening of a subsequent chargeable event in accordance with the provisions of section 739E of the Taxes Act.

If the Fund becomes liable to account for tax if a chargeable event occurs, the Fund shall be entitled to deduct from the payment arising on the chargeable event (if applicable), any amount equal to the appropriate tax arising on that chargeable event. If no such payment is made (a chargeable event arising on a transfer or the ending of a Relevant Period) the Fund may appropriate or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as are required to meet the amount of tax.

The holding of Shares at the end of each Relevant Period will constitute a chargeable event. To the extent that any tax arises on such a chargeable event, such tax will be allowed as a credit against any tax payable on a subsequent chargeable event whether the ending of a subsequent Relevant Period or encashment, redemption, cancellation or transfer of the relevant Shares.

The relevant Shareholder shall indemnify and keep the Fund indemnified against loss arising to the Fund by reason of the Fund becoming liable to account for tax on the happening of a chargeable event if such deduction, appropriation or cancellation has been made.

#### *Dividend Withholding Tax*

Distributions paid by the Fund are not subject to Irish dividend withholding tax provided the Fund continues to be a collective investment undertaking as defined in Section 172A(1) of the Taxes Act.

Dividends received by the Fund from investment in Irish equities may be subject to Irish dividend withholding tax at a rate of 25%. However, where the Fund makes an appropriate declaration pursuant to paragraph 6, Schedule 2A of the Taxes Act to the payer that it is an investment undertaking within the meaning of Section 739B of the Taxes Act, the Fund will be entitled to receive such dividends without deduction of Irish dividend withholding tax.

#### *Stamp Duty*

On the basis that the Fund qualifies as an investment undertaking within the meaning of Section 739B of the Taxes Act, generally, no stamp duty will be payable in Ireland on the issue, transfer or redemption of Shares. However, where any subscription for or redemption of Shares is satisfied by an in-kind or in specie transfer of Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or properties.

Generally, no Irish stamp duty will be payable by the Fund on the conveyance or transfer of stock or marketable securities of a company not registered in Ireland, 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 or a Qualifying Company) which is registered in Ireland.

#### *Capital Acquisitions Tax*

On the basis that the Fund qualifies as an investment undertaking within the meaning of Section 739B of the Taxes Act, the disposal of Shares will not be within the charge to Irish capital acquisitions tax provided that:

1. the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date;
2. the donor is not domiciled or Ordinarily Resident in Ireland at the date of the disposition; and
3. the beneficiary is not domiciled or Ordinarily Resident in Ireland at the date of the gift or inheritance.

For the purpose of Irish tax residency for capital acquisitions tax purposes, special rules apply for non-Irish domiciled persons. A non-Irish domiciled donee or disponent will not be treated as Resident in Ireland or Ordinarily Resident in Ireland at the relevant date except where that person has been Resident in Ireland for five consecutive years of assessment immediately preceding the year of assessment in which the date of the gift or inheritance falls and that person is either Resident in Ireland or Ordinarily Resident in Ireland on that date.

#### *Personal Portfolio Investment Undertaking*

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

#### *Currency Gains*

If Shares are not denominated in Euro, a Shareholder who is not an Exempt Non-Resident Investor, may be liable (on a self-assessment basis) to Irish capital gains taxation, currently at the rate of 33%, on any currency gain arising on the redemption or transfer of their Shares.

#### United Kingdom

##### *The Fund*

The Directors intend that the affairs of the Fund should be managed and conducted so that it does not become resident in the UK for UK taxation purposes. Accordingly, and provided that the Fund is not trading in the UK through a fixed place of business or agent situated therein that constitutes a “permanent establishment” for UK taxation purposes and that all its trading transactions in the UK are carried out through a broker or investment manager acting as an agent of independent status in the ordinary course of its business, the Fund will not be subject to UK corporation tax or income tax on its profits. The Directors of the Fund and the Manager each intend that the respective affairs of the Fund and the Manager are conducted so that these requirements are met, insofar as this is within their respective control. However, it cannot be guaranteed that the necessary conditions will at all times be satisfied.

Certain interest and other amounts received by the Fund which have a UK source may be subject to withholding or other taxes in the UK.

### *Shareholders*

Subject to their personal circumstances, Shareholders resident in the UK for taxation purposes will be liable to UK income tax or corporation tax in respect of dividends or other distributions of an income nature made by the Fund, whether or not such dividends or distributions are reinvested, together with their share of income retained by a reporting fund (as to which see below). The nature of the charge to tax and any entitlement to a tax credit in respect of such dividends or distributions will depend on a number of factors which may include the composition of the relevant assets of the relevant Sub-Fund and the extent of a Shareholder's interest in the relevant Sub-Fund.

The Offshore Funds (Tax) Regulations 2009 (the "Offshore Funds Regulations") set out the regime for the taxation of investments in offshore funds (as defined in the UK Taxation (International and Other Provisions) Act 2010 ("TIOPA 2010")) which operates by reference to whether a fund opts into a reporting regime ("reporting funds") or not ("non-reporting funds"). If an investor who is resident in the UK for taxation purposes holds an interest in an offshore fund that does not have reporting fund status throughout the period during which the investor holds that interest, any gain accruing to the investor upon the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income ("offshore income gains") and not as a capital gain. Investors in reporting funds are subject to tax on the share of the reporting fund's income attributable to their holding in the fund, whether or not distributed, and any gains on disposal of their holding would be taxed as capital gains. Investors in non-reporting funds would not be subject to tax on income retained by the non-reporting fund.

The Shares will constitute interests in an offshore fund. The Directors have applied to the United Kingdom HM Revenue & Customs in respect of some or all Classes and may apply in respect of other Classes for recognition as a reporting fund. Please refer to the website of the United Kingdom HM Revenue & Customs at <https://www.gov.uk/government/publication/offshore-funds-list-of-reporting-funds> for details of the Classes for which reporting fund status has been granted.

The effect of obtaining and maintaining such status for a particular Class throughout a Shareholder's relevant period of ownership would be that any gains on disposal of such Shares would be taxed as capital gains. However, there can be no guarantee that reporting fund status will be obtained and/or maintained for any Class in relation to which an application is made. Were such application to be unsuccessful or such status subsequently to be withdrawn, any gains arising to Shareholders resident in the UK on a sale, redemption or other disposal of Shares (including a deemed disposal on death) would be taxed as offshore income gains rather than capital gains. Any gains arising to Shareholders resident in the UK on a sale, redemption or other disposal of Shares of a Class that does not have reporting fund status (including a deemed disposal on death) will be taxed as offshore income gains rather than capital gains. Costs associated with applying for, and maintaining, reporting fund status may be charged to the relevant Shareholder(s), unless the Directors in their sole discretion decide otherwise.

Persons within the charge to UK corporation tax should note that the regime for the taxation of most corporate debt contained in the United Kingdom Corporation Tax Act 2009 (the "loan relationships regime") provides that, if at any time in an accounting period of such a person, that person holds an interest in an offshore fund within the meaning of the relevant provisions of the Offshore Funds Regulations and TIOPA 2010, and there is a time in that period when

that fund fails to satisfy the “qualifying investments” test, the interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime. An offshore fund fails to satisfy the qualifying investments test at any time when more than 60% of its assets by market value (excluding cash awaiting investment) comprise “qualifying investments”. Qualifying investments include government and corporate debt securities, cash on deposit, certain derivative contracts and holdings in other collective investment schemes which at any time in the accounting period of the person holding the interest in the offshore fund do not themselves satisfy the qualifying investments test. The Shares will constitute such interests in an offshore fund and on the basis of the investment policies of the Fund, the Fund could fail to satisfy the qualifying investments test. In that eventuality, the Shares will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on the Shares in respect of such a person’s accounting period (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a “fair value accounting” basis. Accordingly, such a person who acquires Shares in the Fund may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares). In 2013, the UK Government consulted on the future of the loan relationships regime, including on proposals potentially to reform this aspect of the regime.

#### *Anti-avoidance*

Individuals resident in the UK for taxation purposes should note that Chapter 2 of Part 13 of the United Kingdom Income Tax Act 2007 contains anti-avoidance provisions dealing with the transfer of assets to overseas persons that may in certain circumstances render such individuals liable to taxation in respect of undistributed income profits of the Fund.

Persons resident in the UK for taxation purposes should note the provisions of section 3 of the United Kingdom Taxation of Chargeable Gains Act 1992 (formerly section 13 of the same Act) (“section 3”). Section 3 could be material to any such person who has an interest in the Fund as a “participator” for UK taxation purposes (which term includes a shareholder) at a time when any gain accrues to the Fund (such as on a disposal of any of its investments) which constitutes a chargeable gain or an offshore income gain if, at the same time, the Fund is itself controlled in such a manner and by a sufficiently small number of persons as to render the Fund a body corporate that would, were it to have been resident in the UK for taxation purposes, be a “close” company for those purposes. The provisions of section 3 would result in any such person who is a Shareholder being treated for the purposes of UK taxation as if a part of any chargeable gain or offshore income gain accruing to the Fund had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person’s proportionate interest in the Fund. No liability under section 3 could be incurred by such a person, however, in respect of a chargeable gain or an offshore income gain accruing to the Fund if the aggregate proportion of that gain that could be attributed under section 3 both to that person and to any persons connected with him for UK taxation purposes does not exceed one quarter of the gain. In addition, section 3 does not apply where the asset giving rise to the gain was neither disposed of nor acquired or held as part of a scheme or arrangements having a tax avoidance main purpose. In the case of Shareholders who are individuals domiciled outside the UK, section 3 applies subject to the remittance basis in particular circumstances. Companies resident in the UK for taxation purposes should note the “controlled foreign companies” legislation contained in Part 9A of TIOPA 2010 (the “CFC rules”). The CFC rules could in particular be material to any company that has (either alone or together with persons connected or associated with it for UK taxation purposes) an interest in 25% or more of the “chargeable profits” of the Fund if the Fund is controlled (as “control” is defined in section 371RA of TIOPA 2010) by persons (whether companies, individuals or others) who are resident in the UK for taxation purposes or is

controlled by two persons taken together, one of whom is resident in the UK for tax purposes and has at least 40% of the interests, rights and powers by which those persons control the Fund, and the other of whom has at least 40% and not more than 55% of such interests, rights and powers. The effect of the CFC rules could be to render such companies liable to UK corporation tax by reference to their proportionate interest in the chargeable profits of the Fund. The chargeable profits of the Fund do not include any capital gains.

#### *Transfer taxes*

Transfers of Shares will not be liable to UK stamp duty unless the instrument of transfer is executed within the UK when the transfer will be liable to UK *ad valorem* stamp duty at the rate of 0.5% of the consideration paid rounded up to the nearest £5. No UK stamp duty reserve tax is payable on transfers of Shares, or agreements to transfer Shares.

The preceding paragraphs, which are intended as a general guide only and do not constitute tax advice, are based on current UK tax legislation and what is understood to be the current practice of the United Kingdom HM Revenue & Customs as at the date of this Prospectus. If a Shareholder is in any doubt as to their taxation position or if a Shareholder is subject to tax in any jurisdiction in addition to or other than the UK, they should consult an appropriate professional adviser immediately. It should be noted that the levels and bases of, and reliefs from, taxation can change.

#### Other Jurisdictions

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

#### General

The receipt of dividends (if any) by Shareholders, the redemption, redesignation or transfer of Shares and any distribution on a winding-up of a Sub-Fund may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Fund. The Directors, the Fund and each of the Fund's agents shall have no liability in respect of the individual tax affairs of Shareholders.

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



## GENERAL AND STATUTORY INFORMATION

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

### The Fund

The Fund was incorporated with limited liability in Ireland on 22 March 2023 as an Irish Collective Asset-management Vehicle under the provisions of the ICAV Act. The sole object of the Fund is the collective investment in either or both transferable securities and other liquid financial assets referred to in Regulation 68 of the UCITS Regulations of capital raised from the public and which operates on the principle of risk spreading.

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

### Share capital of the Fund

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

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

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

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

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

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

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

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

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

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

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

Separate records shall be maintained in respect of each Class.

#### Reports and Accounts

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

The initial audited accounts were made up to 31 December 2023.

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

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

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

#### Change in share capital

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

For so long as the share capital is divided into different Classes of Shares, the rights attached to any Classes of Shares may be varied by consent in writing of holders of not less than three quarters of the issued Shares of that Class of Shares or with the sanction of a special resolution

(a three quarters majority of votes cast) passed at a general meeting of the holders of the Shares of that Class of Shares.

### Transfer of Shares

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

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

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

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

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

### Hedged Classes

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

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

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

Where there is more than one hedged Class in a Sub-Fund denominated in the same currency (which is a currency other than the Base Currency of the relevant Sub-Fund) and it is intended to hedge the foreign currency exposure of such Classes into the Base Currency of the relevant Sub-Fund, any costs related to such hedging along with all gains/losses which may be made by any Class of any Sub-Fund as a result of such hedging transactions shall accrue to the relevant Class of Shares.

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

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

The currency hedging strategy will be monitored and adjusted in line with the valuation cycle at which investors are able to subscribe to and redeem from the relevant Sub-Fund.

#### Distribution Policy

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

The Directors intend to declare dividends (where relevant) yearly for each Sub-Fund. Details of the intended dividend declaration date will be set out in the relevant Supplement.

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

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

The Directors may satisfy any dividend due to Shareholders in whole or in part by distributing to them in specie any of the assets of the relevant Sub-Fund, and in particular any investments to which the relevant Sub-Fund is entitled. A Shareholder may require the Fund instead of transferring any assets in specie to him, to arrange for a sale of the assets and for payment

to the Shareholder of the net proceeds of same. The Fund will be obliged and entitled to deduct an amount in respect of Irish taxation from any dividend payable to a Shareholder in any Sub-Fund who is or is deemed to be an Irish Resident and pay such sum to the Revenue Commissioners.

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

Payment will be made to the bank account detailed on the Application Form or as subsequently notified to the Administrator. No distribution payment will be made to a Shareholder until the original Application Form and all documentation required by or on behalf of the Fund has been received from the Shareholder and the anti-money laundering procedures have been completed.

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

The distribution policy for each Sub-Fund is set out in the relevant Supplement.

### Cash Accounts

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

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

Should the Fund be unable to issue Shares to an applicant who has paid the requisite subscription amount to the Fund but has yet to provide the Fund or the Administrator with all requisite information or documentation in order to verify the applicant's identity, the Administrator shall ensure that in the event that such subscription proceeds cannot be applied,

they will be returned to the relevant applicant without interest as soon as reasonably practicable, in accordance with and subject to applicable laws.

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

In respect of a redemption request, the Fund or the Administrator may refuse to remit the redemption proceeds until such time as the investor has provided the requisite information or documentation to the Fund or the Administrator, as requested by the Fund or the Administrator from time to time. In such circumstances, the Administrator will nevertheless process the redemption request (and from the Redemption Day the Shareholder will no longer be considered a shareholder of the Fund) but the proceeds of that redemption will be held as an asset of the Fund in cash in a cash account until such time as the Fund or the Administrator has received all requisite information or documentation and has verified the investor's identity to its satisfaction, following which the redemption proceeds will be released. In this regard, the relevant investor should seek to promptly address the reason for the Fund or the Administrator being unable to pay the redemption proceeds to the relevant investor. In respect of such compulsory redemption proceeds that are unable to be paid and until such time as the redemption proceeds have been released to the Shareholder, in the event of the Fund becoming insolvent, the Shareholder will rank as a general unsecured creditor of the Fund in respect of such redemption proceeds.

#### Publication of prices

The most recent Net Asset Value per Share and the issue and repurchase process of the Shares on each Subscription Day and Redemption Day is/are available from the Administrator on request.

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

#### Notification of change of investor status

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

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

indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

#### Legal implications of investment in a Sub-Fund

The main legal implications of the contractual relationship entered into for the purpose of investment in a Sub-Fund are as follows:

1. By submitting an Application Form to the Administrator, the investor makes an offer to subscribe for Shares which, once it is accepted by the Fund, has the effect of a binding contract. The terms of this contract are governed by the Application Form, read together with the Prospectus.
2. Upon the issue of Shares, an investor becomes a member of the Fund, and the Instrument takes effect as a statutory contract between the Shareholders and the Fund.
3. The Instrument may only be amended in accordance with the ICAV Act.
4. A Shareholder's liability to the Fund will generally be limited to the amount, if any, unpaid on the Shares held by that Shareholder.
5. The Instrument and the Application Form are each governed by and construed in accordance with the laws of Ireland.
6. Statutory enforcement in Ireland of civil or commercial judgments obtained in a foreign jurisdiction is available, subject to satisfying certain conditions, in respect of such judgments originating in other European Union member states (under Council Regulation (EU) No 1215/2012 of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters and Council Decision 2006/325/EC of 27 April 2006 concerning the Agreement between the European Community and the Kingdom of Denmark on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters) and in respect of such judgments originating in Norway, Iceland or Switzerland (under the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters signed at Lugano on 30 October 2007 as applied in Ireland by Part IIIA of the Jurisdiction of Courts and Enforcement of Judgments Act 1998 as amended). Additionally, a final and unappealable judgment originating in any other foreign jurisdiction which imposes a liability to pay a liquidated sum will be recognised and enforced in the courts of Ireland at common law, without any re-examination of the merits of the underlying dispute, provided such judgment satisfies certain criteria.

None of the agreements appointing the Manager, the Administrator, the Depositary, the Auditor, the Legal Advisers or any of the Fund's other service providers provides for any third party rights for investors.

In the absence of a direct contractual relationship between a Shareholder and a service provider, Shareholders generally have no direct rights against that service provider and there are only limited circumstances in which a Shareholder may potentially bring a claim against that service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Fund by the relevant service provider is, prima facie, the Fund.

#### Retirement of Directors

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

### Meetings

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

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

### Indemnity

The Directors and other officers of the Fund are entitled to be indemnified by the Fund from the assets of the relevant Sub-Fund against all expenses (including legal fees), losses or liabilities which they sustain or incur in or about the execution of their duties, provided that such Director or other officer acted honestly and in good faith with a view to the best interests of the Fund and had no reasonable cause to believe that his conduct was unlawful. The determination of the Directors in this respect is, in the absence of fraud, negligence or wilful default, conclusive unless a question of law is involved. The Directors and other officers of the Fund are entitled to be indemnified by the Fund on the same basis against expenses, losses or liabilities sustained or incurred by them in or about the execution of their duties.

### Other Service Providers

#### *Auditor*

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

#### *Legal Advisers*

Simmons & Simmons LLP is legal adviser to the Fund and as to matters of Irish law. In connection with the offering of Shares and subsequent advice to the Fund and, where applicable, the Manager, Simmons & Simmons LLP has not been representing nor will it represent investors in any Sub-Fund in that capacity.



## *Secretary*

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

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

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

## *Paying Agents/Representatives/Distributors*

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

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

Investors who do not themselves wish to be registered as Shareholders may use the services of a nominee. Where Shares are held through a nominee, those underlying investors who avail of the services of such nominee may be obliged to pay a fee directly to it in relation to the subscription, repurchase or conversion of Shares, details of which will be provided by the nominee.

## Material contracts

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

1. A Management Agreement dated 14 October 2024 between the Fund and the Manager which provides that the Manager shall be responsible for the investment management and administration functions of the Fund. The Management Agreement shall continue in force until terminated by any of the parties on 180 days' notice in writing to the other party. Notwithstanding the foregoing, either party may at any time terminate the Management Agreement forthwith by notice in writing to the other party if at any time: (i) either party shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the other party) or be unable to pay its debts or commit any act of bankruptcy under the laws of Ireland or if a receiver is appointed over any of the assets of the other party or if some event having an equivalent effect occurs; or if (ii) the Manager ceases to be permitted

to act as manager under any applicable laws; or if (iii) either party commits any material breach of the Management Agreement and shall not have remedied such breach (if capable of remedy) within thirty days of notice requiring the same to be remedied; or if (iv) an examiner, administrator or similar person is appointed to either party. The Fund shall hold harmless and indemnify the Manager its affiliates and their employees and directors against all actions, proceedings and claims and against all costs, demands, loss and expenses (including legal and professional fees) arising therefrom which may be brought against the Manager by reason of its duties arising under the terms of the Management Agreement other than as a result of the negligence, recklessness, wilful misconduct, bad faith or fraud of the Manager

2. An Administration Agreement dated 3 April 2024 between the Fund, the Manager and the Administrator, as novated, under which the latter was appointed as administrator to administer the affairs of the Fund subject to the overall supervision of the Directors. The Administration Agreement provides that the appointment of the Administrator will continue in force unless terminated by either party giving at least ninety (120) consecutive calendar days' written notice although in certain circumstances the agreement may be terminated immediately by either party; the Administration Agreement contains certain indemnities in favour of the Administrator but which exclude matters arising by reason of the fraud, wilful default or negligence of the Administrator in the performance of its obligations and duties.
3. A Depositary Agreement dated 3 April 2024 among the Fund, the Manager and the Depositary, as novated, under which the Depositary was appointed as depositary of the Fund's assets subject to the overall supervision of the Directors. The Depositary Agreement provides that the appointment of the Depositary will continue in force unless terminated by either party giving at least ninety (90) days' prior written notice although in certain circumstances the Depositary Agreement may be terminated immediately by the Fund or the Depositary provided that the appointment of the Depositary shall continue in force until a replacement Depositary approved by the Central Bank has been appointed and provided further that if within a period of ninety (120) days' from the date on which the Depositary notifies the Fund of its desire to retire or from the date on which the Fund notifies the Depositary of its intention to remove the Depositary, no replacement Depositary shall have been appointed, the Fund shall convene in an extraordinary general meeting of the Shareholders at which there shall be proposed an ordinary resolution to wind up the Fund. The Depositary Agreement contains certain indemnities in favour of the Depositary but which exclude matters arising by reason of the negligent or intentional failure of the Depositary in the performance of its duties.

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

## Winding Up

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

Documents available

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

List of Sub-Funds

As at the date of this Prospectus, the Fund has one sub-fund, Lightrock Global Small-Cap Fund.

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

## DEFINITIONS

<u>“1933 Act”</u>	the United States Securities Act of 1933, as amended.
<u>“1940 Act”</u>	the United States Investment Company Act of 1940, as amended.
<u>“Administrator”</u>	Northern Trust International Fund Administration Services (Ireland) Limited, or any other person from time to time appointed as the administrator of the Fund.
<u>“Anti-Money Laundering and Counter Terrorist Financing Legislation”</u>	means the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 to 2021 as may be further amended, supplemented, consolidated or replaced from time to time together with any guidance notes issued pursuant thereto.
<u>“Application Form”</u>	means the application form to be completed by each prospective investor for the subscription for Shares in a Sub-Fund as prescribed by the Fund from time to time.
<u>“Auditor”</u>	EY, or any other person or firm from time to time appointed as the auditor of the Fund.
<u>“Base Currency”</u>	the base currency is Euro unless stipulated otherwise in the relevant Supplement.
<u>“Benefit Plan Investors”</u>	Pension and profit-sharing plans maintained by US corporations and/or unions, US individual retirement accounts and Keogh plans, entities that invest the assets of such accounts or plans and other entities investing US benefit plan assets.
<u>“Business Day”</u>	such day or days as the Directors may from time to time determine in respect of a Sub-Fund as outlined in the relevant Supplement or as otherwise notified to Shareholders in advance.
<u>“Central Bank”</u>	means the Central Bank of Ireland or any successor regulatory authority with responsibility for authorisation and supervision of the Fund.
<u>“CIS”</u>	a UCITS or other collective investment undertaking which is prohibited from investing more than 10% of its assets in other such collective investment schemes.
<u>“CFTC”</u>	the Commodity Futures Trading Commission of the United States.
<u>“Class”</u>	means the class or classes of Shares relating to a Sub-Fund where specific features with respect to preliminary, exchange or redemption, minimum subscription amount, distribution policy, investor eligibility criteria, voting rights or other specific features may be applicable. The details applicable to each Class will be described in the relevant Supplement.
<u>“Code”</u>	the United States Internal Revenue Code of 1986, as amended.

<u>“Data Protection Legislation”</u>	the EU data protection regime introduced by the General Data Protection Regulation (Regulation 2016/679).
<u>“Depositary”</u>	Northern Trust Fiduciary Services (Ireland) Limited, or any other person from time to time appointed as a depositary of the Fund.
<u>“Directors”</u>	the members of the board of directors of the Fund for the time being and any duly constituted committee thereof and any successors to such members as may be appointed from time to time.
<u>“EEA”</u>	the European Economic Area.
<u>“EEA Member State”</u>	a member state of the EEA.
<u>“Eligible Counterparty”</u>	means a counterparty to over the counter derivatives with which a Sub-Fund may trade and belonging to one of the categories approved by the Central Bank which, at the date of this Prospectus, comprise the following: <ol style="list-style-type: none"> <li>1. a Relevant Institution;</li> <li>2. an investment firm, authorised in accordance with MiFID; or</li> <li>3. a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States where that group company is subject to bank holding company consolidated supervision by the Federal Reserve of the United States.</li> </ol>
<u>“ERISA”</u>	the United States Employee Retirement Income Security Act of 1974, as amended.
<u>“ESG”</u>	Environmental, social and governance.
<u>“EU”</u>	the European Union.

“Exempt Irish Investor” an Irish Resident or person Ordinarily Resident in Ireland who is permitted to hold their 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 Fund on the happening of a chargeable event in respect of that investor provided that, when necessary, they have completed the appropriate statutory declarations under Schedule 2B of the Taxes Act, including:

(A) a qualifying management company within the meaning of Section 739B(1) of the Taxes Acts;

(B) a specified company within the meaning of Section 734(1) of the Taxes Acts;

(C) an investment undertaking within the meaning of Section 739 of the Taxes Acts;

(D) an investment limited partnership within the meaning of Section 739J of the Taxes Acts;

(E) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Acts, or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Acts applies;

(F) a company carrying on life business within the meaning of Section 706 of the Taxes Acts;

(G) a special investment scheme within the meaning of Section 739D(6)(f)(i) of the Taxes Acts;

(H) a unit trust to which Section 731(5)(a) of the Taxes Acts applies;

(I) a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Acts;

(J) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 784A(2) of the Taxes Acts and the Shares held are assets of an approved retirement fund or an approved mini-retirement fund;

(K) a qualifying fund manager within the meaning of Section 784 of the Taxes Acts or a qualifying savings manager within the meaning of Section 848B of the Taxes Acts, in respect of Shares which are assets of a special savings incentive account within the meaning of Section 848C of the Taxes Acts;

(L) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Acts and the Shares are assets of a personal retirement savings account as defined in Section 787A of the Taxes Acts;

(M) the National Treasury Management Agency or a fund investment vehicle (within the meaning of Section 37 of the National Treasury Management Agency (Amendment) Act 2014);

(N) the National Asset Management Agency;

(O) the Motor Insurers' Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurers' Compensation Fund under the Insurance Act 1964 (amended by Insurance (Amendment) Act 2018);

(P) the Courts Service;

(Q) a credit union within the meaning of Section 2 of the Credit Union Act 1997;

(R) an Irish resident company, within the charge to corporation tax under Section 739G(2) of the Taxes Acts, but only where the fund is a money market fund;

(S) a company which is within the charge to corporation tax in accordance with Section 110(2) of the Taxes Acts in respect of payments made to it by the fund; and

(T) any other person as may be approved by the Directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the fund in respect of that Shareholder under Part 27, Chapter 1A of the Taxes Acts.

"Exempt Non-Resident Investor" any person that is neither Resident in Ireland nor Ordinarily Resident in Ireland at the time of the chargeable event provided either (i) the Fund is in possession of a Relevant Declaration and is not in possession of any information that would suggest that the information contained therein is no longer materially correct or (ii) the Fund is in possession of a written notice of approval from the Revenue Commissioners pursuant to the provisions of section 739D (7B) of the Taxes Act to the effect that section 739D(7) and section 739D(9) of the Taxes Act is deemed to have been complied with in respect of the investor and that approval has not been withdrawn.

"FATCA" means (a) sections 1471 to 1474 of the US Internal Revenue Code of 1986 or any associated regulations or other official guidance; (b) any intergovernmental agreement, treaty, regulation, guidance or other agreement between the government of Ireland (or any Irish government body) and the U.S., UK or any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement, implement or give effect to the legislation, regulations or guidance described in paragraph (a) above; and (c) any legislation, regulations or guidance in Ireland that give effect to the matters outlined in the preceding paragraphs.

"Founder Shares" founder shares of no par value in the Fund.

<u>“Fund”</u>	Lightrock UCITS ICAV.
<u>“ICAV”</u>	an Irish Collective Asset-management Vehicle established pursuant to the ICAV Act.
<u>“ICAV Act”</u>	the Irish Collective Asset-management Vehicles Act 2015, as may be amended, supplemented or replaced from time to time, including any regulations made by ministerial order thereunder and any conditions imposed thereunder by the Central Bank.
<u>“Initial Offer Period”</u>	the period as set out in the section of this Prospectus entitled “Subscriptions”.
<u>“Instrument”</u>	the instrument of incorporation of the Fund as may be amended from time to time in accordance with the requirements of the Central Bank.
<u>“Investment Manager”</u>	any investment manager appointed in respect of a Sub-Fund as disclosed in the relevant Supplement.
<u>“Investment Management Fee”</u>	any investment management fee payable by a Sub-Fund to an Investment Manager as set out in the relevant Supplement.
<u>“Legal Adviser”</u>	as to Irish law, Simmons & Simmons LLP, as well as any other person or firm from time to time appointed as a legal adviser of the Fund.
<u>“Management Agreement”</u>	the management agreement between the Fund and the Manager dated 14 October 2024.
<u>“Manager”</u>	Lightrock Netherlands B.V. or any other person or firm from time to time appointed as the manager of the Fund.
<u>“MiFID”</u>	the Markets in Financial Instruments Directive (Directive 2004/39/EC) as may be amended, modified or replaced from time to time.
<u>“Minimum Additional Investment”</u>	such minimum cash amount or minimum number of Shares as the case may be (if any) as the Directors may from time to time require to be invested in any Sub-Fund by each Shareholder (after investing the Minimum Initial Investment) as specified in the Supplement.
<u>“Minimum Holding”</u>	such minimum number or minimum value of Shares of any Class as the case may be (if any) which must be held at any time by a Shareholder as specified in the relevant Supplement.
<u>“Minimum Initial Investment”</u>	such minimum initial cash amount or minimum number of Shares as the case may be (if any) as the Directors may from time to time require to be invested by each Shareholder as its initial investment in any Sub-Fund as specified in the relevant Supplement for the relevant Sub-Fund.
<u>“Net Asset Value”</u>	the net asset value of a Sub-Fund, as the case may be, as determined in accordance with the Instrument.



<u>“Net Asset Value per Share”</u>	in respect of a Class, the Net Asset Value of the relevant Class divided by the number of Shares of the relevant Class in issue or deemed to be in issue.
<u>“Non-United States Person”</u>	(i) a natural person who is not a resident of the United States, (ii) a partnership, corporation or other entity other than an entity organised principally for passive investment (in respect of which clause (iv) applies), organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction, (iii) an estate or trust, the income of which is not subject to United States income tax regardless of source, (iv) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by persons who do not qualify as Non-United States Persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity and that such entity was not formed principally for the purpose of facilitating investment by persons which do not qualify as Non-United States Persons in a commodity pool with respect to which the commodity pool operator is exempt from certain requirements of Part 4 of the CFTC’s regulations by virtue of its participants being Non-United States Persons, and (v) a pension plan for employees, officers or principals of an entity organised and with its principal place of business outside the United States.
<u>“Ordinarily Resident in Ireland”</u>	an individual who has been Resident in Ireland for three consecutive tax years with effect from the commencement of the fourth tax year save that an individual who has been Ordinarily Resident in Ireland will continue to be Ordinarily Resident in Ireland until the commencement of the fourth consecutive tax year in which he/she is not Resident in Ireland.
<u>“Qualifying Company”</u>	a qualifying company within the meaning of section 110 of the Taxes Act.
<u>“Redemption Day”</u>	such day or days as the Directors may from time to time determine in respect of a Sub-Fund as outlined in the relevant Supplement or as otherwise notified to Shareholders in advance provided there is at least two Redemption Days per month at regular intervals in respect of each Sub-Fund.
<u>“Redemption Fee”</u>	means the charge, if any, payable on the redemption of Shares as outlined in the relevant Supplement.
<u>“Redemption Price”</u>	the price per Share at which Shares of a Class are redeemed, as defined in the relevant Supplement.
<u>“Relevant Declaration”</u>	means the declaration as set out in Schedule 2B of the Taxes Act.
<u>“Relevant Institutions”</u>	means credit institutions authorised in an EEA Member State or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (which includes the UK), or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

“Relevant Period”

means, in relation to a Share, a period of eight years beginning with the acquisition of a Share by an investor and each subsequent period of eight years beginning immediately after the preceding Relevant Period for as long as the investor holds that Share.

“Resident in Ireland”

means, for the present purposes:

- (A) in the case of an individual, an individual who is resident in Ireland for tax purposes;
- (B) in the case of a trust, a trust that is resident in Ireland for tax purposes; and
- (C) in the case of a company, a company that is resident in Ireland for tax purposes.

An individual will be regarded as resident in Ireland for a particular tax year if he/she is present in Ireland: (a) for a period of at least 183 days in that tax year, or (b) for a period of at least 280 days taking into account the number of days present in Ireland in that tax year together with the number of days present in Ireland in the preceding tax year, provided that the individual is resident in Ireland for at least 31 days in each of those tax years.

In determining the number of days present in Ireland, an individual is deemed to be present in Ireland if he/she is in the country at any time during the day.

A trust will be Resident in Ireland and Ordinarily Resident in Ireland for the purposes of Irish capital gains tax unless the general administration of the trust is ordinarily carried on outside Ireland and the trustees (being a single and continuing body of persons) or a majority of them for the time being are not Resident in Ireland or Ordinarily Resident in Ireland.

A company will be Resident in Ireland if its central management and control is exercised in Ireland irrespective of where it is incorporated. For Ireland to be treated as the location for central management and control this typically means that Ireland is the location where all fundamental policy decisions of the company are made. This is unless it is regarded as resident in another territory and not in Ireland under the terms of a double tax treaty in effect with Ireland.

A company incorporated in Ireland after 1 January 2015 will be regarded for all purposes of Irish tax legislation as being resident in Ireland unless it is regarded for the purposes of a double tax treaty in effect with Ireland as being resident in that other tax treaty territory and not in Ireland.

A company incorporated in Ireland prior to 1 January 2015 will be similarly treated for the purposes of ascertaining tax residency after 31 December 2020 or if earlier, from the date of a major change of ownership of the company where there is a major change in the nature or conduct of the business of the company within the relevant period. Relevant period for this purpose means a period beginning not later than 1 January 2015 or the date which occurs one year before the date of the change in ownership of the company and ending 5 years after the date of that change in ownership. Otherwise, a company incorporated in Ireland prior to 1 January 2015 will be regarded as being resident in Ireland unless it is a ‘relevant company’ and it either carries on a trade in Ireland or it is related

to a company that carries on a trade in Ireland or, if pursuant to the terms of a double taxation treaty between Ireland and another territory, the company is regarded as resident in a territory other than Ireland and as not resident in Ireland. A relevant company is a company:

that is under the “control”, directly or indirectly, of a person or persons who is or are:

(1) resident for the purposes of tax, in either an EU member state or in a territory with which Ireland has a double taxation treaty (a “treaty territory”) (together a “relevant territory”) under the law of that relevant territory, and

(2) not under the control, directly or indirectly, of a person who is, or persons who are, not so resident; or

that is, or is related to, a company the principal class of shares of which is substantially and regularly traded on one or more recognised stock exchanges in a relevant territory or territories.

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 contained in section 23A Taxes Act.

“Revenue Commissioners”

means the Revenue Commissioners of Ireland.

“SFDR”

means Regulation (EU) 2019/2088 of the European Parliament and of the European Council of 27 November 2019 on sustainability-related disclosures in the financial services sector as may be further amended, consolidated or substituted from time to time.

“SEC”

the Securities and Exchange Commission of the United States and any successor body from time to time carrying out all or any part of the relevant functions thereof.

“Securities Financing Transactions”

repurchase agreements, reverse repurchase agreements, securities lending agreements and any other transactions within the scope of SFTR that a Sub-Fund is permitted to engage in.

“SFTR”

regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time.

“Separate Account”

a separate account for a Class as defined herein.

“Shareholder”

a person recorded as a holder of Shares in the Fund’s register of Shareholders.

“Shares”

shares in a Sub-Fund and/or shares of a Class in each case as set out in the relevant Supplement.

<u>“Sub-Fund”</u>	means a sub-fund of the Fund the proceeds of issue of which are pooled separately in a segregated portfolio of assets and invested in accordance with the investment objective and investment policies applicable to such Sub-Fund as set out in the relevant Supplement and which is established by the Fund from time to time with the prior approval of the Central Bank.
<u>“Subscription Day”</u>	such day or days as the Directors may from time to time determine in respect of a Sub-Fund as outlined in the relevant Supplement or as otherwise notified to Shareholders in advance provided there is at least two Subscription Days per month at regular intervals in respect of each Sub-Fund.
<u>“Subscription Fee”</u>	the charge, if any, payable on the subscription of Shares as outlined in the relevant Supplement.
<u>“Subscription Price”</u>	the price per Share at which Shares of a Class are issued, as outlined in the relevant Supplement.
<u>“Supplement”</u>	any supplement to the Prospectus issued on behalf of the Fund in relation to a Sub-Fund from time to time.
<u>“Taxes Act”</u>	the Taxes Consolidation Act 1997 of Ireland (as amended).
<u>“Taxonomy”</u>	means the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment as may be further amended, consolidated or substituted from time to time.
<u>“Total Return Swap”</u>	a derivative (and a transaction within the scope of SFTR) whereby the total economic performance of a reference obligation is transferred from one counterparty to another counterparty.
<u>“Transferable Securities”</u>	<ol style="list-style-type: none"> <li>1. shares in companies and other securities equivalent to shares in companies which fulfil the applicable criteria specified in Part 1 of Schedule 2 of the UCITS Regulations;</li> <li>2. bonds and other forms of securitised debt which fulfil the applicable criteria specified in Part 1 of Schedule 2 of the UCITS Regulations;</li> <li>3. other negotiable securities which carry the right to acquire any securities within (i) or (ii) above by subscription or exchange which fulfil the criteria specified in Part 1 of Schedule 2 of the UCITS Regulations; and</li> <li>4. securities specified for this purpose in Part 2 of Schedule 2 of the UCITS Regulations.</li> </ol>
<u>“UCITS Regulations”</u>	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2012 (S.I. No. 352 of 2011) of Ireland.

<u>“UCITS Rules”</u>	(i) the UCITS Regulations; (ii) the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 of Ireland and (iii) any Central Bank rules, guidance, principles, requirements and codes in respect of the Fund.
<u>“United States”</u> or <u>“US”</u>	the United States of America, its states, territories or possessions or an enclave of the United States government, its agencies or instrumentalities.
<u>“US Person”</u>	a person who is a “US person” within the meaning of the Code and within the meaning of Regulation S under the 1933 Act, and who is not a Non-United States Person.
<u>“US Tax-Exempt Investor”</u>	a “US person” within the meaning of the Code that is subject to ERISA or is otherwise exempt from payment of US federal income tax.
<u>“Valuation Day”</u>	means in relation to a Sub-Fund such day or days as shall be specified in the relevant Supplement for that Sub-Fund.
<u>“Valuation Point”</u>	the time at which the Net Asset Value of a Sub-Fund is calculated as outlined in the relevant Supplement.

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

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

## APPENDIX 1 – INVESTMENT RESTRICTIONS

### *Permitted Investments*

Investments of a Sub-Fund are confined to:

1. Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in an EU member state or non-EU member state or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in an EU member state or non-EU member state.
2. Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
3. Money market instruments other than those dealt on a regulated market.
4. Shares/units of UCITS.
5. Shares/units of alternative investment funds (i.e. funds other than UCITS).
6. Deposits with credit institutions.
7. Derivatives.

### *Investment Limits*

1. A Sub-Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to above.
2. A Sub-Fund shall not invest any more than 10% of its Net Asset Value in recently issued securities referred to in paragraph (B) of the permitted investments outlined above. This restriction will not apply in relation to investment by the Sub-Fund in certain US securities known as Rule 144A securities provided that:
  1. the securities have been issued with an undertaking to register the securities with the SEC within one year of issue; and
  2. the securities are not illiquid securities i.e. they may be realised by the Sub-Fund within seven days at the price, or approximately at the price, at which they are valued by the Sub-Fund.
3. A Sub-Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
4. Subject to the prior approval of the Central Bank, the limit of 10% (in paragraph (C) of this section) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in an EU member state and is subject by law to special public supervision designed to protect bond- holders. If a Sub-Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Sub-Fund.

5. The limit of 10% (in paragraph (C) of this section) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU member state or its local authorities or by a non-EU member state or public international body of which one or more EU member states are members.
6. The transferable securities and money market instruments referred to in paragraphs (D) and (E) of this section shall not be taken into account for the purpose of applying the limit of 40% referred to in paragraph (C) of this section.
7. A Sub-Fund shall not invest more than 20% of its Net Asset Value in deposits made with the same body.
8. The risk exposure of a Sub-Fund to a counterparty to an over the counter derivative may not exceed 5% of its Net Asset Value. This limit is raised to 10% in the case of Relevant Institutions.
9. Notwithstanding paragraphs (C), (G) and (H) of this section, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of the Net Asset Value of a Sub-Fund:
  1. investments in transferable securities or money market instruments;
  2. deposits, and/or
  3. risk exposures arising from over the counter derivative transactions.
4. The limits referred to in paragraphs (C), (D), (E), (G), (H) and (I) of this section may not be combined, so that exposure to a single body shall not exceed 35% of the Net Asset Value of a Sub-Fund.
5. Group companies are regarded as a single issuer for the purposes of paragraphs (C), (D), (E), (G), (H) and (I) of this section. However, a limit of 20% of the Net Asset Value of a Sub-Fund may be applied to investment in transferable securities and money market instruments within the same group.
6. A Sub-Fund may invest up to 100% of its Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any EU member state, its local authorities non-member states or public international bodies of which one or more EU member states are members or any of the following:
  1. European Investment Bank
  2. European Bank for Reconstruction and Development
  3. International Finance Corporation
  4. International Monetary Fund
  5. Euratom
  6. The Asian Development Bank



7. European Central Bank
8. Council of Europe
9. Eurofima
10. African Development Bank
11. International Bank for Reconstruction and Development (The World Bank)
12. The Inter-American Development Bank
13. European Union
14. Federal National Mortgage Association (Fannie Mae)
15. Federal Home Loan Mortgage Corporation (Freddie Mac)
16. Government National Mortgage Association (Ginnie Mae)
17. Student Loan Marketing Association (Sallie Mae)
18. Federal Home Loan Bank
19. Federal Farm Credit Bank
20. Tennessee Valley Authority
21. Straight-A Funding LLC
22. OECD governments (provided the relevant issues are investment grade)
23. Government of Brazil (provided the issues are of investment grade)
24. Government of the People's Republic of China
25. Government of India (provided the issues are of investment grade)
26. Government of Singapore

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

#### *Investment in CIS*

1. A Sub-Fund may not invest more than 20% of its Net Asset Value in any one CIS.
2. Investment in funds other than UCITS may not, in aggregate, exceed 30% of the Net Asset Value of a Sub-Fund.

3. The CIS in which a Sub-Fund invests are prohibited from investing more than 10% of net assets in other open-ended CIS.
4. When a Sub-Fund invests in the units of other CIS that are managed, directly or by delegation, by the management company of the Fund or by any other company with which the management company of the Fund is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Sub-Fund's investment in the units of such other CIS.
5. Where a commission (including a rebated commission) is received by the Sub-Fund, the Manager or any Investment Manager by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.

#### *Index Tracking UCITS*

1. A Sub-Fund may invest up to 20% of its Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of the Sub-Fund is to replicate an index which satisfies the criteria set out in the UCITS Rules.
2. The limit in paragraph (A) of this section may be raised to 35% of the Net Asset Value of the Sub-Fund, and applied to a single issuer, where this is justified by exceptional market conditions.

#### *General Provisions*

1. An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
2. A Sub-Fund may acquire no more than:
  1. 10% of the non-voting shares of any single issuing body;
  2. 10% of the debt securities of any single issuing body;
  3. 25% of the units of any single CIS;
  4. 10% of the Money Market Instruments of any single issuing body.

The limits laid down in sub-paragraphs (B)(ii)-(iv) of this section may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

5. Paragraphs (A) and (B) of this section shall not be applicable to:
  1. Transferable securities and money market instruments issued or guaranteed by an EU member state or its local authorities;
  2. Transferable securities and money market instruments issued or guaranteed by a non-EU member state;

3. Transferable securities and money market instruments issued by public international bodies of which one or more EU member states are members;
4. shares held by a Sub-Fund in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered offices in that state, where under the legislation of that state such a holding represents the only way in which the Sub-Fund can invest in the securities of issuing bodies of that state. This waiver is applicable only if in its investment policies the company from the non-EU Member State complies with the limits laid down in paragraphs (C) to (I) of investment limits outlined above, paragraphs (A) and (B) of investment in CIS, paragraphs (A), (B), (D), (E) and (F) of general provisions above and provided that where these limits are exceeded, paragraphs (E) and (F) below are observed;
5. shares held by an investment company in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares at shareholders' request exclusively on their behalf;
6. A Sub-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;
7. The Central Bank may allow a recently authorised Sub-Fund to derogate from the provisions of paragraphs (C) to (L) of investment limits above, paragraphs (A) and (B) of investment in CIS above, paragraphs (A) and (B) of index tracking UCITS above for six months following the date of its authorisation, provided it observes the principle of risk spreading;
8. If the limits laid down herein are exceeded for reasons beyond the control of a Sub-Fund, or as a result of the exercise of subscription rights, the Sub-Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders;
9. A Sub-Fund may not carry out uncovered sales of:
  1. Transferable securities;
  2. money market instruments;
  3. units of CIS; or
  4. Derivatives.
5. A Sub-Fund may hold ancillary liquid assets.

#### *Financial Derivative Instruments*

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

2. Position exposure to the underlyings of derivatives, including embedded derivatives in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the UCITS Rules. (This provision does not apply in the case of index based derivatives provided the underlying index is one which meets with the criteria set out in the UCITS Rules).
3. A Sub-Fund may invest in over the counter derivatives provided that the counterparties to the over the counter derivatives are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
4. Investment in derivatives is subject to the conditions and limits laid down by the Central Bank.

## APPENDIX 2 – RISK FACTORS

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

### *General*

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

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

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

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

### *Lack of Operating History*

The Fund is a recently formed entity and has no operating history upon which prospective investors can evaluate the likely performance of a Sub-Fund. The past investment performance of the Manager or any of its affiliates, or entities with which it has been associated, may not be construed as an indication of the future results of an investment in a Sub-Fund. There can be no assurance that (i) the relevant Sub-Fund's investment policy will prove successful; or (ii) investors will not realise all or a portion of their investment in a Sub-Fund.

### *Investing in Smaller Companies*

Typically, small company stocks trade less frequently and in smaller volumes and may be subject to more abrupt or erratic price movements than stocks of larger companies. The securities of small companies may also be more sensitive to market changes than securities in large companies. As such, this may adversely impact a Sub-Fund and/or the interests of investors.

### *Risks associated with ESG investing*

The use of ESG criteria in the construction of the portfolio of a Sub-Fund may affect the relevant Sub-Fund's investment performance and, as such, a Sub-Fund may perform differently compared to similar funds that do not use such criteria. ESG-based exclusionary criteria used in selection methodology of a Sub-Fund may result in the relevant Sub-Fund forgoing opportunities to buy certain securities when it might otherwise be advantageous for the relevant Sub-Fund to do so and/or selling securities when it might be disadvantageous to do so.

The construction of the portfolio of a relevant Sub-Fund may be based on, among others, the results from various ESG assessments and ratings as well as the application of certain ESG based exclusion factors. It is possible that the relevant Sub-Fund may perform less well than portfolios with similar investment objectives that are not engaged in similar (or any) ESG rating assessments and ESG based exclusions.

The relevant Sub-Fund's investments may be concentrated in companies with a greater ESG focus, therefore its value may be more volatile than that of a fund with a more diverse portfolio of investments.

The portfolio construction process of the relevant Sub-Fund may involve analysis and exclusions based on ESG criteria. While the Manager and/or the Investment Manager (where relevant) has exercised care in the ESG-related data and information to be relied upon, such assessment may involve the Manager's and/or the Investment Manager's (where relevant) subjective judgment on certain qualitative factors and it is thus possible that the relevant investment criteria may not be applied correctly.

In evaluating a security or issuer based on ESG criteria, the Manager and/or the Investment Manager (where relevant) is dependent upon information and data from data providers which may be incomplete, inaccurate or unavailable from time to time, which may affect the ability to assess potential securities for inclusion and/or exclusion from the portfolio of the relevant Sub-Fund. There can be no assurance that the Manager's and/or the Investment Manager's (where relevant) assessment based upon data from data providers will reflect actual circumstances or that the securities selected will fulfil ESG criteria. Such factors can lead to

the relevant Sub-Fund forgoing investment opportunities which meet the relevant ESG criteria or investing in securities which do not meet such criteria.

There is a lack of standardised taxonomy in relation to ESG investing strategies. The standard of disclosure adopted by funds in relation to the relevant ESG factors or principles may vary.

### *Sustainability Risks*

Sustainability risk is an inclusive term to designate investment risk (probability or uncertainty of occurrence of material losses relative to the expected return of an investment) that relates to ESG issues. Sustainability risk around environmental issues includes, but is not limited to, climate risk, both physical and transition risk. Physical risk arises from the physical effects of climate change, acute or chronic. For example, frequent and severe climate-related events can impact products and services and supply chains. Transition risk whether policy, technology, market or reputation risk arises from the adjustment to a low-carbon economy in order to mitigate climate change. Risks related to social issues can include but are not limited to labour rights and community relations. Governance related risks can include but are not limited to risks around board independence, ownership & control, or audit & tax management. These risks can impact an issuer's operational effectiveness and resilience as well as its public perception, and reputation affecting its profitability and in turn, its capital growth, and ultimately impacting the value of holdings in a relevant Sub-Fund. These are only examples of sustainability risk factors and sustainability risk factors do not solely determine the risk profile of the investment. The relevance, severity, materiality and time horizon of sustainability risk factors and other risks can differ significantly amongst the relevant Sub-Funds. Sustainability risk can manifest itself through different existing risk types (including, but not limited to, market, liquidity, concentration, credit, asset-liability mismatches etc.). By way of example, a Sub-Fund may invest in the equity or debt of an issuer that could face potentially reduced revenues or increased expenditures from physical climate risk (e.g. decreased production capacity due to supply chain perturbations, lower sales due to demand shocks or higher operating or capital costs) or transition risk (e.g. decreased demand for carbon-intensive products and services or increased production costs due to changing input prices). As a result, sustainability risk factors may have a material impact on an investment, may increase the volatility, affect liquidity and may result in a loss to the value of a Sub-Fund's Shares. The impact of those risks may be higher for Sub-Funds with particular sectoral or geographic concentrations e.g., Sub-Funds with geographical concentration in locations susceptible to adverse weather conditions where the value of the investments in the Sub-Funds may be more susceptible to adverse physical climate events or Sub-Funds with specific sectoral concentrations such as investing in industries or issuers with high carbon intensity or high switching costs associated with the transition to low carbon alternatives, may be more impacted by climate transition risks. All or a combination of these factors may have an unpredictable impact on the relevant Sub-Fund's investments. Under normal market conditions such events could have a material impact on the value of a Sub-Fund's Shares.

Assessments of sustainability risk are specific to the asset class and to a Sub-Fund's investment objective. Different asset classes require different data and tools to assess materiality, and make meaningful differentiation, among issuers and assets. Risks are considered and risks managed concurrently, by prioritising based on materiality and on the relevant Sub-Fund's objective. The impacts of sustainability risk are likely to develop over time and new sustainability risks may be identified as further data and information regarding sustainability factors and impacts becomes available.

### *Derivatives – General Risks*

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

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

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

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

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

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

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

The counterparty for an over the counter derivatives will be the specific firm involved in the transaction rather than a recognised exchange and accordingly the bankruptcy or default of a counterparty with which a Sub-Fund trades over the counter derivatives could result in



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

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

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

#### *Derivatives - Correlation Risk*

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

#### *Derivatives - Collateral Risk*

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

#### *Derivatives - Forwards*

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

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

### *Derivatives - Foreign Exchange Transactions*

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

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

Substantial risks are involved in trading futures, forward and option contracts and various other instruments in which a Sub-Fund may trade. Certain of the instruments in which a Sub-Fund may invest are sensitive to interest rates and foreign exchange rates, which means that their value and, consequently, the Net Asset Value, will fluctuate as interest and/or foreign exchange rates fluctuate. The Sub-Fund's performance, therefore, will depend in part on its ability to anticipate and respond to such fluctuations in market interest rates and foreign exchange rates, and to utilise appropriate strategies to maximise returns to the Sub-Fund, while attempting to minimise the associated risks to its investment capital. Variance in the degree of volatility of the market from the Sub-Fund's expectations may produce significant losses to the Sub-Fund.

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

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

### *Derivatives - Legal Risk*

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

### *Derivatives - Margin Risk*

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

### *Derivatives - Liquidity Risk*

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

#### *Liquidity of Futures Contracts*

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

#### *Necessity for Counterparty Trading Relationships*

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

#### *Leverage Component Risk*

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

#### *Risks Associated with Investment in Convertible Securities and Hybrid Securities*

The convertible securities in which a Sub-Fund may invest consist of bonds, debentures and preferred stocks which may be converted or exchanged at a stated or determinable exchange ratio into underlying shares of common stock. Convertible securities may offer higher income than the common stocks into which they are convertible. A Sub-Fund may be required to permit the issuer of a convertible security to redeem the security, convert it into the underlying common stock, or sell it to a third party.

If a Sub-Fund has convertible securities, it may not be able to control whether the issuer of a convertible security chooses to convert that security. If the issuer chooses to do so, this action could have an adverse effect on the Sub-Fund’s ability to achieve its investment objective because the issuer may force conversion before the Sub-Fund would otherwise choose to do

so. This may impact on the value of the Sub-Fund's investment and as a result, the Net Asset Value of the Sub-Fund may be adversely affected. A hybrid security is a security which combines two or more financial instruments. Hybrid securities generally combine a traditional stock or bond with an option or forward contract. Generally, the principal amount payable upon maturity or redemption, or interest rate of a hybrid security, is tied (positively or negatively) to the price of a currency or securities index or another interest rate or some other economic factor (each a "benchmark"). The interest rate or (unlike most fixed income securities) the principal amount payable at maturity of a hybrid security may be increased or decreased, depending on the changes in the value of the benchmark. Hybrid securities are generally traded on the stock market and therefore susceptible to changes in their price. As these securities have fixed interest characteristics their price may be impacted by movements in interest rates, as well as perceptions of the issuer's ability to meet coupon payments.

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

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

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

#### *Credit Default Swap Risk*

If a Sub-Fund is the buyer of a credit default swap, it would be entitled to receive the agreed-upon value (or par) of a referenced debt obligation from the counterparty to the swap on the occurrence of certain credit events in relation to the relevant reference entity. As consideration, the Sub-Fund would pay to the counterparty a periodic stream of fixed payments during the life of the swap if no credit event has occurred, in which case the Sub-Fund would receive no benefits under the swap. In circumstances in which a Sub-Fund is the seller of a credit default swap and does not own the debt securities that are deliverable under the relevant credit default swap, the Sub-Fund is exposed to the risk that deliverable securities will not be available in the market, or will be available only at unfavourable prices and therefore the Sub-Fund may incur a loss. In certain instances of issuer defaults or restructurings, it has been unclear under the standard industry documentation for credit default swaps whether or not a "credit event" triggering the seller's payment obligation had occurred. In either of these cases, the Sub-Fund would not be able to realise the full value of the credit default swap upon a default by the reference entity. As a seller of credit default swaps, a Sub-Fund would incur exposure to the credit of the reference entity and is subject to many of the same risks it would

incur if it were holding debt securities issued by the reference entity. However, the Sub-Fund will not have any legal recourse against the reference entity and will not benefit from any collateral securing the reference entity's debt obligations.

### *Index Risk*

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

### *General Investment and Market Risks*

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

Risks resulting from any future debt or other economic crisis could also have a detrimental impact on the global economic recovery, the financial condition of financial institutions and a Sub-Fund's business, financial condition and results of operation. Market and economic disruptions have affected, and may in the future affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence and default on consumer debt and home prices, among other factors. To the extent uncertainty regarding the United States or global economy negatively impacts consumer confidence and consumer credit factors, a Sub-Fund's business, financial condition and results of operations could be significantly and adversely affected. Downgrades to the credit ratings of major banks could result in increased borrowing costs for such banks and negatively affect the broader economy. Moreover, policy of the Federal Reserve of the United States including with respect to certain interest rates, may also adversely affect the value, volatility and liquidity of dividend- and interest-paying securities. Market volatility, rising interest rates and/or unfavourable economic conditions could impair a Sub-Fund's ability to achieve its investment objective(s).

In addition, financial market turbulence and reduced liquidity in equity, credit and/or fixed income markets may negatively affect many issuers, which could adversely affect a Sub-Fund. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, including pandemics, epidemics, recessions or other events could have a significant impact on a Sub-Fund and its investments. These risks may be magnified if certain events or developments adversely interrupt the global supply chain; in these and other circumstances, such risks might affect companies world-wide. To the extent a Sub-Fund may overweight its investments in certain countries, companies, industries or market sectors, such positions will increase a Sub-Fund's exposure to risk of loss from adverse developments affecting those countries, companies, industries or sectors.

### *Investment in CIS and ETF*

A Sub-Fund may invest in CIS and ETFs managed by other investment advisers (the “Advisers”) unaffiliated with the Manager and/or any relevant Investment Manager. A Sub-Fund has little control over the activities of the CIS or ETFs in which it invests. Advisers may take undesirable tax positions, employ excessive leverage, impose redemption or other fees, or otherwise manage their respective CIS/ETF in a manner not anticipated by the Manager and/or any Investment Manager, and they may be subject to investment and other restrictions that could adversely affect the Sub-Fund’s performance. Some CIS and ETFs will own foreign securities that are subject to local rules, regulations, market conditions and currency exposure. The operations of the CIS and ETFs will be heavily dependent upon their respective Advisers and if the Adviser dies, resigns, becomes legally incompetent or insolvent, or experiences a significant change in staffing, the operations of the associated CIS or ETF may be adversely affected. While the use of CIS and ETFs can provide diversified investment techniques, no assurance can be given that such diversification will occur, or that if it does, it will increase, and not reduce, the potential net profits to the relevant Sub-Fund. Also, the use of CIS and ETFs may cause the relevant Sub-Fund to hold opposite positions in an investment, thereby decreasing or eliminating the possibility of positive returns from such investment.

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

#### *Commodity and Energy Trading*

A Sub-Fund may invest in commodities and/or engage in commodity trading strategies. Commodity prices are often influenced by the overall level of economic activity and industrial production. Historically, during periods of economic or financial instability, commodities and the securities of producers have been subject to extreme fluctuations in market price. The earnings and general financial conditions of producers are highly dependent on the market price of the underlying resources which, historically, have been extremely volatile.

The production of some commodities can be concentrated in geographic regions or specific countries, and as such the impact of natural, political or social factors can have a significant effect. Natural disasters, such as earthquakes, droughts and floods, can lead to severe supply disruptions, which may significantly influence prices of commodities and prices of natural resource equities. Commodity prices can be influenced, often unpredictably, by co-operative or co-ordinated actions, by producers or sovereign nations (e.g. members of the Organization of Petroleum Exporting Countries).

Similarly, supply interruptions as a result of social factors such as strikes and civil unrest can have a material impact on commodity prices. New technology could lead to substitution of a commodity or commodities, thereby reducing demand. Similarly, new technology could lower production costs and increase supply of a commodity, influencing its price.

A principal risk in commodity trading strategies is the volatility of the market prices of commodities. Because of the low margin deposits typically required in commodity contract trading, a relatively small movement in the market price of a commodity contract may result in a disproportionately large profit or loss to a Sub-Fund. Similarly, inherent risks are involved in the trading of energy derivatives, including options and futures. Market movements can be volatile and are difficult to predict. Activities by the major power producers of commodities can

have a profound effect on spot prices which, in turn, substantially affect derivative prices, as well as the liquidity of such markets. Weather, politics, recession, inflation, trade policies, international events and other unforeseen events can also have a significant impact upon these prices. A variety of possible actions by various government agencies also can inhibit profitability or can result in losses. Such events could result in large market movements and volatile market conditions and create the risk of significant losses for the Fund.

### *Exchange-Traded Funds*

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

### *Currency Risks*

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

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

### *Emerging Markets*

A Sub-Fund may invest in emerging markets around the world or in CIS which invest in such markets, which can be extremely volatile and may involve a higher than average risk compared with funds covering established markets. For example, the systems and standards of trading, settlement, registration and custody of securities in these markets may not be as high as those of developed markets. In particular, some of the markets in which these funds may invest do not provide for settlement on a delivery versus payment basis and the risk in relation to such settlements has to be borne by the fund. In addition, lack of liquidity and inefficiency in certain emerging stock markets and foreign exchanges may mean that securities are less marketable than in more developed markets, resulting in greater price fluctuation. Such markets can also experience significant currency volatility and, accordingly, the country may have exchange controls.

### *No Independent Counsel*

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

### *Exchange Rates*

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

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

### *Interest Rate*

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

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

### *No Guarantee*

Unless the Supplement of a particular Sub-Fund provides for a capital protection or guarantee, there is no guarantee in any form or manner whatsoever with respect to the development of the value of investments. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Sub-Fund.



### *Segregation of Liability*

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

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

### *Market Volatility*

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

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

### *Credit Risk*

Investors in the Shares should be aware that such an investment may involve credit risk. Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the

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

### *Debt Securities Risk*

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

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

### *Sovereign Debt Risk*

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

in the rescheduling of such debt and to extend further loans to Governmental Entities. The above circumstances may adversely affect Net Asset Value of the relevant Sub-Fund.

#### *Mortgage-backed and Asset-backed Securities Risk*

A Sub-Fund may be exposed to risks associated with securitised instruments (e.g. mortgage-backed and asset-backed securities), such as a credit risk which relates essentially to the quality of the underlying assets, and which may vary in type and may involve liquidity risks. These instruments are based on complex operations that may also involve legal risks and other risks related to the characteristics of the underlying assets.

The value of such mortgage-backed and asset-backed securities depends on the value of the underlying collateral which is subject to market fluctuation and there is a risk that they may be downgraded due to adverse market conditions.

When interest rates rise, certain underlying obligations of the mortgage-backed securities / asset-backed securities will be paid off by the obligor more slowly than anticipated, causing the value of these obligations to fall. Rising interest rates tend to extend the duration of securities, making them more sensitive to changes in interest rates. The value of longer-term securities generally changes more in response to changes in interest rates than shorter-term securities. As a result, in a period of rising interest rates, such securities may exhibit additional volatility and may lose value.

When interest rates fall, certain underlying obligations of the mortgage-backed securities / asset-backed securities will be paid off by the obligor more quickly than originally anticipated, and the relevant Sub-Fund may have to invest the proceeds in securities with lower yields. In periods of falling interest rates, the rate of prepayments tends to increase (as does price fluctuation) as borrowers are motivated to pay off debt and refinance at new lower rates. During such periods, reinvestment of the prepayment proceeds by the relevant Sub-Fund will generally be at lower rates of return than the return on the assets that were prepaid. Prepayment reduces the yield to maturity and the average life of the security.

#### *Risks Relating to REITs and other Property-Related Companies*

The prices of equity REITs and other property-related companies are affected by changes in the value of the underlying property owned by the REITs/property-related companies and changes in capital markets and interest rates. The prices of mortgage REITs and other property-related companies are affected by the quality of any credit they extend, the creditworthiness of the mortgages they hold, as well as by the value of the property that secures the mortgages.

Under certain tax legislation, REITs and other property-related companies may avoid tax on the income they distribute if certain conditions are made. For example, under the Code, a US REIT is not taxed in the US on income it distributes to its shareholders if it complies with several requirements relating to its organisation, ownership, assets and income and a requirement that it generally distribute to its shareholders at least 90% of its taxable income (other than net capital gains) for each taxable year. However the REITs/property-related company could fail to qualify for tax-free pass-through of income under, for example, the Code. Such a failure would result in the taxation of income of a disqualified REITs/property-related company's distributed income at the REITs/property-related company level.

While the Sub-Funds will not invest in real property directly, a Sub-Fund may be subject to risks similar to those associated with the direct ownership of real property (in addition to securities market risks) because of its policy of concentrating its investments in the real estate industry.

In addition to these risks, equity REITs and other property-related companies may be affected by changes in the value of the underlying property owned by the trusts, while mortgage REITs and other property-related companies may be affected by the quality of any credit they extend. Further, REITs and other property-related companies are dependent upon management skills and generally may not be diversified. REITs and other property-related companies are also subject to heavy cash flow dependency, defaults by borrowers and self-liquidation. There is also the risk that borrowers under mortgages held by a REITs/property-related company or lessees of a property that a REITs/property-related company owns may be unable to meet their obligations to the REITs/property-related company. In the event of a default by a borrower or lessee, the REITs/property-related company may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs associated with protecting its investments. In addition to the foregoing risks, certain "special purpose" REITs/property-related companies in which a Sub-Fund may invest may have their assets in specific real property sectors, such as hotel REITs/property-related companies, nursing home REITs/property-related companies or warehouse REITs/property-related companies, and are therefore subject to the risks associated with adverse developments in these sectors.

#### *Valuation of underlying investments*

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

#### *Credit Derivatives*

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

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

protection is referred to as the "credit protection buyer" and the party which sells the credit protection is referred to as the "credit protection seller".

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

If a specified credit event occurs in respect of the relevant reference entity, or in respect of a reference obligation, the credit protection seller may be obliged to purchase the reference obligation at par (typically 100% of its face amount) from the credit protection buyer. The credit protection seller can then sell the obligation in the market at the market price which is expected to be lower than par (because the reference entity has suffered a credit event, its obligations are less likely to be met and therefore are worth less in the market). The proceeds of sale are called "recoveries". The loss that the credit protection seller incurs (par value minus recoveries) is assumed to be the same as the loss that a holder of such obligation would incur following the occurrence of a credit event. This type of credit derivative transaction is referred to as a "physically settled credit derivative transaction".

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

### *Credit linked securities*

Credit linked securities are structured so that amounts payable under the securities are determined in whole or in part by reference to a credit derivative transaction. Credit linked securities may relate to a credit derivative transaction on a single reference entity or on a portfolio of reference entities. Many credit linked securities are issued by companies resident in an offshore jurisdiction (also known as special purpose vehicles). These issuers typically use the issue proceeds of the securities to purchase other securities issued by a third party issuer, which is referred to as collateral. At the same time the issuer enters into a credit derivative transaction with a swap counterparty, also sometimes known as a "hedging counterparty". The issuer acts as the credit protection seller and the hedging counterparty is the credit protection buyer. In economic terms it might also be said the securityholders act as credit protection sellers. In exchange for the credit protection, the hedging counterparty will pay certain credit premiums to the issuer which it may pass on to securityholders in the form of interest payments. The issuer may also enter into other hedging arrangements such as an asset hedging agreement under which the issuer may swap all payment flows of the collateral

for all amounts owing to the securityholders. Where a credit event occurs under the credit derivative transaction requiring the issuer to make a payment under the credit derivative transaction, the issuer will realise an amount of the collateral to satisfy that obligation. In relation to a credit portfolio transaction this obligation will only arise where the credit protection provided by lower tranche(s) of the credit portfolio has already been used up. Where collateral is realised, the outstanding nominal amount or other relevant value of the securities will be reduced. To the extent that all the collateral is fully applied in this way, then the securities will be worthless and will be terminated early at zero. If the securities remain outstanding at maturity then the amount of collateral remaining, if any, will be applied to paying redemption amounts to securityholders.

### *Credit Ratings*

The ratings of fixed-income securities are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint. The rating on an issuer or a security is heavily weighted by past performance and does not necessarily reflect probable future conditions. There is frequently a lag between the time the rating is assigned and the time it is updated. In addition, there may be varying degrees of difference in credit risk of securities within each rating category. In the event of a down-grading of the credit rating of a security or an issuer relating to a security, the value of a Sub-Fund investing in such security may be adversely affected.

### *Liquidity Risk*

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

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

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

### *Equity Risk*

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

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

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

portfolio securities due to settlement problems could also result in losses.

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

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

#### *Potential Conflicts of Interest*

The Directors, the Manager, any relevant Investment Manager, the Depositary, the Administrator and/or associated or group companies (for the purposes hereof, "Connected Persons" and each a "Connected Person") may (i) contract or enter into any financial, banking or other transactions or arrangements with one another or with the Fund including, without limitation, investment by the Fund in securities or investment by any Connected Persons in any company or body any of whose investments form part of the assets of the Fund or be interested in any such contracts or transactions; (ii) invest in and deal with Shares, securities, assets or any property of the kind included in the property of the Fund for their respective individual accounts or for the account of a third party; and (iii) deal as agent or principal in the sale or purchase of securities and other investments to or from the Fund through or with any Connected Person.

Any assets of a Sub-Fund in the form of cash or securities may be deposited with any Connected Person. Any assets of a Sub-Fund in the form of cash may be invested in certificates of deposit or banking investments issued by any Connected Person. Banking or similar transactions may also be undertaken with or through a Connected Person.

#### *High Yield Risk*

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

#### *Change of Law*

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

#### *Political Factors*

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

### *Changes in the UK political environment*

The UK has left the European Union, with a transitional period during which European Union law continued to apply, ending on 31 December 2020. The European Union-United Kingdom Trade and Co-operation Agreement (the "TCA") was ratified at the end of 2020 and has provisionally applied since 1 January 2021 when the transition period ended. It is not yet certain how the TCA will operate in practice and there remains a degree of on-going political, economic and legal uncertainty as regards the structure of the future relationship between the UK and the European Union.

Other member states of the European Union may also reconsider their European Union membership. This could result in one or more other countries leaving the European Union, or in major reforms or other changes being made to the European Union or to the Eurozone. The nature and extent of the impact of any such changes are uncertain, but may be significant.

### *Depositary Risk*

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

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

### *Operational Risk*

An investment in a Sub-Fund, like any fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failure in systems and technology, changes in personnel, infiltration by unauthorised persons



and errors caused by service providers such as the Manager, any Investment Manager, the Depositary or the Administrator. While the Fund seeks to minimise such events through controls and oversight, there may still be failures that could cause losses to a Sub-Fund.

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

#### *Capital Erosion Risk*

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

#### *Operation of Cash Accounts*

The Fund has established an account at umbrella level in the name of the Fund into which subscription, redemption and dividend monies shall be lodged. All subscriptions, redemptions or dividends payable to or from the relevant Sub-Fund will be channelled and managed through this umbrella level account and no such accounts shall be operated at the level of each individual Sub-Fund. The umbrella cash account shall be operated in accordance with the provisions of the Instrument.

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

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

#### *Maximum Redemption Amount*

The Fund will have the option to limit the number of Shares of any Sub-Fund redeemed on any Redemption Day to 10% of the total Net Asset Value of that Sub-Fund and, in conjunction with such limitation, to pro rata limit the number of Shares redeemed by any Shareholder on such Redemption Day so that all Shareholders wishing to have Shares of that Sub-Fund redeemed on that Redemption Day realise the same proportion of such Shares. In the event the Fund elects to limit the number of Shares redeemed on such date to 10% of the Net Asset

Value of the Sub-Fund, a Shareholder may not be able to redeem on such Redemption Day all the Shares that it desires to redeem. Investors should review this Prospectus and the relevant Supplement to ascertain whether and how such provisions apply.

#### *Redemption Notice and Certifications*

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

#### *Cross Liability between Classes*

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

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

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

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

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

If the Fund fails for any reason to meet its obligations or liabilities, or is unable to pay its debts, a creditor may be entitled to make an application for the winding-up of the Fund. The commencement of such proceedings may entitle creditors to terminate contracts with the Fund and claim damages for any loss arising from such early termination. The commencement of such proceedings may result in the Fund being dissolved at a time and its assets (including the assets of all Sub-Funds) being realised and applied to pay the fees and expenses of the appointed liquidator or other insolvency officer, then in satisfaction of debts preferred by law and then in payment of the Fund's liabilities, before any surplus is distributed to the

shareholders of the Fund. In the event of proceedings being commenced, the Fund may not be able to pay, in full or at all, the amounts anticipated in respect of any Class or Sub-Fund.

### *Investment in CIS*

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

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

CIS may have different settlement cycles than that of the Sub-Funds. Thus, there may be mismatch between the two settlement cycles causing the Sub-Funds to use borrowing on a temporary basis to meet such obligations. This may result in charges being incurred by the relevant Sub-Fund. Any such borrowing will comply with the UCITS Rules.

Each CIS may not be valued at the same time or on the same day as the relevant Sub-Fund and accordingly the net asset value of such CIS used in the calculation of the Net Asset Value of the relevant Sub-Fund will be the latest available net asset value of such CIS.

CIS may be leveraged. This includes the use of borrowed funds and investments in derivatives. Also, they may engage in short sales. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of the relevant Sub-Fund.

To the extent that the relevant Sub-Fund is invested in CIS, the success of the relevant Sub-Fund shall depend upon the ability of the CIS to develop and implement investment strategies that achieve the relevant Sub-Funds' investment objective. Subjective decisions made by the CIS may cause the relevant Sub-Fund to incur losses or to miss profit opportunities on which it could otherwise have capitalised. In addition, the overall performance of the relevant Sub-Fund will be dependent not only on the investment performance of the CIS, but also on the ability of the Manager and or an Investment Manager to select and allocate the Sub-Funds' assets among such CIS effectively on an on-going basis. There can be no assurance that the allocations made by the Manager and/or an Investment Manager will prove as successful as other allocations that might otherwise have been made, or as adopting a static approach in which CIS are not changed.

### *Legal Risks*

Risks associated with the Russian legal system include (i) the untested nature of the independence of the judiciary and its immunity from economic, political or nationalistic influences; (ii) inconsistencies among laws, Presidential decrees and Government and ministerial orders and resolutions; (iii) the lack of judicial and administrative guidance on

interpreting applicable laws; (iv) a high degree of discretion on the part of government authorities; (v) conflicting local, regional and federal laws and regulations; (vi) the relative inexperience of judges and courts in interpreting new legal norms and (vii) the unpredictability of enforcement of foreign judgements and foreign arbitration awards.

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

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

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

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

### *Investing through Stock Connect*

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

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

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

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

Hong Kong Stock Connect, a Sub-Fund may trade SZSE securities through the Hong Kong brokers. These include all the constituent stocks of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index which have a market capitalization of not less than RMB 6 billion, and all the SZSE-listed China A Shares which have corresponding H-Shares listed on SEHK, except SZSE-listed shares which are not traded in RMB and SZSE-listed shares which are under risk alert, suspended from listing by the SZSE or under delisting arrangement.

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

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

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

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

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

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

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

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

On 14 November 2014, the Ministry of Finance, the State of Administration of Taxation and the CSRC jointly issued a notice in relation to the taxation rule on the Stock Connects under Caishui 2014 No.81 ("Notice No.81"). Under Notice No.81, corporate income tax and individual income tax will be temporarily exempted on gains derived by Hong Kong and overseas resident investors on the trading of China A Shares through the Stock Connects with effect from 17 November 2014. However, Hong Kong and overseas investors are required to pay tax on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant authority by the listed companies, unless an applicable double tax treaty could be applied to reduce the dividend withholding tax rate. As a result of Notice No.81, the uncertainty of providing for tax on gains derived from the disposal of Chinese securities now solely relates to investment in other types of Chinese securities (e.g. China B or H Shares).

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

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

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

### *Investments in Japan*

Japan is located in a part of the world that has historically been prone to natural disasters, such as earthquakes, volcanoes, and tsunamis, and is economically sensitive to environmental events. In addition, the nuclear power plant catastrophe in March 2011 may have short-term and long-term effects on the nuclear energy industry, the extent of which are currently unknown. As with other countries, Japan may be subject to political and economic risks. Political developments may lead to changes in policy which might adversely affect a Sub-Fund's investments. The Japanese economy is heavily dependent on foreign trade and can be adversely affected by trade tariffs and other protectionist measures. In addition, some Japanese reporting, accounting and auditing practices vary from the accounting principles generally accepted in other developed countries. Any of these risks, individually or in the aggregate, could result in a significant adverse impact on the Japanese economy and the

securities to which a Sub-Fund has exposure and, in turn, result in a loss to your investment.

### *Emerging Markets*

Following a purchase of investments by any Sub-Fund, such investments may decline in value so that the value of such investments is less than the price originally paid for them. The market for such emerging market investments may be highly volatile which could also result in a decline in the value of such investments. Accordingly investment in such emerging markets carries a high degree of risk.

There can be no assurance that there will be any market for any investments acquired by any Sub-Fund or, if there is such a local market, that there will exist a secure method of delivery against payment which would, in the event of a sale by or on behalf of the Sub-Fund, avoid exposure to counterparty risk on the buyer. It is possible that even if a market exists for such investment, that market may be highly illiquid. Such lack of liquidity may adversely affect the value or ease of disposal of such investments.

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

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

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

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

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

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

a Sub-Fund's income from its various investments as well as adversely affecting the value of equity in which a Sub-Fund has invested and also have the potential to negatively alter the value and timing of a Sub-Fund's distributions to investors.

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

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

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

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

Although many companies in which a Sub-Fund may hold shares may have operated profitably in the past in an inflationary environment, past performance is no assurance of future performance. Inflation may adversely affect any economy and the value of companies' shares.

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

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

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



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

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

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

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

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

The ability of a Sub-Fund to make distributions, in the form of dividends or otherwise, and maintain Net Asset Value will be dependent upon the ability and willingness of those whose

obligations the relevant Sub-Fund acquires to make payment on such obligations as they become due. In the event that any such obligor were to default on the obligations, not only could distributions from a Sub-Fund be diminished or suspended but the Sub-Fund's ability to sell, and potentially realise "distressed" obligation or to "salvage" value on, such obligations could be impaired.

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

#### *Corruption and Organised Crime*

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

#### *Investment in Unquoted Securities*

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

#### *Certain Hedging Considerations*

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

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

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

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

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

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

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

A Sub-Fund may enter into transactions in over the counter markets, which will expose the Sub-Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts.

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

#### *Collateral Risk*

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

#### *Reinvestment of Cash Collateral*

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

#### *Counterparty Rating Downgrade Risk*

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

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

#### *Other Derivatives Risks*

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

perfectly or even highly correlate or replicate the value of the securities, rates or indices they are designed to replicate. Consequently, a Sub-Fund's use of derivative techniques may not always be an effective means of, and sometimes could be counterproductive to, following such Sub-Fund's investment objective.

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

#### *Securities Lending*

As with any extensions of credit, there are risks of delay and recovery. A stock lending transaction will involve the receipt of collateral. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. However there is a risk that the value of the collateral may fall and the relevant Sub-Fund suffer loss as a result.

#### *Repurchase Agreements*

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

#### *Efficient Portfolio Management Risk*

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

#### *Risks Associated with Collateral Management*

Where a Sub-Fund enters into an over the counter derivative contract or a Securities Financing Transaction, it may be required to pass collateral to the relevant counterparty or broker.

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

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

### *Tax Risks*

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

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

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

The tax aspects of an investment in a Sub-Fund are complicated and each prospective investor should have them reviewed by professional advisers familiar with such investor's personal tax situation and with the tax laws and regulations applicable to the investor and

private investment vehicles. The Fund and each of the Sub-Funds are not intended and should not be expected to provide any tax shelter.

### *FATCA*

The United States and Ireland have entered into an intergovernmental agreement to implement FATCA (the "IGA"). Under the IGA, an entity classified as a Foreign Financial Institution (an "FFI") that is treated as resident in Ireland is expected to provide the Irish tax authorities with certain information in respect of its "account" holders (i.e. Shareholders). The IGA provides for the automatic reporting and exchange of information between the Irish tax authorities and the IRS in relation to accounts held in Irish FFIs by US persons, and the reciprocal exchange of information regarding US financial accounts held by Irish residents. Provided the Fund complies with the requirements of the IGA and the Irish legislation, it should not be subject to FATCA withholding on any payments it receives and may not be required to withhold on payments which it makes.

Although the Fund will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. In order to satisfy its FATCA obligations, the Fund will require certain information from investors in respect of their FATCA status. If the Fund becomes subject to a withholding tax as a result of the FATCA regime, the value of the Shares held by all Shareholders may be materially affected.

All prospective investors and Shareholders should consult with their own tax advisers regarding the possible implications of FATCA on an investment in a Sub-Fund.

### *CRS*

Ireland has provided for the implementation of CRS through section 891F of the Taxes Act and the enactment of the Returns of Certain Information by Reporting Financial Institutions Regulations 2015.

The CRS is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.

The Fund is a Reporting Financial Institution for CRS purposes and will be required to comply with Irish CRS requirements. In order to satisfy such requirements, the Fund will require its investors to provide certain information in respect of their tax residence and may, in some cases, require information in relation to the tax residence of the beneficial owners of the investor. The Fund, or a person appointed by the Fund, will report the information required to the Revenue Commissioners by 30 June in the year following the year of assessment for which a return is due. The Revenue Commissioners will share the appropriate information with the relevant tax authorities in participating jurisdictions.

All prospective investors and Shareholders should consult with their own tax advisers regarding the possible CRS implications of an investment in the Fund.

### *Data Protection*

Under the Data Protection Legislation, data controllers are subject to additional obligations including, amongst others, accountability and transparency requirements whereby the data controller is responsible for, and must be able to demonstrate compliance with the rules set down in the Data Protection Legislation relating to data processing and must provide data

subjects with more detailed information regarding the processing of their personal data. Other obligations imposed on data controllers include enhanced data consent requirements and the obligation to report any personal data breach to the relevant supervisory authority without undue delay. Under the Data Protection Legislation, data subjects are afforded additional rights, including the right to rectify inaccurate personal information, the right to have personal data held by a data controller erased in certain circumstances and the right to restrict or object to processing in a number of circumstances.

The implementation of the Data Protection Legislation may result in increased operational and compliance costs being borne directly or indirectly by the Fund. Further, there is a risk that due to changes in interpretation or guidance which emerge with respect to the Data Protection Legislation over time, the Fund or its services providers will be required to implement measures in a different manner to how they are currently being implemented. If there are breaches of these measures by the Fund or any of its service providers, the Fund or its service providers could face significant administrative fines and/or be required to compensate any data subject who has suffered material or non-material damage as a result as well as the Fund suffering reputational damage which may have a material adverse effect on its operations and financial conditions.

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

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

#### *Investment Selection*

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

#### *No Input into Fund Affairs*

Except for the voting rights attaching to Shares, investors have no right to take part in the conduct, management, operation or control of the Fund, a Sub-Fund or the Fund's business.

#### *Valuations of Fund Investments*

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

#### *Conflicts of Interest*

Investment decisions may be subject to a number of inherent conflicts of interests.

#### *Effect of Substantial Redemptions*

Substantial redemptions within a short period of time could require a Sub-Fund to liquidate securities positions more rapidly than would otherwise be desirable, possibly reducing the



value of the Sub-Fund's assets and/or disrupting an Investment Manager's investment strategy.

*Suspension of Redemptions and Distributions*

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

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

### APPENDIX 3 – ELIGIBLE MARKETS

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

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

Exchange, Zambia: the Lusaka Stock Exchange;

3. The investments of any Sub-Fund may comprise in whole or in part derivatives dealt in on the market organised by the International Capital Markets Association; the over-the-counter market in the US conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and by the Financial Industry Regulatory Authority (FINRA) and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation; the market conducted by listed money market institutions as described in the Financial Services Authority publication entitled "The Regulation of the Wholesale Cash and OTC Derivatives Markets": "The Grey Paper" (as amended or revised from time to time); the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan; AIM - the Alternative Investment Market in the U.K., regulated by the London Stock Exchange; the French Market for Titres de Créance Négociable (over-the-counter market in negotiable debt instruments); the over-the-counter market in Canadian government bonds regulated by the Investment Dealers Association of Canada; the American Stock Exchange, Australian Stock Exchange, Bolsa Mexicana de Valores, Chicago Board of Trade, Chicago Board Options Exchange, Chicago Mercantile Exchange, Copenhagen Stock Exchange (including FUTOP), Eurex Deutschland, Euronext Amsterdam, OMX Exchange Helsinki, Hong Kong Stock Exchange, Kansas City Board of Trade, Financial Futures and Options Exchange, Euronext Paris, MEFF Rent Fiji, MEFF Renta Variable, Montreal Stock Exchange, New York Futures Exchange, New York Mercantile Exchange, New York Stock Exchange, New Zealand Futures and Options Exchange, EDX London, OM Stockholm AB, Osaka Securities Exchange, Pacific Stock Exchange, Philadelphia Board of Trade, Philadelphia Stock Exchange, Singapore Stock Exchange, South Africa Futures Exchange (SAFEX), Sydney Futures Exchange, The National Association of Securities Dealers Automated Quotations System (NASDAQ); Tokyo Stock Exchange; Toronto Stock Exchange. Each Sub-Fund may invest in over-the-counter financial derivative instruments and foreign exchange contracts which are listed or traded on derivative markets in the EEA Area.

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

## APPENDIX 4 – DEPOSITARY SUB-CUSTODIANS AND DELEGATE INFORMATION

1. Jurisdiction	2. Sub-custodian	3. Sub-custodian Delegate
<b>Argentina</b>	Citibank N.A., Buenos Aires Branch	
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
<b>Austria</b>	UniCredit Bank Austria AG	
<b>Bahrain</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Bangladesh</b>	Standard Chartered Bank	
<b>Belgium</b>	The Northern Trust Company	
<b>Bosnia and Herzegovina (Federation of Bosnia-Herzegovina)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Bosnia and Herzegovina (Republic of Srpska)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Botswana</b>	Standard Chartered Bank Botswana Limited	
<b>Brazil</b>	Citibank N.A., Brazilian Branch	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	
<b>Canada</b>	Royal Bank of Canada	
<b>Chile</b>	Citibank N.A.	Banco de Chile

<b>China A Share</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
<b>China B Share</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
<b>Clearstream</b>	Clearstream Banking S.A	
<b>Colombia</b>	Cititrust Columbia S.A. Sociedad Fiduciaria	
<b>Costa Rica</b>	Banco Nacional de Costa Rica	
<b>Croatia</b>	UniCredit Bank Austria AG	Zagrebacka Banka d.d.
<b>Cyprus</b>	Citibank Europe PLC	
<b>Czech Republic</b>	UniCredit Bank Czech Republic and Slovenia, a.s.	
<b>Denmark</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>Egypt</b>	Citibank N.A., Cairo Branch	
<b>Estonia</b>	Swedbank AS	
<b>Euroclear</b>	Euroclear Bank S.A/N.V	
<b>Finland</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>France</b>	The Northern Trust Company	

<b>Germany</b>	The Northern Trust Company	
<b>Ghana</b>	Standard Chartered Bank Ghana Limited	
<b>Greece</b>	Citibank Europe PLC	
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hong Kong (Stock and Bond Connect)</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hungary</b>	Citibank Europe plc.	
<b>Iceland</b>	Landsbankinn hf.	
<b>India</b>	Citibank N.A.	
<b>Indonesia</b>	Standard Chartered Bank	
<b>Ireland</b>	The Northern Trust Company, London	
<b>Israel</b>	Citibank, N.A., Israel Branch	
<b>Italy</b>	Citibank Europe plc	
<b>Japan</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Jordan</b>	Bank of Jordan Plc	

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

<b>Norway</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>Oman</b>	First Abu Dhabi PJSC, Oman Branch	
<b>Pakistan</b>	Citibank N.A., Karachi Branch	
<b>Panama</b>	Citibank N.A., Panama Branch	
<b>Peru</b>	Citibank del Peru S.A.	
<b>Philippines</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Poland</b>	Bank Handlowy w Warszawie S.A	
<b>Portugal</b>	BNP Paribas SA	
<b>Qatar</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Romania</b>	Citibank Europe PLC	
<b>Russia</b>	AO Citibank	
<b>Saudi Arabia</b>	The Northern Trust Company of Saudi Arabia	
<b>Serbia</b>	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
<b>Singapore</b>	The Hongkong and Shanghai Banking Corporation Limited	



<b>Slovakia</b>	Citibank Europe PLC	
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.	
<b>South Africa</b>	The Standard Bank of South Africa Limited	
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Spain</b>	Citibank Europe plc	
<b>Sri Lanka</b>	Standard Chartered Bank	
<b>Sweden</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>Switzerland</b>	UBS AG Switzerland	
<b>Taiwan</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Taiwan) Limited
<b>Tanzania</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
<b>Thailand</b>	Citibank N.A., Bangkok Branch	
<b>Tunisia</b>	Union Internationale de Banques	
<b>Turkey</b>	Citibank A.S.	
<b>United Arab Emirates (ADX)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch

<b>United Arab Emirates (DFM)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (NASDAQ)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>Uganda</b>	Standard Chartered Bank Uganda Limited	
<b>Ukraine (Market suspended)</b>	JSC "Citibank"	
<b>United Kingdom</b>	Euroclear UK & International Limited (Northern Trust self-custody)	
<b>United States</b>	The Northern Trust Company	
<b>Uruguay</b>	Banco Itau Uruguay S.A.	
<b>Vietnam</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
<b>West Africa (JEMOA)</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
<b>Zambia</b>	Standard Chartered Bank Zambia PLC	
<b>Zimbabwe</b>	The Standard bank of South Africa Limited	Stanbic Bank Zimbabwe Limited